



ANNUAL REPORT

2017-2018 年報

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BOARD OF DIRECTORS

Executive Directors

Mr. ZHU Xiaojun (*Chairman*)
Mr. KANG Jianming
Ms. CAI Jiaying
Mr. YIN Wansun

Independent Non-executive Directors

Ms. ZHAO Hong
Mr. CHAU Wai Hing
Mr. LEUNG Man Ho (*Appointed on 19 June 2017*)
Dr. HE Chengying (*Resigned on 1 April 2017*)

BOARD COMMITTEES

Audit Committee

Ms. ZHAO Hong (*Chairman*)
Mr. CHAU Wai Hing
Mr. LEUNG Man Ho (*Appointed on 19 June 2017*)
Dr. HE Chengying (*Resigned on 1 April 2017*)

Remuneration Committee

Ms. ZHAO Hong (*Chairman*)
Mr. ZHU Xiaojun
Mr. LEUNG Man Ho (*Appointed on 19 June 2017*)
Dr. HE Chengying (*Resigned on 1 April 2017*)

Nomination Committee

Ms. ZHAO Hong (*Chairman*)
(*Appointed as Chairman on 16 June 2017*)
Mr. ZHU Xiaojun
Mr. CHAU Wai Hing
Mr. LEUNG Man Ho (*Appointed on 19 June 2017*)
Dr. HE Chengying (*Resigned on 1 April 2017*)

AUTHORISED REPRESENTATIVES

Ms. CAI Jiaying
Mr. FUNG Wing Kam Terence

COMPANY SECRETARY

Mr. FUNG Wing Kam Terence

PRINCIPAL BANKER

Hang Seng Bank Limited

董事會

執行董事

朱曉軍先生(*主席*)
康建明先生
蔡佳櫻女士
殷苑蓀先生

獨立非執行董事

趙竑女士
周偉興先生
梁文豪先生(*於2017年6月19日獲委任*)
何誠穎博士(*於2017年4月1日辭任*)

董事委員會

審核委員會

趙竑女士(*主席*)
周偉興先生
梁文豪先生(*於2017年6月19日獲委任*)
何誠穎博士(*於2017年4月1日辭任*)

薪酬委員會

趙竑女士(*主席*)
朱曉軍先生
梁文豪先生(*於2017年6月19日獲委任*)
何誠穎博士(*於2017年4月1日辭任*)

提名委員會

趙竑女士(*主席*)
(*於2017年6月16日獲委任為主席*)
朱曉軍先生
周偉興先生
梁文豪先生(*於2017年6月19日獲委任*)
何誠穎博士(*於2017年4月1日辭任*)

授權代表

蔡佳櫻女士
馮永淦先生

公司秘書

馮永淦先生

主要往來銀行

恆生銀行有限公司

AUDITOR

PricewaterhouseCoopers
(Resigned on 29 September 2017)
BDO Limited
(Appointed on 29 September 2017)

LEGAL ADVISOR (AS TO HONG KONG LAWS)

Michael Li & Co.

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 708, 7th Floor
Champion Tower
3 Garden Road
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

1386

COMPANY'S WEBSITE

www.vestategroup.com

核數師

羅兵咸永道會計師事務所
(於2017年9月29日辭任)
香港立信德豪會計師事務所有限公司
(於2017年9月29日獲委任)

法律顧問(香港法律)

李智聰律師事務所

註冊辦事處

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

總辦事處及主要營業地址

香港
中環
花園道三號
冠君大廈
7樓708室

主要股份過戶登記處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

股份代號

1386

公司網址

www.vestategroup.com

Financial and Operational Highlights

財務及經營摘要

| | | For the year ended 31 March 截至3月31日止年度 | | % change increase/ (decrease) 增加/(減少) %變動 |
|---|--------------|---|---------|---|
| | | 2018 | 2017 | |
| Revenue (HK\$'million) | 收益(百萬港元) | 346 | 562 | (38.4%) |
| Gross profit (HK\$'million) | 毛利(百萬港元) | 175 | 289 | (39.3%) |
| Operating loss (HK\$'million) | 經營虧損(百萬港元) | (146) | (221) | (33.9%) |
| Per share | 每股 | | | |
| Basic loss per share (HK cents) | 每股基本虧損(港仙) | (29.14) | (31.96) | (8.8%) |
| Diluted loss per share (HK cents) | 每股攤薄虧損(港仙) | (29.14) | (31.96) | (8.8%) |
| Net asset value per share (HK\$) | 每股資產淨值(港元) | 0.05 | 0.30 | (83.3%) |
| Share price | 股價 | | | |
| — High (HK\$) | — 高(港元) | 1.430 | 2.120 | (32.5%) |
| — Low (HK\$) | — 低(港元) | 1.140 | 1.200 | (5.0%) |
| Financial ratios | 財務比率 | | | |
| Gross profit margin (%) | 毛利率(%) | 50.6% | 51.4% | (0.8) pt 百分點 |
| Average inventory turnover (days) | 平均存貨周轉期(日) | 245 | 238 | 2.9% |
| Average trade receivables turnover (days) | 平均應收賬款周轉期(日) | 41 | 37 | 10.8% |
| Average trade payables turnover (days) | 平均應付賬款周轉期(日) | 194 | 123 | 57.7% |
| Gearing ratio (%) | 資產負債比率(%) | | | |
| — Borrowing to total assets | — 借貸對總資產 | 68.7% | 35.5% | 33.2 pt 百分點 |
| — Borrowing to net asset value | — 借貸對資產淨值 | 1,356.4% | 103.7% | 1252.7 pt 百分點 |
| Return on total assets (%) | 總資產回報(%) | (28.4%) | (33.2%) | 4.8 pt 百分點 |
| Return on shareholders' fund (%) | 股東資金回報(%) | (560.9%) | (96.8%) | 464.1 pt 百分點 |
| | | As at 31 March 於3月31日 | | % change increase/ (decrease) 增加/(減少) %變動 |
| | | 2018 | 2017 | |
| Shareholders' funds (HK\$'000) | 股東資金(千港元) | 37,203 | 216,326 | (82.8%) |
| Total assets (HK\$'000) | 總資產(千港元) | 734,639 | 631,341 | 16.4% |
| Number of shares in issue ('000) | 已發行股份數目(千股) | 716,190 | 716,190 | — |

Management Discussion and Analysis

管理層討論及分析

The board of directors (“**Board**” and “**Directors**” respectively) of Vestate Group Holdings Limited (“**Company**”) presents the audited consolidated results of the Company and its subsidiaries (collectively, “**Group**”) for the year ended 31 March 2018 (“**Year**”).

GROUP'S BUSINESS OVERVIEW

The Group is principally engaged in the development and retailing of a diversified range of footwear products under its own brands, namely, ACUPUNCTURE, ARTEMIS, COUBER.G, FORLERIA, A+A2, TRU-NARI, and WALACI, through its self-managed retail shops (“**Self-managed Shops**”), concession points in department stores (“**Concession Points**”) and franchised stores (“**Franchised Stores**”). The Group possesses an extensive sales network across the regions of the People's Republic of China (“**PRC**”), Hong Kong and Taiwan.

As at 31 March 2018, the Group operated a total of 25 Self-managed Shops (4 in the PRC and 21 in Hong Kong), 280 Concession Points (270 in the PRC, 2 in Hong Kong and 8 in Taiwan) and 1 Franchised Stores in the PRC. During the Year, the Group had a net decrease of 13 Self-managed Shops, 88 Concession Points and 59 Franchised Stores. The following table summarizes the number and distribution of Self-managed Shops, Concession Points and Franchised Stores (collectively, “**Retail Points**”) in terms of geographical regions as at 31 March 2018 as compared to last year.

As at 31 March

| | | 2018 | | | | 2017 | | | |
|----------------|----|---------------------------|----------------------------|-----------------------------|-------------|---------------------------|----------------------------|-----------------------------|-------------|
| Region | 地區 | Self-managed Shops 自營店 | Concession Points 特許銷售點 | Franchised Stores 特許經營店舖 | Total 總計 | Self-managed Shops 自營店 | Concession Points 特許銷售點 | Franchised Stores 特許經營店舖 | Total 總計 |
| The PRC | 中國 | | | | | | | | |
| Beijing | 北京 | 3 | 62 | — | 65 | 5 | 83 | 3 | 91 |
| Eastern China | 華東 | — | 57 | — | 57 | — | 74 | 2 | 76 |
| Southern China | 華南 | 1 | 29 | — | 30 | 1 | 44 | — | 45 |
| Western China | 華西 | — | 33 | — | 33 | — | 51 | 6 | 57 |
| Central China | 華中 | — | 49 | — | 49 | — | 59 | 25 | 84 |
| Northern China | 華北 | — | 40 | 1 | 41 | — | 47 | 24 | 71 |
| Sub-total | 小計 | 4 | 270 | 1 | 275 | 6 | 358 | 60 | 424 |
| Hong Kong | 香港 | 21 | 2 | — | 23 | 32 | 1 | — | 33 |
| Taiwan | 台灣 | — | 8 | — | 8 | — | 9 | — | 9 |
| Total | 總計 | 25 | 280 | 1 | 306 | 38 | 368 | 60 | 466 |

國投集團控股有限公司(「本公司」)董事會(分別為「**董事會**」及「**董事**」)呈報本公司及其附屬公司(統稱「**本集團**」)截至2018年3月31日止年度(「**本年度**」)之經審核綜合業績。

集團業務回顧

本集團主要業務為透過其自營零售店(「**自營店**」)、百貨公司特許銷售點(「**特許銷售點**」)及特許經營店舖(「**特許經營店舖**」)發展及零售自家品牌ACUPUNCTURE、ARTEMIS、COUBER.G、FORLERIA、A+A2、TRU-NARI及WALACI之各種鞋類產品。本集團於中華人民共和國(「**中國**」)、香港及台灣地區擁有廣泛銷售網絡。

於2018年3月31日，本集團經營合共25間自營店(4間位於中國及21間位於香港)、280間特許銷售點(270間位於中國、2間位於香港及8間位於台灣)及1間位於中國之特許經營店舖。於本年度，本集團之自營店、特許銷售點及特許經營店舖分別淨減13間、88間及59間。下表概述於2018年3月31日按地區劃分之自營店、特許銷售點及特許經營店舖(統稱「**零售點**」)之數目及分佈與去年之比較。

於3月31日

Management Discussion and Analysis

管理層討論及分析

Subsequent to the completion of the acquisition of China Consume Financial Holdings Company Limited (“CCF”), the Group is engaged in the e-Commerce and e-Payment business. CCF obtained the authorization from UnionPay International to provide the services for payment clearance of transactions between the merchants and UnionPay. During the Year, CCF commences its e-Commerce and e-Payment business containing online and offline payment services. At present, CCF focuses on online and offline payment services of UnionPay Online Payment and the Point of Sale terminals respectively. The Group intended to sell e-Commerce and e-Payment business and planned to cooperate with investors with technical expertise and abundant resources to integrate their edges and resources, thereby strengthening its position in the e-Commerce and e-Payment industry.

During the Year, the Group obtained licences to carry out Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance, and also holds a Money Lenders Licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). During the Year, the Group commenced to carry out its financial services business in Hong Kong offering the diversified financial services including securities brokerage services and money lending to institutional and retail clients.

MARKET REVIEW

Stock market has been in wild swings amid mounting trade tension between the PRC and the U.S., despite that the real trade war has not been triggered. Benefited from the increasing national income which drove up purchasing power, the domestic consumption in the PRC has been boosted, with no influence from the trade relationship. Although domestic demand has fueled the rapid growth of the retail industry in the PRC, the young middle class with strong purchasing power is considered as major consumers, and online shopping is their major consumption pattern. Due to the low entry cost, a large amount of competitors are being attracted to participate in industry of online shopping. All these adverse factors significantly undermined the profitability of the Group's physical stores and online stores. In addition, the rising operating cost has adversely affected the performance of the Group.

BUSINESS REVIEW

For the Year, the Group recorded a decrease of 38.4% in its consolidated revenue to approximately HK\$346 million (2017: HK\$562 million). Revenue from the PRC, Hong Kong and Taiwan markets decreased by 42.3%, 26% and 7% respectively. The overall same store sales of the Group dropped by approximately 28.2% and the overall gross profit margin of the Group decreased by 0.8 percentage points to 50.6%. The Group's overall operating expenses as a percentage of turnover increased by 11.2 percentage points. Loss attributable to the equity holders was approximately HK\$209 million (2017: HK\$210 million). Loss per share attributable to equity holders amounted to approximately HK\$29.14 cents (2017: HK\$31.96 cents).

於中國消費金融控股有限公司(「CCF」)之收購事項完成後，本集團從事電子商務及電子支付業務。CCF從銀聯國際取得授權，向其商戶與銀聯之間之交易提供結算支付服務。於本年度，CCF開展其電子商務及電子支付業務，當中包括線上及線下支付服務。目前，CCF分別專注於銀聯在線支付及銷售點終端機之線上及線下支付業務。本集團有意出售電子支付及電子商務的業務，計劃與具備專業技術能力和業務資源的投資者合作，將雙方優勢資源整合，鞏固在電子商務及電子支付行業的地位。

於本年度，本集團取得可進行證券及期貨條例項下第1類(證券交易)及第9類(資產管理)受規管活動之牌照，並持有香港法例第163章《放債人條例》項下之放債人牌照。於本年度內，本集團開始於香港進行其金融服務業務，為機構及零售客戶提供多元化金融服務，包括證券經紀服務及放債。

市場回顧

中美雙方在貿易問題上劍拔弩張，雖然未引發真正貿易戰，但已經令市場震盪。對中國而言，隨着國民的收入增加，推升消費能力，從而帶動內需消費，完全不受貿易關係影響。儘管中國內需帶動零售業，但具消費力的一群以年輕中產階層為主，他們的消費模式主要是線上購物，而線上零售因為入門成本較低，吸引大量競爭者入行，這種種不利因素，嚴重打擊本集團實體店及網絡店的收入。加上營運成本持續上漲對本集團表現有負面影響。

業務回顧

於本年度，本集團錄得綜合收益減少38.4%至約346百萬港元(2017年：562百萬港元)。來自中國、香港及台灣市場之收益分別下降42.3%、26%及7%。本集團之整體同店銷售下跌約28.2%，而本集團之整體毛利率則下跌0.8個百分點至50.6%。本集團之整體經營費用佔營業額的比率上升11.2個百分點。權益持有人應佔虧損約為209百萬港元(2017年：210百萬港元)。權益持有人應佔每股虧損約為29.14港仙(2017年：31.96港仙)。

Management Discussion and Analysis

管理層討論及分析

The three geographical market segments, namely the PRC, Hong Kong and Taiwan accounted for 72%, 26% and 2% of the Group's total revenue respectively (2017: 78%, 21% and 1%).

Various measures on inventory management were taken during the Year in order to clear excessive stocks and maintain a healthy inventory level. As at 31 March 2018, the Group's inventory balance (net) was HK\$97 million, down 26.8% from HK\$133 million as at 31 March 2017.

The PRC

During the Year, the revenue generated in the PRC was approximately HK\$251 million (2017: HK\$434 million), representing a decrease of 42.3% as compared to the previous year. The operation in PRC incurred a loss of HK\$54 million for the Year (2017: HK\$51 million).

Same store sales dropped by approximately 31.6% and operating deficit to revenue ratio increased by 9.8 percentage points as compared to last year.

Hong Kong

During the Year, the revenue generated in Hong Kong was approximately HK\$88 million (2017: HK\$119 million), representing a decrease of 26% as compared to the previous year. The operating loss in Hong Kong decreased by HK\$16 million, representing an decrease of 42% as compared to last year. Same store sales dropped by approximately 11% while operating deficit to revenue ratio decreased by 6.7 percentage points to 24.5% as compared to last year.

Taiwan

During the Year, the revenue generated in Taiwan was approximately HK\$7 million (2017: HK\$8 million), representing a decrease of 7% as compared to the last year. The operating loss in Taiwan increased by HK\$0.4 million, representing an increase of 94.8% as compared to last year. Same store sales decreased by approximately 2.5% while operating deficit to revenue ratio raised by 5.7 percentage points to 10.9% as compared to last year.

中國、香港及台灣三個地區市場分部佔本集團總收益分別為72%、26%及2% (2017年：78%、21%及1%)。

於本年度，本集團採用多項存貨管理措施，以清理過多存貨並維持良好存貨水平。於2018年3月31日，本集團之淨存貨結餘為97百萬港元，較於2017年3月31日之133百萬港元下跌26.8%。

中國

於本年度，來自中國之收益約為251百萬港元 (2017年：434百萬港元)，較去年下降42.3%。於本年度，中國之經營產生虧損54百萬港元 (2017年：51百萬港元)。

與去年比較，同店銷售下跌約31.6%，而經營虧損與收益之比率則上升9.8個百分點。

香港

於本年度，來自香港之收益約為88百萬港元 (2017年：119百萬港元)，較去年下降26%。香港之經營虧損減少16百萬港元，較去年減少42%。與去年比較，同店銷售下跌約11%，而經營虧損與收益之比率則下跌6.7個百分點至24.5%。

台灣

於本年度，來自台灣之收益約為7百萬港元 (2017年：8百萬港元)，較去年下降7%。台灣之經營虧損增加0.4百萬港元，較去年上升94.8%。與去年比較，同店銷售下跌約2.5%，而經營虧損與收益之比率則上升5.7個百分點至10.9%。

FINANCIAL REVIEW

Financial Position

The Group maintained a stable financial position throughout the Year. It financed its operations with internal funding, issuing the bonds and bank borrowings.

As at 31 March 2018, the Group had cash and cash equivalents amounting to HK\$54 million (2017: HK\$33 million) and outstanding bank borrowing bearing a fixed interest rate of HK\$5 million (2017: HK\$5 million) with a maturity of less than one year. The bank loan was denominated in New Taiwan dollars. The Group had no outstanding bank borrowing bearing a floating interest rate (2017: HK\$67 million) as at 31 March 2018. Current and non-current convertible bonds were approximately HK\$18 million and HK\$137 million respectively. As at 31 March 2018, the current ratio stood at 3.3 times (2017: 1.0 times) and the gearing ratio stood at 68.7% (2017: 35.5%).

Subsequent to the completion of disposal of properties on 9 March 2018, the Group withdrew from the banking facilities (2017: HK\$112 million) and no charge on its assets. As at 31 March 2018, the Group had aggregate of approximately HK\$6 million of bank loans for trade financing and bank guarantees for rental deposit (2017: HK\$79 million). As at the date of this report, the Group had no bank loans and bank guarantees.

During the Year, inventory turnover days increased to approximately 245 days (2017: 238 days). As at 31 March 2018, inventory amounted to approximately HK\$97 million (2017: HK\$133 million).

Capital Expenditure

During the Year, the Group's capital expenditure amounted to HK\$16 million (2017: HK\$10 million), comprising principally the purchase of leasehold improvements, computer equipment and computer software.

The Group believes that its current cash holding, cash flow from operations and available banking facilities will be sufficient to fulfil its working capital requirements and its financial position remains sound for continuous operation and expansion.

Foreign Exchange Management

The Group operates principally in the PRC and Hong Kong and its transactions are mainly denominated in Renminbi or Hong Kong dollars. The Group does not expect any significant foreign currency risk and did not enter into any forward contract to hedge its foreign exchange risk during the Year.

財務回顧

財務狀況

於整個本年度，本集團之財務狀況保持穩健。本集團內部資金、發行債券及銀行借貸為業務營運提供資金。

於2018年3月31日，本集團之現金及現金等值項目為54百萬港元(2017年：33百萬港元)，而將於一年內到期之未償還定息銀行借貸為5百萬港元(2017年：5百萬港元)。銀行貸款以新台幣計值。於2018年3月31日，本集團並無未償還浮動利率銀行借貸(2017年：67百萬港元)。流動及非流動可換股債券分別約18百萬港元及137百萬港元。於2018年3月31日，流動比率為3.3倍(2017年：1.0倍)，而資產負債比率則為68.7%(2017年：35.5%)。

於2018年3月9日完成出售物業後，本集團撤銷銀行融資(2017年：112百萬港元)且並無以其資產作押記。於2018年3月31日，本集團擁有銀行借貸合共約6百萬港元，以作貿易融資及租金按金之銀行擔保(2017年：79百萬港元)。於本報告日期，本集團並無銀行借貸及銀行擔保。

於本年度，存貨周轉日數上升至約245日(2017年：238日)。於2018年3月31日，存貨約值97百萬港元(2017年：133百萬港元)。

資本開支

於本年度，本集團之資本開支為16百萬港元(2017年：10百萬港元)，主要包括租賃裝修、電腦設備及電腦軟件之採購開支。

本集團相信其目前所持現金、來自經營業務之現金流量及可動用之銀行融資，將足以滿足本集團之營運資金需要，且本集團之財務狀況維持穩健，足以滿足持續營運及擴展之所需。

外匯管理

本集團主要於中國及香港營運，交易主要以人民幣或港元結算。於本年度，本集團並不預期出現任何重大外幣風險，亦無訂立任何遠期合約以對沖其外匯風險。

Convertible Bonds

(a) On 24 June 2016, the Company entered into the subscription agreement with the subscriber in relation to the Company issued the convertible bonds to subscriber in principal amount of HK\$30,000,000 (“**First Bonds**”). Pursuant to which the First Bonds will bear coupon interest at the rate of 6% per annum and may be converted into 16,574,585 new Shares at a conversion price of HK\$1.81 per share and due 2020. The First Bonds was issued on 5 July 2016. The net proceeds from the First Bonds were approximately HK\$28,900,000 and had been utilised during the period from receiving the proceeds to 31 March 2018 as follows:

| | | |
|--|---------------------|--------------------------|
| 1. Interest payment of the First Bonds | 支付第一批債券之利息 | HK\$900,000 港元 |
| 2. Payment of salary and rental expenses for the operation of the existing businesses of the Group | 支付經營本集團現有業務之薪金及租金支出 | HK\$28,000,000 港元 |
| Total net proceeds utilised | 已使用所得款項淨額之總額 | HK\$28,900,000 港元 |

As at 31 March 2018, the net proceeds of the First Bonds has been fully utilised.

Pursuant to the terms of the First Bonds, which contain specific obligation imposed on Mr. Zhu Xiaojun (“**Mr. Zhu**”), an executive Director, the chairman of the Board and a controlling shareholder of the Company. Mr. Zhu is required (i) in his personal capacity or through any entity or company controlled by him, to hold at least 50% of the issued share capital of the Company; and (ii) to remain as an executive Director. Any non-compliance with the aforesaid obligation will constitute an event of default and upon the bondholder giving a notice to the Company, the bonds will immediately become due and payable in accordance with the terms and conditions of the First Bonds.

可換股債券

(a) 於2016年6月24日，本公司與認購人訂立認購協議，內容有關本公司發行本金額為30,000,000港元之可換股債券（「**第一批債券**」）予認購人。據此，第一批債券附帶年利率6厘之票息、可按轉換價每股股份1.81港元轉換為16,574,585股新股份，並於2020年到期。第一批債券於2016年7月5日發行。第一批債券之所得款項淨額約為28,900,000港元，及於收到所得款項至2018年3月31日之期間已按以下方式使用：

於2018年3月31日，第一批債券之所得款項淨額已悉數使用。

根據第一批債券之條款，當中載有對執行董事、董事會主席兼本公司控股股東朱曉軍先生（「**朱先生**」）施加之特定責任。朱先生須(i)以彼之個人身份或透過任何彼控制之實體或公司最少持有本公司已發行股本50%；及(ii)仍為執行董事。任何違反上述責任將構成違約事件，且於債券持有人向本公司發出通知後，根據第一批債券之條款及條件，債券將即時到期且須予償還。

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(b) On 8 August 2016, the Company entered into the subscription agreement with the subscriber in relation to the Company issued the convertible bonds to subscriber in principal amount of HK\$150,000,000 (“**Second Bonds**”). Pursuant to which the Second Bonds will bear coupon interest at the rate of 10.5% per annum and may be converted into 81,300,813 new Shares at a conversion price of HK\$1.845 per share and due 2019. The Second Bonds was issued on 24 August 2016. The net proceeds from the Second Bonds were approximately HK\$146,900,000 and had been utilised during the period from receiving the proceeds to 31 March 2018 as follows:

| | | |
|--|------------------|---------------------------|
| 1. Development of “One Belt, One Road” related businesses | 發展有關「一帶一路」之業務 | HK\$104,100,000 港元 |
| 2. Acquisition of the equity interests of design management related enterprise | 收購有關設計管理企業之股權 | HK\$3,100,000 港元 |
| 3. Interest payment of the First Bonds and Second Bonds | 支付第一批債券及第二批債券之利息 | HK\$20,756,000 港元 |
| Total net proceeds utilised | | 已使用所得款項淨額之總額 |
| | | HK\$127,956,000 港元 |

As at 31 March 2018, the balance of the net proceeds was approximately HK\$18,944,000 of the Second Bonds was deposited with the Bank in Hong Kong and will be used for the intended uses as set out in the announcement dated 8 August 2016.

Corporate Bond

The Company entered into a subscription agreement with an investor on 5 May 2017 (“**Subscription Agreement**”) in relation to the Company issue the bonds to the investor for subscribing in principal amount of HK\$350,000,000 at interest rate of 12% per annum for the first year and 13% per annum for the second year and due 2019 (“**Bonds**”). The Bonds was issued on 8 May 2017. Pursuant to the Subscription Agreement, which contains a specific performance obligation imposed on Mr. Zhu, that during the term of the Bonds, Mr. Zhu together with parties acting in concert with him, should own directly or indirectly more than 50% of the voting shares of the Company. Any breach of the aforesaid specific performance obligation may constitute a breach under the Subscription Agreement, pursuant to which the investor is entitled to redeem the Bonds immediately in accordance with the terms and conditions of the Bonds.

Pledge of Assets

As at 31 March 2018, the Group had no pledge of assets. (2017: HK\$119 million).

(b) 於2016年8月8日，本公司與認購人訂立認購協議，內容有關本公司發行本金額為150,000,000港元之可換股債券(「**第二批債券**」)予認購人。據此，第二批債券附帶年利率10.5厘之票息、可按轉換價每股股份1.845港元轉換為81,300,813股新股份，並於2019年到期。第二批債券於2016年8月24日發行。第二批債券之所得款項淨額約為146,900,000港元，及於收到所得款項至2018年3月31日之期間已按以下方式使用：

於2018年3月31日，第二批債券之所得款項淨額結餘約18,944,000港元已存於香港之銀行，及將用作於日期為2016年8月8日之公告所載之擬定用途。

公司債券

於2017年5月5日，本公司與一名投資者訂立認購協議(「**認購協議**」)，內容有關該投資者認購本公司發行之本金額為350,000,000港元、第一年年利率為12厘及第二年年利率為13厘並於2019年到期之債券(「**債券**」)。債券已於2017年5月8日發行。根據認購協議，當中載有對朱先生施加之特定責任，該責任為於債券年期內，朱先生連同其一致行動人士須直接或間接擁有本公司50%以上附帶投票權之股份。任何違反上述特定責任可能構成認購協議下之違約行為，據此，投資者有權根據債券條款及條件立即贖回債券。

抵押資產

於2018年3月31日，本集團並無抵押任何資產(2017年：119百萬港元)。

Contingent Liabilities

As at 31 March 2018, the Group had no material contingent liabilities or off-balance sheet obligations (2017: Nil).

GROUP STRUCTURE

During the Year, there was no material change in the corporate structure of the Group.

HUMAN RESOURCES

As at 31 March 2018, the Group had a total of 1,169 employees (2017: 1,622 employees) and the total staff cost for the Year was HK\$156 million (2017: HK\$207 million), representing 45% of the Group's total revenue. The Group offers competitive remuneration packages to its employees, including mandatory retirement funds, insurance, medical coverage and purchase discounts. In addition, incentive share options and performance-based discretionary bonus on an annual basis may be granted to employees subject to the Group's and individual performance. The Group also provides regular trainings and workshops to its frontline and back office staff on sales techniques, product knowledge and team building.

MAJOR AND CONNECTED TRANSACTION

On 17 June 2017, the Company entered into the preliminary agreement with the vendor, a company incorporated in Italy ("Vendor"), pursuant to which the Company will acquire the properties located at Milan, Italy from the Vendor ("Properties") for a purchase price of Euro 34,000,000 (equivalent to approximately HK\$297,160,000) ("Acquisition"). The Vendor and the Company will further enter into the notarial deed of purchase, which is within six months after completion of the construction of the Properties. The construction of the Properties commenced in June 2017 and the Properties are currently under construction and completed around 50% of overall project and the construction is expected to be completed on schedule in June 2019. The Acquisition presents an opportunity for the Group to gain exposure in one of the most fashionable cities, to enhance brand recognition and image. The Group intends to lease out part of the properties to set up a lifestyle flagship store that offers entertainment, shopping and catering enjoyment in Milan, Italy. The Acquisition will also enable the Group to further explore the e-Payment business in Milan. The Group intends to install point of sale terminals ("POS") with the potential merchants for the commercial units of the Properties, and income can be generated from the fee charged based on the total transaction amounts consumed through those POS. Besides, the Acquisition represents an attractive investment opportunity for the Group. As the Group intends to lease out the remaining part of the Properties, it is expected that the steady source of rental income generated from the Properties will strengthen the Group's income base.

或然負債

於2018年3月31日，本集團並無重大或然負債或資產負債表外責任(2017年：無)。

集團結構

於本年度，本集團之企業架構並無任何重大變動。

人力資源

於2018年3月31日，本集團合共有1,169名僱員(2017年：1,622名僱員)，而於本年度，員工成本總額為156百萬港元(2017年：207百萬港元)，佔本集團總收益之45%。本集團向員工提供具競爭力之薪酬待遇，包括強制性退休基金、保險、醫療保障及購物折扣。此外，本集團會視乎本集團業績及個別員工之表現，可能向僱員授出獎勵購股權及酌情發放年度花紅。本集團亦會定期為前線及後勤員工提供銷售技巧、產品知識及團隊建設方面之培訓及研習班。

主要及關連交易

於2017年6月17日，本公司與賣方(一間於意大利註冊成立之公司)(「賣方」)訂立初步協議，據此，本公司將向賣方收購位於意大利米蘭之該等物業(「該等物業」)，購買價為34,000,000歐元(相等於約297,160,000港元)(「收購事項」)。賣方及本公司將於該等物業建設完成後六個月內進一步訂立購買公證契據。該等物業之建設於2017年6月開始，而該等物業現時正在建設中，並已完成整體工程約50%，並預期將於2019年6月按時竣工。收購事項為本集團提供於其中一個最時尚城市增加曝光機會、提升品牌認知度及形象。本集團擬出租部分該等物業以於意大利米蘭建立一個集娛樂、購物及餐飲享樂於一身之時尚生活館旗艦店。收購事項將使本集團進一步發掘米蘭之電子支付業務。本集團計劃於該等物業內之商用單位內為潛在商戶安裝銷售點終端機(「POS」)，並可透過基於以該等POS支付交易總金額而收取之手續費產生收入。此外，收購事項為本集團帶來具吸引力之投資機會。由於本集團擬出租該等物業之剩餘空間，預期該等物業所產生之穩定租金收入來源將加強本集團之收入基礎。

The Vendor is beneficially owned as to 70% by Ms. CAI Jiaying, an executive Director, and hence the Vendor is a connected person of the Company. The Acquisition constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 25% but less than 100%, the Acquisition also constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and independent shareholder's approval requirements under Chapter 14 of the Listing Rules. Details of the Acquisition are set out in the announcement of the Company dated 17 June 2017 and the circular dated 31 October 2017. An ordinary resolution was passed by shareholders at the extraordinary general meeting on 27 November 2017.

MATERIAL ACQUISITIONS AND DISPOSALS

On 6 February 2018, Trunari Enterprises Company Limited, a wholly-owned subsidiary of the Company (“Vendor”) entered into four sets formal agreements with four purchasers, all are the third parties independent of the Company and its connected persons (as defined under the Listing Rules), in relation to the Vendor sell four properties to four purchasers in the aggregate consideration of HK\$150,000,000 (“Disposals”). Pursuant to (1) the first formal agreement, the Vendor sell the first property situated at Units 1 to 20 on 7th Floor Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong to the first purchaser at a consideration of HK\$128,000,000; (2) the second formal agreement, the Vendor sell the second property situated at Units 09 on 6th Floor Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong to the second purchaser at a consideration of HK\$9,500,000; (3) the third formal agreement, the Vendor sell the third property situated at Units 13 on 6th Floor Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong to the third purchaser at a consideration of HK\$9,500,000; and (4) the fourth formal agreement, the Vendor sell the fourth property to the fourth purchaser. The fourth property is car parking space L16 on basement situated at Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong at a consideration of HK\$3,000,000. The Board expected that the net proceeds will be used for the repayment of mortgage loan secured by the Properties and the remaining balance as general working capital of the Group. Details of the Disposals are set out in the announcement of the Company dated 7 February 2018. The Disposals was completed on 9 March 2018.

賣方由執行董事蔡佳櫻女士實益擁有70%，故賣方為本公司之關連人士。收購事項構成上市規則第14A章項下本公司之關連交易。由於上市規則第14.07條所載有關收購事項之一項或多項適用百分比率超過25%但低於100%，收購事項亦構成上市規則第14章項下本公司之主要交易，因此須遵守上市規則第14章項下之申報、公告及獨立股東批准規定。有關收購事項之詳情載於本公司日期為2017年6月17日之公告及日期為2017年10月31日之通函。該項普通決議案已於2017年11月27日之股東特別大會上獲股東通過。

重大收購及出售事項

於2018年2月6日，本公司之全資附屬公司達斯彌企業有限公司(「賣方」)與四名買方(均為獨立於本公司及其關連人士(定義見上市規則)之第三方)訂立四份正式協議，內容有關賣方向四名買方出售四項物業，總代價為150,000,000港元(「出售事項」)。根據(1)第一份正式協議，賣方向第一名買方出售位於香港九龍九龍灣臨興街26號富洋工業中心7樓1至20號單位之第一項物業，代價為128,000,000港元；(2)第二份正式協議，賣方向第二名買方出售位於香港九龍九龍灣臨興街26號富洋工業中心6樓09號單位之第二項物業，代價為9,500,000港元；(3)第三份正式協議，賣方向第三名買方出售位於香港九龍九龍灣臨興街26號富洋工業中心6樓13號單位之第三項物業，代價為9,500,000港元；及(4)第四份正式協議，賣方向第四名買方出售第四項物業。第四項物業為位於香港九龍九龍灣臨興街26號富洋工業中心地庫之L16停車位，代價為3,000,000港元。董事會預期所得款項淨額將用作償還該等物業擔保之按揭貸款，而餘額將用作本集團之一般營運資金。有關出售事項之詳情載於本公司日期為2018年2月7日之公告。出售事項已於2018年3月9日完成。

POSSIBLE SALE OF THE COMPANY'S SHARES BY THE CONTROLLING SHAREHOLDER

On 29 October 2017, Mr. ZHU Xiaojun (“Mr. Zhu”), an executive Director and chairman of the Board and is interested in 513,300,002 shares of the Company, representing approximately 71.67% of the entire issued share capital of the Company had entered into the non-legally binding memorandum of understanding (“MOU”) with an independent third party (“Potential Purchaser”), regarding the possible sale of the Company’s shares which may be sold by Mr. Zhu to the Potential Purchaser (“Possible Sale”). Mr. Zhu and the Potential Purchaser also entered into six extension letters in relation to the date of entering into the sale and purchase agreement was extended to on or before 30 June 2018. As the Potential Purchaser and Mr. Zhu failed to enter into the sale and purchase agreement on or before 30 June 2018, the MOU has terminated as at 30 June 2018.

PRINCIPAL RISKS AND UNCERTAINTIES

There are various risks and uncertainties including business risks, capital risks and financial risks that may have different levels of impact on the Group’s financial performance, operations, business as well as future prospects. The financial risk and capital risk are set out in the consolidated financial statements. Besides, the following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

- (i) Increase in rental and concession fees;
- (ii) Reliance on key management personnel;
- (iii) Misjudgement of fashion trends or changes in consumers’ demand or failure to respond to such changes in a timely manner;
- (iv) Competition in footwear market in the PRC and Hong Kong; and
- (v) Economic downturn in the PRC and Hong Kong.

OUTLOOK

While certain uncertainties of world economies still persist in 2018, the Group is cautious about the overall business and will actively adopt various reform measures to overcome the challenges in 2018. In the coming year, the Group will seize opportunities to continuously explore business opportunities for sound development of the Group’s business.

控股股東可能出售本公司股份

於2017年10月29日，執行董事兼董事會主席朱曉軍先生（「朱先生」）於513,300,002股本公司股份中擁有權益（相當於本公司全部已發行股本約71.67%），彼與一名獨立第三方（「潛在買方」）就由朱先生向潛在買方可能出售本公司股份之可能出售（「可能出售事項」）訂立無法律約束力之諒解備忘錄（「諒解備忘錄」）。朱先生與潛在買方亦就訂立買賣協議日期延長至2018年6月30日或之前訂立六份延長函件。由於朱先生與潛在買方未能於2018年6月30日或之前訂立買賣協議，故諒解備忘錄已於2018年6月30日終止。

主要風險及不確定因素

各種風險及不確定因素包括對本集團財務表現、營運、業務及未來前景有不同程度影響之業務風險、資本風險及財務風險。本集團面臨之財務風險及資本風險載於綜合財務報表。此外，本集團已識別之主要風險及不確定因素如下。除以下所示者外，亦可能存在其他本集團並不知悉之風險及不確定因素，或現在可能並不重大惟於未來可能變成重大之風險及不確定因素。

- (i) 租金及特許銷售費用增加；
- (ii) 依賴主要管理人員；
- (iii) 錯誤判斷時裝趨勢或消費者需求變化或未能及時應對此類變化；
- (iv) 中國及香港鞋類市場之競爭；及
- (v) 中國及香港之經濟放緩。

展望

縱觀環球經濟2018年仍存在若干不明朗因素，本集團對整體業務抱持審慎態度，將積極採取各項改革措施以面對2018年的挑戰。來年，本集團會把握機遇繼續探索商機，使本集團業務能穩健發展。

Management Discussion and Analysis

管理層討論及分析

Amid escalating staff costs and shop rents, the Group will continue to restructure the sales network throughout the PRC. During the period, to manage the expansion of shops discreetly with resources focusing on first-tier cities with strong purchasing power, the Group has reduced the retail points in the PRC from 424 stores in the same period last year to 275 stores, thereby enhancing management efficiency and attaining effective use of resources. To contain the pressure from inventories and enhance its cashflows, the Group will take preemptive initiatives to expand the sales channels. For example, it will set up pop-up outlets and step up the efforts in developing its wholesales business. The Board expects that such measures in place will maintain the steady development of retailing business segments.

Taking a series of UnionPay payment methods as basis, the Group plans to expand its foreign business and intend to promote the businesses related to UnionPay Online Payment, Apple Pay, Point of Sale in various regions including Hong Kong, Japan, the United Kingdom, Korea, France and Italy. The Group has commenced certain e-Payment businesses in Hong Kong, and will continue to consider Hong Kong as the target city of its main development in 2018, whereas Japan and the United Kingdom, which have a business connection with us, will be the secondary target cities accordingly.

The report of the 19th CPC National Congress proposed to deepen the institutional reform in the financial sector on various fronts, with an aim to provide considerable opportunities for Hong Kong's economic and financial development. With the PRC backing, the Group is optimistic about the financial business in the coming year. During the period, the Group began to engage in securities transaction business and provision of securities brokerage services for individuals and corporate customers. The Group plans to provide welcome offers upon account opening to attract new customers. Meanwhile, the Group will continue to cultivate talents and enhance its services, providing our customers with unsurpassed services.

Last but not least, on behalf of the Board, I would like to express my heartfelt appreciation to my fellow board members and all staff members for their outstanding contributions to the Group over the past year, and also to express my sincere gratitude to the shareholders and stakeholders for their trust and support.

面對員工成本及店舖租金上漲，本集團將繼續重整中國的銷售網絡。於期內，本集團將中國區的零售點由去年同期424間減少至275間，謹慎地控制店舖拓展，把資源集中在具消費力的一線城市，以提升管理積效及資源運用。為了減少存貨壓力，提升現金流，本集團將積極拓展銷售渠道，例如：開設短期特賣店及加強批發業務拓展。董事會預期實行該措施可令零售業務分部平穩發展。

本集團將以銀聯支付系列功能為基礎，計劃拓展海外業務，並打算在香港、日本、英國、韓國、法國及意大利等地區推廣銀聯在線支付、蘋果支付、銷售點終端機等業務。本集團已在香港開展了部分電子支付業務，因此2018年將繼續以香港為主要發展的目標城市，並將已有業務對接基礎的日本及英國作為二級目標城市。

十九大報告從多方面提出深化金融體制改革，為香港經濟金融發展帶來重大機遇。在中國的支持下，本集團對來年的金融業務抱持樂觀態度。期內，本集團開始從事證券交易業務，為個人及公司客戶提供證券經紀服務。本集團計劃推出開戶優惠方案，以吸納新客戶。同時，本集團將繼續培訓人才，提高服務水平，為客戶提供優質的服務。

最後，本人謹代表董事會，衷心感謝我們董事會成員及所有員工過去一年對本集團努力不懈地作出貢獻。本人亦衷心感謝股東及持份者之信任及支持。

CORPORATE GOVERNANCE PRACTICES

The Board is committed to establishing and maintaining good corporate governance practices within the Group to have better transparency and protection of shareholders' interest in general. We believe that a well-balanced corporate governance structure will definitely enable better management of its business risks and thereby ensure the Group is operated in the best interests of its shareholders and other stakeholders.

The Board as a whole is responsible for performing the corporate governance functions set out in the code provision D.3.1 of the "Corporate Governance Code and Corporate Governance Report" ("CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). These functions included:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Currently, there are three board committees under the Board, namely Audit Committee, Nomination Committee and Remuneration Committee. All these committees perform their distinct roles in accordance with their respective terms of reference which have been posted on the websites of the Company and the Stock Exchange. These committees report directly to the Board on their works and make recommendations on matter where appropriate.

Save as disclosed below, the Company has complied with all applicable code provisions set out in the CG Code throughout the year ended 31 March 2018 ("Year").

企業管治常規

董事會致力制定及於本集團內維持良好企業管治常規，以提高透明度，並保障股東之整體利益。董事會相信均衡之企業管治架構肯定有助更有效管理其業務風險，從而確保本集團在符合其股東及其他利益相關人士之最佳利益下經營。

董事會全體負責履行香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四《企業管治守則》及《企業管治報告》（「企業管治守則」）所載之守則條文第D.3.1條之企業管治職能。該等職能包括：

- 制定及檢討本公司之企業管治政策及常規；
- 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- 制定、檢討及監察適用於僱員及董事的行為守則及合規手冊（如有）；及
- 檢討本公司遵守企業管治守則之情況及於企業管治報告內之披露。

現時，董事會轄下有三個董事委員會，即審核委員會、提名委員會及薪酬委員會。該等委員會全部根據其各自之職權範圍（已登載於本公司及聯交所之網站）履行其獨有角色。該等委員會直接向董事會匯報其工作，並就適當事宜提出建議。

除下文披露者外，本公司已於截至2018年3月31日止年度全年（「本年度」）遵守企業管治守則所載之所有適用守則條文。

Under code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Throughout the Year, Mr. ZHU Xiaojun (“**Mr. Zhu**”) is the Chairman of the Board and is responsible for providing leadership and ensuring effective running of the Board. The duties of the chief executive are undertaken and performed by the Chairman of the Board, thus Mr. Zhu also responsible for the Group’s day-to-day operations and implementation of the Group’s strategies and is assisted by a management team, comprising executive Directors, general managers and department heads of the Group, with authority and responsibility for developing and exercising both operational and non-operational duties. Despite a part of responsibility of chief executive is vested in Mr. Zhu, in which all major decisions are made in consultation with the other Board members and the senior management of the Company. The Board believes that there is sufficient balance of power and the current arrangement maintains a strong management position of the Company. As such, this was in deviation from A.2.1 of CG Code.

According to Rule 3.10(1), 3.21 and 3.25 of the Listing Rules and code provision A.5.1 of CG Code contained in Appendix 14 of the Listing Rules on The Stock Exchange, the Board is required at least three independent non-executive Directors, the audit committee of the Board (“**Audit Committee**”) must comprise a minimum of three members and both of the remuneration committee of the Board (“**Remuneration Committee**”) and nomination committee of the Board (“**Nomination Committee**”) should comprises a majority of independent non-executive Directors. Following the resignation of Dr. HE Chengying as the independent non-executive Director and ceased to the member of both Audit Committee and Remuneration Committee, and ceased to the chairman of the Nomination Committee with effect from 1 April 2017, the Board has two independent non-executive Directors. The Audit Committee comprises only two members and both of the Remuneration Committee and Nomination Committee comprises the chairman of the Board and one independent non-executive Director. This was in deviation from Rules 3.10(1), 3.21 and 3.25 of the Listing Rules and code provision A.5.1 of CG Code.

However, following the appointment of Mr. LEUNG Man Ho as an independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee with effect from 19 June 2017, the Company has three independent non-executive Directors, the Audit Committee comprises three members and both of the Remuneration Committee and Nomination Committee comprises a majority of independent non-executive Directors in compliance with the requirements under Rules 3.10(1), 3.21 and 3.25 of the Listing Rules and code provision A.5.1 of CG Code.

根據企業管治守則守則條文第A.2.1條，主席及行政總裁之角色應有區分，並不應由一人同時兼任。於本年度全年，朱曉軍先生(「**朱先生**」)為董事會主席，並負責領導及確保董事會有效地運作。行政總裁職責由董事會主席承擔及履行，因此，朱先生亦負責本集團之日常營運及實行本集團之策略，且獲得由本集團執行董事、總經理及部門主管組成之管理團隊輔助，並獲授權及須負責發展及執行營運及非營運職務。儘管行政總裁之部分責任歸屬於朱先生，所有主要決策均經向其他董事會成員及本公司高級管理層諮詢後方作出。董事會認為權力分布均衡，且現時安排得以維持本公司之穩健管理狀況。因此，此舉偏離企業管治守則第A.2.1條。

根據上市規則第3.10(1)條、3.21條及3.25條以及聯交所上市規則附錄14所載企業管治守則守則條文第A.5.1條，董事會最少必須包括三名獨立非執行董事，而董事會審核委員會(「**審核委員會**」)最少必須包括三名成員及董事會薪酬委員會(「**薪酬委員會**」)及董事會提名委員會(「**提名委員會**」)均須包括大部份獨立非執行董事。於何誠穎博士自2017年4月1日辭任獨立非執行董事及不再擔任審核委員會及薪酬委員會成員以及提名委員會主席後，董事會有兩名獨立非執行董事。審核委員會僅包括兩名成員，而薪酬委員會及提名委員會均包括董事會主席及一名獨立非執行董事。此舉偏離上市規則第3.10(1)條、3.21條及3.25條及企業管治守則守則條文第A.5.1條。

然而，繼梁文豪先生自2017年6月19日獲委任為獨立非執行董事以及審核委員會、薪酬委員會及提名委員會各自之成員後，本公司有三名獨立非執行董事、審核委員會包括三名成員以及薪酬委員會及提名委員會均包括大部份獨立非執行董事，符合上市規則第3.10(1)條、3.21條及3.25條以及企業管治守則守則條文第A.5.1條項下之規定。

THE BOARD

The Board is responsible for setting the Group's directions, strategies and policies, approval of annual budgets and business plans, overseeing and reviewing the effectiveness of risk management and internal control systems, formulating the corporate governance policy and supervising a management team comprising executive Directors, general managers and department heads of the Group. The Board reserves the right to decide all policy matters and material transactions of the Group.

Board Composition

As at the date of this report, the Board comprises four executive Directors and three independent non-executive Directors ("INED"), in compliance with the minimum number of INEDs required under Rule 3.10(1) of the Listing Rule. Details of the Board composition are as follow:

Board of Directors

| Executive Director | Membership of Board Committee(s) |
|-------------------------------|--|
| Mr. ZHU Xiaojun (Chairman) | Member of Remuneration Committee Member of Nomination Committee |
| Mr. KANG Jianming | — |
| Ms. CAI Jiaying | — |
| Mr. YIN Wansun | — |

Independent Non-executive Directors

| | |
|-------------------|---|
| Ms. ZHAO Hong | Chairman of Audit Committee Chairman of Remuneration Committee Chairman of Nomination Committee |
| Mr. CHAU Wai Hing | Member of Audit Committee Member of Nomination Committee |
| Mr. LEUNG Man Ho | Member of Audit Committee Member of Remuneration Committee Member of Nomination Committee |

The Board believes that the balance between executive Directors and INEDs is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of shareholders and the Group. The INEDs provide the Group with diversified expertise and experience. Their views and participation bring independent judgment and advice on issues relating to the Group's strategies, performances, conflicts of interests of all shareholders are taken into account. The number of INEDs has been no less than one-third of the number of the Board members and at least one of whom possesses the appropriate professional accounting qualification and related financial management expertise as required under the Listing Rules.

董事會

董事會負責制定本集團之方向、策略及政策、批准年度預算及業務計劃、監察及檢討風險管理及內部監控系統之效率、制定企業管治政策及監督管理團隊(包括本集團之執行董事、總經理及部門主管)。董事會保留決定本集團所有政策事宜及重大交易之權利。

董事會組成部份

於本報告日期，董事會包括四名執行董事及三名獨立非執行董事(「獨立非執行董事」)，符合上市規則第3.10(1)條規定之獨立非執行董事最低人數。董事會組成部份之詳情如下：

董事會

| 執行董事 | 董事委員會成員 |
|-----------|--------------------|
| 朱曉軍先生(主席) | 薪酬委員會成員 提名委員會成員 |
| 康建明先生 | — |
| 蔡佳櫻女士 | — |
| 殷苑蓀先生 | — |

獨立非執行董事

| | |
|-------|-------------------------------|
| 趙竑女士 | 審核委員會主席 薪酬委員會主席 提名委員會主席 |
| 周偉興先生 | 審核委員會成員 提名委員會成員 |
| 梁文豪先生 | 審核委員會成員 薪酬委員會成員 提名委員會成員 |

董事會相信執行董事及獨立非執行董事之間存在合理平衡，並足以提供充份制衡作用，以保障股東及本集團之利益。獨立非執行董事為本集團提供多元化之專業知識及經驗。彼等之意見及參與為關於本集團策略及表現之事宜提供獨立判斷及意見，並會考慮全體股東之利益衝突。獨立非執行董事之數目一直不少於董事會成員數目之三分之一，當中最少一名獨立非執行董事具備上市規則規定之適當專業會計資格及相關財務管理專長。

Appointment and Re-election of Director

In accordance with the Company's Article of Association ("Articles"), the Board shall have the power from time to time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting ("AGM") and shall then be eligible for re-election. At each AGM, one-third of the Directors for the time being shall retire from office by rotation and all Directors are subject to retirement at least once every three years.

The Chairman and Chief Executive

The CG Code provides that the roles of the chairman and the chief executive should be separate and performed by different individuals. During the Year and up to the date of this Report, as explained in the section headed "Corporate Governance Practices" on page 16 of this report, Mr. ZHU Xiaojun assumed the roles of the chairman and the chief executive of the Company simultaneously.

Independent Non-executive Director

All INEDs are appointed for a specific term and are subject to retirement by rotation. No INED has served the Company for more than 9 years. Each of the INEDs has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considered that all INEDs are independent.

Company Secretary

The company secretary reports to the chairman and the senior management. All Directors have access to the advice and services of the company secretary to ensure that Board procedures, and all applicable laws are followed. During the Year, the company secretary has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

委任及重選董事

根據本公司之組織章程細則(「章程細則」)，董事會有權不時委任任何人士出任董事，以填補董事會臨時空缺或出任現時董事會新增之董事席位。獲董事會委任以填補臨時空缺之任何董事的任期至其獲委任後之首次本公司股東大會為止，並須於有關大會上重選。任何獲董事會委任以出任現時董事會新增董事席位之董事，其任期將僅至下屆股東周年大會(「股東周年大會」)為止，且屆時符合資格膺選連任。於每屆股東周年大會上，當時三分之一之董事須輪值退任，而全體董事均須最少每三年退任一次。

主席及行政總裁

企業管治守則規定主席及行政總裁之角色應有區分，並應由不同人士擔任。於本年度及直至本報告日期，誠如本報告第16頁「企業管治常規」一節所闡釋，朱曉軍先生同時兼任本公司主席及行政總裁之角色。

獨立非執行董事

全體獨立非執行董事均以特定任期委任，並須輪值退任。並無獨立非執行董事服務本公司超過9年。每名獨立非執行董事已根據上市規則第3.13條發出年度獨立確認書。本公司認為全體獨立非執行董事均為獨立人士。

公司秘書

公司秘書向主席及高級管理人員匯報。全體董事可獲取公司秘書之意見及服務，以確保遵守董事會程序及所有適用法律。於本年度，公司秘書已符合上市規則第3.29條項下之相關專業培訓規定。

Training and Professional Development

The Company encourages all Directors to participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. The training records for the Year had been provided to the company secretary by all Directors of the Company. A summary of trainings received by the Directors for the Year is shown as below:

| Name of Directors | 董事姓名 | Type of training 培訓類型 |
|-------------------------------------|-----------|--------------------------|
| Mr. ZHU Xiaojun (<i>Chairman</i>) | 朱曉軍先生(主席) | A & B |
| Mr. KANG Jianming | 康建明先生 | B |
| Ms. CAI Jiaying | 蔡佳櫻女士 | A & B |
| Mr. YIN Wansun | 殷苑蓀先生 | A & B |
| Ms. ZHAO Hong | 趙竝女士 | B |
| Mr. CHAU Wai Hing | 周偉興先生 | A & B |
| Mr. LEUNG Man Ho | 梁文豪先生 | A & B |

Notes:

- A: attending briefing sessions and/or seminars
- B: reading seminar materials and updates relating to the latest development of the Listing Rules and other applicable regulatory requirements

Directors and Officers Liability Insurance

Appropriate directors' and officers' liability insurance has been arranged for the Directors and officers of the Company for indemnifying their liabilities arising out of corporate activities. The insurance coverage of directors' and officers' liability is reviewed on an annual basis.

BOARD MEETINGS

The Board conducts meetings on a regular basis and on an ad hoc basis of at least four times a year to discuss the Group's business strategies as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. The Board members are served with notices of at least 14 days and provided with all agendas and adequate information for their review at least 3 days prior to the meetings. After the Board meetings, draft minutes are circulated to all Directors for comments before confirmation and sign-off. Minutes of Board meetings and meetings of board committees are kept by the company secretary and are available for inspection by any Director at any reasonable time on reasonable notice. During the Year, four Board meetings were held.

培訓及專業發展

本公司鼓勵全體董事參與持續專業發展，以發展及重溫彼等之知識及技能，確保彼等對董事會作出知情及相關之貢獻。本公司全體董事已向公司秘書提供本年度之培訓記錄。本年度董事接受培訓之概要列示如下：

附註：

- A：出席簡報會及／或研討會
- B：閱覽研討會資料，以及有關上市規則及其他適用監管規定之最新發展之最新消息

董事及高層人員之責任保險

本公司已為其董事及主管人員安排適當之董事及主管人員責任保險，為彼等因企業活動而產生之法律責任提供彌償保證。董事及主管人員責任保險之保障範圍每年檢討。

董事會會議

董事會定期及在有需要時隨時舉行每年最少四次的會議，以討論本集團之業務策略以及本集團之經營及財務表現，並審批本集團之年度及中期業績。董事會成員會收到最少14天通知，並最少於會議前3天獲提供所有議程及足夠資料供其審閱。於董事會會議後，草擬會議記錄乃向全體董事傳閱，以供其於確認及簽署前提供意見。董事會會議及董事委員會會議之會議記錄乃由公司秘書保存，並可供任何董事於任何合理時間及發出合理通知下查閱。於本年度，已舉行四次董事會會議。

Corporate Governance Report

企業管治報告

All Directors are adequately briefed on updates on amendments to or latest developments of the Listing Rules and other applicable laws, rules and regulations concerning their obligations as Directors and good corporate governance practices. They were also provided with the Group's monthly management updates which give a balanced and understandable assessment of the Group's performance, financial position and prospects to enable the Board and each Director to discharge their duties.

AUDIT COMMITTEE

Currently, the Audit Committee comprises three members, all INEDs, namely, Ms. ZHAO Hong (Chairman), Mr. CHAU Wai Hing and Mr. LEUNG Man Ho (appointed on 19 June 2017). During the Year, Dr. HE Chengying ("Dr. He") resigned as INED and ceased as a member of the Audit Committee effective from 1 April 2017 and Mr. LEUNG Man Ho was appointed by the Board as INED and as a member of Audit Committee effective from 19 June 2017 in replacement of Dr. He. No member of the Audit Committee was a former partner of the Company's existing auditing firm. The chairman of the Audit Committee possesses the appropriate professional qualifications in accountancy and experience in financial matters.

The main duties of the Audit Committee are to review the Group's financial reporting system, risk management and internal control procedures, to review the Group's financial information, to oversee relationship with the Group's external auditors and make relevant recommendations to the Board. The Audit Committee held two meetings during the Year and its works performed include reviewing the adopted accounting principles and practices, the annual and interim consolidated financial results and reports, reviewing external auditors' audit plan, terms of engagement and recommended auditors' fees for the Board's approval, reviewing the management letters and reports issued by the external auditors and reviewing the internal audit review reports for assessing effectiveness of internal control systems of the Group.

The Audit Committee was provided with sufficient resources to discharge its duties and may seek independent professional advice at the Company's expense, where necessary.

NOMINATION COMMITTEE

Currently, the Nomination Committee comprises four members, the majority of the members of the Nomination Committee are INEDs, namely, Ms. ZHAO Hong (Chairman) (appointed on 16 June 2017), Mr. ZHU Xiaojun, Mr. CHAU Wai Hing and Mr. LEUNG Man Ho (appointed on 19 June 2017). During the Year, Dr. He resigned as INED and ceased as the Chairman of the Nomination Committee effective from 1 April 2017. In replacement of Dr. He, the Board appointed Ms. ZHAO Hong as the Chairman of the Nomination Committee effective from 16 June 2017 and also appointed Mr. LEUNG Man Ho as INED and as a member of Nomination Committee effective from 19 June 2017.

全體董事充分獲簡報有關彼等作為董事之責任及良好企業管治常規之上市規則及其他適用法律、規則及法規之修訂或最新發展之資料。彼等亦獲提供本集團之每月管理層最新資料，該等資料載列有關本集團表現、財務狀況及前景的持平而易明之評估，讓董事會及各董事可履行其職責。

審核委員會

目前，審核委員會包括3名成員，彼等均為獨立非執行董事，即趙竑女士(主席)、周偉興先生及梁文豪先生(於2017年6月19日獲委任)。於本年度，何誠穎博士(「何博士」)辭任獨立非執行董事及不再擔任審核委員會成員，自2017年4月1日起生效，而董事會委任梁文豪先生為獨立非執行董事及審核委員會成員，自2017年6月19日起生效，以取代何博士。概無審核委員會成員曾任本公司現有核數師行之前合伙人。審核委員會主席具備適當之專業會計資格及財務事宜之經驗。

審核委員會之主要職責為檢討本集團之財務匯報制度、風險管理及內部監控程序、審閱本集團之財務資料、監督與本集團外聘核數師之關係，以及向董事會提出有關建議。於本年度，審核委員會已舉行兩次會議，其進行之工作包括檢討所採納之會計原則及常規、年度及中期綜合財務業績及報告、審閱外聘核數師之審核計劃、聘用條款及建議核數師酬金以供董事會批准、檢討外聘核數師發出之管理層函件及報告，以及檢討內部審計檢討報告，以評估本集團內部監控系統之成效。

審核委員會已獲提供充足資源以履行其職責，並可於有需要時尋求獨立專業意見，費用由本公司承擔。

提名委員會

目前，提名委員會包括四名成員，而提名委員會大多數成員為獨立非執行董事，即趙竑女士(主席)(於2017年6月16日獲委任)、朱曉軍先生、周偉興先生及梁文豪先生(於2017年6月19日獲委任)。於本年度，何博士辭任獨立非執行董事且不再為提名委員會主席，自2017年4月1日起生效。為了取代何博士，董事會委任趙竑女士為提名委員會主席，自2017年6月16日起生效，及委任梁文豪先生為獨立非執行董事兼提名委員會成員，自2017年6月19日起生效。

The main duties of the Nomination Committee are to review the size, structure and composition of the Board and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategies, to identify individuals suitably qualified to become members of the Board and make recommendations to the Board on selection of individuals for directorships, to assess the independence of INEDs and to make recommendations to the Board on the appointment or re-appointment of Directors and succession plan for Directors, in particular the Chairman and chief executive officer. The Nomination Committee was provided with sufficient resources to discharge its duties and may seek independent professional advice at the Company's expense, where necessary.

The Board adopted the board diversity policy in June 2013 which set out the approach to diversity on the Board. The Board shall consider various aspects in achieving diversity of Board members, including but not limited to skills, regional and industry experience, background, race and gender. The Nomination Committee will monitor the implementation of the board diversity policy and review the policy as appropriate.

The Nomination Committee held one meeting during the Year and its works performed includes reviewing the structure, size and composition of the Board; approving the appointment of an Executive Director; and assessing independence of the INEDs.

REMUNERATION COMMITTEE

Currently, the Remuneration Committee comprises three members, the majority of the members of the Remuneration Committee are INEDs, namely, Ms. ZHAO Hong (Chairman), Mr. ZHU Xiaojun and Mr. LEUNG Man Ho (appointed on 19 June 2017). During the Year, Dr. He resigned as INED and ceased as a member of Remuneration Committee effective from 1 April 2017 and Mr. LEUNG Man Ho was appointed by the Board as INED and as a member of the Remuneration Committee effective from 19 June 2017 in replacement of Dr. He.

The main duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of formal and transparent procedures for developing remuneration policy, to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, to make recommendations to the Board on the remuneration packages of Executive Directors and senior management, to make recommendation to the Board on the remuneration of INEDs and to ensure that no Director or any of his associates is involved in deciding his own remuneration. The Remuneration Committee was provided with sufficient resources to discharge its duties and may seek independent professional advice at the Company's expense, where necessary.

提名委員會之主要職責為檢討董事會之人數、架構及組成，並就任何為配合本公司之企業策略而擬對董事會作出之變動提出建議、物色具備合適資格之人士出任董事會成員、就遴選有關人士出任董事向董事會提出建議、評核獨立非執行董事之獨立性，並就董事委任或重新委任以及任何董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議。提名委員會已獲提供充足資源以履行其職責，並可於有需要時尋求獨立專業意見，費用由本公司承擔。

董事會於2013年6月採納董事會成員多元化政策，當中載有達致董事會多元化之方針。董事會在達致董事會成員多元化時應考慮各層面，包括但不限於技能、地區及行業經驗、背景、種族及性別。提名委員會將監控落實董事會成員多元化政策之情況，並於適當時候檢討該政策。

於本年度，提名委員會已舉行一次會議，其履行之工作包括檢討董事會之架構、人數及組成、批准委任執行董事，以及評估獨立非執行董事之獨立性。

薪酬委員會

目前，薪酬委員會包括3名成員，而薪酬委員會大多數成員為獨立非執行董事，即趙竑女士(主席)、朱曉軍先生及梁文豪先生(於2017年6月19日獲委任)。於本年度，何博士辭任獨立非執行董事及不再為薪酬委員會成員，自2017年4月1日起生效，而董事會委任梁文豪先生為獨立非執行董事兼薪酬委員會成員，自2017年6月19日起生效，以取代何博士。

薪酬委員會之主要職責為就本公司全體董事及高級管理人員之薪酬政策及架構，及就設立正規而具透明度之程序以制訂薪酬政策，向董事會提出建議、因應董事會所訂企業方針及目標而檢討及批准管理層之薪酬建議、就執行董事及高級管理人員之薪酬待遇向董事會提出建議、就獨立非執行董事之薪酬向董事會提出建議，以及確保並無董事或其任何聯繫人參與決定其本身之薪酬。薪酬委員會獲供給充足資源以履行其職責，亦可於有需要時尋求獨立專業意見，費用由本公司承擔。

Corporate Governance Report

企業管治報告

The Remuneration Committee held one meeting during the Year and discussed the remuneration package for certain Directors and senior management as well as other remuneration-related matters.

DIRECTOR'S ATTENDANCE RECORDS AT MEETINGS

The attendance of each Director at the Board Meeting, Audit Committee Meeting, Nomination Committee Meeting, Remuneration Committee Meeting and shareholder's meeting during the Year are set out below:

| | | Attendance/Number of meetings held for the year ended 31 March 2018 截至2018年3月31日止年度出席/舉行之會議數目 | | | | |
|--|--------------------------|---|-------------------------------|------------------------------------|--------------------------------------|---|
| | | Board Meeting | Audit Committee Meeting | Nomination Committee Meeting | Remuneration Committee Meeting | 2017 AGM/EGM 2017年 股東周年大會/ 股東特別大會 |
| | | 董事會會議 | 審核委員會會議 | 提名委員會會議 | 薪酬委員會會議 | |
| Executive Directors | 執行董事 | | | | | |
| Mr. ZHU Xiaojun (Chairman of the Board and Member of the Remuneration and Nomination Committees) | 朱曉軍先生(董事會主席以及薪酬及提名委員會成員) | 4/4 | — | 1/1 | 1/1 | 2/2 |
| Mr. KANG Jianming | 康建明先生 | 3/4 | — | — | — | 2/2 |
| Ms. CAI Jiaying | 蔡佳櫻女士 | 3/4 | — | — | — | 2/2 |
| Mr. YIN Wansun | 殷苑蓀先生 | 4/4 | — | — | — | 2/2 |
| Independent Non-executive Directors | 獨立非執行董事 | | | | | |
| Ms. ZHAO Hong (Chairman of Audit, Remuneration and Nomination Committees) | 趙誥女士(審核、薪酬及提名委員會主席) | 4/4 | 2/2 | 1/1 | 1/1 | 2/2 |
| Mr. CHAU Wai Hing (Member of the Audit and Nomination Committees) | 周偉興先生(審核及提名委員會成員) | 4/4 | 2/2 | 1/1 | — | 2/2 |
| Mr. LEUNG Man Ho (Member of Audit, Remuneration and Nomination Committees) | 梁文豪先生(審核、薪酬及提名委員會成員) | 4/4 | 2/2 | 1/1 | 1/1 | 2/2 |

於本年度，薪酬委員會已舉行一次會議，並討論若干董事及高級管理人員之薪酬待遇，以及其他與薪酬相關之事宜。

董事於會議之出席紀錄

下表載列本年度各董事於董事會會議、審核委員會會議、提名委員會會議、薪酬委員會會議及股東大會之出席情況：

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" contained in Appendix 10 to the Listing Rules ("Model Code") as its code of conduct regarding Directors' securities transactions. Having made specific enquiries with all Directors, they have confirmed their compliance with the Model Code throughout the Year. On June 2013, the Company was adopted written guidelines on terms no less exacting than the Model Code for relevant employees in respect of the dealings in the Company's securities.

董事及相關僱員進行之證券交易

本公司已採納上市規則附錄十所載之「上市發行人董事進行證券交易的標準守則」(「標準守則」)，作為其有關董事進行證券交易之行為守則。於向全體董事作出特定查詢後，彼等已確認於本年度一直遵守標準守則。於2013年6月，本公司已採納有關僱員買賣本公司證券事宜之書面指引，指引條款並不比標準守則寬鬆。

EXTERNAL AUDITOR

The Audit Committee is responsible for considering the appointment, re-appointment and removal of external auditor subject to endorsement by the Board and final approval and authorization by the shareholders of the Company in general meetings. During the Year, PricewaterhouseCoopers was retired as external auditor at the AGM and the Group appointed BDO Limited as external auditor to perform the following services and their respective fees charged are set out as follows:

| Type of Services | 服務類型 | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--------------------|-----------|-------------------------|-------------------------|
| Audit services | 審核服務 | 1,650 | 2,550 |
| Non-audit services | 非審核服務 | 44 | 91 |
| Total | 總計 | 1,694 | 2,641 |

INTERNAL AUDITOR

The Company has an independent internal audit team, which plays a major role in providing objective assurance to the Board that a sound and effective risk management and internal control system is in place and operated by the management. The head of the internal audit department directly reports to the Audit Committee on risk management and audit matters. The annual audit works plan covered the business activities and process of the Group's core operating business. Moreover, ad hoc reviews will be performed on specific areas of concern identified by the Audit Committee and the management from time to time.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the ultimate responsibility for the Group's risk management and internal control system, while the management ensures the sufficient and effective operational controls over the key business process are properly implemented with regular review and update. Review the internal controls of the Group mainly covering financial, operational and compliance controls, as well as risk management functions. The risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The implementation of the Group's risk management evaluation was assisted by the internal audit department so that the Group could ensure new and emerging risk relevant to the Group's operation are promptly identified by management, assess the adequacy of action plans to manage these risks and monitor and evaluate the effectiveness of the action plans. The Audit Committee reviews regularly the Group's risk management systems.

外聘核數師

審核委員會負責考慮外聘核數師之委任、重新委任及罷免，惟須獲得董事會之批准及本公司股東於股東大會上作出最終批准及授權。於本年度，羅兵咸永道會計師事務所於股東周年大會上退任為外聘核數師，而本集團已委任香港立信德豪會計師事務所有限公司為外聘核數師，其履行下列服務及相關費用載列如下：

內部審計師

本公司設有獨立內部審計團隊，在向董事會客觀保證管理層具備及運作一套完善有效之風險管理及內部監控系統擔當重要角色。內部審計部門主管直接向審核委員會匯報風險管理及審計事宜。每年之審計工作計劃涵蓋本集團核心經營業務之業務活動及過程。此外，內部審計部門亦會就審核委員會及管理層不時識別之特別關注範疇進行特別檢討。

風險管理及內部監控

董事會須就本集團之風險管理及內部監控系統負上最終責任，而管理層則確保已就主要業務過程妥善執行充足及有效之營運監控，並進行定期檢討及更新。本集團內部監控檢討主要涵蓋財務、營運、合規監控及風險管理功能。風險管理及內部監控系統旨在管理但不能消除未能達成業務目標之風險，並僅可提供合理而非絕對之無重大錯誤陳述或損失保證。

本集團進行之風險管理評估由內部審計部門協助，致使本集團可確保管理層即時識別與本集團營運相關之新風險、評估管理該等風險之實行計劃是否充足，並監督評估實行計劃之成效。審核委員會定期檢討本集團之風險管理系統。

Through the Audit Committee, the Board has reviewed the effectiveness of the Group's risk management and internal control system. To maintain a sound and effective system of internal control and safeguard our shareholders' investment and the Group's assets at all times, the Group has an independent audit team to review and monitor all critical aspects of the Group's activities and its internal control. During the Year, the Board had reviewed the findings of the internal control review and evaluation of risk level of the Group could take and effectiveness of risk management measures performed by the internal auditors and external auditors together with the Audit Committee and, after discussion with the management and external auditors, was satisfied that the Group's internal control system and assessment of risk management was sound and adequate for the Year. The Board would continue to review and improve the Group's risk management and internal control system, taking into account the prevailing regulatory requirements, business development needs and the interests of shareholders.

The Board also reviews annually the adequacy of resources, staff qualifications and experience of the Group's accounting and financial reporting function, and their training programmes and budget.

COMMUNICATION WITH SHAREHOLDERS

The Board has established a shareholders' communication policy setting out the channels by which information is communicated with its shareholders. The Company's corporate communications includes among other things, announcements, financial reports, circulars and other corporate communications which are disseminated through its website at www.vestategroup.com and the website of the Stock Exchange in compliance with the disclosure obligations under the Listing Rules.

The Company regards the AGM as a platform to provide an important opportunity for direct communication between the Board and the Company's shareholders. All Directors will make an effort to attend general meetings. The chairman of the AGM proposes separate resolution for each issue and invites presence of chairman of each of the Board Committees for answering questions at the AGM. External auditor also attends the AGM to answer questions about the conduct of audit, the preparation and content of auditors' report and the confirmation of auditor's independence. The notice of AGM and related papers are distributed to shareholders at least 20 clear business days before the AGM. At the AGM, the Chairman ensures that detailed procedures for conducting a poll are explained.

董事會透過審核委員會檢討本集團風險管理及內部監控系統之成效。為時刻維持完善有效之內部監控系統，以及保障本公司股東之投資及本集團資產，本集團之獨立審計團隊就本集團活動及其內部監控之所有重要方面作出檢討及監察。於本年度，董事會已檢討內部審計師、外聘核數師及審核委員會進行之內部監控檢討結果及評估本集團可承受風險水平及風險管理措施之成效，而在與管理層及外聘核數師討論後，董事會信納本集團於本年度之內部監控系統及風險管理評估穩健妥善及足夠。董事會將繼續考慮現行監管規定、業務發展需要及股東利益，以檢討及改善本集團之風險管理及內部監控系統。

董事會亦每年檢討本集團在會計及財務匯報職能方面之資源、員工資格及經驗，以及員工所接受之培訓課程及有關預算是否足夠。

與股東溝通

董事會已制定股東通訊政策，當中載列向其股東傳遞資訊之渠道。本公司之公司通訊包括(其中包括)公告、財務報告、通函及其他公司通訊，乃透過其網站 www.vestategroup.com 及聯交所網站發佈，以遵守上市規則下之披露責任。

本公司視股東周年大會為一個重要平台讓董事會與本公司股東進行直接溝通。全體董事將盡力出席股東大會。股東周年大會主席就各項議題提呈獨立決議案，並邀請各董事委員會之主席出席股東周年大會以解答提問。外聘核數師亦會出席股東周年大會以解答有關審核工作之進行、核數師報告之編製及內容及確認核數師獨立性之提問。股東周年大會通告及有關文件於股東周年大會舉行前最少20個完整營業日發送予股東。於股東周年大會上，主席確保以投票方式進行表決之詳細程序已予解釋。

SHAREHOLDERS' RIGHTS

Pursuant to Article 58 of the Articles, any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 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) may convene such meeting, 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.

CONSTITUTIONAL DOCUMENTS

During the Year, there had been no significant change in the Company's constitutional documents.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group in accordance with statutory requirements and applicable accounting standards.

股東權利

根據章程細則第58條，任何一名或以上於遞呈要求日期持有不少於本公司繳足股本(賦有本公司股東大會之投票權)十分之一之本公司股東，於任何時間均有權透過向董事會或公司秘書作出書面要求，要求董事會召開股東特別大會，以處理有關要求書列明之任何事務。有關大會須於遞呈要求書後2個月內舉行。倘董事會未能於遞呈要求書後起計21日內召開該大會，則遞呈要求人士可召開大會，而遞呈要求人士因董事會未有召開大會而產生之所有合理開支應由本公司向遞呈要求人士作出償付。

憲章文件

於本年度，本公司之憲章文件並無重大改變。

董事就財務報表之責任

董事確認其有責任根據法定規定及適用之會計準則編製本集團財務報表。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

This is the second Environmental, Social and Governance (“ESG”) Report (the “ESG report”) issued by Vestate Group Holdings Limited (the “Company”) and together with its subsidiaries (the “Group” or “We”). This report mainly includes the performance of our offices, warehouses and stores at our main operating points in the People’s Republic of China (the “PRC”), Hong Kong and Taiwan in respect of environmental protection, social responsibilities and corporate governance. We will also review on such relevant performance for our further improvement in the future.

SCOPE OF REPORTING

In addition to the continuous assessment of the scope of the Group’s existing footwear sales business in the report of the Year, the Group has also assessed the newer businesses as appropriate to gradually increase the scope of disclosures based on their impact on the Group’s businesses.

Unless otherwise stated, the environmental data only cover the footwear sales business of the Group in Hong Kong and PRC. The data on offices and main operating points in Taiwan are excluded due to insignificant impact on the environment.

REPORTING PERIOD

The reporting period covers 1 April 2017 to 31 March 2018 (the “Year”).

STAKEHOLDER ENGAGEMENT

Different stakeholders are influential on the Group. However, we believe that resources should be deployed on the information disclosures for our most significant stakeholders, such as employees and suppliers, and extend to other stakeholders. We are open-minded to encourage our stakeholders to express their opinions through various channels.

ENVIRONMENT

Environmental Protection

The Group has formulated a series of management objectives for environment and natural resources protection conforming to our direction in sustainable development and operation. To make reasonable use of various energy, resources and materials, the Group regularly collects greenhouse gases emission data from certain operating facilities during its operation with reference to the “Environmental, Social and Governance Reporting Guide” issued by The Stock Exchange of Hong Kong Limited (“Stock Exchange”). Information analysis provides us with clear directions to improve our daily operations, which facilitates the implementation of measures, the gradual enhancement of resource efficiencies and the contribution to environmental protection in the future.

關於本報告

本報告為國投集團控股有限公司簡稱「本公司」，及其附屬公司統稱「本集團」或「我們」發布第二份《環境、社會及管治報告》。內容主要包括我們的辦公室、倉庫及店舖在中華人民共和國（「中國」）、香港及台灣地區主要營運點對環境保護、社會責任及企業管治的表現，並就其表現進行檢討，以求日後更趨完善。

報告範圍

本年度報告除對本集團原有之鞋履銷售業務之範圍進行評估外，更對其較新業務作出適當的評估，按其業務對本集團的影響逐步提升披露的範圍。

除另有說明外，環境數據僅涵蓋集團於香港及中國內地的鞋履銷售業務，集團於台灣的辦事處及營運點因對環境影響相對較小而不包括在內。

報告期間

匯報期為2017年4月1日至2018年3月31日（「本年度」）。

持份者參與

不同持份者對本集團具有十分重要的影響，但本集團認為應將資源先投放在對本集團具有最大影響力的持份者資料披露上，如僱員及供應商等，推而廣之。我們持開放態度，鼓勵我們的持份者通過各種渠道提出意見。

環境

環境保護

本集團就環境及天然資源之保護方面訂下一系列的管理目標，以貫徹持續發展及經營方針。本集團為了提升各項能源、資源和物料的合理使用，我們參考香港聯合交易所有限公司（簡稱「聯交所」）頒布的《環境、社會及管治報告指引》，定期收集部分營運設施在使用能源時造成溫室氣體排放量數據，通過資料分析的過程為我們提供更多有關改善營運的方向，以方便日後加強措施的推行，逐步提升資源使用效益和保護環境出力。

Raise the awareness of environmental protection within the Group and optimise the use of resources

To raise the awareness of environmental protection within the Group and the responsible use of resources, information is shared internally. Meanwhile, we have also introduced measures on energy, water and paper conservation and the proper use of air-conditioners. We have assigned employees to explore and collect more information on environmental protection, pay close attention to the relevant information updates and communicate such information to all employees of the Group.

Incorporate environmental protection into the design and renovation of our stores

The design and renovation of our stores features with waste reduction in fusion with various factors such as energy conservation and the use of reusable materials, which are also our priority concerns.

Strengthen the management of performance indicator measures

We strengthen statistics and data collection in relation to the fuels, energy consumption and waste generated from offices, warehouses and sales points during the course of business. Through data processing and analysis, we can further create a more suitable environmental protection policy.

The extensive footwear sales business network of the Group covers a total of 306 sales points, 18 offices and 14 warehouses in the PRC, Hong Kong and Taiwan with 1,169 employees. We believe that the increasing environmental protection awareness of our employees can in turn improve the performance of the Group as a whole and even inspire others to make their effort. The following initiatives are widely promoted to our staff, such as water conservation, turning-off of unnecessary lighting and air-conditioning after work or during lunch breaks, as well as setting sleeping mode management of computers. We also set up used papers collection boxes, encourage our staff to use double-sided printing, send documents through emails and review documents online. Our staff is also advised not to use single-use paper cups for daily use. Environmental protection tips in electronic forms and related activities are provided for our staff to encourage their participation. We also encourage our staff to share information on environmental protection by keeping them in the shared file on the central network of regional offices. In this way, green living information can be shared among our staff to enhance their quality of life and help to enhance environmental protection.

提升內部環保意識、善用資源

本集團為提升內部環保及善用資源意識，會內部分享資訊及實施節約能源、節約用水、善用空調及節省用紙的措施，我們更委派員工探索及收集更多環保信息，密切關注相關信息更新，並普及至本集團所有員工。

店舖設計與翻新工程融入環保概念

我們店舖裝修設計理念從減少廢棄物開始，並融入節能及可再生物料的使用等因素，是我們優先考慮的重點。

加強績效指標計量管理

我們加強業務範圍所涉及的辦公室、倉庫及銷售點使用的燃料、能源及廢棄物數據統計與收集。通過數據處理與分析，進一步定立更適合我們環境保護的政策。

本集團鞋履銷售業務網絡覆蓋廣泛，遍布中國、香港及台灣約306個銷售點、18個辦公室及14個倉庫；僱用員工1,169名。我們相信提升內部員工環保意識有助本集團整體表現外，更可感染別人一起推動。我們已廣泛向員工宣傳節約用水、下班或午休時間關掉不需要使用的燈和空調；設置計算機休眠管理；設立已使用紙張收集箱，鼓勵員工雙面打印和通過電子郵箱傳遞文件和在綫審閱文件；更建議員工不要使用一次性的紙水杯作為日常飲料之用等措施；並向員工提供環保錦囊電子信息和環保活動，鼓勵員工參與；我們更鼓勵員工收集到的環境保護信息，存放在地區辦公室中央網絡共享文件檔內，讓員工一起分享綠色生活訊息，從而提升員工的生活素質的同時，也為環保出一份力。

Environmental, Social and Governance Report

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We understand that the harm caused by the emission of pollutants from vehicles and aircrafts to the environment should not be neglected. However, it is inevitable to use vehicles to transport our products between various sales points and warehouses in the course of our operations, and our management needs to travel by plane and other forms of transportation in managing our business. The Group continuously monitors our use of transportation and sets up appropriate measures to balance all stakeholders' interests. Our existing measures include gradually upgrading our business vehicles to the European emission standards, maintaining good maintenance and repair for vehicles and adopting electronic means for business communications, such as the use of video conference, or conference calls and other electronic devices.

To ensure the sustainable development and better performance of our policies and measures for balancing the interests of different stakeholders, we have started to collect data on the emission of greenhouse gases during our operation in the Year. The collected data during the Year are as follows:

During the Year, the petrol and diesel fuel consumption of the Group from company vehicles was approximately 30,928 liters and the carbon emission was approximately 74 tonnes CO₂e

我們明白汽車和飛機廢氣排放污染物對環境造成的危害不容忽視，但實際在營運過程中無可避免涉及使用車輛運載貨物往返各個銷售點和倉庫、管理人員乘坐交通工具包括乘坐飛機管理業務，本集團會持續監察我們的使用量並建立適當措施平衡各持份者的利益；我們現有措施包括：逐步提升業務車輛對歐盟汽車廢氣排放標準系數；維持良好的車輛維修保養及多採用視像會議或通話等電子工具進行業務溝通。

為了確保我們推行的政策、措施能持續發展和有更佳表現，以平衡各持份者的利益，本年度已開展收集我們在營運過程所引起的溫室氣體排放，於本年度數據收集情況如下：

集團於本年度公司車輛耗用汽油和柴油約為**30,928**公升，產生碳排放量約為**74**噸二氧化碳當量

| Scope 1: Direct emissions of greenhouse gases | Coverage | 2018 (petrol/diesel fuel/liters) | 2018 (tonnes/CO ₂ e) |
|---|---|--|------------------------------------|
| 範圍 1： 直接溫室氣體排放 | 涵蓋範圍 | 2018 (汽油/柴油公升) | 2018 (噸/ 二氧化碳當量) |
| Emissions from vehicles 車輛排放 | <ul style="list-style-type: none"> — Retail business in the PRC 中國區零售業務 — Hong Kong offices and warehouses 香港辦公室及倉庫 — Dongguan offices 東莞辦公室 | 30,928 | 74 |

(* Note: 1)

(*附註：1)

During the Year, the purchased electricity of the Group was approximately 3,026,483 kWh and carbon emission was approximately 2,422 tonnes CO₂e

集團於本年度外購電力約為**3,026,483**千瓦時，產生碳排放量約為**2,422**公噸二氧化碳當量

| Scope 2: Indirect emissions of greenhouse gases from energy consumption | Coverage | 2018 (kWh) | 2018 (tonnes/CO ₂ e) |
|--|--|------------|------------------------------------|
| 範圍 2：能源間接溫室氣體排放 | 涵蓋範圍 | 2018 (千瓦時) | 2018 (噸/ 二氧化碳當量) |
| Purchased electricity 外購電力 | <ul style="list-style-type: none"> — Retail business in the PRC 中國區零售業務 — Hong Kong (offices/stores/warehouses) 香港(辦公室/店舖/倉庫) — Guangzhou (offices/warehouses) 廣州(辦公室/倉庫) — Dongguan (offices) 東莞(辦公室) | 3,026,483 | 2,422 |

(* Note: 1)

(*附註：1)

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During the Year, the carbon emission generated from outsourced transportation vehicles and staff business trips by planes of the Group was approximately 103 tonnes CO2e

集團於本年度因外判運輸車輛及員工商旅乘坐飛機而產生的碳排放量約為103公噸二氧化碳當量

| Scope 3: Indirect emissions of greenhouse gases 範圍3： 間接溫室氣體排放 | Coverage 涵蓋範圍 | 2018 (tonnes/CO2e) 2018 (噸/ 二氧化碳當量) |
|--|---|---|
| Outsourced transportation vehicles 外包運輸車輛 | — Retail business in the PRC 中國區零售業務 — Dongguan offices 東莞辦公室 | 71 |
| Staff business trips by planes 僱員乘坐飛機出外公幹 | — Retail business in the PRC 中國區零售業務 — Hong Kong offices and warehouses 香港區辦公室及倉庫 — Dongguan offices 東莞辦公室 | 32 |
| Total 合計 | | 103 |

(* Note: 1 & 2)

During our business operations, store improvement and renovation are indispensable which could cause direct damages to the environment. To mitigate the damages, we begin with the source. In the context of our design concept, parts of the furniture are designed for recycling, renewable materials are used whenever possible and the energy-efficient lighting is more widely used in our illumination system. Disposal of wastes from closed stores is outsourced to subcontractors holding environmental protection certificates for waste separation and disposal. From mid-2016 onwards, store design and tools manufacturing have been put into centralised management, waste separation and disposal of wastes has been carried out by subcontractors holding environmental protection certificates in some regions, with an aim to continuously promote such practice to each province and city.

Notes:

- Carbon emission is calculated with reference to the Reporting Guidance on Environmental KPIs published by the Stock Exchange; Greenhouse Gas Protocol published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).
- Emission data of business trips by air is calculated using the carbon emission calculator of the International Civil Aviation Organization.

(*附註：1, 2)

在我們營運業務中店舖裝修、翻新是不可或缺的，但該等活動直接對環境造成傷害。為了減低傷害程度，我們從源頭開始。首先我們在設計理念上，部分家具設計以回收再用為前提，用料上儘量採用再生物料、燈光配置上增加節能燈的使用比例。撤店棄置物爭取外判給持有環保認證的承判商進行廢物分類處理。自2016年年中開始，店舖設計與道具生產已由中央規劃處理；部分地區已採用有環保認證的承判商進行棄置物分類處理，我們將持續逐步推廣至各省市。

註：

- 碳排放計算乃參照聯交所刊發的《環境關鍵績效指標匯報指引》；世界企業永續發展協會與世界資源研究院發布的《溫室氣體盤查議定書》。
- 航空旅程的排放量數據乃採用國際民用航空組織(International Civil Aviation Organization)碳排放計算器計算。

EMPLOYMENT AND LABOUR PRACTICES

In an era where intense competition abounds, we regard intelligent, creative and dedicated staff as the Group's most valuable asset. We acknowledge good employment relationships and a committed team are the keys to the Group's efficient operations.

We care about the communication with our staff, encourage our staff at all levels to express their opinions through various staff activities, such as meetings, suggestion boxes and websites. We advocate a harmonious environment and organise occasional and different types of meetings and outdoor activities to lift the barriers between staff, creating a healthy and harmonious working environment.

Employment

As of 31 March 2018, the Group employed 1,169 employees, of which approximately 1,033 were based in the PRC, 114 in Hong Kong and the remaining in Taiwan. We are in compliance with the employment regulations of the regions where our business is situated, details of which are set out below:

1. Labour wages, overtime pay and related benefits meet (or exceed) the local minimum wage;
2. Leaves and statutory paid leaves comply with the local government requirements;
3. Our employees are treated equally by the Group. The employee's social identity, such as ethnicity, race, nationality, gender, religion, age, sexual orientation, political factions and marital status, will not affect his/her employment, remuneration package and promotion;
4. Staff Code of Practice of the Group is formulated with reference to the employment regulations of relevant regions which comply with the standard requirements of the national and local government.

Health and Safety

The Group values the health and safety of our staff. We consider that health is essential for wealth and a bright future. Basic medical benefits and a safe working environment are offered to employees to reduce casualties and money loss arising during work.

僱傭及勞工常規

在當今充滿競爭的年代，擁有一群有智識、創意及勤奮的員工，是本集團最寶貴的資產。我們深明良好的員工關係及充滿熱誠的工作團隊，對本集團的高效營運至為重要。

我們關注員工的溝通，鼓勵本集團各職級員工透過各種員工活動表達意見，如會議、意見箱、網站等；我們推崇和諧共融的相處態度，透過不定期舉辦的各類會議及外展活動，幫助上下員工打破隔膜，營造健康、和諧的工作環境。

僱傭

截至2018年3月31日，本集團聘用僱員1,169名，其中大約1,033位於中國，114位於香港及餘下的位於台灣。我們遵守營業所在地的僱傭法規，詳情載列下文：

1. 勞工工資、加班費及相關福利符合當地最低工資(或高於)支付；
2. 假期及法定有薪假期遵守所在地政府規定；
3. 本集團平等對待每一位員工，不會因員工的民族、種族、國籍、性別、宗教、年齡、性取向、政治派別、婚姻狀況等社會身份而影響其錄用、待遇、升遷等；
4. 本集團的員工守則是參照所在地的僱傭法規制定、符合有關國家或地區政府標準要求。

健康與安全

本集團重視員工的健康與安全，認為有健康才有財富、有健康才可為未來打拼。我們為員工提供基本醫療福利和安全工作環境，減少因工作所產生之傷亡及涉及之金錢損失。

In compliance with Fire Services Ordinances, we set up fire escapes, emergency lightings and fire escape maps for emergency escape. First-aid kits are in place at each work station. Guidance and working guidelines regarding moving goods safely and the use of trolleys are provided for staff subject to higher risk of work-related injuries, such as warehouse staff. Our retail staff are provided with occupational health guidance, which gives instructions on the safe use of ladders, climbing ladders and stocking shelves to avoid injuries.

Development and Training

In the fast-changing market with intense competition, we believe that only by pursuing knowledge and innovation, remaining full alert, leveraging on intelligence and creativity, and above all, improving efficiencies of the management teams can we respond to new challenges in this new era. Consequently, the Group's objective is to increase the capabilities of our staff at all levels. To accommodate the occupational developments, we will continue to establish a series of courses based on the needs to enhance employees' skills and encourage employees' continuous learning.

We provide induction trainings for the new frontline staff. Such trainings comprise introduction of the Company, rules of the Company, occupational safety and the Trade Descriptions Ordinance; fundamental store management, product knowledge, sales techniques and customer services, all of which help new staff fitting into our team as soon as possible.

The Group also supports self-improvement and encourages our staff to fully utilise their expertise at work to enhance quality. We continuously recommend our staff to attend suitable seminars or courses selected by us.

Seeking high-caliber individuals and cultivating talents are the Group's key objectives. We will not give up to achieve these objectives through store management training programmes or other feasible means.

Excellent enterprises cannot survive without a united and competitive team. Therefore, we encourage employees to actively participate in the meetings and outdoor activities organised by the Group, during which team spirit is built and past performances are reviewed, so that effective strategies can be developed to face the new challenges in a new era.

Labour Standards

The Group forbids the employment of child labour, involuntary or forced labour in all business segments. At present, there is no significant risk of child labour or forced labour discovered within the Group. In the case of voluntary departure, employees are free to terminate his/her employment, provided that reasonable notification period is given as required by their labour contracts.

我們遵守消防條例的要求設置防火通道、應急照明、防火通道示意圖以便應急逃生使用；在各個工作間設立急救藥箱；並對工作受傷風險較高的員工如為倉庫員工提供安全搬運貨品和使用手推車的指導和工作指引，為店舖員工提供職業健康指引，指導員工安全使用摺梯、爬梯和搬貨上架等訊息，以減低員工受傷的機會。

發展與培訓

市場瞬息萬變，競爭激烈，只有不斷求知求新，加強警惕，發揮智慧和創意，更重要是提高管理團隊的效率，才有能力迎接新時代新挑戰。故提升各階層的工作能力是本集團的目的。為配合職務的發展，我們將持續按需要建立一系列的課程以助員工提升技能和鼓勵員工持續進修。

我們為前綫新入職員工提供迎新課程，內容包括公司簡介、公司規例、職業安全及商品說明條例；店舖基礎管理、產品知識、銷售技巧、顧客服務等，讓新入職員工儘快融入我們的團隊。

本集團更鼓勵員工自我增值，提高質素，在工作上發揮所長。我們將持續挑選合適之專題講座或課程推薦員工參與。

持續尋找賢才與培育人才是本集團重點目標，我們不會放棄通過店主管培育計劃或其它可行辦法去達成我們的目標。

經營優質企業需要凝聚有競爭力的團隊，故我們鼓勵員工積極參與本集團舉辦的會議和戶外活動日，發揮團隊精神，為過去的成敗得失作檢討，為未來訂立優質戰略，迎接新時代新的挑戰。

勞工準則

本集團所有業務均禁止童工、強迫或強制勞工。截止目前，我們並無發現本集團業務內存在僱用童工或強制勞工的重大風險。凡員工出於自願離職，並按勞工合約規定的合理期限發出通知，即可自由離職。

OPERATING PRACTICES

Supply Chain Management

Optimised supply chain management and sound procurement management are relatively important to the sustainable operations of the Group.

In general, we emphasized on the product quality, service quality and business stability of suppliers in the supply chain management system, however relatively less focus was given on suppliers' performance on environmental protection and social responsibilities. We will continuously enhance the attention of our suppliers on their performance of corporate social responsibility. The related personnel assess and establish a list of suppliers, whom are contacted and communicated with by the related staff, while encourage unqualified suppliers to emphasis on corporate social responsibility and comply with relevant laws and regulations.

Product Responsibility

The Group is of the view that product forms the core competitive edge of an enterprise. Our quality inspection and assurance process includes: (i) our leather materials are sent to National Leather Products Quality Supervision and Inspection Centre for assessment, (ii) our products are required to pass the National Quality Inspection for Light Industry for Leather and Fur of Footwear Products, (iii) our professional personnel perform on-site random inspection for suppliers, provide defect reports for substandard products identified during the production process, offer improvement advice and request the supplier to implement improvements or provide detailed improvement proposals, and (iv) follow up such proposals and continuously supervise the supplier's performance.

We will continuously optimize our product procurement process as the Company's procurement model changes, and strengthen the review of inspection documents to ensure that our products are compliant with the relevant laws and regulations.

For new businesses such as securities brokerage, the related operating personnel shall comply with the Securities and Futures Ordinance, Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission and Trade Descriptions Ordinance, to ensure that all information given is correct and not misleading, defamatory or fraudulent. In addition, we have set up appropriate working standards and codes to make sure that all employees clearly understand the operating requirements.

營運慣例

供應鏈管理

完善的供應鏈管理及良好的採購管理，對本集團的可持續營運影響較重要。

一般情況我們對供應鏈管理系統上偏重供應商商品質量、服務水平與業務穩健性之評估，相對比較小關注供應商在環境保護與社會責任方面的表現。我們將持續提升供應商於企業社會責任表現的關注。由部門相關人員自行評估及建立供應商名單，對該名單內的供應商接觸與溝通，鼓勵未達標的供應商重視企業社會責任，遵守相關的法則和法規。

產品責任

本集團認為，產品是企業的核心競爭力，我們質量檢定過程包括 (i) 皮革材料通過國家皮革質量檢驗中心測試，(ii) 商品通過國家輕工業鞋類皮革毛皮製品質量監督檢測，(iii) 專業人員進行供應商現場抽檢，對生產過程中發現有不符合質量的商品提出缺失報告和改善建議，要求供應商進行改善或提出實質改善方案，(iv) 對改善方案進行跟進，持續對供應商的表現進行監察。

隨著公司採購模式的改變，我們將持續優化我們產品採購程序，加強檢測文件的審視以確保產品合法和合規。

至於證券經紀等新業務相關業務人員遵守證券及期貨條例、證券及期貨事務監察委員會持牌人及註冊人操守準則、商品說明條例等，確保信息正確，沒有誤導、毀謗及欺詐成份。此外，我們適當訂立工作標準及守則，讓員工清晰掌握操作的要求。

Customer Services

Data Privacy Policy

We comply with the laws and regulations in relation to personal information and the protection of customers' rights. We shall not share, sell or lease any information provided by our customers in order to protect their rights. The personal information collection statement has been set out on our website.

Anti-corruption

The Group takes integrity, law-abiding and effective operation as our business operations philosophy. We strongly believe that the image of honesty, integrity and fairness is one of the important assets of the Group. To this end, the Group expressively requires all staff to devote great efforts to protect our reputation by keeping fraud, disloyalty or corruption at bay. The Group regularly reminds our staff to follow instruction and related guidance in performing job duties. Meanwhile, our management has formulated a whistleblowing policy and assigned the Audit Committee comprised of Independent Non-executive Directors to receive and follow up relevant cases.

The Company's new businesses such as securities brokerage business have been commenced in line with the development approach of the Group. The Group does not tolerate corruption, bribery, extortion, fraudulent and money-laundering activities. The relevant companies make reference to the relevant regulations, such as Prevention of Bribery Ordinance, the United Nations (Anti-Terrorism Measures) Ordinance and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, and require employees to strictly abide by the relevant regulations and guidelines.

Whistleblowing Channel

We have formulated a whistleblowing policy and all staff of the Group was notified again in the Year.

COMMUNITY

As a responsible enterprise, we will continuously adopt appropriate approaches to broaden the communities we serve and support the employment of people from different backgrounds.

Community Investment

In addition to participating in community public welfare activities as usual and providing various types of employment opportunity at all times, the Group has also continued to provide multiple short-term internship opportunities for vocational training colleges' students. Working experience and relevant expertise can be provided to students through face-to-face interviews, working experience, gains and losses at work and knowledge can be exchanged to enrich the practical experience of students. Moreover, we have been awarded the "Caring Company" logo by The Hong Kong Council of Social Service for seven consecutive years, attesting our effort in the promotion of caring for our society. In the future, we will continuously invest various resources in our community.

客戶服務

資料隱私政策

我們遵守有關個人資料及顧客權益保護的法律法規，並維護顧客的權益，不會分享、出售或出租客人所提供的資料。我們的網站載有個人資料收集聲明。

反貪污

誠信守法、務實經營是本集團經營理念；我們深信誠實、廉潔和公平的形象是本集團其中一項重要的資產。為此，本集團已明確所有人員必須確保本集團的聲譽不會因欺詐、不忠或因貪污行為而受損。故本集團定期提示員工履行職務時必須遵守紀律及相關指引。同時，本集團管理層已制定舉報政策並由獨立非執行董事組成的審核委員會負責接收與跟進。

隨著本集團發展的方針，公司轄下的證券經紀業務等新業務已於本年度正式擴展。本集團關注貪污、賄賂、勒索、欺詐及洗黑錢等行為。相關公司引用《防止賄賂條例》、《聯合國(反恐怖主義措施)條例》及《打擊洗錢及恐怖分子資金籌集(金融機構)條例》等相關法例，要求員工嚴守相關條例與指引。

舉報渠道

我們已制定舉報制度，並已於本年度再次向本集團全體員工發出通知。

社區

作為一個負責的企業，我們將持續採取適當的方式擴闊服務社群、支持不同層面人士就業。

社區投資

本集團除一如既往持續參與社區公益活動及提供不同層面的就業機會外，亦繼續為職業培訓專業院校同學提供多方面的短期實習機會，並經常將社會工作經驗及相關專業知識，透過面談傳遞給同學，讓彼此能分享社會實踐感想、工作得失成果和知識交換等，豐富同學實踐經驗。此外，我們連續七年獲得由香港社會服務聯會頒發的「商界展關懷」標誌，表揚我們推動關愛社會出力，我們將持續對社區投放不同程度的資源。

Biographical Details of Directors

董事簡歷

EXECUTIVE DIRECTORS

Mr. ZHU Xiaojun, aged 47, is the Chairman and an executive Director of the Group. He also serves as a member of both the Remuneration Committee and the Nomination Committee of the Board. Mr. Zhu is the brother-in-law of Ms. Cai Jiaying, who is an executive Director of the Group. Mr. Zhu is responsible for the overall management and strategies planning for the business development of the Group. He is currently the general manager of Shanghai Sunrise Pension & Services Company Limited in the PRC. He is a sole director of China Consume Elderly Care Holdings Limited, a controlling shareholder of the Company. Mr. Zhu is experienced in the industry of electronic commerce. He joined the Group in February 2016.

Mr. KANG Jianming, aged 43, is an executive Director of the Group. Mr. Kang obtained a Master's Degree in Philosophy from the Beijing Normal University. He also completed an Executive MBA programme from Zhongshan University in the PRC and the China UnionPay Senior Management Programme from the Business and Administration Department of the Tsinghua University in the PRC. Mr. Kang worked as an economist in the Guangdong Branch of the Industrial and Commercial Bank of China Limited from March 2005 to December 2006. Afterwards, he worked as the business director of Guangzhou UnionPay Network Payment Company Limited from October 2007 to September 2015. Mr. Kang obtained the intermediate level qualification in Finance and Economics conferred by the Ministry of Personnel of the Government of the PRC (currently known as the Ministry of Human Resources and Social Security of the Government of the PRC) in November 2002. In November 2014, Mr. Kang was appointed as a member of the 3rd Committee of the Guangdong's Association for Promotion of Cooperation between Guangdong, Hong Kong and Macao. He has extensive experience in the industry of e-Payment, finance and economics. Mr. Kang joined the Group in February 2016.

Ms. CAI Jiaying, aged 37, is an executive Director of the Group. Ms. Cai is the sister-in-law of Mr. Zhu Xiaojun, who is a Chairman and an executive Director of the Group. Ms. Cai graduated from the Shanghai Art & Design Academy with a Bachelor's Degree in Fashion Design. Ms. Cai has extensive experience in the fashion design industry and she also has years of experience in ladies' fashion design, brand development as well as the management and business operation. She is also the general manager of Shanghai Anxin Insurance Agency Limited. Ms. Cai joined the Group in April 2016.

執行董事

朱曉軍先生，47歲，為本集團主席兼執行董事。彼亦出任董事會轄下薪酬委員會及提名委員會成員。朱先生為本集團執行董事蔡佳櫻女士之小叔。朱先生負責本集團業務發展之整體管理及策略規劃。彼目前為中國上海旭日養老服務有限公司總經理。彼亦為中國消費養老控股有限公司（本公司之控股股東）之唯一董事。朱先生於電子商務行業擁有豐富經驗。彼自2016年2月加盟本集團。

康建明先生，43歲，為本集團執行董事。康先生畢業於北京師範大學，獲哲學碩士學位。彼亦完成中國中山大學高級工商管理碩士課程及中國清華大學工商管理系中國銀聯高級管理課程。康先生由2005年3月至2006年12月於中國工商銀行股份有限公司廣東分行擔任經濟師。其後，彼由2007年10月至2015年9月於廣州銀聯網絡支付有限公司擔任業務總監。康先生於2002年11月獲得中國政府人事部（現稱為中國政府人力資源和社會保障部）授予金融經濟中級資格。於2014年11月，康先生獲委任為廣東省粵港澳合作促進會第三屆委員會成員。彼於電子支付、金融及經濟行業擁有豐富經驗。康先生自2016年2月加盟本集團。

蔡佳櫻女士，37歲，為本集團執行董事。蔡女士為本集團主席兼執行董事朱曉軍先生之大嫂。蔡女士畢業於上海工藝美術職業學院，持有服裝設計學士學位。蔡女士於服裝設計行業擁有豐富經驗，亦於女士服裝設計、品牌建立以及管理及業務經營方面擁有多年經驗。彼目前亦為上海安欣保險代理有限公司總經理。蔡女士自2016年4月加盟本集團。

Biographical Details of Directors

董事簡歷

Mr. YIN Wansun, aged 56, is an executive Director of the Group. Mr. Yin obtained a Bachelor's Degree in Engineering from the Dalian University of Technology (formerly known as 大連工學院) in the PRC. He is currently the managing director of Shanghai Fudi Industry Company Limited and is responsible for monitoring the overall business operations. Mr. Yin has over 20 years of experience in the corporate management field. He joined the Group in May 2016.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. ZHAO Hong, aged 48, is an Independent Non-executive Director of the Group. She also serves as a chairman of the Audit Committee and Remuneration Committee of the Board. Ms. Zhao also appointed as the chairman of the Nomination Committee of the Board effective from 16 June 2017. Ms. Zhao holds a Bachelor's Degree in Accounting from the Shanghai University of Finance and Economics and a Master's Degree of Business Administration from the China Europe International Business School in the PRC. Ms. Zhao obtained the qualification of Accountant specializing in Accounting (Corporate) conferred by the Ministry of Finance of the PRC in May 1996. She is currently a non-practicing member of The Chinese Institute of Certified Public Accountants. She is currently a finance director of EBT Digital Communication Retail Group. Ms. Zhao has extensive experience in the financial and accounting fields. She joined the Group in April 2016.

Mr. CHAU Wai Hing, aged 52, is an Independent Non-executive Director of the Group. He also serves as a member of the Audit Committee and Nomination Committee of the Board. Mr. Chau obtained a Bachelor's Degree in Quantitative Analysis for Business, Postgraduate Certificate in Professional Accounting and Master Degree in Finance from the City University of Hong Kong. He also holds a Master Degree in Professional Accounting from the Southern Cross University in Australia. He is a fellow member of the Institute of Public Accountants in Australia, a fellow member of the Institute of Financial Accountants, a chartered member of the Chartered Institute for Securities and Investment and a member of the Hong Kong Securities and Investment Institute. Mr. Chau currently serves as the chairman, executive director, a chairman of investment committee and a chairman of nomination committee of Huge China Holdings Limited (listed on the Main Board of Stock Exchange). From December 2008 to April 2015, Mr. Chau was the chairman and an executive director of UBA Investments Limited (listed on the Main Board of Stock Exchange). Prior to joining UBA Investments Limited, he possesses over 18 years of experience in banking, finance and wealth management and held senior positions at several international financial institutions including Bank of America (Asia) Limited and Merrill Lynch (Asia Pacific) Limited. He joined the Group in February 2017.

殷苑蓀先生，56歲，為本集團執行董事。殷先生於中國大連理工大學(前稱大連工學院)獲得工程學學士學位。彼現時為上海富帝實業有限公司之董事長，負責監督整體業務運作。殷先生在企業管理方面擁有逾20年之經驗。彼自2016年5月加盟本集團。

獨立非執行董事

趙竑女士，48歲，為本集團獨立非執行董事。彼亦出任董事會轄下審核委員會及薪酬委員會之主席。趙女士亦獲委任為提名委員會主席，自2017年6月16日起生效。趙女士持有中國上海財經大學之會計學學士學位及中國中歐國際工商學院之工商管理碩士學位。於1996年5月，趙女士取得由中國財政部頒授之會計師資格，專注於會計(企業)。彼現時為中國註冊會計師協會之非執業會員。彼現時為EBT數碼通信集團之財務總監。趙女士在金融及會計方面擁有豐富經驗。彼自2016年4月加盟本集團。

周偉興先生，52歲，為本集團獨立非執行董事。彼亦擔任董事會轄下審核委員會及提名委員會成員。周先生獲香港城市大學工商數量分析學士學位、專業會計學深造證書及金融學碩士學位。彼亦持有澳洲南格斯大學專業會計碩士學位。彼為澳洲會計師協會之資深會員、英國財務會計師公會之資深會員、英國特許證券與投資協會之特許會員和香港證券及投資學會之會員。周先生現時擔任匯嘉中國控股有限公司(於聯交所主板上市)之主席、執行董事、投資委員會主席及提名委員會主席。由2008年12月至2015年4月，周先生曾為開明投資有限公司(於聯交所主板上市)之主席及執行董事。加入開明投資有限公司前，彼在銀行、金融及財富管理領域擁有超過18年經驗及在不同的國際金融機構居高級職位，其中包括美國銀行(亞洲)有限公司及美林(亞太)有限公司。彼自2017年2月加盟本集團。

Biographical Details of Directors

董事簡歷

Mr. LEUNG Man Ho, aged 36, appointed as an Independent Non-executive Director of the Group on 19 June 2017. He also serves as a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. Mr. Leung obtained a Bachelor's Degree in Business Administration from the City University of Hong Kong. Mr. Leung currently serves as the executive director of Investment Banking Department of Dongxing Securities (Hong Kong) Company Limited since 1 August 2017. Mr. Leung was the senior vice president of Xincheng China Power Holdings Limited (listed on the Main Board of the Stock Exchange) from February 2014 to April 2017 and was principally responsible for investor relations, capital markets and financial reporting matters. Prior to joining Xincheng China Power Holdings Limited, he has extensive experience in the corporate finance and merger and acquisition field and held senior positions at several famous US and Chinese investment banks.

梁文豪先生，36歲，於2017年6月19日獲委任為本集團獨立非執行董事。彼亦擔任董事會轄下審核委員會、薪酬委員會及提名委員會成員。梁先生獲香港城市大學頒發工商管理學士學位。自2017年8月1日，梁先生擔任為東興證券(香港)有限公司之投資銀行部之執行總經理。於2014年2月至2017年4月，梁先生曾擔任新晨中國動力控股有限公司(於聯交所主板上市)之高級副總裁，主要負責投資者關係、資本市場及財務報告事宜。於加入新晨中國動力控股有限公司之前，彼擁有豐富企業融資以及合併及收購經驗，並曾於多間知名美國及中國投資銀行擔任高級職位。

Report of Directors

董事會報告書

The Directors are pleased to present their report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are retailing of footwear in Hong Kong, the PRC and Taiwan. During the Year, the Group commenced its financial business in Hong Kong, including securities brokerage services and money lending business. Subsequent to the completion of the acquisition of China Consume Financial Holdings Company Limited, the Group is engaged in the e-Commerce and e-Payment business.

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

RESULTS AND DIVIDEND

The Group's results for the Year and the state of the Company's and the Group's affairs as at 31 March 2018 are set out on pages 56 to 169 of this annual report.

The Board has recommended not to declare final dividend for the Year (2017: Nil).

RESERVES

Details of the movements in the reserves of the Group during the Year are set out in Note 29 to the consolidated financial statements and in the consolidated statement of changes in equity on page 61, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2018, the Company did not have any reserves available for distribution as calculated in accordance with the provisions of the Companies Law of the Cayman Islands (2017: Nil).

DONATIONS

During the Year, the Group did not make charitable contributions and other donations (2017: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during the Year are set out in Note 15 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles and the laws of the Cayman Islands which oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

董事欣然提呈本年度董事會報告書及本集團之經審核綜合財務報表。

主要業務

本公司為投資控股公司。本集團之主要業務為在香港、中國及台灣零售鞋類。於本年度，本集團於香港開始進行金融業務，包括證券經紀服務及放債業務。本集團於完成收購中國消費金融控股有限公司後，從事電子商務及電子支付業務。

本年度按分部劃分之本集團業績分析載於綜合財務報表附註5。

業績及股息

本集團之本年度業績及本公司及本集團於2018年3月31日之事務狀況載於本年報第56至169頁。

董事會建議不宣派本年度之末期股息(2017年：無)。

儲備

本集團於本年度之儲備變動詳情分別載於綜合財務報表附註29及第61頁之綜合權益變動表。

可供分派儲備

於2018年3月31日，本公司根據開曼群島公司法條文計算並無可供分派之任何儲備(2017年：無)。

捐款

於本年度，本集團並無作出慈善捐獻及其他捐款(2017年：無)。

物業、廠房及設備

本集團於本年度之物業、廠房及設備變動詳情載於綜合財務報表附註15。

優先購買權

章程細則及開曼群島法律並無任何關於優先購買權的規定，致使本公司須按持股比例向現有股東提呈發售新股份。

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on pages 170 to 172 of this annual report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

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

SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE BONDS

Details of the movements in the Company's issued share capital, share options and convertible bonds during the Year are set out in Note 27, 28 and 33 to the consolidated financial statements.

GROUP'S BORROWINGS

Details of the Group's borrowings as at 31 March 2018 are set out in Note 31 to the consolidated financial statements.

DIRECTORS

During the Year and up to the date of this report, the members of Board of Directors of the Company are:

Executive Directors

Mr. ZHU Xiaojun (*Chairman*)
Mr. KANG Jianming
Ms. CAI Jiaying
Mr. YIN Wansun

Independent Non-executive Directors

Ms. ZHAO Hong
Mr. CHAU Wai Hing
Mr. LEUNG Man Ho (*appointed on 19 June 2017*)
Dr. HE Chengying (*resigned on 1 April 2017*)

Dr. HE Chengying resigned as independent non-executive Director of the Company on the date as abovementioned. He confirmed that he has no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

五年財務概要

本集團過去五個財政年度之業績、資產及負債概要載於本年報第170至172頁。

購買、出售或贖回本公司之證券

於本年度，本公司或其任何附屬公司概無購買、出售或贖回任何本公司之證券。

股本、購股權及可換股債券

本公司之已發行股本、購股權及可換股債券於本年度之變動詳情載於綜合財務報表附註27、28及33。

本集團借貸

本集團於2018年3月31日之借貸詳情載於綜合財務報表附註31。

董事

於本年度及截至本報告日期，本公司董事會之成員如下：

執行董事

朱曉軍先生(主席)
康建明先生
蔡佳櫻女士
殷苑蓀先生

獨立非執行董事

趙竑女士
周偉興先生
梁文豪先生(於2017年6月19日獲委任)
何誠穎博士(於2017年4月1日辭任)

何誠穎博士已於上述日期辭任本公司獨立非執行董事。彼已確認與董事會並無任何意見分歧，亦無任何有關本公司之其他事宜須提請本公司股東注意。

In accordance with Article 87 of the Articles of Association, not less than one-third of the Directors for the time being should retire from office by rotation at each annual general meeting. Accordingly, Mr. KANG Jianming and Mr. YIN Wansun, the executive Directors of the Company and Ms. ZHAO Hong, an independent non-executive Director of the Company, will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company (“AGM”).

Change of Directors’ Information

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors required to be disclosed in this report as follows:

Ms. ZHAO Hong, an independent non-executive Director, was appointed as the chairman of the Nomination Committee with effect from 16 June 2017.

Mr. LEUNG Man Ho, an independent non-executive Director was appointed as the executive director of Investment Banking Department of Dongxing Securities (Hong Kong) Company Limited with effect from 1 August 2017.

Directors’ Service Contracts

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

Directors’ Emoluments

The Directors’ fees and remuneration is disclosed in Note 10 to the consolidated financial statements. The directors’ fees are subject to shareholders’ approval at general meeting. The emoluments of the Directors are determined by the Company’s board of directors with reference to their duties, responsibilities, experience and performance, the Company’s performance, the prevailing market conditions and after considering the market emoluments for directors of other listed companies.

Biographical Details of Directors

Biographical details of the Directors of the Group are set out on pages 34 to 36 of this annual report.

根據組織章程細則第 87 條，於每屆股東周年大會上，當時三分之一之董事須輪值退任。因此，本公司執行董事康建明先生及殷菀蓀先生以及本公司獨立非執行董事趙竑女士將於本公司應屆股東周年大會（「股東周年大會」）輪值退任，並符合資格及願意於會上膺選連任。

董事資料變動

根據上市規則第 13.51B(1) 條，須於本報告披露之董事資料變動如下：

趙竑女士，獨立非執行董事，獲委任為提名委員會主席，自 2017 年 6 月 16 日起生效。

梁文豪先生，獨立非執行董事，獲委任為東興證券(香港)有限公司之投資銀行部之執行總經理，自 2017 年 8 月 1 日起生效。

董事服務合約

擬於應屆股東周年大會上膺選連任之董事概無與本公司或其任何附屬公司訂有不可由僱主公司於一年內免付賠償(法定補償除外)而終止之服務合約。

董事酬金

董事袍金及薪酬於綜合財務報表附註 10 披露。董事袍金須獲股東於股東大會上批准。董事酬金由本公司董事會經參考彼等之職責、責任、經驗及表現、本公司業績、現行市況及經考慮其他上市公司之董事市場酬金後釐定。

董事簡歷

本集團董事簡歷載於本年報第 34 至 36 頁。

Report of Directors

董事會報告書

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 March 2018, the interests and short positions of each Director and chief executive of the Company and their associates in the shares (“Shares”), underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 the Directors and chief executive were taken or deemed to have taken under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

董事及最高行政人員於股份、相關股份及債券證中之權益及淡倉

於2018年3月31日，按證券及期貨條例(「證券及期貨條例」)第XV部第7及第8分部須知會本公司及聯交所(包括根據證券及期貨條例該等條文，董事及最高行政人員被視作或視為擁有之權益及淡倉)，或按證券及期貨條例第XV部第352條須予存置之登記冊所記錄，或按標準守則須知會本公司及聯交所，本公司各董事及最高行政人員及彼等之聯繫人於本公司及／或其任何相聯法團(定義見證券及期貨條例第XV部)之股份(「股份」)、相關股份及債券證中之權益及淡倉如下：

The Company

本公司

| Name of Director 董事姓名 | Class of shares 股份類別 | Number of shares held 所持股份數目 | | | Corporate interests 公司權益 | Number of underlying shares held under equity derivatives (Note 2) 根據股本衍生 工具所持有之 相關股份數目 (附註2) | Total 總計 | Approximate % of the Company's total issued share capital 佔本公司 已發行股本 總額之概約% |
|--------------------------|--|---------------------------------|-----------------------------|----------------------------------|--------------------------------|--|-------------|--|
| | | Personal interests 個人權益 | Family interests 家族權益 | | | | | |
| ZHU Xiaojun 朱曉軍 | Ordinary shares 普通股 | — | — | 513,300,002 (Note 1) (附註1) | — | 513,300,002 | 71.67% | |
| KANG Jianming 康建明 | Ordinary shares/share options 普通股/購股權 | — | — | — | 6,000,000 | 6,000,000 | 0.84% | |
| CAI Jiaying 蔡佳櫻 | Ordinary shares/share options 普通股/購股權 | — | — | — | 6,000,000 | 6,000,000 | 0.84% | |
| YIN Wansun 殷菀蓀 | Ordinary shares/share options 普通股/購股權 | — | — | — | 6,000,000 | 6,000,000 | 0.84% | |
| ZHAO Hong 趙竑 | Ordinary shares/share options 普通股/購股權 | — | — | — | 500,000 | 500,000 | 0.07% | |

Notes:

1. Mr. ZHU Xiaojun (“Mr. Zhu”) has beneficial interest in 513,300,002 Shares in the Company representing approximately 71.67% of entire issued share capital of the Company held by China Consume Elderly Care Holdings Limited, a controlling shareholder of the Company, wholly owned by Mr. Zhu.
2. These represent the number of shares which will be allotted or transferred to such Directors upon the exercise of the options granted to each of them under the share option scheme adopted by the Company on 21 May 2007.

Save as disclosed above, at 31 March 2018, none of the Directors and chief executive of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors’ Rights to Acquire Shares or Debentures

Save as disclosed in the section headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures” above and in the section headed “Long Term Incentive Schemes” below, at no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable a Director or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares, or debentures, of the Company or other body corporate.

Directors’ Interest in Contracts

No contracts of significance in relation to the Group’s business to which the Company and its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during the Year.

Directors’ Interest in Competing Businesses

Pursuant to Rule 8.10 of the Listing Rules, each of the Directors confirmed that he/she does not have any interest in any business apart from the Group’s business, which competes or is likely to compete, either directly or indirectly, with the Group’s business.

附註：

1. 朱曉軍先生(「朱先生」)於中國消費養老控股有限公司(本公司之控股股東，由朱先生全資擁有)持有之513,300,002股本公司股份(相當於本公司全部已發行股本約71.67%)中擁有實益權益。
2. 此為根據本公司於2007年5月21日採納之購股權計劃授予每一名有關董事之購股權獲行使後將予配發或轉讓予有關董事之股份數目。

除上文所披露者外，於2018年3月31日，本公司各董事及最高行政人員或彼等之聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉(包括根據證券及期貨條例該等條文，董事及最高行政人員被視作或視為擁有之權益或淡倉)，或按本公司根據證券及期貨條例第XV部第352條須予存置之登記冊所記錄之權益或淡倉，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

董事收購股份或債券證之權利

除上文「董事及最高行政人員於股份、相關股份及債券證中之權益及淡倉」和下文「長期獎勵計劃」兩節所披露者外，於本年度任何時間，本公司或其任何附屬公司並無訂立任何安排，致使董事或彼等各自之配偶或18歲以下子女可藉購入本公司或其他法人團體之股份或債券證而獲益。

董事於合約之權益

於本年度，概無存續本公司及其附屬公司訂立對本集團業務而言屬重大及董事直接或間接於其中擁有重大權益之重大合約。

董事於競爭業務之權益

根據上市規則第8.10條，各董事已確認除本集團之業務外，彼並無於直接或間接地與本集團業務構成競爭或可能構成競爭之任何業務中擁有任何權益。

LONG TERM INCENTIVE SCHEMES

Share Option Scheme 2007

The Company has adopted a share option scheme on 21 May 2007 (“**Share Option Scheme 2007**”) for the purpose of providing incentives to eligible participants to contribute to the Company and enabling the Company to recruit high-calibre employees and attract human resources that are valuable to the Group.

The Share Option Scheme shall be valid and effective for a period of 10 years from its adoption date, after which period no further options granted under the Share Option Scheme 2007 (“**Post-IPO Share Options**”) will be issued but any options then outstanding will continue to be exercisable in accordance with their terms of issue.

The total number of the Shares which may be issued upon exercise of all Post-IPO Share Options to be granted under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 10% of the total number of the Shares in issue as at the Listing Date, being 600,000,000 Shares.

The total number of the Shares issued and to be issued upon exercise of the Post-IPO Share Options and any other share options granted and to be granted to each eligible person in any 12-month period immediately preceding the date of grant of the Post-IPO Share Options (“**Grant Date**”) shall not exceed 1% of the number of Shares in issue as at the Grant Date unless prior approval of the Company’s shareholders in general meeting is obtained.

The Post-IPO Share Options may be exercised during a period as notified by the Board and not exceeding 10 years from the Grant Date and expiring on the last day of the said 10-year period. Unless otherwise determined by the Board and specified in the letter of grant, there is no minimum period for which an option must be held before it can be exercised.

The subscription price of the Post-IPO Share Options shall be determined by the Board and shall be at least the highest of: (a) the nominal value of the Shares; (b) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five trading days immediately preceding the Grant Date; and (c) the closing price of the Shares as stated in the Stock Exchange’s daily quotation sheets on the Grant Date.

On 28 November 2016, the Post-IPO Share Options to subscribe for an aggregate of 41,000,000 Shares at an exercise price of HK\$1.45 per Share were granted under the Share Option Scheme 2007. The closing price of the Shares on 28 November 2016 was HK\$1.45.

長期獎勵計劃

2007年購股權計劃

本公司已於2007年5月21日採納購股權計劃（「**2007年購股權計劃**」），目的為向對本公司作出貢獻之合資格參與者提供獎勵，並令本公司得以聘用高質素僱員及吸引對本集團有價值之人力資源。

購股權計劃於採納日期起計之10年期內有效及生效，其後將不會根據2007年購股權計劃進一步授出購股權（「**首次公開售股後購股權**」），然而，當時尚未行使之任何購股權將繼續可根據其發行條款予以行使。

根據購股權計劃將予授出之首次公開售股後購股權獲悉數行使時及根據本集團任何其他購股權計劃可予發行之股份總數，合共不得超過於上市日期已發行股份總數之10%，即600,000,000股股份。

除非已獲本公司股東於股東大會上事先批准，否則因於緊接首次公開售股後購股權之授出日期（「**授出日期**」）前任何12個月期間內向每名合資格人士授出及將授出之首次公開售股後購股權及任何其他購股權獲行使而已發行及將發行之股份總數，不得超過於授出日期之已發行股份數目之1%。

首次公開售股後購股權可於董事會所知會之期間但不遲於授出日期起計10年內行使，並於所述之10年期間之最後一日屆滿。除非董事會另有決定及於授出函件內列明，否則購股權可予行使前並無最短持有期限。

首次公開售股後購股權之認購價將由董事會釐定，並須最少為以下三項之最高者：(a) 股份面值；(b) 於緊接授出日期前五個交易日於聯交所每日報價表所列股份之平均收市價；及(c) 於授出日期於聯交所每日報價表所列股份之收市價。

於2016年11月28日，可認購合共41,000,000股股份之首次公開售股後購股權根據2007年購股權計劃按行使價每股1.45港元授出。股份於2016年11月28日之收市價為1.45港元。

Report of Directors

董事會報告書

The Post-IPO Share Options are granted in two tranches of: (A) a total of 31,000,000 shares of options; and (B) a total of 10,000,000 shares of options shall vest in the grantees in accordance with the timetable below:

首次公開售股後購股權分兩批授出，分別為 (A) 合共 31,000,000 股購股權；及 (B) 合共 10,000,000 股購股權，根據以下時間表歸屬予承授人：

| Tranches 批次 | Exercisable period 行使期 | Percentage of Options to vest 將予歸屬之購股權之百分比 |
|----------------|--|---|
| A | 28 November 2017 – 27 November 2021 2017年11月28日 — 2021年11月27日 | Up to 50% of the total number of options granted 不超過獲授購股權總數之 50% |
| | 28 November 2018 – 27 November 2021 2018年11月28日 — 2021年11月27日 | Up to 50% of the total number of options granted 不超過獲授購股權總數之 50% |
| B | 28 November 2017 – 27 November 2021 2017年11月28日 — 2021年11月27日 | Up to 25% of the total number of options granted 不超過獲授購股權總數之 25% |
| | 28 November 2018 – 27 November 2021 2018年11月28日 — 2021年11月27日 | Up to 25% of the total number of options granted 不超過獲授購股權總數之 25% |
| | 28 November 2019 – 27 November 2021 2019年11月28日 — 2021年11月27日 | Up to 25% of the total number of options granted 不超過獲授購股權總數之 25% |
| | 28 November 2020 – 27 November 2021 2020年11月28日 — 2021年11月27日 | Up to 25% of the total number of options granted 不超過獲授購股權總數之 25% |
| | | |

Details of movements of the Post-IPO Share Options during the Year are as follows:

於本年度，首次公開售股後購股權之變動詳情如下：

| Name or category of grantee | 承授人之 姓名或類別 | No. of the Post-IPO Share Options 首次公開售股後購股權數目 | | | | | Balance as at 31 March 2018 於2018年 3月31日 之結餘 |
|--------------------------------|---------------|---|---|---|---|--|--|
| | | Balance as at 1 April 2017 於2017年 4月1日 之結餘 | Granted during the Year 於本年度授出 | Exercised during the Year 於本年度行使 | Cancelled during the Year 於本年度註銷 | Lapsed during the Year 於本年度失效 | |
| Directors | 董事 | | | | | | |
| KANG Jianming | 康建明 | 6,000,000 | — | — | — | 6,000,000 | |
| CAI Jiaying | 蔡佳櫻 | 6,000,000 | — | — | — | 6,000,000 | |
| YIN Wansun | 殷苑蓀 | 6,000,000 | — | — | — | 6,000,000 | |
| ZHAO Hong | 趙竑 | 500,000 | — | — | — | 500,000 | |
| HE Chengying | 何誠穎 | 500,000 | — | — | — | 500,000 | |
| Employees | 僱員 | | | | | | |
| In aggregate | 合共 | 22,000,000 | — | — | — | 1,000,000 | |
| Total | 總計 | 41,000,000 | — | — | — | 1,500,000 | |

During the Year, none of the Options was granted, exercised or cancelled and a total of 1,500,000 Post-IPO Share Options have lapsed during the Year. Accordingly, the outstanding of the Post-IPO Share Options was 39,500,000 as at 31 March 2018.

於本年度，概無購股權獲授出、行使或註銷，而合共 1,500,000 股首次公開售股後購股權已於本年度內失效。因此，於 2018 年 3 月 31 日仍有 39,500,000 股首次公開售股後購股權尚未行使。

Share Option Scheme 2017

The Share Option Scheme 2007 was terminated and a new share option scheme was approved by the shareholders at the general meeting held on 13 January 2017. Also, the new share option scheme was adopted by the Company on the even date (“**Share Option Scheme 2017**”).

The Share Option Scheme 2017 shall be valid and effective for a period of 10 years from its adoption date, after which period no further options granted or to be granted under the Share Option Scheme 2017 will be issued but any options then outstanding will continue to be exercisable in accordance with their terms of issue.

The total number of the Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme 2017 and any other option scheme of the Company must not in aggregate exceed 10% of the total number of the Shares in issue as at the date of the approval of the Share Option Scheme 2017, being 646,190,000 Shares.

The total number of the Shares issued and to be issued upon exercise of the options and any other share options granted and to be granted to each eligible person in any 12-month period immediately preceding the date of grant of the options (“**Grant Date**”) shall not exceed 1% of the number of Shares in issue as at the Grant Date unless prior approval of the Company’s shareholders in general meeting is obtained.

The options may be exercised during the option period determined and notified by the Board and not exceeding 10 years from the Grant Date but subject to the provisions for early termination of the Share Option Scheme 2017. Unless otherwise determined by the Board and specified in the letter of grant, there is no minimum period for which an option must be held before it can be exercised.

The subscription price for Shares under the Share Option Scheme 2017 shall be determined by the Board at its absolute discretion but in any event will not be less than the highest of : (a) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the Grant Date; (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the Grant Date; and (c) the nominal value of the Share on the Grant Date.

During the Year, no share options were granted by the Company and there were no outstanding share options under the Share Option Scheme 2017.

2017年購股權計劃

2007年購股權計劃已終止，而一項新購股權計劃已於2017年1月13日舉行之股東大會上獲股東批准。本公司亦於同日採納該項新購股權計劃（「**2017年購股權計劃**」）。

2017年購股權計劃於採納日期起計之10年期內有效及生效，其後不得根據2017年購股權計劃進一步授出或將授出購股權，然而，當時尚未行使之任何購股權將繼續可根據其發行條款予以行使。

於根據2017年購股權計劃及本公司任何其他購股權計劃將予授出之所有購股權獲悉數行使時可予發行之股份總數合共不得超過於2017年購股權計劃批准日期已發行股份總數（即646,190,000股股份）之10%。

除非已獲本公司股東於股東大會上批准，否則因向每名合資格人士於緊接購股權之授出日期（「**授出日期**」）前之任何12個月期間內授出及將予授出之購股權及任何其他購股權而已發行及將予發行之股份總數，不得超過本公司於授出日期之已發行股份數目之1%。

購股權可於董事會所釐定及知會之期間但不遲於授出日期起計10年內行使，並受限於2017年購股權計劃提前終止條款。除非董事會另有決定及於授出函件內列明，否則購股權獲行使前並無最短持有期限。

2017年購股權計劃項下股份之認購價由董事會全權酌情釐定，惟於任何情況下將不得低於以下三項之最高者：(a) 於聯交所之股份於授出日期在聯交所每日報價表所示於聯交所之收市價；(b) 股份於緊接授出日期前五個營業日在聯交所每日報價表所示之平均收市價；及(c) 股份於授出日期之面值。

於本年度，本公司並無授出購股權，且2017年購股權計劃項下並無未行使購股權。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2018, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company), had the following interests and short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO:

| Name of substantial shareholder 主要股東名稱 | Capacity 身份 | Number and nature of interests held 所持權益數目及性質 | Approximate % of the Company's total issued share capital 佔本公司已發行股本總額之概約% |
|---|---------------------------|--|--|
| China Consume Elderly Care Holdings Limited (Note) 中國消費養老控股有限公司(附註) | Beneficial owner 實益擁有人 | 513,300,002 | 71.67% |

Note:

China Consume Elderly Care Holdings Limited, the registered owner of 513,300,002 Shares, was owned as to 100% (1 share) by Mr. ZHU Xiaojun, an executive Director of the Company, in the capacity of beneficial owners respectively.

All the interests disclosed above represents long positions in the Shares and underlying Shares.

Save as disclosed above, at 31 March 2018, the Company had not been notified by any persons (other than the Directors and the chief executive of the Company) who had interests or short positions in shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

主要股東於股份及相關股份之權益及淡倉

於2018年3月31日，就董事所深知，按根據證券及期貨條例第XV部第2及第3分部須向本公司披露，或根據證券及期貨條例第XV部第336條須予存置之登記冊所記錄，以下人士(並非本公司董事或最高行政人員)於本公司股份及相關股份之權益及淡倉如下：

附註：

中國消費養老控股有限公司為513,300,002股股份之登記擁有人，由本公司執行董事朱曉軍先生以實益擁有人身份擁有100%權益(1股)。

上文所披露之所有權益均為於股份及相關股份之好倉。

除上文所披露者外，於2018年3月31日，本公司並無獲任何人士(本公司董事及最高行政人員除外)知會，根據證券及期貨條例第XV部第2及第3分部須向本公司披露，或根據證券及期貨條例第XV部第336條須予存置之登記冊所記錄，任何有關人士於本公司股份或相關股份中擁有權益或淡倉。

Report of Directors

董事會報告書

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

MAJOR SUPPLIERS AND CUSTOMERS

During the Year, all suppliers of the Group are independent third parties. The Group's largest supplier accounted for approximately 9.4% of the Group's total purchases and the Group's five largest suppliers accounted for approximately 40% of the Group's total purchases.

Our Group's five largest customers accounted for less than 30% of the total turnover for the Year.

None of the Directors or any of their associates or any shareholders of the Company (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in the Group's major customers or suppliers noted above.

CONNECTED TRANSACTIONS

During the Year, the Company had the transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, details of which are set out in section headed "Major and Connected Transaction" under Management Discussion and Analysis on page 11 of this report.

CORPORATE GOVERNANCE

The Company's corporate governance practices are set out in Corporate Governance Report on pages 15 to 25 of this annual report.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee has reviewed with the management on the Group's consolidated financial statements for the Year and the accounting principles and practices adopted by the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares as at the latest practicable date prior to the issuance of this annual report.

管理合約

於本年度，概無訂立或存在任何有關本公司全部或任何重大部份業務之管理及行政管理合約。

主要供應商及客戶

於本年度，本集團全部供應商均為獨立第三方。本集團最大供應商佔本集團總採購額約9.4%，而本集團五大供應商則佔本集團總採購額約40%。

本集團五大客戶佔本年度總營業額低於30%。

董事、任何彼等之聯繫人或任何本公司股東(據董事所知擁有本公司已發行股本超過5%者)概無在上述本集團主要客戶或供應商中擁有任何實益權益。

關連交易

於本年度，本公司進行構成上市規則第14A章項下之關連交易或持續關連交易，有關詳情載於本報告第11頁管理層討論及分析下「主要及關連交易」一節。

企業管治

本公司之企業管治常規載於本年報第15至25頁之企業管治報告內。

經由審核委員會審閱

審核委員會已與管理層審閱本集團本年度之綜合財務報表，以及本集團採納之會計原則及常規。

足夠公眾持股量

根據本公司獲得之公開資料及據董事所知，本公司確認於本年報刊發前之最後可行日期維持不少於其已發行股份25%之足夠公眾持股量。

EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

Details of events after the date of statement of financial position are set out in Note 42 to the consolidation financial statement.

PERMITTED INDEMNITY PROVISION

At no time during the financial year and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefits of any of the directors of the Company (whether made by the Company or otherwise) or an associated company.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is devoted to promoting and maintaining the environmental and social sustainable development of the regions where it operates. The Group takes into account of environmental protection issues in developing and designing the new products. It uses materials which have passed relevant physical and safety tests and complied with the environmental laws and regulations. The Group concerns about the responsibilities of its suppliers on environmental protection.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are carried out by the Company's subsidiaries in the PRC, Hong Kong and Taiwan ("Regions") as well as the Company itself is listed on the Stock Exchange. Our operations accordingly shall comply with relevant laws and regulations in such Regions. During the year ended 31 March 2018, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

BUSINESS REVIEW

Further discussion and analysis of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business are set out in Management Discussion and Analysis on pages 6 to 7 of this report.

財務狀況表日期後事項

財務狀況表日期後事項之詳情載列於綜合財務報表附註42。

獲准許的彌償條文

於本財政年度任何時間及截至本報告書日期，過去或現時概無涉及本公司或相聯公司之任何董事利益(不論由本公司或以任何方式作出)之有效獲准許的彌償條文。

環境政策及表現

本集團致力推廣及維持經營所在地區之環境及社會可持續發展。本集團於開發及設計新產品時會考慮環保因素，採用經通過相關物理及安全測試之物料，並遵守環境法律及法規。本集團關注其供應商對環保承擔之責任。

遵守法律及法規

本集團之業務由本公司在中國、香港及台灣(「該等地區」)之附屬公司進行，而本公司則於聯交所上市。本集團之業務因此須遵守該等地區之相關法律及法規。於截至2018年3月31日止年度，就董事會及管理層所知悉，本集團並無重大違反或不遵守任何對本集團業務及營運有重大影響之適用法律及法規。

業務回顧

關於本集團面對之主要風險及不明朗因素之進一步討論及分析以及本集團業務未來可能發展之指標載於本報告第6至第7頁之管理層討論及分析。

AUDITOR

During the Year, PricewaterhouseCoopers (“PwC”) retired as auditors of the Company with effect from the conclusion of AGM held on 29 September 2017. The Board and the audit committee of the Board appointed BDO Limited as the new auditor of the company following the retirement of PwC.

The financial statements of the Company for the year ended 31 March 2018 have been audited by BDO Limited, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM.

On behalf of the Board

ZHU Xiaojun
Chairman

Hong Kong
22 June 2018

核數師

於本年度，羅兵咸永道會計師事務所(「羅兵咸永道」)退任本公司核數師，自於2017年9月29日舉行之股東周年大會結束起生效。董事會及董事會審核委員會委任香港立信德豪會計師事務所有限公司於羅兵咸永道退任後擔任本公司之新核數師。

本公司截至2018年3月31日止年度之財務報表已經由香港立信德豪會計師事務所有限公司審核，而其將退任，且符合資格並願意於應屆股東周年大會上續聘連任。

代表董事會

主席
朱曉軍

香港
2018年6月22日



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

OPINION

We have audited the consolidated financial statements of Vestate Group Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 56 to 169, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated income statement, the consolidated statement of 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 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards 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.

致國投集團控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審核國投集團控股有限公司(以下簡稱「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)列載於第56至169頁的綜合財務報表，其中包括於2018年3月31日的綜合財務狀況表以及截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈的《香港財務報告準則》真實而中肯地反映了 貴集團於2018年3月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

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

Independent Auditor's Report

獨立核數師報告

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw your attention to note 2.1 to the consolidated financial statements, which indicates that the Group reported a net loss of HK\$209,383,000 and had net cash outflows from operating activities of HK\$96,172,000 for the year ended 31 March 2018. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Provision of inventories

Refer to note 21 of the consolidated financial statements and accounting policies on note 3.12.

As at 31 March 2018, the carrying amount of inventories amounted to approximately HK\$97,010,000 which were carried at the lower of cost or net realisable value. The Group consistently applies a provisioning policy for slow moving inventories based on inventory ageing and specific product lines. We focused on this area because the estimation of provisioning ratios applied to different aged inventory categories involved significant judgement based on historical experience of selling products of similar nature through various sales channels as well as expectation of future sales under current market condition. These estimations are also subject to change of market trends, customers taste and competitors' actions.

Our response:

Our key audit procedures in related to the directors' assessment of the provision of inventories included:

- Examining the basis of the methodology with respect of inventory provision and evaluating the outcome against management's estimation in prior years;
- Assessing the assumptions and estimations applied by management for establishing the provisioning ratio applicable to different aged inventory categories through comparing with historical sales trends of products with similar conditions and future sales plan;

與持續經營有關之重大不確定性

我們籲請閣下關注綜合財務報表附註2.1，當中表示貴集團截至2018年3月31日止年度錄得虧損淨額209,383,000港元，而經營活動產生之現金流出淨額為96,172,000港元。該等情況，連同綜合財務報表附註2.1所載之其他事項均顯示存在重大不確定性，可能對貴集團持續經營的能力構成重大疑慮。我們的意見未有就此事項作出修訂。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。除「與持續經營有關之重大不確定性」一節所述的事項之外，我們已釐定下文所述事宜為於我們的報告中將予傳達的關鍵審計事項。

存貨撥備

請參閱綜合財務報表附註21及會計政策附註3.12。

於2018年3月31日，存貨之賬面值約為97,010,000港元，以成本或可變現淨值的較低者入賬。貴集團根據存貨賬齡及指定產品線，對滯銷存貨貫徹採用撥備政策。我們專注於此領域，原因為應用於不同陳舊存貨類別的估計撥備比率涉及通過各種銷售渠道銷售類似性質產品的過往經驗及在當前市場狀況下對未來銷售之期望的重大判斷。該等估計亦將受市場趨勢、客戶品味及競爭對手行為變化所規限。

我們的應對：

我們就董事對存貨撥備的評估的關鍵審計程序包括：

- 審核有關存貨撥備方法的基礎及評估管理層於過往年度的估計結果；
- 透過將類似狀況及未來銷售計劃與產品的過往銷售趨勢作比較，評核管理層就建立適用於不同陳舊存貨類別的撥備比率所採用的假設及估計；

- Testing the accuracy of the inventory ageing report and historical sales information used in establishing the provisioning ratios to historical purchase and sales records by sampling basis; and
- Recalculating the inventory provision using the ageing report as at 31 March 2018 and the provisioning ratio developed by management.

Valuation of disposal group of e-Commerce and e-Payment business

Refer to note 26 to the consolidated financial statements and accounting policies on note 3.11.

The Group has planned to dispose the e-Commerce and e-Payment business. As at 31 March 2018, the net assets value of the disposal group of approximately HK\$189,422,000.

Management has assessed the fair value less costs of disposal by an income approach of the disposal group's cash generating unit. It based on cash flow projections from the financial budgets covering a twenty five-year period. The preparation of cash flow projections requires significant judgement with respect to the assumptions underlying the projected cash flows, in particular on the discount rate and future revenue growth.

Our response:

Our key audit procedures in relation to the director's impairment assessment included:

- Evaluating the process by which the management's future cash flow projections and impairment assessment was prepared;
- Assessing the valuation methodology used and challenging the reasonableness of the key assumptions based on our knowledge of the business and industry;
- Assessing the reasonableness of cash flow projections by comparison to historical performance and future outlook; and
- Reconciling input data to supporting evidence, such as approved cash flow projections, and considering the reasonableness thereof.

- 抽樣測試於建立撥備比率時使用的存貨賬齡報告及過往銷售資料的過往買賣記錄以評估其準確程度；及
- 使用2018年3月31日的賬齡報告及管理層制定的撥備比率重新計算存貨撥備。

電子商務及電子支付業務的出售組別的估值

請參閱綜合財務報表附註26及會計政策附註3.11。

貴集團計劃出售電子商務及電子支付業務。於2018年3月31日，出售組別的資產淨值為約189,422,000港元。

管理層已評估該出售組別的現金產生單位，其按收入法(公平值減出售成本)而釐定。該計算乃基於二十五年期間財務預算的現金流量預測。編製現金流量預測須就相關預測現金流量的假設作出重大判斷，尤其是貼現率及未來收益增長。

我們的應對：

我們就董事的減值評估的關鍵審計程序包括：

- 評估管理層於編製未來現金流量預測及減值評估時的過程；
- 根據我們的業務及行業知識，評估所使用的評估方法及質疑關鍵假設的合理性；
- 透過將過往業績與未來前景相比較，評估現金流量預測的合理性；及
- 將輸入數據對賬至支持憑證，例如經批准的現金流量預測，並考慮其合理性。

Independent Auditor's Report

獨立核數師報告

Recoverability of loan receivables

Refer to note 24 in the consolidated financial statements and accounting policies on note 3.10(ii).

As at 31 March 2018, the carrying amount of loan receivables amounted to approximately HK\$130,873,000 which were significant to the Group as of the year end and represented 17.8% of total assets. In assessing the recoverability of loan receivables, management exercised significant judgement to evaluate the collectability of loan receivables from individual borrowers after taking into account their creditworthiness and history in default of payments. We focused on this area because of the judgement involved and the significance of potential financial impact to the consolidated financial statements.

Our key audit procedures in relation to the directors' impairment assessment included:

- Understanding the terms and condition on each individual loans agreements including Group's assessment on its recoverability;
- Inspecting to the receipts payment against the terms and condition of loans agreements;
- Obtaining the independent confirmations from borrowers;
- Reviewing the subsequent settlement of individual loans; and
- Assessing the financial ability of guarantor of the loan receivables.

OTHER INFORMATION

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

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

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

應收貸款的可收回性

請參閱綜合財務報表附註24及會計政策附註3.10(ii)。

於2018年3月31日，應收貸款的賬面值約為130,873,000港元，其對於貴集團於年末而言屬重大，並佔總資產的17.8%。在評估應收貸款的可收回性時，管理層經考慮個別借款人的信譽及拖欠款項記錄，就評估應收貸款的可收回性作出重大判斷。我們專注於此方面，原因為其涉及判斷並對綜合財務報表造成重大潛在財務影響。

我們就董事的減值評估的關鍵審計程序包括：

- 了解個別貸款協議各自的條款及條件(包括貴集團對其可收回性的評估)；
- 查核已收款項是否符合貸款協議的條款及條件；
- 取得借款人的獨立確認；
- 檢討個別貸款的後續結算；及
- 評估應收貸款的擔保人的財務實力。

其他信息

董事須對其他信息負責。其他信息包括貴公司年報內的信息，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計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。就此而言，我們沒有任何報告。

DIRECTORS' RESPONSIBILITIES 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 Hong Kong Financial Reporting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are also responsible for overseeing the Group's financial reporting process. The audit committee of the Company (the "Audit Committee") assists the directors in discharging their responsibility in this regard.

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

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

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

董事亦須負責監督貴集團的財務報告程序。貴公司的審核委員會（「審核委員會」）就此協助董事履行彼等的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。根據我們委任的條款，本報告僅向閣下（作為整體）作出，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

Independent Auditor's Report

獨立核數師報告

As part of an audit in accordance with HKSA's, 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.
 - 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.
- 在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
 - 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
 - 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
 - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否以中肯方式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、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

Independent Auditor's Report

獨立核數師報告

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 directors, 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.

BDO Limited
Certified Public Accountants
Alfred Lee
Practising Certificate no. P04960

Hong Kong, 22 June 2018

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

我們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專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

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

香港立信德豪會計師事務所有限公司
執業會計師
李嘉威
執業證書編號 P04960

香港，2018年6月22日

Consolidated Income Statement

綜合收益表

For the year ended 31 March 2018

截至2018年3月31日止年度

| | | Note 附註 | 2018 HK\$'000 千港元 | (Restated) (經重列) 2017 HK\$'000 千港元 (note 7) (附註7) |
|---|-----------------------------|------------|-------------------------|---|
| Continuing operations | 持續經營業務 | | | |
| Revenue | 收益 | 5 | 346,157 | 561,557 |
| Cost of sales | 銷售成本 | 6 | (171,069) | (272,996) |
| Gross profit | 毛利 | | 175,088 | 288,561 |
| Selling and distribution costs | 銷售及分銷成本 | 6 | (251,757) | (377,530) |
| Administrative expenses | 行政費用 | 6 | (103,728) | (136,116) |
| Other gains/(losses), net | 其他收益/(虧損), 淨額 | 8 | 30,552 | (400) |
| Other income | 其他收入 | 9 | 4,000 | 4,742 |
| Operating loss | 經營虧損 | | (145,845) | (220,743) |
| Finance income | 財務收入 | 11 | 9,701 | 15,823 |
| Finance costs | 財務費用 | 11 | (69,502) | (4,716) |
| Finance (costs)/income, net | 財務(費用)/收入, 淨額 | | (59,801) | 11,107 |
| Share of loss of an associate | 應佔於一間聯營公司之虧損 | 18 | (1,634) | — |
| Loss before income tax credit/ (expense) | 未計所得稅抵免/(開支)前 虧損 | | (207,280) | (209,636) |
| Income tax credit/(expense) | 所得稅抵免/(開支) | 12 | 586 | (116) |
| Loss for the year from continuing operations | 本年度來自持續經營業務虧損 | | (206,694) | (209,752) |
| Discontinued operations | 終止經營業務 | | | |
| Loss for the year from discontinued operations | 本年度來自終止經營業務虧損 | 7 | (2,689) | (444) |
| Loss for the year | 本年度虧損 | | (209,383) | (210,196) |

Consolidated Income Statement

綜合收益表

For the year ended 31 March 2018

截至2018年3月31日止年度

| | | Note 附註 | 2018 HK\$'000 千港元 | (Restated) (經重列) 2017 HK\$'000 千港元 (note 7) (附註7) |
|---|--|------------|-------------------------|---|
| Attributable to: | 應佔： | | | |
| Equity holders of the Company | 本公司權益持有人 | | | |
| From continuing operations | 來自持續經營業務 | | (206,076) | (209,065) |
| From discontinued operations | 來自終止經營業務 | | (2,600) | (436) |
| Loss for the year attributable to equity holders of the Company | 本公司權益持有人應佔本年度虧損 | | (208,676) | (209,501) |
| Non-controlling interests | 非控股權益 | | | |
| From continuing operations | 來自持續經營業務 | | (618) | (687) |
| From discontinued operations | 來自終止經營業務 | | (89) | (8) |
| Loss for the year attributable to non-controlling interests | 非控股權益應佔本年度虧損 | | (707) | (695) |
| Loss for the year attributable to: | 應佔本年度虧損： | | | |
| Equity holders of the Company | 本公司權益持有人 | | (208,676) | (209,501) |
| Non-controlling interests | 非控股權益 | | (707) | (695) |
| | | | (209,383) | (210,196) |
| Loss per share for loss from continuing and discontinued operations attributable to equity holders of the Company (expressed in HK cents per share) | 本公司權益持有人應佔來自持續及終止經營業務虧損之每股虧損 (以每股港仙列值) | | | |
| — Basic | — 基本 | 13 | (29.14) | (31.96) |
| — Diluted | — 攤薄 | 13 | (29.14) | (31.96) |
| Loss per share for loss from continuing operations attributable to equity holders of the Company (expressed in HK cents per share) | 本公司權益持有人應佔來自持續經營業務虧損之每股虧損 (以每股港仙列值) | | | |
| — Basic | — 基本 | 13 | (28.77) | (31.89) |
| — Diluted | — 攤薄 | 13 | (28.77) | (31.89) |
| Loss per share for loss from discontinued operations attributable to equity holders of the Company (expressed in HK cents per share) | 本公司權益持有人應佔來自終止經營業務虧損之每股虧損 (以每股港仙列值) | | | |
| — Basic | — 基本 | 13 | (0.37) | (0.07) |
| — Diluted | — 攤薄 | 13 | (0.37) | (0.07) |

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 March 2018

截至2018年3月31日止年度

| | | 2018 HK\$'000 千港元 | (Restated) (經重列) 2017 HK\$'000 千港元 (note 7) (附註7) |
|--|------------------------------|-------------------------|---|
| Loss for the year | 本年度虧損 | (209,383) | (210,196) |
| Other comprehensive income | 其他全面收益 | | |
| Items that have been reclassified or may be subsequently reclassified to profit or loss: | 已重新分類或其後可重新分類至損益之項目： | | |
| Revaluation gain of land and buildings | 土地及樓宇之重估收益 | — | 88,737 |
| Currency translation differences | 貨幣換算差額 | 14,729 | (13,722) |
| Total items that have been reclassified or may be subsequently reclassified to profit or loss | 已重新分類或其後可重新分類至損益之項目總額 | 14,729 | 75,015 |
| Total comprehensive income for the year | 本年度全面收益總額 | (194,654) | (135,181) |
| Attributable to: | 應佔： | | |
| Equity holders of the Company | 本公司權益持有人 | | |
| From continuing operations | 來自持續經營業務 | (191,137) | (134,227) |
| From discontinued operations | 來自終止經營業務 | (2,509) | (426) |
| Total comprehensive income for the year attributable to equity holders of the Company | 本公司權益持有人應佔本年度全面收益總額 | (193,646) | (134,653) |
| Non-controlling interests | 非控股權益 | | |
| From continuing operations | 來自持續經營業務 | (933) | (521) |
| From discontinued operations | 來自終止經營業務 | (75) | (7) |
| Total comprehensive income for the year attributable to non-controlling interests | 非控股權益應佔本年度全面收益總額 | (1,008) | (528) |
| Total comprehensive income for the year attributable to: | 由下列項目應佔本年度全面收益總額： | | |
| Equity holders of the Company | 本公司權益持有人 | (193,646) | (134,653) |
| Non-controlling interests | 非控股權益 | (1,008) | (528) |
| | | (194,654) | (135,181) |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2018

於2018年3月31日

| | | Note | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|------------------------|------|-------------------------|-------------------------|
| | | 附註 | | |
| ASSETS | 資產 | | | |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 15 | 7,958 | 113,534 |
| Intangible assets | 無形資產 | 16 | 804 | 230,788 |
| Investment in a joint venture | 於合營公司之投資 | 17 | 510 | 510 |
| Interests in associate | 於聯營公司之權益 | 18 | 6,530 | 7,227 |
| Available-for-sale financial asset | 可供出售金融資產 | 19 | 6,248 | — |
| Long-term deposits and prepayments | 長期按金及預付款項 | 23 | 11,363 | 27,354 |
| | | | 33,413 | 379,413 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 21 | 97,010 | 132,594 |
| Trade receivables | 應收貿易款項 | 22 | 38,323 | 39,751 |
| Deposits, prepayments and other receivables | 按金、預付款項及其他應收款項 | 23 | 136,014 | 32,014 |
| Loan receivables | 應收貸款 | 24 | 130,873 | — |
| Amount due from an associate | 應收聯營公司款項 | 18 | 3,662 | — |
| Cash and cash equivalents | 現金及現金等值項目 | 25 | 53,514 | 32,839 |
| | | | 459,396 | 237,198 |
| Non-current assets classified as held for sale | 分類為持有作出售之非流動資產 | 26 | 241,830 | 14,730 |
| | | | 701,226 | 251,928 |
| Total assets | 資產總值 | | 734,639 | 631,341 |
| EQUITY | 權益 | | | |
| Capital and reserves attributable to equity holders of the Company | 本公司權益持有人應佔股本及儲備 | | | |
| Share capital | 股本 | 27 | 71,619 | 71,619 |
| Share premium | 股份溢價 | 27 | 673,503 | 673,503 |
| Other reserve | 其他儲備 | 29 | 120,451 | 184,265 |
| Accumulated losses | 累計虧損 | | (827,603) | (713,302) |
| | | | 37,970 | 216,085 |
| Non-controlling interests | 非控股權益 | | (767) | 241 |
| Total equity | 權益總額 | | 37,203 | 216,326 |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2018

於2018年3月31日

| | | Note 附註 | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--|------------------------|------------|-------------------------|-------------------------|
| LIABILITIES | 負債 | | | |
| Current liabilities | 流動負債 | | | |
| Trade payables | 應付貿易款項 | 30 | 102,737 | 79,576 |
| Accruals and other payables | 應計費用及其他應付款項 | 30 | 36,577 | 73,408 |
| Borrowings | 借貸 | 31 | 5,130 | 72,240 |
| Obligation under finance lease | 融資租賃承擔 | 32 | 97 | 105 |
| Convertible bonds | 可換股債券 | 33 | 17,550 | 17,550 |
| Current tax liabilities | 即期稅項負債 | | 1,077 | 973 |
| | | | 163,168 | 243,852 |
| Liabilities directly associated with non-current assets classified as assets held for sale | 與分類為持有作出售之非流動資產直接相關之負債 | 26 | 52,408 | — |
| | | | 215,576 | 243,852 |
| Non-current liabilities | 非流動負債 | | | |
| Obligation under finance lease | 融資租賃承擔 | 32 | 129 | 225 |
| Convertible bonds | 可換股債券 | 33 | 137,053 | 134,199 |
| Corporate bond | 公司債券 | 34 | 344,678 | — |
| Deferred tax liabilities | 遞延稅項負債 | 20 | — | 36,739 |
| | | | 481,860 | 171,163 |
| Net current assets | 流動資產淨值 | | 485,650 | 8,076 |
| Total liabilities | 負債總額 | | 697,436 | 415,015 |
| Total equity and liabilities | 權益及負債總額 | | 734,639 | 631,341 |

The consolidated financial statements on pages 56 to 169 were approved by the Board of Directors on 22 June 2018 and were signed on its behalf

第56至169頁之綜合財務報表經董事會於2018年6月22日批准，並由下列董事代表簽署：

Zhu Xiaojun
朱曉軍
Director
董事

Cai Jiaying
蔡佳櫻
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 March 2018

截至2018年3月31日止年度

| | | Attributable to equity holders of the Company 本公司權益持有人應佔 | | | | Non- controlling interests | Total equity |
|--|---------------------------------------|---|---|--|------------------------------------|----------------------------------|-------------------------|
| | | Share capital and premium 股本及股份 溢價 (note 27) (附註27) HK\$'000 千港元 | Other reserves 其他儲備 (note 29) (附註29) HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Sub-total 小計 HK\$'000 千港元 | 非控股權益 HK\$'000 千港元 | 權益總額 HK\$'000 千港元 |
| Balance at 1 April 2016 | 於2016年4月1日之結餘 | 640,697 | 95,593 | (503,801) | 232,489 | (2,014) | 230,475 |
| Comprehensive income | 全面收益 | | | | | | |
| Loss for the year | 本年度虧損 | — | — | (209,501) | (209,501) | (695) | (210,196) |
| Other comprehensive income | 其他全面收益 | | | | | | |
| Currency translation differences | 貨幣換算差額 | — | (13,889) | — | (13,889) | 167 | (13,722) |
| Revaluation on land and buildings (note 15) | 土地及樓宇之重估收益(附註15) | — | 88,737 | — | 88,737 | — | 88,737 |
| Total comprehensive income | 全面收益總額 | — | 74,848 | (209,501) | (134,653) | (528) | (135,181) |
| Transactions with owners: | 擁有人交易: | | | | | | |
| Share option scheme (note 28) | 購股權計劃(附註28) | — | 6,808 | — | 6,808 | — | 6,808 |
| Issuance of shares (note 27) | 發行股份(附註27) | 104,425 | — | — | 104,425 | — | 104,425 |
| Issuance of convertible bonds (note 33) | 發行可換股債券(附註33) | — | 7,075 | — | 7,075 | — | 7,075 |
| Utilisation of statutory reserve | 動用法定儲備 | — | (59) | — | (59) | — | (59) |
| Capital injection from non-controlling interests | 非控股權益注資 | — | — | — | — | 2,137 | 2,137 |
| Non-controlling interests arising on acquisition | 收購事項產生之非控股權益 | — | — | — | — | 346 | 346 |
| Changes in ownership interests in subsidiaries | 附屬公司所有權權益變動 | — | — | — | — | 300 | 300 |
| Total transactions with owners | 擁有人交易總額 | 104,425 | 13,824 | — | 118,249 | 2,783 | 121,032 |
| Balance at 31 March 2017 and 1 April 2017 | 於2017年3月31日及於 2017年4月1日之結餘 | 745,122 | 184,265 | (713,302) | 216,085 | 241 | 216,326 |
| Comprehensive income | 全面收益 | | | | | | |
| Loss for the year | 本年度虧損 | — | — | (208,676) | (208,676) | (707) | (209,383) |
| Other comprehensive income | 其他全面收益 | | | | | | |
| Currency translation differences | 貨幣換算差額 | — | 15,030 | — | 15,030 | (301) | 14,729 |
| Reversal upon disposal of land and buildings | 出售土地及樓宇之回撥 | — | (94,375) | 94,375 | — | — | — |
| Total comprehensive income | 全面收益總額 | — | (79,345) | (114,301) | (193,646) | (1,008) | (194,654) |
| Transactions with owners: | 擁有人交易: | | | | | | |
| Share option scheme (note 28) | 購股權計劃(附註28) | — | 15,531 | — | 15,531 | — | 15,531 |
| Total transactions with owners | 擁有人交易總額 | — | 15,531 | — | 15,531 | — | 15,531 |
| Balance at 31 March 2018 | 於2018年3月31日之結餘 | 745,122 | 120,451 | (827,603) | 37,970 | (767) | 37,203 |

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 March 2018

截至2018年3月31日止年度

| | | Note 附註 | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|---------------------------|------------|-------------------------|-------------------------|
| Cash flows from operating activities | 經營業務之現金流量 | | | |
| Cash used in operations | 經營所用之現金 | 35(a) | (94,252) | (128,242) |
| Interest paid | 已付利息 | | (1,920) | (1,675) |
| Income tax refund | 退回所得稅 | | — | 119 |
| Income tax paid | 已付所得稅 | | — | (67) |
| Net cash used in operating activities | 經營業務所用之現金淨額 | | (96,172) | (129,865) |
| Cash flows from investing activities | 投資活動之現金流量 | | | |
| Purchases of property, plant and equipment | 購入物業、廠房及設備 | | (6,215) | (9,066) |
| Purchases of intangible assets | 購入無形資產 | 16 | (9,612) | (17) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備之所得款項 | | 127,992 | 463 |
| Proceeds from disposal of assets held for sale | 出售持有作出售資產之所得款項 | | 21,948 | — |
| Interest received | 已收利息 | | 45 | 63 |
| Acquisition of subsidiaries net of cash acquired | 收購附屬公司，扣除所獲現金 | 37 | — | (83,359) |
| Investing in a joint venture | 於合營公司之投資 | | — | (510) |
| Acquisition of available-for-sale financial assets | 收購可供出售金融資產 | | (6,248) | (4,219) |
| Capital increment of associates | 聯營公司之增資 | | (1,445) | (132) |
| Refundable advance payment | 可退還預付款項 | 23 | (98,881) | — |
| Loan to third parties | 向第三方貸款 | | (121,217) | — |
| Advance to associate | 向聯營公司墊款 | 18 | (3,662) | — |
| Net cash used in investing activities | 投資活動所用之現金淨額 | | (97,295) | (96,777) |
| Cash flows from financing activities | 融資活動之現金流量 | | | |
| Proceeds from borrowings | 借貸之所得款項 | | — | 91,088 |
| Repayment of borrowings | 償還借貸 | | (67,110) | (42,207) |
| Repayment of interest of convertible bonds | 償還可換股債券之利息 | | (17,550) | (9,796) |
| Repayment of interest of corporate bond | 償還公司債券之利息 | | (31,500) | — |
| Repayment of expense issuance of convertible bonds | 償還可換股債券之發行開支 | | — | (900) |
| Capital injection from non-controlling interests | 非控股權益注資 | | — | 2,137 |
| Capital elements of finance lease payments | 融資租賃付款之資本部份 | | (104) | (276) |
| Proceeds from issuance of convertible bonds | 發行可換股債券之所得款項 | | — | 180,000 |
| Proceeds from issuance of new bond | 發行新債券之所得款項 | | 329,000 | — |
| Net cash generated from financing activities | 融資活動所得之現金淨額 | | 212,736 | 220,046 |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等值項目增加/(減少)淨額 | | 19,269 | (6,596) |
| Cash and cash equivalents at the beginning of the year | 年初之現金及現金等值項目 | | 32,839 | 41,039 |
| Exchange differences | 匯兌差額 | | 1,406 | (1,604) |
| Cash and cash equivalents at the end of the year | 年終之現金及現金等值項目 | 25 | 53,514 | 32,839 |

1 GENERAL INFORMATION

一般資料

Vestate Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) are principally engaged in the retailing of footwear in Hong Kong, the People’s Republic of China (the “**PRC**”) and Taiwan, and e-Commerce and e-Payment business.

The Company was incorporated in the Cayman Islands on 10 November 2006 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The headquarter and principal place of business in Hong Kong has been changed from 7th Floor, Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong to Suite 708, 7th Floor, Champion Tower, 3 Garden Road, Central, Hong Kong since from 20 June 2018.

In the opinion of the directors of the Company (the “**Directors**”), the Company’s immediate and ultimate holding company is China Consume Elderly Care Holdings Limited, a company incorporated in the Republic of Seychelles.

The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

These consolidated financial statements are presented in thousands of units of Hong Kong dollar (“**HK\$**”), unless otherwise stated, which is the same as the functional currency of the Company. These consolidated financial statements have been approved for issue by the Board on 22 June 2018.

2 BASIS OF PREPARATION

編製基準

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance Cap. 622. They have been prepared under the historical cost convention, as modified by revaluation of land and buildings, certain financial liabilities (including derivative instruments) at fair value through profit or loss and assets held for sale, which are carried at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

國投集團控股有限公司(「**本公司**」)及其附屬公司(統稱「**本集團**」)主要於香港、中華人民共和國(「**中國**」)及台灣從事鞋類零售，及電子商務及電子支付業務。

本公司根據開曼群島公司法(1961年第3號法案第22章，經整合及修訂)於2006年11月10日於開曼群島註冊成立為獲豁免有限公司，其註冊辦事處的地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands。香港的總部及主要營業地點自2018年6月20日由香港九龍九龍灣臨興街26號富洋工業中心7樓更改為香港中環花園道三號冠君大廈7樓708室。

本公司董事(「**董事**」)認為，本公司的直接及最終控股公司為於塞舌爾共和國註冊成立的公司中國消費養老控股有限公司。

本公司股份在香港聯合交易所有限公司(「**聯交所**」)上市。

除非另有所指，該等綜合財務報表乃以千港元(「**港元**」)為單位呈列，並與本公司的功能貨幣相同。該等綜合財務報表已經董事會於2018年6月22日批准發佈。

綜合財務報表已按照香港會計師公會(「**香港會計師公會**」)頒佈之香港財務報告準則(「**香港財務報告準則**」)、聯交所證券上市規則及香港公司條例第622章之適用披露規定編製。綜合財務報表已按歷史成本慣例編製並經重估土地及樓宇、按公平值計入損益之若干金融負債(包括衍生工具)及按賬面金額及公平值減出售成本兩者之較低者列賬之持有作出售資產予以修訂。

編製符合香港財務報告準則之財務報表須採用若干關鍵會計估算。在應用本集團會計政策之過程中，管理層亦須行使其判斷。

2 BASIS OF PREPARATION (Continued)

編製基準(續)

2.1 Going concern basis

During the year ended 31 March 2018, the Group reported a net loss of HK\$209,383,000 and had a net cash outflow from operating activities of HK\$96,172,000. As at 31 March 2018, the Group's cash and cash equivalents amounted to HK\$53,514,000. On 8 May 2017, the Group issued a two-year bond with principal amount of HK\$350,000,000 at interest rate of 12% per annum for the first year and 13% per annum for the second year. The bond is guaranteed by Mr. ZHU Xiaojun, Chairman of the Company, and is pledged by the shares of China Investment S.p.A., a company with 70% interest owned by Ms. CAI Jiaying, the Director of the Company ("**Milan Properties Vendor**"). The Group is required to redeem the bond at its principal amount HK\$350,000,000 in May 2019.

All the above events and conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern, and therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of these circumstances, the Directors have given careful consideration to the future liquidity of the Group, and its available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The Directors have reviewed the Group's cash flow projections prepared by management covering a period of twelve months from 31 March 2018. In order to improve the Group's financial position and alleviate the liquidity pressure, the Directors have been implementing various measures as follows:

- (a) On 20 June 2018, an independent third party granted a stand-by revolving loan facilities of up to RMB200,000,000 to the Group, which is available to drawn down on or after 21 June 2018. The loan facility is guaranteed by Mr. ZHU Xiaojun, the Chairman of the Company, and bears interest at 18% per annum. The Directors believe that this loan facility is available for draw down as additional working capital of the Group, as and when needed. The Directors are of the opinion that this facility will be renewed upon expiry on 30 June 2019.

2.1 持續經營基準

截至2018年3月31日止年度，本集團錄得虧損淨額209,383,000港元，而經營活動產生之現金流出淨額為96,172,000港元。於2018年3月31日，本集團之現金及現金等值項目為53,514,000港元。於2017年5月8日，本集團發行本金額為350,000,000港元第一年年利率為12%及第二年年利率為13%之兩年期債券。該債券由本公司主席朱曉軍先生擔保，並以本公司董事蔡佳櫻女士擁有70%權益之公司China Investment S.p.A.（「米蘭物業賣方」）之股份作抵押。本集團須於2019年5月贖回其本金額為350,000,000港元之債券。

所有上述事件及情況均顯示存在重大不確定性，可能對本集團持續經營之能力造成重大疑問，及本集團因此可能不能於正常業務過程中變現其資產及解除其負債。

鑑於上述情況，董事於評估本集團是否有足夠財務資源繼續持續經營時，已審慎考慮本集團未來流動資金及其可用融資來源。董事已審閱由管理層編製涵蓋2018年3月31日起計十二個月期間之本集團現金流量預測。為改善本集團之財務狀況及減輕流動資金壓力，董事已採取以下措施：

- (a) 於2018年6月20日，獨立第三方向本集團授予最多為人民幣200,000,000元之備用循環貸款融資，其可在2018年6月21日或之後提取。貸款融資由本公司主席朱曉軍先生擔保，年利率為18%。董事相信，此貸款融資在需要時可作為本集團可供提取之額外營運資金。董事認為，該融資將於2019年6月30日屆滿時重續。

2 BASIS OF PREPARATION (Continued)

編製基準(續)

2.1 Going concern basis (Continued)

- (b) During August 2017 and June 2018, the Group signed two non-binding memorandum of understanding (“MOUs”) with the potential buyers to sold out the e-Commerce and e-Payment business at a consideration, with reference to its market value respectively.
- (c) On 15 June 2018, the Group planned to sold out the financial services business at a consideration with reference to its market value respectively.
- (d) In relation to the purchase of the Milan Properties, which is detailed in the announcement of the Company dated 17 June 2017, the Directors have considered to withdraw the refundable advance payment of HK\$98,881,000 from the Milan Properties Vendor to solve the liquidity problem of the Group if necessary.
- (e) The Group is implementing various measures, such as optimising its overall sales network by relocating certain of its outlets, and controlling the costing to improve the profit margin and operating cashflows of its footwear retailing business.
- (f) The Group will also continue to seek for other alternative financing and bank borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures.

The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 March 2018. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2.1 持續經營基準(續)

- (b) 於2017年8月及2018年6月期間，本集團與潛在買方簽訂兩份不具法律約束力之諒解備忘錄(「諒解備忘錄」)，分別參考其市場價值為代價出售電子商務及電子支付業務。
- (c) 於2018年6月15日，本集團計劃並參考其市場價值為代價出售金融服務業務。
- (d) 就購買米蘭物業而言，詳情載於本公司日期為2017年6月17日之公告，如有需要，董事考慮從米蘭物業賣方提取可退款之預先付款98,881,000港元，以解決本集團流動資金問題。
- (e) 本集團正在實施各種措施，如通過搬遷若干零售點以改善整體銷售網絡，及控制成本以改善鞋類零售業務之利潤率及經營現金流量。
- (f) 本集團亦會繼續尋求其他融資方法及銀行借款，以撥支償付其現有財務責任及未來經營以及資本支出。

董事認為，經考慮上述計劃及措施，本集團將有足夠營運資金撥支其營運，並於2018年3月31日起計未來十二個月到期時履行其財務責任。因此，綜合財務報表已根據持續經營基準編製。

2 BASIS OF PREPARATION (Continued)

編製基準(續)

2.1 Going concern basis (Continued)

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

- (i) Continuous compliance by the Group of the existing terms and conditions of all the convertible bonds and corporate bond issued by the Group as at the date of approval of the consolidated financial statements such that these convertible bonds and corporate bond will continue to be available to the Group and be repaid in accordance with the agreed repayment schedules;
- (ii) The independent third party will be able to provide the standby evolving loan facilities of up to RMB200,000,000 to the Group as and when needed which will be renewable upon expiry on 30 June 2019;
- (iii) Successful negotiation with the potential buyers for the disposal of the e-Commerce and e-Payment business;
- (iv) Successful negotiation with the potential buyer for the disposal of the financial services business;
- (v) The Group can withdraw the refundable advance payment in connection with the purchase of the Milan Properties to solve the liquidity problem of the Group if necessary;
- (vi) Successful implementation of measures to improve the sales margin and operating cashflows of its footwear retailing business; and
- (vii) Obtaining additional sources of financing or bank borrowings as and when needed.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their net realisable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2.1 持續經營基準(續)

儘管如此，董事能否實現上述計劃及措施存在重大不確定性。本集團能否繼續持續經營，將視乎本集團通過實施以下計劃產生足夠經營、投資及融資現金流量之能力：

- (i) 本集團持續遵守本集團於綜合財務報表批准日期發行之所有已發行可換股債券及公司債券之現有條款及條件，令該等可換股債券及公司債券將繼續提供予本集團，並根據經協定還款時間表償還；
- (ii) 獨立第三方將能夠在有需要時向本集團提供最高人民幣200,000,000元之備用循環貸款融資，其將於2019年6月30日屆滿後重續；
- (iii) 與潛在買方成功磋商以出售電子商務及電子支付業務；
- (iv) 與潛在買方成功磋商以出售金融服務業務；
- (v) 如有需要時，本集團可提取有關購入米蘭物業可退款之預先付款，以解決本集團流動資金問題；
- (vi) 成功實施提高鞋類零售業務銷售利潤及經營現金流量之措施；及
- (vii) 在需要時獲得額外融資來源或銀行借款。

倘本集團無法持續經營，則必須進行調整，將本集團資產之賬面價值減至可變現淨值，為可能產生之進一步負債作撥備，並將非流動資產及非流動負債分別重新分類為流動資產及流動負債。綜合財務報表未有反映該等調整之影響。

2 BASIS OF PREPARATION (Continued) 編製基準(續)

2.2 New and amended standards adopted by the Group

The following new and amended standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2017.

| | |
|---|---|
| Amendments to HKAS 7 | Disclosure Initiative |
| Amendments to HKAS 12 | Recognition of Deferred Tax Assets for Unrealised Losses |
| Annual Improvements to HKFRSs 2014-2016 Cycle | Amendments to HKFRS 12, Disclosure of Interests in Other Entities |

Amendments to HKAS 7 — Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in the note to the consolidated statement of cash flows.

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

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

The adoption of the amendments has not impact on these financial statements as the clarified treatment is consistent with the manner in which the Group has previously recognised deferred tax assets.

2.2 本集團所採納之新訂及經修訂準則

以下新訂及經修訂準則由本集團於2017年4月1日或之後開始之財政年度首次採納。

| | |
|----------------------------|----------------------------|
| 香港會計準則第7號之修訂本 | 披露計劃 |
| 香港會計準則第12號之修訂本 | 為未變現虧損確認遞延稅項資產 |
| 2014年至2016年週期之香港財務報告準則年度改進 | 香港財務報告準則第12號之修訂本，披露其他實體之權益 |

香港會計準則第7號之修訂本 — 披露計劃

該等修訂本引入一項額外披露，將有助財務報表之使用者評估融資活動所產生之負債變動。

採納該等修訂將導致呈列於綜合現金流量表附註之額外披露。

香港會計準則第12號之修訂本 — 為未變現虧損確認遞延稅項資產

該等修訂本與確認遞延稅項資產有關，並澄清若干必要考量，包括如何入賬以公平值計量債務工具之相關遞延稅項資產。

由於經釐清之處理方式與本集團過往確認遞延稅項資產之方式一致，故採納該等修訂本並無對該等財務報表構成影響。

2 BASIS OF PREPARATION (Continued)

編製基準(續)

2.2 New and amended standards adopted by the Group (Continued)

Annual Improvements to HKFRSs 2014-2016 Cycle — Amendments to HKFRS 12 “Disclosure of Interests in Other Entities”

The amendments issued under the annual improvement process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 12 “Disclosure of Interests in Other Entities” to clarify that the disclosure requirements of HKFRS 12, other than the requirements to disclose summarised financial information, also apply to an entity’s interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”.

The adoption of the amendments to HKFRS 12 has no impact on these financial statements.

2.2 本集團所採納之新訂及經修訂準則(續)

2014年至2016年週期之香港財務報告準則年度改進 — 香港財務報告準則第12號之修訂本「披露其他實體之權益」

按年度改進程序頒佈之修訂本對多項目前含糊之準則作出細微而非緊急之變動。當中包括香港財務報告準則第12號「披露於其他實體之權益」之修訂本，以釐清香港財務報告準則第12號之披露規定(披露財務資料概要之規定除外)亦適用於實體於根據香港財務報告準則第5號「持有作出售之非流動資產及終止經營業務」分類為持有作出售或終止經營業務之其他實體之權益。

採納香港財務報告準則第12號之修訂本對該等財務報表並無構成影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 BASIS OF PREPARATION (Continued)

編製基準(續)

2.3 New and amended standards have been issued but are not effective and have not been early adopted by the Group

The following new and amended standards are not effective for financial year beginning on 1 April 2017, and have not been applied in preparing these consolidated financial statements.

2.3 已頒佈但尚未生效且並無獲本集團提早採納之新訂及經修訂準則

以下新訂及經修訂準則於2017年4月1日開始之財政年度尚未生效且並無於編製該等綜合財務報表時獲採納。

| | | Effective for accounting periods beginning on or after 於以下日期或之後 開始之會計期間生效 |
|---|--|--|
| Annual Improvements to HKFRSs 2014-2016 Cycle 2014年至2016年週期之香港財務報告準則年度改進 | Amendments to HKAS 28, Investments in Associates and Joint Ventures 香港會計準則第28號之修訂本，於聯營公司及合營公司之投資 | 1 January 2018 2018年1月1日 |
| Amendments to HKAS 40 香港會計準則第40號之修訂本 | Transfers of Investment Property 轉讓投資物業 | 1 January 2018 2018年1月1日 |
| Amendments to HKFRS 2 香港財務報告準則第2號之修訂本 | Classification and measurement of share-based payment transactions 澄清及計量股份支付交易 | 1 January 2018 2018年1月1日 |
| HKFRS 9 香港財務報告準則第9號 | Financial instruments 金融工具 | 1 January 2018 2018年1月1日 |
| Amendments to HKFRS 9 香港財務報告準則第9號之修訂本 | Prepayment Features with Negative Compensation 提早還款特性及負補償 | 1 January 2019 2019年1月1日 |
| HKFRS 15 香港財務報告準則第15號 | Revenue from contracts with customers 客戶合約收入 | 1 January 2018 2018年1月1日 |
| Amendments to HKFRS 15 香港財務報告準則第15號之修訂本 | Clarification to HKFRS 15 香港財務報告準則第15號之澄清 | 1 January 2018 2018年1月1日 |
| HKFRS 16 香港財務報告準則第16號 | Leases 租賃 | 1 January 2019 2019年1月1日 |
| HK(IFRIC)-Int 22 香港(國際財務報告詮釋委員會) — 詮釋第22號 | Foreign Currency Transactions and Advance Consideration 外幣交易及預付代價 | 1 January 2018 2018年1月1日 |
| HK(IFRIC)-Int 23 香港(國際財務報告詮釋委員會) — 詮釋第23號 | Uncertainty over Income Tax Treatments 所得稅處理之不明朗因素 | 1 January 2019 2019年1月1日 |
| Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號之修訂本 | Sale or contribution of assets between an investor and its associate of joint venture 投資者與其聯營公司或合營公司間之資產出售或注資 | To be determined 待定 |

2 BASIS OF PREPARATION (Continued) 編製基準(續)

2.3 New and amended standards have been issued but are not effective and have not been early adopted by the Group (Continued)

The Group is in the process of making an assessment of the potential impacts of these new and revised HKFRSs on the financial statements of the Group in the initial application and the expected impacts on the Group's financial performance and position are set out below:

Amendments to HKFRS 2 — Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

HKFRS 9 — Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss (“FVTPL”).

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

2.3 已頒佈但尚未生效且並無獲本集團提早採納之新訂及經修訂準則(續)

本集團正評估初次應用該等新訂及經修訂香港財務報告準則對本集團財務報表之潛在影響，及預期對本集團財務表現及狀況之影響載列如下：

香港財務報告準則第2號之修訂本 — 澄清及計量股份支付交易

該等修訂本就歸屬及非歸屬條件對計量現金結算股份支付之影響之會計處理，以及就用於預扣稅責任而具有淨額結算特性之股份支付交易，並就修訂股份支付條款及條件令交易類別由現金結算變更為權益結算列明規定。

香港財務報告準則第9號 — 金融工具

香港財務報告準則第9號引進有關金融資產分類及計量之新規定。按業務模式持有而目的為持有資產以收取合約現金流量之債務工具(業務模式測試)以及具合約條款產生現金流量以純粹支付本金及未償還本金利息之債務工具(合約現金流量特徵測試)，一般按攤銷成本計量。倘實體業務模式之目的為持有及收取合約現金流量以及出售金融資產，則符合合約現金流量特徵測試之債務工具按以公平值計入其他全面收益(「按以公平值計入其他全面收益」)之方式計量。實體可於初步確認時作出不可撤銷之選擇，以按以公平值計入其他全面收益之方式計量並非持作交易之權益工具。所有其他債務及權益工具按以公平值計入損益(「按以公平值計入損益」)之方式計量。

香港財務報告準則第9號就並非按以公平值計入損益之方式計量之所有金融資產納入新預期虧損減值模式(取代香港會計準則第39號之已產生虧損模式)以及新一般對沖會計規定，讓實體於財務報表更貼切地反映其風險管理活動。

2 BASIS OF PREPARATION (Continued) 編製基準(續)

2.3 New and amended standards have been issued but are not effective and have not been early adopted by the Group (Continued)

HKFRS 9 — Financial Instruments (Continued)

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Based on the Group's financial instruments and risk management policies as at 31 March 2018, the Directors anticipate the following potential impact on initial application of HKFRS 9:

Classification and measurement:

- Loan receivables carried at amortised cost are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9.
- Equity security investments classified as available-for-sale financial asset carried at cost less impairment classified as either FVTPL or irrevocably elect to designate as FVTOCI (without recycling) on transition to HKFRS 9. The Group has not yet decided whether it will irrevocably designate these investments as FVTOCI or classify it as FVTPL. Either classification would give rise to a change in accounting policy as currently the Group recognises the fair value changes of available-for-sale financial asset in other comprehensive income until disposal or impairment, when gains or losses are recycled to profit or loss in accordance with the Group's policies. This change in policy will have no impact on the Group's net assets and total comprehensive income but will impact on reported performance amounts such as profit and earnings per share.

2.3 已頒佈但尚未生效且並無獲本集團提早採納之新訂及經修訂準則(續)

香港財務報告準則第9號 — 金融工具(續)

香港財務報告準則第9號貫徹香港會計準則第39號有關金融負債之確認、分類及計量規定，惟指定按以公平值計入損益之金融負債除外，該負債信貸風險變動產生之公平值變動金額於其他全面收益內確認，惟會產生或擴大會計錯配者除外。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認金融資產及金融負債之規定。

根據本集團於2018年3月31日之金融工具及風險管理政策，董事預期於初次應用香港財務報告準則第9號時有以下潛在影響：

分類及計量：

- 按攤銷成本列賬之應收貸款乃以收取合約現金流量作為目的業務模式下持有，以及附有純粹作本金及尚未償還本金利息付款之合約現金流量。因此，於應用香港財務報告準則第9號時，該等金融資產其後將繼續按攤銷成本計量。
- 分類為可供出售金融資產按成本減減值入賬之權益證券投資，於過渡至香港財務報告準則第9號時，該投資可分類為按以公平值計入損益，或不可撤銷地選擇為指定按以公平值計入其他全面收益(不得重新計算)。本集團尚未決定其將不可撤銷地指定該等投資為按以公平值計入其他全面收益或分類為按以公平值計入損益。由於現時本集團在出售可供出售金融資產或將有關資產減值前，會於其他全面收益確認有關資產之公平值變動，涉及之損益會根據本集團政策重新計入損益，故此上述分類會出現會計政策之變動。該項政策改變將不會對本集團資產淨值及全面收益總額構成影響，惟影響已報告之表現數額，如溢利及每股盈利。

2 BASIS OF PREPARATION (Continued) 編製基準(續)

2.3 New and amended standards have been issued but are not effective and have not been early adopted by the Group (Continued)

HKFRS 9 — Financial Instruments (Continued)

- All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

Impairment:

In general, the Directors anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost and other items that are subject to the impairment provisions upon application of HKFRS 9 by the Group. However, the Directors expect the effect would not be significant.

HKFRS 15 — Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

2.3 已頒佈但尚未生效且並無獲本集團提早採納之新訂及經修訂準則(續)

香港財務報告準則第9號 — 金融工具(續)

- 所有其他金融資產及金融負債將繼續按與目前香港會計準則第39號相同之基準計量。

減值：

整體而言，董事預計，於本集團應用香港財務報告準則第9號後，應用香港財務報告準則第9號之預期信貸虧損模式，將導致提早撥備尚未產生之信貸虧損，其與本集團按攤銷成本計量之金融資產及須作出減值撥備之其他項目有關。然而，董事預期影響並不重大。

香港財務報告準則第15號 — 客戶合約收入

該新訂準則確立一套單一之收入確認框架。該框架之核心原則為實體應確認收入，以說明實體按反映轉讓所承諾之貨品及服務預期可得代價之金額向客戶轉讓該等貨品或服務。香港財務報告準則第15號將取代現行收入確認指引，包括香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋。

香港財務報告準則第15號規定收入確認所應用之五個步驟：

- 第一步：識別與客戶之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至各履約責任
- 第五步：於各履約責任完成時確認收入

香港財務報告準則第15號包含與特定收入相關事宜之特定指引，該等指引或會改變目前根據香港財務報告準則採用之方式。該準則亦顯著提升與收入有關之質化與量化披露。

2 BASIS OF PREPARATION (Continued)

編製基準(續)

2.3 New and amended standards have been issued but are not effective and have not been early adopted by the Group (Continued)

Amendments to HKFRS 15 — Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The Group mainly operates the retailing business during the year, where the sale of goods are recognised when a group entity sells a product to the customer. In the view of the Directors, there is only one performance obligation in the retailing, when applying HKFRS 15, as there is no material after sale services and sales returns. The Group has assessed the impact of HKFRS 15 and expects that application of the standard will have no significant impact, when applied, on the Group's consolidated financial statements. However, the application of HKFRS 15 may result in more disclosures in the consolidated financial statements.

HKFRS 16 — Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

2.3 已頒佈但尚未生效且並無獲本集團提早採納之新訂及經修訂準則(續)

香港財務報告準則第15號之修訂本 — 客戶合約之收入(香港財務報告準則第15號之澄清)

香港財務報告準則第15號之修訂本包括澄清對識別履約責任；應用委託人及代理人；知識產權許可；及過渡規定。

於本年度，本集團主要經營零售業務，當一組實體向客戶出售一項產品時確認貨物銷售。董事認為，由於並無重大售後服務及銷售回報，故零售僅有一項履行責任，為應用香港財務報告準則第15號。本集團已評估香港財務報告準則第15號之影響，並預期應用該準則並不會對於應用後之本集團綜合財務報表構成重大影響。然而，應用香港財務報告準則第15號可能會導致在綜合財務報表中作出更多披露。

香港財務報告準則第16號 — 租賃

香港財務報告準則第16號由生效當日起將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人就為期超過12個月之所有租賃確認資產及負債，除非相關資產為低價值資產則另作別論。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產(表示其有權使用相關租賃資產)及租賃負債(表示其有責任支付租賃款項)。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部分及利息部分，並於現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括在承租人合理地肯定將行使選擇權延續租賃或不行使選擇權而終止租賃之情況下，將於選擇權期間內作出之付款。此會計處理方法與承租人就根據舊有準則(即香港會計準則第17號)分類為經營租賃之租賃採用之會計處理方法存在明顯差異。

2 BASIS OF PREPARATION (Continued)

編製基準(續)

2.3 New and amended standards have been issued but are not effective and have not been early adopted by the Group (Continued)

HKFRS 16 — Leases (Continued)

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The total future minimum lease payments under non-cancellable operating leases of the Group in respect of retail shops, offices, warehouses and furniture, fixtures and equipment as at 31 March 2018 amounted to approximately HK\$37,595,000. The Directors do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's financial performance but it is expected that the Group has to separately recognise the interest expense on the lease liabilities and the depreciation expense on the right-of-use assets, and that certain portion of the future minimum lease payments under the Group's operating leases will be required to be recognised in the Group's consolidated statement of financial position as right-of-use assets and lease liabilities.

The Group will also be required to remeasure the lease liabilities upon the occurrence of certain events (e.g. a change in the lease term) and recognise the amount of the remeasurement of the lease liabilities as an adjustment to the right-of-use assets. In addition, payments for the principal portion of the lease liabilities will be presented within financing activities in the Group's consolidated statement of cash flows.

2.3 已頒佈但尚未生效且並無獲本集團提早採納之新訂及經修訂準則(續)

香港財務報告準則第16號 — 租賃(續)

就出租人會計處理而言，香港財務報告準則第16號大致承接香港會計準則第17號之出租人會計處理規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同會計處理。

於2018年3月31日，本集團就零售店、辦公室、倉庫以及傢俬、裝置及設備不可撤銷經營租賃項下之未來最低租賃付款總額約為37,595,000港元。董事預期採納香港財務報告準則第16號與目前會計政策相比將不會對本集團之財務表現造成重大影響，但預期本集團須單獨確認租賃負債及使用權資產之折舊費用以及本集團經營租賃項下未來最低租賃付款之若干部分將需要在本集團綜合財務狀況表中確認為使用權資產及租賃負債。

本集團亦須於發生若干事件(例如租賃期變動)後重新計量租賃負債，並確認重新計量租賃負債之金額作為對使用權資產之調整。此外，租賃負債主要部分之付款將在本集團綜合現金流量表中之融資活動中呈報。

2 BASIS OF PREPARATION (Continued)

編製基準(續)

2.3 New and amended standards have been issued but are not effective and have not been early adopted by the Group (Continued)

HK(IFRIC)-Int 23 — Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12 “Income Taxes” by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

主要會計政策概要

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

2.3 已頒佈但尚未生效且並無獲本集團提早採納之新訂及經修訂準則(續)

香港(國際財務報告詮釋委員會) — 詮釋第23號 — 所得稅處理之不明朗因素

該詮釋就如何反映所得稅會計處理之不明朗因素之影響提供指引，以支持香港會計準則第12號「所得稅」之規定。根據該詮釋，實體須釐定單獨或一併考慮各項不確定稅務處理，當中以較能預測不明朗因素之最終結果者為準。實體亦須假設稅務機關將審查其有權審查之金額，並於審查過程中充分掌握所有相關資料。倘實體認為稅務機關可能接受不確定之稅務處理方式，則實體應按其報稅文件所述方式計量當期及遞延稅項。倘實體認為稅務機關不大可能接受，則釐定稅項時之不明朗因素將採用「最大可能之金額」或「預期價值」方式反映，並以較能預測不明朗因素之最終結果者為準。

3.1 綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。公司間交易及集團公司間結餘連同未變現溢利於編製綜合財務報表時予以全數對銷。未變現虧損亦予以對銷，除非交易顯示所轉讓資產出現減值，則在此情況下，虧損乃於損益內予以確認。

於年內收購或出售之附屬公司之業績，乃自收購日期起或截至出售日期止(視適用者而定)計入綜合全面收益表。在有需要之情況下，附屬公司之財務報表予以調整以使其會計政策與本集團其他成員公司所使用者相符。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.1 Basis of consolidation (Continued)

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

3.1 綜合基準(續)

收購附屬公司或業務採用收購會計法入賬。收購成本乃按本集團(作為收購方)所轉讓資產、所產生負債及所發行股權於收購日期之總公平值計量。所收購之可識別資產及所承擔之負債主要按於收購日期之公平值計量。本集團先前於被收購方持有之股權按於收購日期之公平值重新計量，所產生之盈虧則於損益內確認。本集團可逐項交易選擇按公平值或在被收購方可識別淨資產所佔之比例份額來計量代表附屬公司目前擁有權益之非控股權益。所有其他非控股權益乃按公平值計量，除非香港財務報告準則規定按另一基準計量，則作別論。所產生之收購相關成本入賬列作開支，惟發行權益工具時所產生者除外，在此情況下，成本乃自權益扣除。

收購方轉讓之任何或然代價乃按收購日期之公平值予以確認。代價之其後調整乃於商譽內確認，惟以於計量期間(收購日期起計最多12個月)內就收購日期之公平值取得新資料而產生者為限。或然代價之所有其他其後調整均分類為資產或負債並於損益內予以確認。

倘本集團失去於附屬公司之控制權，則出售產生之損益按(i)已收代價之公平值及任何保留權益之公平值之總和與(ii)該附屬公司資產(包括商譽)及負債及任何非控股權益先前之賬面金額兩者間之差額計算。先前於其他全面收益內確認與該附屬公司有關之金額乃按出售相關資產或負債所需之相同方式入賬。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.1 Basis of consolidation (Continued)

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

3.2 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (1) power over the investee, (2) exposure, or rights, to variable returns from the investee, and (3) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

3.3 Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

3.1 綜合基準(續)

於收購後，代表該附屬公司目前擁有權益之非控股權益之賬面值為該等權益於初步確認時之金額，另加非控股權益佔權益其後變動之部分。全面收益總額歸屬於非控股權益，即使這會導致非控股權益出現虧絀結餘亦然。

3.2 附屬公司

附屬公司指本公司可行使控制權之被投資方。倘以下所有三個因素出現，則本公司控制被投資方：(1) 對被投資方之權力、(2) 享有或有權享有來自被投資方可變回報，及(3) 利用其權力影響該等可變回報之能力。當有事實及情況顯示任何此等控制因素可能出現變動時，控制權會被重新評估。

於本公司之財務狀況表中，於附屬公司之投資乃按成本減減值虧損(如有)列賬。附屬公司業績由本公司按已收及應收股息基準入賬。

3.3 聯營公司

聯營公司為一間本集團對其擁有重大影響力而並非屬附屬公司或合營安排之實體。重大影響力指有權參與被投資方之財務及經營政策決定之權力，惟對該等政策並無控制或共同控制權。

聯營公司乃採用權益法入賬，據此，聯營公司初步按成本確認，此後其賬面值乃就本集團應佔於聯營公司資產淨值之收購後變動予以調整，惟除非有責任彌補該等虧損，否則超過本集團於聯營公司的權益的虧損將不會被確認。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.3 Associates (Continued)

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

3.4 Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the Group has rights to only the net assets of the joint arrangement; or
- Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

3.3 聯營公司(續)

本集團與其聯營公司之間之交易所產生之損益僅以不相關投資方於聯營公司之權益為限予以確認。投資方應佔該等交易所產生之聯營公司損益乃與聯營公司之賬面值對銷。倘產生未變現虧損證明所轉讓資產出現減值，未變現虧損將即時於損益中確認。

就聯營公司所支付高於本集團應佔所收購之可識別資產、負債及或然負債之公平值之任何溢價乃撥充資本，並計入聯營公司之賬面值內。倘有客觀證據顯示於聯營公司之投資出現減值，則投資之賬面值將按照與測試其他非金融資產相同之方式進行減值測試。

3.4 合營安排

本集團已就所有合營安排應用香港財務報告準則第 11 號。根據香港財務報告準則第 11 號，於合營安排之投資分類為合營業務或合營公司，視乎各投資者之合約權利及義務而定。本集團已評估其合營安排之性質並將其釐定為合營公司。合營公司按權益法入賬。

當有合約安排賦予本集團及至少另一名訂約方對該項安排之相關活動共同控制權時，則本集團屬於合營安排之訂約方。合營控制權乃根據與評估附屬公司控制權之相同原則予以評估。

本集團將其於合營安排之權益分類為：

- 合營公司：本集團僅對合營安排之資產淨值擁有權利；或
- 合營業務：本集團對合營安排之資產擁有權利並有責任承擔合營安排之負債。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.4 Joint arrangements (Continued)

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method).

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group accounts for its interests joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

3.4 合營安排(續)

評估於合營安排之權益之分類時，本集團會考慮：

- 合營安排之架構；
- 透過獨立工具組織之合營安排之法定形式；
- 合營安排協議之合約條款；及
- 任何其他事實及情況(包括任何其他合約安排)。

本集團乃採用與於聯營公司之投資之相同方式(即採用權益法)對其於合營公司之權益入賬。

就於合營公司之投資所支付高於本集團應佔所收購之可識別資產、負債及或然負債之公平值之任何溢價乃撥充資本，並計入於合營公司之投資之賬面值。倘有客觀證據顯示於合營公司之投資出現減值，則投資之賬面值將按照與測試其他非金融資產相同之方式進行減值測試。

本集團根據合約所賦予之權利及義務，透過確認其分佔資產、負債、收益及開支，將其合營業務權益列賬。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.5 Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 3.13), and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash-generating unit ("CGU") to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

3.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors that makes strategic decisions.

3.5 商譽

倘可識別資產及負債之公平值高於已付代價之公平值、於被收購方任何非控股權益之金額及於收購日期收購方過往所持被收購方權益公平值之總和，則超出部分經重新評估後於收購日期在損益確認。

商譽按成本減減值虧損計量。就減值測試而言，因收購而產生之商譽獲分配至預期受惠於收購所產生協同效應之各相關現金產生單位。現金產生單位為很大程度上獨立於其他資產或資產類別所產生之現金流量並可賺取現金之最小可識別資產類別。獲分配商譽之現金產生單位可通過比較其賬面值及其可收回金額(見附註3.13)，每年及於有跡象顯示單位可能出現減值時測試減值。

就一個財政年度內進行收購所產生之商譽而言，於該財政年度結束前就獲分配商譽之現金產生單位(「現金產生單位」)進行減值測試。倘現金產生單位之可收回金額少於單位賬面值，則首先將減值虧損分配至該單位所獲分配之任何商譽以減少其賬面值，其後以該單位內各項資產賬面值為基準按比例分配至該單位之其他資產。然而，分配至各項資產之虧損將不會導致獨立資產之賬面值減至低於其公平值減出售成本(如可計量)或其使用價值(如可釐定)(以較高者為準)。商譽任何減值虧損於損益確認，不會於其後期間撥回。

3.6 分部報告

經營分部之呈報方式與向主要營運決策人提供之內部呈報方式一致。負責分配資源及評估經營分部表現之主要營運決策人，已確定為制定策略決定之執行董事。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.7 Property, plant and equipment

Owner-occupied leasehold land and buildings are stated at valuation less accumulated depreciation. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period. Increases in value arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of properties revaluation reserve. Decreases in value arising on revaluation are first offset against increases on earlier valuations in respect of the same property and thereafter recognised in profit or loss. Any subsequent increases are recognised in profit or loss up to the amount previously charged and thereafter to the properties revaluation reserve.

Upon disposal, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the properties revaluation reserve to retained earnings.

Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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

3.7 物業、廠房及設備

業主自用租賃土地及樓宇按估值減累計折舊列賬。重估會充足地定期進行，以確保賬面值不會與於報告期末使用公平值釐定者存在重大差異。重估產生之增值於其他全面收益確認並於權益之物業重估儲備項下累計。重估產生之減值首先對銷同一物業先前之估值增值，其後於損益中確認。其後任何增值以先前已扣除之金額為限計入損益之內，其後計入物業重估儲備。

於出售時，就先前估值已變現重估儲備相關部分獲解除由物業重估儲備轉撥至留存收益。

其他物業、廠房及設備乃按成本減累計折舊及累計減值虧損列賬。

物業、廠房及設備之成本包括其購買價及收購該等項目直接應佔之成本。

其後成本僅會於與該項目有關之未來經濟利益可能流入本集團，而該項目成本能可靠計量情況下計入資產之賬面值，或確認為一項獨立資產(倘適用)。所取代部份賬面值會終止確認。所有其他維修及保養於產生之財政期間內於損益內作為開支確認。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.7 Property, plant and equipment (Continued)

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

| | |
|-----------------------------------|---------------------|
| Leasehold land | Over the lease term |
| Buildings | 50 years |
| Leasehold improvements | Over the lease term |
| Motor vehicles | 25% |
| Furniture, fixtures and equipment | 20% |
| Computer equipment | 20% |

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

3.8 Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

When the Group holds a property interest under an operating lease to earn rental income, the Group chooses not to classify and account for these property interests as investment property. During the last year ended, the Group has reclassified its investment property as asset held for sales.

3.7 物業、廠房及設備(續)

物業、廠房及設備按直線法於估計可使用年期內撇銷其成本或扣除預計剩餘價值後之估值而折舊。可使用年期、剩餘價值及折舊方法於各報告期末檢討，並於適當時候調整。可使用年期如下：

| | |
|----------|-----|
| 租賃土地 | 租期內 |
| 樓宇 | 50年 |
| 租賃物業裝修 | 租期內 |
| 汽車 | 25% |
| 傢俬、裝置及設備 | 20% |
| 電腦設備 | 20% |

倘資產賬面值高於其估計可收回金額，則資產會即時撇減至其可收回金額。

按融資租賃持有之資產按與已擁有資產相同之基準於其預期可使用年期或(如較短)相關租賃之年期內折舊。

出售物業、廠房及設備項目所產生之收益或虧損以出售所得款項淨額與其賬面值之差額釐定，並於出售時在損益確認。

3.8 投資物業

投資物業乃指持有以賺取租金或作資本增值用途或兩者兼有，但並非於日常業務過程中持有作出售、持有作生產或供應貨品或服務或行政用途之物業。投資物業於初步確認時按成本計量，而其後按公平值計量，任何公平值變動則於損益確認。

倘本集團以經營租賃持有物業權益以賺取租金收入，本集團選擇不予將該等物業權益分類及入賬為投資物業。截至上一年度，本集團已重新分類其投資物業為持有作出售資產。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.9 Intangible assets (other than goodwill)

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives as follows. Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. The amortisation expense is recognised in profit or loss and included in administrative expenses.

| | |
|-------------------|----------|
| Licence | 25 years |
| Computer software | 5 years |
| Trademark | 5 years |

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 3.13).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease to the extent of its revaluation surplus.

3.9 無形資產(商譽除外)

獨立收購之無形資產初步按成本確認。於業務合併中所收購無形資產之成本為收購日期之公平值。其後，具有限可使用年期之無形資產按成本減累計攤銷及累計減值虧損列賬。

攤銷乃按其可使用年期以直線法按下文提供。具無限可使用年期之無形資產按成本減任何累計減值虧損列賬。攤銷費用於損益中確認並計入行政開支。

| | |
|------|-----|
| 牌照 | 25年 |
| 電腦軟件 | 5年 |
| 商標 | 5年 |

當有跡象顯示資產可能出現減值時，會對具有限可使用年期之無形資產進行減值測試，而具無限可使用年期的無形資產及未可使用的無形資產則會每年進行減值測試，不論是否存在跡象顯示資產可能出現減值。無形資產透過比較其賬面值與可收回金額進行減值測試(見附註3.13)。

倘資產之可收回金額估計會低於其賬面值，則該資產之賬面值將調低至其可收回金額。

減值虧損會即時確認為開支，除非相關資產以經重估金額列值，此時減值虧損撥回為一項重估增加金額。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.10 Financial instruments

(i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses.

3.10 金融工具

(i) 金融資產

本集團於初步確認時將其金融資產分類，視乎收購資產之目的而定。按以公平值計入損益之金融資產初步按公平值計量，而所有其他金融資產則初步按公平值加收購該等金融資產直接產生之交易成本計量。以一般方式買賣之金融資產按買賣日期基準確認及終止確認。一般方式買賣指合約條款要求於市場規管或慣例通常設定時限內交付資產之金融資產買賣。

貸款及應收款項

該等資產指在活躍市場中沒有報價、具固定或可釐定金額之非衍生金融資產。該等資產主要於向客戶提供貨品及服務過程中產生(貿易應收款項)，但同時亦包括其他類別之合約貨幣資產。於初步確認後，該等資產以實際利息法按攤銷成本減任何已識別減值虧損列賬。

可供出售金融資產

該等資產為被指定為可供出售或不計入金融資產其他分類之非衍生金融資產。經初步確認後，該等資產乃按公平值列賬，其公平值變動於其他全面收益確認，惟減值虧損及貨幣工具之匯兌收益及虧損於損益內確認除外。

就於活躍市場並無報價且其公平值無法可靠計量之可供出售股權投資及與該等無報價股本工具掛鉤及必須透過交付該等工具進行結算之衍生工具而言，該等資產按成本扣除任何已識別之減值虧損計量。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.10 Financial instruments (Continued)

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

3.10 金融工具(續)

(ii) 金融資產之減值虧損

本集團於各報告期末評估金融資產是否有任何客觀證據顯示出現減值。倘有客觀證據顯示由於初步確認資產後發生一項或以上事件導致減值，而該事件對金融資產之估計未來現金流量之影響能夠可靠地估計，則金融資產出現減值。減值之證據可能包括：

- 債務人之重大財政困難；
- 違約，例如拖欠或到期未付利息或本金款項；
- 由於債務人之財政困難而向債務人發出特別許可；
- 債務人有可能陷入破產或其他財務重組。

就貸款及應收款項

倘有客觀證據顯示資產減值，則會於損益內確認減值虧損，並按資產賬面金額與估計未來現金流量之現值(按原實際利率貼現)間之差額計量。金融資產之賬面金額透過使用撥備賬予以扣減。倘金融資產之任何部分被釐定為不可收回，則於有關金融資產之撥備賬作出撇銷。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.10 Financial instruments (Continued)

(ii) Impairment loss on financial assets

For available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

3.10 金融工具(續)

(ii) 金融資產之減值虧損

就可供出售金融資產而言

如公平值下跌構成減值之客觀證據，則虧損之金額從權益中剔除並於損益確認。

就可供出售債務投資而言，倘該投資之公平值之增加可客觀上與確認減值虧損後發生之事件相關聯，則任何減值虧損將隨後獲撥回至損益。

就可供出售股權投資而言，於減值虧損後任何公平值增加均於其他全面收益內確認。

就按成本列賬之可供出售股權投資而言，減值虧損金額乃按資產賬面值與經按類似金融資產之現行市場回報率予以貼現之估計未來現金流量現值兩者之差額計量。該等減值虧損不予撥回。

(iii) 金融負債

本集團將其金融負債分類，視乎產生負債之目的而定。按公平值計入損益之金融負債初步按公平值計量，而按攤銷成本計量之金融負債則初步按公平值扣除所產生之直接應佔成本計量。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.10 Financial instruments (Continued)

(iii) Financial liabilities (Continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

3.10 金融工具(續)

(iii) 金融負債(續)

按公平值計入損益之金融負債

按公平值計入損益之金融負債包括持有作買賣之金融負債及初步確認時被指定為按公平值計入損益之金融負債。

倘購入金融負債之用途為於短期內出售，則有關金融負債將分類為持有作買賣。衍生工具(包括個別嵌入式衍生工具)亦將分類為持有作買賣，除非其被指定為有效對沖工具則另作別論。持有作買賣之負債收益或虧損於損益內確認。

倘一份合約包含一項或多項嵌入式衍生工具，則整份混合式合約或會被指定為按公平值計入損益之金融負債，惟倘嵌入式衍生工具對現金流量並無造成重大修改或嵌入式衍生工具被明確禁止分開入賬則除外。

倘滿足下列條件，金融負債或會於初步確認時被指定為按公平值計入損益之金融負債：(i) 此指定消除或大幅減低因按不同基準計量負債或確認其收益或虧損而出現之不一致處理方法；(ii) 該等負債為一組根據明文規定之風險管理策略按公平值基準管理及作表現評估之金融負債之一部分；或(iii) 金融負債包含須單獨記錄之嵌入式衍生工具。

初步確認後，按公平值計入損益之金融負債乃按公平值計量，而公平值變動於其產生期間於損益中確認。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.10 Financial instruments (Continued)

(iii) Financial liabilities (Continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings, obligation under finance lease, the debt element of convertible bonds and corporate bond issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Convertible instruments

Convertible instruments represents convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert into equity, is included in equity (convertible bonds reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds reserve until the embedded option is exercised (in which case the balance stated in convertible bonds reserve will be transferred to share capital. Where the option remains unexercised at the expiry dates, the balance stated in convertible bonds equity reserve will be released to the retained earnings. No gain or loss is recognised upon conversion or expiration of the option.

3.10 金融工具(續)

(iii) 金融負債(續)

按攤銷成本計量之金融負債

按攤銷成本計量之金融負債(包括貿易及其他應付款項、借貸、融資租賃承擔、本集團發行之具債務性質之可換股債券及公司債券)其後使用實際利率法按攤銷成本計量。相關利息開支於損益中確認。

收益或虧損乃於終止確認該項負債時及在攤銷過程中於損益確認。

(iv) 可換股工具

可換股工具指本集團發行之可換股債券(包括負債及轉換權部分)，乃於初步確認時各自分類為相關項目。將以定額現金或另一項金融資產交換本公司本身固定數目之股權工具方式結清之轉換權乃分類為股本工具。

於初步確認時，負債部分之公平值乃按類似不可換股債務之現行市場利率釐定。發行可換股債券之所得款項與撥往負債部分之公平值之差額(讓持有人將其轉換為股本之轉換權)應列入股本(可換股債券儲備)內。

於往後期間，可換股債券之負債部分乃以實際利率法按攤銷成本列賬。權益部分(代表可將負債部分轉換為本公司普通股之選擇權)將保留於可換股債券儲備，直至嵌入式轉換權獲行使為止(於此情況下，可換股債券儲備之結餘將轉撥至股本)。倘轉換權於到期日尚未獲行使，可換股債券儲備之結餘將解除至留存收益。轉換權獲轉換或到期時不會於損益中確認任何損益。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.10 Financial instruments (Continued)

(iv) Convertible instruments (Continued)

Transaction costs that relate to the issue of convertible bonds are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of convertible bonds using the effective interest method.

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(vi) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

3.10 金融工具(續)

(iv) 可換股工具(續)

發行可換股債券所涉及之交易成本乃按所得款項分配比例分配至負債部分及權益部分。權益部分之相關交易成本直接於權益中扣除。負債部分之相關交易成本計入負債部分之賬面值，並採用實際利率法按可換股債券年期攤銷。

(v) 實際利率法

實際利率法為用於計算金融資產或金融負債攤銷成本及於有關期間內分配利息收入或利息開支之方法。實際利率為於金融資產或負債預計期限或於較短期間(如適用)內準確折現估計未來現金收入或支出之利率。

(vi) 股本工具

本公司發行之股本工具乃按已收所得款項(扣除直接發行成本)入賬。

(vii) 終止確認

當有關金融資產之未來現金流量之合約權利屆滿時，或當已轉讓金融資產而有關轉讓符合香港會計準則第39號之終止確認準則，本集團便終止確認該項金融資產。

當合約中規定之義務解除、取消或到期時，便會終止確認該項金融負債。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.11 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- they are available for immediate sale;
- management is committed to a plan to sell;
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- an active programme to locate a buyer has been initiated;
- the asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- a sale is expected to complete within 12 months from the date of classification

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- fair value less costs to sell.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed of during the year are included in profit or loss up to the date of disposal.

3.11 持有作出售之非流動資產及出售組別

在以下情況，非流動資產及出售組別會獲分類為持有作出售：

- 其可供立即出售；
- 管理層承諾進行出售計劃；
- 不大可能會對計劃作出重大更改或撤回計劃；
- 已經積極展開物色買家計劃；
- 資產或出售組別按就其公平值而言屬合理之價格進行市場推廣；及
- 預期能夠在分類當日起計12個月內完成銷售。

分類為持有作出售之非流動資產及出售組別按以下較低者計量：

- 根據本集團之會計政策，其於緊接分類為持有作出售前之賬面值；及
- 公平值減出售成本。

於分類為持有作出售後，非流動資產(包括出售組別)不予以折舊。

於年度內出售之經營業務之業績計入損益直至出售日期為止。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.12 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.13 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- Intangible assets;
- property, plant and equipment under cost model; and
- investments in subsidiaries, associates and joint ventures (except for those classified as held for sale or included in a disposal group that is classified as held for sale) (see note 3.11)

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

3.12 存貨

存貨初步按成本確認，其後按成本及可變現淨值兩者中之較低者確認。成本包括所有採購成本、轉換成本及將存貨送至現有地點及達致現有狀況所產生之其他成本。成本按加權平均法計算。可變現淨值指日常業務過程中之估計售價減估計完工成本及進行銷售必要之估計成本。

3.13 非金融資產減值

於各報告期末，本集團檢討以下資產之賬面值，以釐定是否有任何跡象顯示該等資產蒙受減值虧損或過去被確認之減值虧損是否不再存在或可能被減少：

- 無形資產；
- 根據成本模型計算之物業、廠房及設備；及
- 於附屬公司、聯營公司及合營公司之投資(除該等分類為持有作出售或計入獲分類為持有作出售之出售組別者之外)(見附註3.11)

當某資產之可收回金額(即以公平值減出售成本與使用價值之較高者為準)估計低於其賬面值時，則資產之賬面值乃調低至其可收回金額。減值虧損即時確認為開支，惟相關資產根據另一香港財務報告準則按重估額列賬則除外，在此情況下，減值虧損根據該香港財務報告準則被視作重估減少。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.13 Impairment of non-financial assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset or CGU (see note 3.5), discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

3.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturity of three months or less.

3.15 Income tax

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

3.13 非金融資產減值(續)

倘減值虧損於隨後回撥，該資產之賬面值可調高至其經重新估計之可收回金額，惟該增加之賬面值不可超過該資產於過往年度並無確認減值虧損時確定之賬面值。回撥減值虧損會即時被確認為收入，惟相關資產根據另一香港財務報告準則按重估額列賬則除外，在此情況下，回撥減值虧損根據該香港財務報告準則被視作重估增加。

使用價值乃根據預期將自資產或現金產生單位(見附註3.5)產生之估計未來現金流量釐定，按可反映金錢時間值之現行市場評估以及對資產或現金產生單位屬特定風險之稅前貼現率貼現至其現值。

3.14 現金及現金等值項目

現金及現金等值項目包括手頭現金、銀行通知存款以及原定到期日為三個月或以下之其他短期高流通投資。

3.15 所得稅

本年度所得稅包括即期稅項及遞延稅項。

即期稅項乃按已就毋須就所得稅課稅或不可扣減之項目作出調整之日常業務溢利或虧損，按報告期末已頒佈或實際上已頒佈之稅率計算。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.15 Income tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

3.15 所得稅(續)

遞延稅項乃就財務報告之資產與負債之賬面值與就稅務所用相應數值間之暫時差額確認。除不影響會計或應課稅溢利之商譽及已確認資產與負債外，會就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產於有可能動用應課稅溢利抵銷可扣減暫時差額之情況下確認。遞延稅項按預期適用於變現資產或清償負債賬面值且報告期末已頒佈或實際上頒佈之稅率計量。

當投資物業根據香港會計準則第40號「投資物業」按公平值列賬，乃釐定用於計量遞延稅項金額之合適稅率之一般規定之特別情況。除非假設被推翻，否則該等投資物業之遞延稅項金額乃按於報告日期適用於按其賬面值出售該等投資物業之稅率計量。當投資物業可予折舊且其業務目的為隨時間(而非透過出售)實質消耗該項物業內含之全數經濟效益之業務模式中持有，則假設被推翻。

就於附屬公司、聯營公司及共同控制實體之投資產生之應課稅暫時差額確認遞延稅項負債，惟本集團能控制暫時差額撥回，以及暫時差額很大可能在可見將來不予撥回之情況除外。

所得稅乃於損益確認，惟倘所得稅與於其他全面收益中確認之項目有關則除外，在此情況下，所得稅亦於其他全面收益確認，或倘其與直接於權益確認之項目有關，在此情況下，稅項亦直接於權益確認。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.16 Foreign currency

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollar) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign currency translation reserve.

3.16 外幣

本集團實體以其經營所在主要經濟環境之貨幣(「功能貨幣」)以外之貨幣進行交易，乃以進行交易時之現行匯率記賬。外幣貨幣資產及負債按報告期末之現行匯率換算。按公平值列賬而以外幣計值之非貨幣項目按釐定公平值當日之匯率重新換算。按外幣歷史成本以計量之非貨幣項目不作重新換算。

結算及換算貨幣項目所產生之匯兌差額於其產生期間於損益中確認。重新換算按公平值列賬之非貨幣項目所產生之匯兌差額計入該期間之損益，惟重新換算有關盈虧在其他全面收益確認之非貨幣項目所產生之差額除外，在此情況下，有關匯兌差額亦於其他全面收益確認。

於綜合賬目時，海外業務之收支項目乃按年度平均匯率換算為本集團之呈列貨幣(即港元)，惟倘匯率於期內大幅波動則除外，在此情況下，則按進行交易時採用之概約匯率換算。海外業務之所有資產及負債按報告期末之現行匯率換算。由此產生之匯兌差額(如有)於其他全面收益確認，並於權益累計為外匯儲備(歸屬於少數股東權益(如適用))。於集團實體之獨立財務報表中就換算組成本集團海外業務投資淨額一部分之長期貨幣項目而於損益確認之匯兌差額，重新分類至其他全面收益，並於權益累計為外幣換算儲備。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.17 Employee benefits

(a) Short term employee benefit

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(b) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(c) Termination benefits

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

(d) Share-based payments

Where share options are awarded to employees and others providing similar services, the fair value of the services received is measured by reference to the fair value of the options at the date of grant. Such fair value is recognised in profit or loss over the vesting period with a corresponding increase in the share option reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all non-market vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

3.17 僱員福利

(a) 短期僱員福利

短期僱員福利指離職福利以外之僱員福利，預期於僱員提供相關服務之年度報告期間末後十二個月內結清。短期僱員福利於本年僱員提供相關服務時確認。

(b) 定額供款退休計劃

定額供款退休計劃之供款於僱員提供服務時在損益確認為開支。

(c) 離職福利

離職福利於本集團不可再撤回福利或本集團確認涉及支付離職福利之重組費用時(以較早者為準)確認。

(d) 以股份支付

凡向僱員及提供類似服務之其他人士授出購股權，所收取服務之公平值乃參照購股權於授出當日之公平值計量。有關公平值於歸屬期間在損益內確認，並於權益內之購股權儲備中作相應增加。非市場歸屬條件會一併考慮，方法為調整於各報告期末預期歸屬之股本工具數目，使於歸屬期間確認之累計數額最終根據最後歸屬之購股權數目確認。市場歸屬條件為授出購股權之公平值計算因素之一。只要符合所有非市場歸屬條件，不論是否符合市場歸屬條件，均會作出扣除。累計開支不會因市場歸屬條件未能達成而調整。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.17 Employee benefits (Continued)

(d) Share-based payments (Continued)

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

The Group also operates a phantom share option scheme which is determined to be a cash-settled share-based payment transaction with employees. An option pricing model is used to measure the Group's liability at grant date and subsequently at the end of each reporting period, taking into account the terms and conditions on which the bonus is awarded and the extent to which employees have rendered service. Movements in the liability (other than cash payments) are recognised in profit or loss.

3.18 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

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

3.17 僱員福利(續)

(d) 以股份支付(續)

凡在歸屬前修訂購股權之條款及條件，在緊接修訂前後計算之購股權公平值之增加，亦於餘下歸屬期間內在損益中確認。

本集團亦設有虛擬購股權計劃，其釐定為與僱員進行之現金結算以股份支付之交易。購股權定價模式乃用於計量本集團於授出日期及其後各報告期末之負債，並計入批授紅利之條款及條件，以及僱員提供服務程度。負債之變動(不包括現金付款)於損益內確認。

3.18 撥備及或然負債

當本集團因過往事件須承擔法定或推定責任，其將可能導致經濟利益流出，而可被可靠地估計時，就未確定時間或金額之負債確認撥備。

當可能毋須流出經濟利益時，或金額不可能被可靠地估計時，除非經濟利益流出之可能性極微，否則須披露該責任為或然負債。可能責任之存在僅能以一項或以上未來事件發生或不發生而證實者，除非經濟利益流出之可能性極微，否則亦須披露為或然負債。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, rebates, returns and discounts and after eliminated sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sale of goods

The Group operates a chain of retail outlets for selling footwear. Sale of goods are recognised when a group entity sells a product to the customer. Retail sales are usually in cash or by credit card.

(b) Sales of goods — wholesale

The Group sells a range of footwear products in the wholesale market. Sales of goods are recognised when a group entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with sales contract, the acceptance provisions have lapsed, or the objective evidence that all criteria for acceptance have been satisfied.

3.19 收益確認

收益包括於本集團日常業務過程中就銷售貨品及服務已收或應收代價之公平值。收益於扣除增值稅、回扣、退款及折扣並抵銷本集團內部銷售後入賬。

當收益金額能可靠地計量，可能未來有經濟利益將會流入實體及下述本集團各項業務已符合特定標準，本集團會確認收益。於有關銷售之所有或然事項已解決前，本集團不會視收益金額為能可靠地計量。本集團根據歷史業績進行估計，當中會考慮客戶類型、交易類型及每項安排之特性。

(a) 銷售貨品

本集團為銷售鞋類經營零售連鎖店。當集團實體銷售產品予客戶時確認銷售貨品。零售銷售一般以現金或信用卡結算。

(b) 銷售貨品 — 批發

本集團於批發市場上銷售多種鞋類產品。當集團實體交付產品予批發商，而批發商對出售產品之渠道及價格有充分酌情權，且並無未履行之責任可影響批發商接納該等產品，本集團會確認銷售貨品。於產品付運至指定地點、陳舊過時及損失風險已轉移予批發商及批發商已按照銷售合約接納產品、接納條文已失效或有客觀憑證顯示接納之所有標準均已達致前，本集團不會確認交付。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.19 Revenue recognition (Continued)

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(d) Licence fee and royalty income

Licence fee and royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(e) Rental income

Operating lease rental income is recognised on a straight-line basis over the lease period.

3.20 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

3.19 收益確認(續)

(c) 利息收入

利息收入利用實際利息法按時間比例基準確認。

(d) 特許使用費及專利費收入

特許使用費及專利費收入按照有關協議之內容按應計基準確認。

(e) 租金收入

經營租賃租金收入於租期內以直線法確認。

3.20 政府補助

倘能夠合理保證將可收取政府補助及本集團將遵守所有附帶條件，則會按公平值確認補助。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.21 Lease

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

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

3.21 租賃

當租賃條款將擁有權之絕大部分風險及回報轉移予承租人時，租賃分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為出租人

根據融資租賃應收承租人之款項按本集團於租賃之淨投資額入賬為應收款項。融資租賃收入分配至會計期間，以反映本集團就租賃之未收回投資淨額之固定定期回報率。

經營租賃之租金收入於相關租賃期內以直線基準於損益確認。磋商及安排經營租賃所產生之初步直接成本加入租賃資產之賬面值並於租賃期內以直線基準確認為開支。

本集團作為承租人

根據融資租賃持有之資產初步按其公平值或最低租賃付款之現值(如金額較低)確認為資產。相應之租賃承擔以負債列示。租賃付款按資本及利息分析。利息部分於租期內於損益扣除，並以於租賃負債中佔固定比例方式計算。資本部分扣除欠付出租人之餘額。

經營租賃應付之租金總額於租期內以直線法在損益扣除。已收取之租賃優惠於租期內確認為租金開支總額之一部分。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.21 Lease (Continued)

The Group as lessee (Continued)

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor and exclusive of any turnover rental payments which are calculated by reference to a pre-determined percentage of a tenant's monthly sales) are expensed in the income statement on a straight-line basis over the period of the lease. Turnover rental payments are recognised on an accrual basis.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other short-term and other long-term payables. The interest element of the finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

3.21 租賃(續)

本集團作為承租人(續)

就租賃分類而言，物業租賃內之土地及樓宇部分被視為獨立部分。

出租人保留擁有權之絕大部份風險及回報之租賃分類為經營租賃。根據經營租賃支付之款項(扣除收取任何由出租人提供之優惠後，亦不包括任何參考承租人每月銷售額之某一預定百分比按營業額計算之租金)於租期內以直線法在收益表支銷。按營業額計算之租金按應計基準確認。

本集團出租若干物業、廠房及設備。如本集團擁有物業、廠房及設備擁有權之絕大部份風險及回報，則該等租賃會分類為融資租賃。融資租賃在租賃開始時按租賃物業之公平值與最低租賃付款現值兩者之較低者撥充資本。

每筆租賃付款均分攤為負債及財務支出，以達到佔融資結欠額之一個固定比率。相應租賃責任在扣除財務支出後計入其他短期及其他長期應付款項。財務費用之利息部份於租期內在綜合收益表扣除，以達到利息佔各期間負債餘額之一個固定比率。根據融資租賃購入之物業、廠房及設備按資產之可使用年期及租期之較短者折舊。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.22 Related parties

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

3.22 關聯人士

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關聯：
 - (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員。
- (b) 倘符合下列任何條件，即實體與本集團有關聯：
 - (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
 - (ii) 一間實體為另一實體之聯營公司或合營公司(或另一實體為集團旗下成員公司之聯營公司或合營公司)。
 - (iii) 兩間實體均為同一第三方之合營公司。
 - (iv) 一間實體為第三方實體之合營公司，而另一實體為該第三方實體之聯營公司。
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
 - (vi) 實體受第(a)項所識別人士控制或受共同控制。
 - (vii) 於第(a)(i)項所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理層成員。
 - (viii) 實體或其所屬集團之任何成員公司，向本集團或本集團母公司提供主要管理人員服務。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

主要會計政策概要(續)

3.22 Related parties (Continued)

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 and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

重大會計估計及判斷

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual residual value and useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of any future management determination of shop relocation or renovation. Management will increase the depreciation charge where residual value or useful lives are less than previously estimated, or it will write-off or write-down non-strategic assets that have been abandoned or sold.

3.22 關聯人士(續)

該名人士之近親為預期將會影響與實體進行交易之該名人士或受其影響之該等家族成員及包括：

- (i) 該名人士之子女及配偶或同居伴侶；
- (ii) 該名人士之配偶或同居伴侶之子女；及
- (iii) 該名人士或該名人士之配偶或同居伴侶之受養人。

估計及判斷會不斷評估，並按過往經驗及其他因素(包括於有關情況下相信為合理之未來事件之預測)而作出。

本集團對未來作出估計及假設。顧名思義，由此產生之會計估計，極少與有關實際結果相同。存在重大風險導致須對下個財政年度之資產及負債之賬面金額作出重大調整之估計及假設論述如下。

(a) 物業、廠房及設備之可使用年期

本集團管理層釐定其物業、廠房及設備之估計可使用年期及有關折舊費用。此估計乃根據性質及功能相若之物業、廠房及設備之實際剩餘價值及可使用年期之過往經驗計算。管理層有關店舖搬遷或翻新之任何未來決定，均可能對估計造成重大變動。倘剩餘價值或可使用年期低於先前之估計，管理層將增加折舊費用，或將撇銷或撇減已棄置或出售之非策略性資產。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Continued)

重大會計估計及判斷(續)

(b) Estimated write-downs of inventories to net realisable value

The Group writes down inventories to net realisable value based on an assessment of the realisability of inventories. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of inventories and write-downs of inventories in the years in which such estimates have been changed.

(c) Income taxes

The Group is subject to income taxes in Hong Kong and the PRC. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Impairment of the disposal group of e-Commerce and e-Payment business property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or market valuations. The calculations require the use of judgements and estimates.

(b) 估計撇減存貨至可變現淨值

本集團根據存貨之可變現性之評估將存貨撇減至可變現淨值。當出現事件或情況有變，顯示結餘可能無法變現時，對存貨作撇減記賬。撇減之識別須運用判斷及估計。當預期不同於原先估計時，該等差額將影響存貨之賬面值及存貨於該等估計變動之年度內之撇減。

(c) 所得稅

本集團須繳納香港及中國所得稅。在釐定所得稅撥備時須作出重大判斷。於日常業務過程中，不少交易及計算之最終稅項不能明確釐定。本集團根據對是否將有額外稅項到期支付之估計對預期稅項審核事宜確認負債。當該等事項之最終稅項結果不同於最初入賬之金額時，該等差額將影響作出稅項釐定期間之所得稅及遞延稅項撥備。

(d) 電子商務及電子支付業務出售組別、物業、廠房及設備以及無形資產的減值

物業、廠房及設備以及無形資產在出現事件或情況有變，顯示可能無法收回賬面金額時進行減值檢討。可收回金額乃根據使用價值計算或市場估值釐定。該等計算須運用判斷及估計。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Continued)

重大會計估計及判斷(續)

(e) Impairment of trade receivables and other receivables

The policy of impairment assessment for receivables of the Group is based on the current market condition and the credit history of its customers, department stores, counterparties and other debtors. Management reassesses the provision at the end of each reporting period.

(f) Fair values of available-for-sale financial assets and convertible bonds

The fair values of financial assets that are traded in an active market are determined by the quoted market prices. For fair values of financial assets not traded in an active market, the methodologies, models, assumptions used in determining the fair value of financial assets not traded in an active market and derivative financial instruments require judgement, which are mainly based on market conditions existing at each reporting date.

The fair value of financial instruments and other financial liabilities (including embedded derivative components of convertible bonds) that are not traded in an active market is determined by using appropriate valuation techniques and making assumptions that are based on market conditions existing at each reporting date. The fair values of the embedded derivative components of convertible bonds are determined using the Binomial Option Pricing Model adjusted for specific terms and conditions of the respective instruments. Major inputs into the model include quoted market prices, risk free rates, expected volatility, dividend yields and the option's life.

(e) 應收貿易款項及其他應收款項之減值

本集團應收款項之減值評估政策乃根據現行市況及其客戶、百貨公司、對手方及其他債務人的信貸歷史而定。管理層於各個報告期末重新評估撥備。

(f) 可供出售金融資產及可換股債券之公平值

於活躍市場交易之金融資產之公平值乃按市場報價釐定。就並非於活躍市場交易之金融資產之公平值而言，用以釐定並非於活躍市場交易之金融資產之公平值之方法、模式、假設及衍生金融工具須作出判斷，其主要按各報告日期之現有市場條件釐定。

沒有在活躍市場買賣之金融工具及其他金融負債(包括可換股債券之嵌入式衍生工具部分)之公平值，乃按合適的估值方法和根據每個匯報日期的市況，作出不同的假設而釐定。可換股債券內嵌入式衍生工具部分之公平值乃使用二項期權定價模式釐定，以適應各自工具的特定條款及條件。該模式所輸入之主要數據包括所報市價、無風險利率、預期波動、股息回報率及期權期限。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Continued)

重大會計估計及判斷(續)

(g) Share-based compensation

The Group operates equity-settled, share-based compensation plans under which the Group receives services from employees as consideration for equity instruments of the Company. The plan comprises a share option scheme. The fair value of the employee services received in exchange for the grant of the options or shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options or shares granted as at the date of grant: (i) including any market performance conditions; (ii) excluding the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets); and (iii) including the impact of any non-vesting conditions. Non-market vesting conditions are included in assumptions about the number of options or shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options or shares that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

(h) Fair value of identifiable assets and liabilities acquired through business combinations and fair value of consideration at the date of acquisition

The Group applies the acquisition method to account for business combinations, which requires the Group to record assets acquired and liabilities assumed at their fair values on the date of acquisition. Significant judgment and estimate are used to determine the completion date and fair value of the assets acquired and liabilities assumed. The valuation involves estimating future cash flows from the acquired business, determining appropriate discount rates, asset lives and other assumptions.

(g) 以股份為基礎之報酬計劃

本集團設有股本結算以股份為基礎之報酬計劃，據此，本集團獲取僱員提供之服務作為本公司之股本工具之代價。該計劃包括購股權計劃。就僱員所提供服務以換取授出購股權或股份之公平值確認為開支。將予支銷之總金額乃參考於授出日期所授出購股權或股份之公平值釐定：(i) 包括任何市場表現情況；(ii) 不包括任何服務及非市場表現歸屬條件之影響(例如：盈利能力及銷售增長目標)；及(iii) 包括任何非歸屬條件的影響。非市場歸屬條件乃納入預計將予歸屬之購股權或股份數目之假設中。總開支於歸屬期內確認，歸屬期為所有指定之歸屬條件須達成之期間。於各報告期末，本集團會根據非市場歸屬條件修改其預期將歸屬之估計購股權或股份數目。修改原來估計數字之影響(如有)將於收益表內確認，並於權益中作出相應調整。

(h) 於業務合併中所收購可識別資產及負債之公平值及於收購當日之或然代價公平值

本集團採用收購法作為業務合併之入賬方法，即該方法規定本集團按收購當日之公平值記錄收購之資產及承擔之負債。重大判斷及估計用作釐定完成日期及所收購資產及所承擔負債之公平值。有關估值涉及估計收購業務所產生之未來現金流量、釐定適當貼現率、資產年限及其他假設。

5 SEGMENT INFORMATION

分部資料

The Group is principally engaged in the retailing of footwear in Hong Kong, the PRC and Taiwan, and e-Commerce and e-Payment business.

The chief operating decision-maker has been identified as the Executive Directors. The Executive Directors review the Group's financial information to assess the performance and allocate resources.

The Group has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Retailing of footwear
- e-Commerce and e-Payment

The Executive Directors assess the performance of the operating segments based on a measure of segment loss without allocation of administrative expenses, other gains, other income and finance income/(costs), which is consistent with that in the financial statements. During the year ended 31 March 2018, the Directors consider to dispose the e-Commerce and e-Payment business. During August 2017 and June 2018, MOUs were signed for the potential disposal, which led to discontinue the operation of e-Commerce and e-Payment business. In accordance of HKFRS 5, e-Commerce and e-Payment business for the years ended 31 March 2018 and 2017 were classified as discontinued operation in the Group's consolidated financial statements.

Segment assets mainly exclude loan receivables in respect of the Group's financial services business, refundable advance payment in relation to the purchase of the Milan Properties and deferred tax assets.

Segment liabilities mainly exclude current tax liabilities, deferred tax liabilities, convertible bonds, corporate bond and obligation under finance lease.

In respect of geographical segment reporting, sales are based on the country in which the customer is located, and total assets and capital expenditure are based on the country where the assets are located.

本集團主要於香港、中國及台灣從事鞋類零售以及電子商務及電子支付業務。

執行董事已獲確定為主要營運決策人。執行董事審閱本集團之財務資料以評估表現及分配資源。

本集團擁有兩個可報告分部。該等分部均獨立管理，而各業務提供不同產品及服務並需要不同之業務策略。下文概述本集團各可報告分部之業務：

- 鞋類零售
- 電子商務及電子支付

執行董事根據分部虧損(未分配任何行政費用、其他收益、其他收入及財務收入/(費用))之計量評估經營分部之表現，其與財務報表所載者一致。於截至2018年3月31日止年度，董事考慮出售電子商務及電子支付業務。於2017年8月及2018年6月期間，本公司已就潛在出售事項簽訂諒解備忘錄，導致電子商務及電子支付業務終止經營。根據香港財務報告準則第5號，電子商務及電子支付業務於截至2018年及2017年3月31日止年度已於本集團之綜合財務報表中獲分類為終止經營業務。

分部資產主要不包括與本集團金融服務業務有關之應收貸款、與購入米蘭物業有關之可退款墊款及遞延稅項資產。

分部負債主要不包括即期稅項負債、遞延稅項負債、可換股債券、公司債券及融資租賃承擔。

就地區分部報告而言，銷售乃按客戶所在國家作出，而資產總值及資本開支乃按資產所在國家作出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

分部資料(續)

(a) Business and geographical segment

The segment results for the year ended 31 March 2018 are as follows:

(a) 業務與地區分部

截至2018年3月31日止年度之分部業績如下：

| | | For the year ended 31 March 2018 截至2018年3月31日止年度 | | | | | | |
|--|--------------------|---|---------------|--------------|----------------|-----------------------------------|--|-------------|
| | | Continuing operations 持續經營業務 | | | | Discontinued operations 終止經營業務 | | |
| | | Retailing of footwear 鞋類零售 | | | Subtotal 小計 | Unallocated 未分配 | e-Commerce and e-Payment 電子商務及 電子支付 | Total 總計 |
| | | Hong Kong 香港 | The PRC 中國 | Taiwan 台灣 | | | | |
| Revenue | 收益 | 88,324 | 250,569 | 7,264 | 346,157 | — | — | 346,157 |
| Segment loss | 分部虧損 | (21,609) | (54,267) | (793) | (76,669) | (69,176) | (2,689) | (148,534) |
| Finance income | 財務收入 | | | | | | | 9,701 |
| Finance costs | 財務費用 | | | | | | | (69,502) |
| Share of loss of an associate | 應佔於一間聯營公司之虧損 | | | | | | | (1,634) |
| Income tax credit | 所得稅抵免 | | | | | | | 586 |
| Loss for the year | 本年度虧損 | | | | | | | (209,383) |
| Other segment items are as follows: 其他分部項目如下： | | | | | | | | |
| Capital expenditure | 資本開支 | 621 | 5,898 | 1 | 6,520 | — | 9,307 | 15,827 |
| Share of loss of associates | 應佔聯營公司之虧損 | — | — | — | — | (1,634) | (595) | (2,229) |
| Share option expenses | 購股權開支 | — | — | — | — | 15,531 | — | 15,531 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 1,716 | 5,474 | 14 | 7,204 | 23 | 173 | 7,400 |
| Amortisation of intangible assets | 無形資產之攤銷 | 135 | 454 | — | 589 | — | — | 589 |
| Impairment of property, plant and equipment | 物業、廠房及設備之減值 | 233 | — | — | 233 | — | — | 233 |
| Gain on disposal of asset held for sale | 出售持有作出售資產之收益 | (7,217) | — | — | (7,217) | — | — | (7,217) |
| (Gain)/losses on disposal of property, plant and equipment | 出售物業、廠房及設備之(收益)/虧損 | (23,921) | 34 | 9 | (23,878) | — | — | (23,878) |
| Write back of inventories, net | 存貨撥回，淨額 | 93 | (6,125) | 279 | (5,753) | — | — | (5,753) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

分部資料(續)

(a) Business and geographical segment (Continued)

The segment results for the year ended 31 March 2017 are as follows:

(a) 業務與地區分部(續)

截至2017年3月31日止年度之分部業績如下：

| | | For the year ended 31 March 2017 截至2017年3月31日止年度 | | | | | Discontinued operations 終止經營業務 | |
|--|--------------------|---|------------|----------|------------|-----------------------------|-----------------------------------|------------|
| | | Continuing operations 持續經營業務 | | | | e-Commerce and 電子商務及電子支付 | | Total |
| | | Retailing of footwear 鞋類零售 | | | Subtotal | Unallocated | e-Payment | Total |
| | | Hong Kong | The PRC | Taiwan | | | | |
| | | 香港 | 中國 | 台灣 | 小計 | 未分配 | 電子商務及電子支付 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | (Restated) | (Restated) | | (Restated) | (Restated) | (Restated) | (Restated) |
| | | (經重列) | (經重列) | | (經重列) | (經重列) | (經重列) | (經重列) |
| | | | | | | | (note 7) | |
| | | | | | | | (附註7) | |
| Revenue | 收益 | 119,368 | 434,382 | 7,807 | 561,557 | — | — | 561,557 |
| Segment loss | 分部虧損 | (37,208) | (51,354) | (407) | (88,969) | (131,774) | (444) | (221,187) |
| Finance income | 財務收入 | | | | | | | 15,823 |
| Finance costs | 財務費用 | | | | | | | (4,716) |
| Income tax expense | 所得稅開支 | | | | | | | (116) |
| Loss for the year | 本年度虧損 | | | | | | | (210,196) |
| Other segment items are as follows: | 其他分部項目如下： | | | | | | | |
| Capital expenditure | 資本開支 | 3,223 | 6,277 | 74 | 9,574 | — | — | 9,574 |
| Share of loss of an associate | 應佔於一間聯營公司之虧損 | — | — | — | — | — | (54) | (54) |
| Share option expenses | 購股權開支 | — | — | — | — | 6,808 | — | 6,808 |
| Share-based compensation expenses | 以股份為基礎之補償開支 | — | — | — | — | 9,034 | — | 9,034 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 5,530 | 6,099 | 89 | 11,718 | — | 63 | 11,781 |
| Amortisation of intangible assets | 無形資產之攤銷 | 113 | 693 | — | 806 | — | — | 806 |
| Impairment of property, plant and equipment | 物業、廠房及設備之減值 | 871 | 234 | — | 1,105 | — | — | 1,105 |
| (Gain)/loss on disposal of property, plant and equipment | 出售物業、廠房及設備之(收益)/虧損 | (323) | 1,339 | 35 | 1,051 | — | — | 1,051 |
| Write back of inventories, net | 存貨撥回·淨額 | (1,381) | (5,267) | (21) | (6,669) | — | — | (6,669) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

分部資料(續)

(a) Business and geographical segment (Continued)

The segment assets and liabilities at 31 March 2018 are as follows:

(a) 業務與地區分部(續)

於2018年3月31日之分部資產及負債如下：

| | | Continuing operations | | | | Discontinued operations | |
|-------------------------|-----------|-----------------------|----------|----------|----------|-------------------------|---------|
| | | 持續經營業務 | | | | 終止經營業務 | |
| | | Retailing of footwear | | | | e-Commerce and | |
| | | 鞋類零售 | | | | e-Payment and 電子商務及電子支付 | |
| | Hong Kong | The PRC | Taiwan | Subtotal | | Total | |
| | 香港 | 中國 | 台灣 | 小計 | 及電子支付 | 總計 | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| Segment assets | 分部資產 | 84,885 | 148,267 | 3,989 | 237,141 | 241,830 | 478,971 |
| Unallocated assets | 未分配資產 | | | | | | 255,668 |
| Total assets | 資產總值 | | | | | | 734,639 |
| Segment liabilities | 分部負債 | 28,482 | 109,663 | 6,106 | 144,251 | 52,408 | 196,659 |
| Unallocated liabilities | 未分配負債 | | | | | | 500,777 |
| Total liabilities | 負債總額 | | | | | | 697,436 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

分部資料(續)

(a) Business and geographical segment (Continued)

The segment assets and liabilities at 31 March 2017 are as follows:

(a) 業務與地區分部(續)

於2017年3月31日之分部資產及負債如下：

| | | Continuing operations 持續經營業務 | | | | Discontinued operations 終止經營業務 | | Total 總計 |
|-------------------------|-------|---------------------------------|---------------|--------------|----------------|-----------------------------------|-----------------|-----------------|
| | | Retailing of footwear 鞋類零售 | | | Subtotal 小計 | e-Commerce and 電子商務及電子支付 | | |
| | | Hong Kong 香港 | The PRC 中國 | Taiwan 台灣 | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Segment assets | 分部資產 | 169,706 | 195,202 | 6,027 | 370,935 | 232,608 | 603,543 | |
| Unallocated assets | 未分配資產 | | | | | | 27,798 | |
| Total assets | 資產總值 | | | | | | 631,341 | |
| Segment liabilities | 分部負債 | 126,854 | 90,207 | 7,091 | 224,152 | 861 | 225,013 | |
| Unallocated liabilities | 未分配負債 | | | | | | 190,002 | |
| Total liabilities | 負債總額 | | | | | | 415,015 | |

Specified non-current assets 特定非流動資產

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|-----------|----|-------------------------|-------------------------|
| Hong Kong | 香港 | 2,059 | 347,139 |
| PRC | 中國 | 21,042 | 21,530 |
| Taiwan | 台灣 | 11 | 32 |
| | | 23,112 | 368,701 |

(b) Information about major customers

For the years ended 31 March 2018 and 2017, none of the customers contributed 10% or more of the revenue of the Group.

(b) 有關主要客戶之資料

截至2018年及2017年3月31日止年度，概無客戶貢獻本集團10%或以上之收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 EXPENSES BY NATURE

按性質分類之開支

| | | 2018 HK\$'000 千港元 | (Restated) (經重列) 2017 HK\$'000 千港元 (note 7) (附註 7) |
|--|----------------------------|-------------------------|--|
| Continuing operations | 持續經營業務 | | |
| Purchase of and changes in inventories | 購入存貨及存貨變動 | 176,822 | 279,665 |
| Auditor's remuneration | 核數師酬金 | | |
| — Audit service | — 核數服務 | 1,650 | 2,550 |
| — Non-audit service | — 非核數服務 | 44 | 91 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | | |
| — owned assets | — 擁有之資產 | 7,104 | 11,574 |
| — leased assets | — 租賃之資產 | 123 | 144 |
| Impairment of property, plant and equipment | 物業、廠房及設備之減值 | 233 | 1,105 |
| Amortisation of intangible assets | 無形資產之攤銷 | 589 | 806 |
| Operating lease rental in respect of leasehold land and buildings | 租賃土地及樓宇之經營租賃租金 | | |
| — minimum lease payments | — 最低租賃款項 | 17,480 | 29,477 |
| — turnover rental expenses | — 按營業額計算之租金開支 | 105,547 | 170,436 |
| Advertising and promotion expenses | 廣告及宣傳開支 | 9,184 | 14,234 |
| Write-back of inventories, net | 存貨撥回，淨額 | (5,753) | (6,669) |
| Employee benefit expenses | 僱員福利開支 | 155,729 | 206,551 |
| Other expenses | 其他開支 | 57,802 | 76,678 |
| Total cost of sales, selling and distribution costs and administrative expenses | 銷售成本、銷售及分銷成本及行政費用總額 | 526,554 | 786,642 |

Expenses by nature of the Group has been presented in the consolidated income statement as follows:

於綜合收益表呈列之本集團按性質分類之開支如下：

| | | 2018 HK\$'000 千港元 | (Restated) (經重列) 2017 HK\$'000 千港元 (note 7) (附註 7) |
|--------------------------------|---------|-------------------------|--|
| Cost of sales | 銷售成本 | 171,069 | 272,996 |
| Selling and distribution costs | 銷售及分銷成本 | 251,757 | 377,530 |
| Administrative expenses | 行政費用 | 103,728 | 136,116 |
| | | 526,554 | 786,642 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 DISCONTINUED OPERATIONS

終止經營業務

During August 2017 and June 2018, the Group entered into MOUs to dispose of the e-Commerce and e-Payment business. The disposal expected to be completed before the end of the year 2018, the date on which the control of the e-Commerce and e-Payment business passed to the acquirer. The sales, results and cash flows of the e-Commerce and e-Payment business were as follows:

於2017年8月及2018年6月，本集團訂立諒解備忘錄以出售電子商務及電子支付業務。出售事項預期於2018年年底前完成，即電子商務及電子支付業務之控制權轉移至收購人之日期。電子商務及電子支付業務之銷售、業績及現金流量如下：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--|----------------|-------------------------|-------------------------|
| Other income | 其他收入 | 228 | 5 |
| Share of loss of an associate | 應佔於一間聯營公司之虧損 | (595) | (54) |
| Expenses | 開支 | (2,322) | (395) |
| Loss before tax expense | 除稅項開支前虧損 | (2,689) | (444) |
| Income tax expense | 所得稅開支 | — | — |
| Loss for the year from discontinued operations | 本年度來自終止經營業務之虧損 | (2,689) | (444) |
| Operating cash flows | 經營現金流量 | 610 | 11 |
| Investing cash flows | 投資現金流量 | (18) | — |
| Financing cash flows | 融資現金流量 | — | — |
| Total cash flows | 現金流量總額 | 592 | 11 |

The carrying amounts of the assets and liabilities of e-Commerce and e-Payment business at the year ended date are disclosed in Note 26 to the consolidated financial statements.

電子商務及電子支付業務於截至該日期止年度之資產及負債之賬面值於綜合財務報表附註26內披露。

For the purpose of presenting discontinued operations, the comparative consolidated income statement and the related notes have been re-presented as if the operations discontinued during the year had been discontinued at the beginning of the comparative period.

就呈列已終止業務而言，可比較綜合收益表及相關附註已重新呈列，猶如年內已終止業務於可比較期間初已終止。

Notes to the Consolidated Financial Statements

綜合財務報表附註

8 OTHER GAINS/(LOSSES), NET

其他收益／(虧損)，淨額

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--|--------------------|-------------------------|-------------------------|
| Gains on disposal of assets held for sale | 出售持有作出售資產之收益 | 7,217 | — |
| Loss on disposal of available-for-sale financial assets | 出售可供出售金融資產之虧損 | — | (2) |
| Fair value gain on revaluation of assets held for sale | 持有作出售資產之重估公平值收益 | — | 830 |
| Gain/(loss) on disposal of property, plant and equipment | 出售物業、廠房及設備之收益／(虧損) | 23,878 | (1,051) |
| Net foreign exchange losses | 外匯虧損淨值 | (543) | (177) |
| | | 30,552 | (400) |

9 OTHER INCOME

其他收入

| | | 2018 HK\$'000 千港元 | (Restated) (經重列) 2017 HK\$'000 千港元 (note 7) (附註7) |
|---------------------------------|-------------|-------------------------|---|
| Licence fee and royalty income | 特許使用費及專利費收入 | 460 | 426 |
| Government subsidies (note (i)) | 政府補助(附註(i)) | 1,882 | 1,879 |
| Others | 其他 | 1,658 | 2,437 |
| | | 4,000 | 4,742 |

(i) Government subsidies represent incentives received from the PRC tax authority for operating in Waigaoqiao Free Trade Zone in the PRC.

(i) 政府補助指就經營中國外高橋保稅區從中國稅務機關收取之獎勵。

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

僱員福利開支(包括董事酬金)

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--|-----------------|-------------------------|-------------------------|
| Salaries, wages and bonuses | 薪金、工資及花紅 | 117,202 | 161,904 |
| Pension costs — defined contribution plans | 退休金成本 — 定額供款計劃 | 20,352 | 24,926 |
| Welfare and other expenses | 福利及其他開支 | 2,644 | 3,879 |
| Share option expenses (note 28) | 購股權開支(附註28) | 15,531 | 6,808 |
| Share based compensation expenses (note 27(b)) | 股份補償開支(附註27(b)) | — | 9,034 |
| | | 155,729 | 206,551 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued) 僱員福利開支(包括董事酬金)(續)

Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules)

董事福利及權益(香港公司條例(第622章)第383條、公司(披露董事利益資料)規例(第622G章)及香港上市規則規定之披露)

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive for the years ended 31 March 2018 and 2017 is set out below:

For the year ended 31 March 2018:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking

(a) 董事及最高行政人員之酬金

截至2018年及2017年3月31日止年度，各董事及最高行政人員之薪酬載列如下：

截至2018年3月31日止年度：

就擔任董事(不論本公司或其附屬公司)之人士獲支付或應收之酬金

| Name | 姓名 | Fees 袍金 HK\$'000 千港元 | Salary 薪金 HK\$'000 千港元 | Estimated money value of other benefit (Note a) 其他福利之估計貨幣價值 (附註a) | Total 合共 HK\$'000 千港元 |
|--------------------------------------|------------|-------------------------------|---------------------------------|--|--------------------------------|
| | | | | HK\$'000 千港元 | |
| Executive directors: | | | | | |
| Mr. Zhu Xiaojun | 朱曉軍先生 | — | 2,400 | — | 2,400 |
| Mr. Chen Zhi (note c) | 陳智先生(附註c) | — | — | — | — |
| Mr. Kang Jianming | 康建明先生 | — | 1,696 | 2,590 | 4,286 |
| Ms. Cai Jiaying (note d) | 蔡佳櫻女士(附註d) | — | 450 | 2,590 | 3,040 |
| Mr. Yin Wansun (note e) | 殷菀蓀先生(附註e) | — | — | 2,590 | 2,590 |
| Independent Non-executive directors: | | | | | |
| Ms. Zhao Hong (note h) | 趙竑女士(附註h) | — | 203 | 216 | 419 |
| Dr. He Chengying (note i) | 何誠穎博士(附註i) | — | — | — | — |
| Mr. Chau Wai Hing (note h) | 周偉興先生(附註h) | — | 180 | — | 180 |
| Mr. Leung Man Ho (note b) | 梁文豪先生(附註b) | — | 141 | — | 141 |
| | | — | 5,070 | 7,986 | 13,056 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

僱員福利開支(包括董事酬金)(續)

(a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 March 2017:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking

(a) 董事及最高行政人員之酬金(續)

截至2017年3月31日止年度：

就擔任董事(不論本公司或其附屬公司)之人士獲支付或應收之酬金

| Name | 姓名 | Fees 袍金 HK\$'000 千港元 | Salary 薪金 HK\$'000 千港元 | Estimated money value of other benefit (Note a) 其他福利之估計貨幣價值 (附註a) HK\$'000 千港元 | Total 合共 HK\$'000 千港元 |
|--------------------------------------|------------|-------------------------------|---------------------------------|--|--------------------------------|
| Executive directors: | | 執行董事： | | | |
| Mr. Zhu Xiaojun | 朱曉軍先生 | — | 2,400 | — | 2,400 |
| Mr. Kang Jianming | 康建明先生 | — | 1,696 | 1,102 | 2,798 |
| Ms. Cai Jiaying (note d) | 蔡佳櫻女士(附註d) | — | — | 1,102 | 1,102 |
| Mr. Yin Wansun (note e) | 殷菀蓀先生(附註e) | — | — | 1,102 | 1,102 |
| Mr. Wang Lingxiao (note f) | 王凌霄先生(附註f) | — | 173 | — | 173 |
| Non-executive director: | | 非執行董事： | | | |
| Mr. Chen Mingzhong (Note g) | 陳鳴忠先生(附註g) | — | 500 | — | 500 |
| Independent Non-executive directors: | | 獨立非執行董事： | | | |
| Ms. Zhao Hong (note h) | 趙竑女士(附註h) | — | 203 | 92 | 295 |
| Dr. He Chengying (note i) | 何誠穎博士(附註i) | — | 300 | 92 | 392 |
| Mr. Chau Wai Hing (note h) | 周偉興先生(附註h) | — | 30 | — | 30 |
| Mr. Chen Jianzhong (note j) | 陳建中先生(附註j) | — | 150 | — | 150 |
| Mr. Hu Jinxing (note k) | 胡錦星先生(附註k) | — | 150 | — | 150 |
| | | — | 5,602 | 3,490 | 9,092 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued) 僱員福利開支(包括董事酬金)(續)

(a) Directors' and chief executive's emoluments (Continued)

| | |
|--------|---|
| Note a | Other benefits include share options. |
| Note b | Mr. Leung Man Ho was appointed as an independent non-executive director with effect from 19 June 2017. |
| Note c | Mr. Chen Zhi was appointed as an executive director with effect from 15 May 2017 and resigned with effect from 16 June 2017. |
| Note d | Ms. Cai Jiaying was appointed as executive director with effect from 1 April 2016. |
| Note e | Mr. Yin Wansun was appointed as executive director with effect from 19 May 2016. |
| Note f | Mr. Wang Lingxiao was resigned as executive director with effect from 15 August 2016. |
| Note g | Mr. Chen Mingzhong was resigned as a non-executive director with effect from 12 August 2016. |
| Note h | Ms. Zhao Hong and Mr. Chau Wai Hing were appointed as independent non-executive directors with effect from 1 April 2016 and 1 February 2017 respectively. |
| Note i | Dr. He Chengying was appointed as an independent non-executive director with effect from 1 April 2016 and resigned with effect from 1 April 2017. |
| Note j | Mr. Chen Jianzhong was appointed as an independent non-executive director with effect from 1 April 2016 and resigned with effect from 12 August 2016. |
| Note k | Mr. Hu Jinxing was appointed as an independent non-executive director with effect from 1 April 2016 and resigned with effect from 15 November 2016. |

(a) 董事及最高行政人員之酬金(續)

| | |
|------|--|
| 附註 a | 其他福利包括購股權。 |
| 附註 b | 梁文豪先生獲委任為獨立非執行董事，自2017年6月19日起生效。 |
| 附註 c | 陳智先生於2017年5月15日獲委任為執行董事及於2017年6月16日辭任。 |
| 附註 d | 蔡佳櫻女士獲委任為執行董事，自2016年4月1日起生效。 |
| 附註 e | 殷菀蓀先生獲委任為執行董事，自2016年5月19日起生效。 |
| 附註 f | 王凌霄先生已辭任執行董事，自2016年8月15日起生效。 |
| 附註 g | 陳鳴忠先生辭任非執行董事，自2016年8月12日生效。 |
| 附註 h | 趙竑女士及周偉興先生獲委任為獨立非執行董事，分別自2016年4月1日及2017年2月1日起生效。 |
| 附註 i | 何誠穎博士獲委任為獨立非執行董事，自2016年4月1日起生效，彼之辭任自2017年4月1日起生效。 |
| 附註 j | 陳建中先生獲委任為獨立非執行董事，自2016年4月1日起生效，彼之辭任自2016年8月12日起生效。 |
| 附註 k | 胡錦星先生獲委任為獨立非執行董事，自2016年4月1日起生效，彼之辭任自2016年11月15日生效。 |

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)
僱員福利開支(包括董事酬金)(續)

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits related to define benefit plan for the year ended 31 March 2018 (2017: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits for the year ended 31 March 2018 (2017: Nil).

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 March 2018, the Company did not pay consideration to any third parties for making available directors' services (2017: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

The Company issued CB-II (as defined in note 33) in August 2016 with personal guarantee obtained from Mr. ZHU Xiaojun Chairman of the Company (note 33).

During the year ended 31 March 2018, there is no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2017: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2018 (2017: Nil).

(b) 董事退休福利

截至2018年3月31日止年度，概無董事已收取或將收取任何與定額福利計劃有關之退休福利(2017年：無)。

(c) 董事離職福利

截至2018年3月31日止年度，概無董事已收取或將收取任何離職福利(2017年：無)。

(d) 就獲得董事服務向第三方提供之代價

截至2018年3月31日止年度，本公司並無就獲得董事服務向任何第三方支付代價(2017年：無)。

(e) 有關董事、受董事控制之法人團體及有關董事之關連實體之貸款、類似貸款及其他交易之資料

年內，本公司於2016年8月發行可換股債券II(定義見附註33)，以取自本公司主席朱曉軍先生之個人擔保作抵押(附註33)。

截至2018年3月31日止年度，概無有關董事或受董事控制之法人團體及有關董事之關連實體之貸款、類似貸款及其他交易安排(2017年：無)。

(f) 董事於交易、安排或合約中之重大權益

於截至2018年3月31日止年度結束時或年內任何時間，概無本公司董事在本公司所訂立並與本公司業務有關之重大交易、安排及合約中直接或間接擁有重大權益(2017年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

僱員福利開支(包括董事酬金)(續)

(g) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the year include 4 directors (2017: 2) whose emoluments are reflected in the analysis presented in note 10(a). The emoluments payable to the remaining individuals are as follows:

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|---------------------|-------------------------|-------------------------|
| Basic salaries, housing allowances, other allowances and benefits-in-kind | 基本薪金、住房津貼、其他津貼及實物利益 | 1,560 | 6,894 |
| Share options expenses | 購股權開支 | 2,218 | 604 |
| Share based compensation expense | 股份補償開支 | — | 9,034 |
| Contributions to pension plans | 退休金計劃供款 | 18 | 36 |
| | | 3,796 | 16,568 |

The emoluments fell within the following bands:

| | | 2018 | 2017 |
|--------------------------------|-------------------------------|----------|----------|
| HK\$3,500,001 to HK\$4,000,000 | 3,500,001 港元至 4,000,000 港元 | 1 | — |
| HK\$4,500,001 to HK\$5,000,000 | 4,500,001 港元至 5,000,000 港元 | — | 1 |
| HK\$5,000,001 to HK\$5,500,000 | 5,000,001 港元至 5,500,000 港元 | — | 1 |
| HK\$6,500,001 to HK\$7,000,000 | 6,500,001 港元至 7,000,000 港元 | — | 1 |
| | | 1 | 3 |

(g) 五名最高薪酬人士

年內，本集團五名最高薪酬人士包括 4 名(2017 年：2 名)董事，其薪酬已於附註 10(a) 呈列之分析中列示。應付餘下人士之酬金如下：

酬金所屬組別如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 FINANCE (COSTS)/INCOME, NET

財務費用／收入，淨額

| | | 2018 HK\$'000 千港元 | (Restated) (經重列) 2017 HK\$'000 千港元 (note 7) (附註7) |
|--|---------------|-------------------------|---|
| Finance income | 財務收入 | | |
| — Fair value gain on convertible bonds | — 可換股債券之公平值收益 | — | 13,521 |
| — Interest income from bank deposits | — 銀行存款之利息收入 | 45 | 63 |
| — Interest income from loan | — 貸款之利息收入 | 9,656 | 2,239 |
| | | 9,701 | 15,823 |
| Finance costs | 財務費用 | | |
| — Fair value loss on convertible bonds | — 可換股債券之公平值虧損 | (15,869) | — |
| — Interest on convertible bonds | — 可換股債券之利息 | (4,535) | (3,041) |
| — Interest on corporate bond | — 公司債券之利息 | (47,178) | — |
| — Interest on bank borrowings | — 銀行借貸之利息 | (1,805) | (1,444) |
| — Interest expense – others | — 利息開支 — 其他 | (103) | (216) |
| — Interest on obligation under finance lease | — 融資租賃承擔之利息 | (12) | (15) |
| | | (69,502) | (4,716) |
| Finance (costs)/income, net | 財務(費用)／收入，淨額 | (59,801) | 11,107 |

12 INCOME TAX CREDIT/(EXPENSE)

所得稅抵免／(開支)

The amount of income tax credit/(expense) charged to the consolidated income statement represents:

於綜合收益表扣除之所得稅抵免／(開支)金額為：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|-------------|-------------------------|-------------------------|
| Current income tax | 即期所得稅 | | |
| — Hong Kong profits tax | — 香港利得稅 | — | — |
| — PRC corporate income tax | — 中國企業所得稅 | — | — |
| — Over provision in respect of prior year | — 過往年度超額撥備 | — | 119 |
| Deferred income tax (note 20) | 遞延所得稅(附註20) | 586 | 119 (235) |
| | | 586 | (116) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 INCOME TAX CREDIT/(EXPENSE) (Continued)

所得稅抵免／(開支)(續)

Taxation has been provided at the appropriate rates prevailing in the countries in which the Group operates. Hong Kong profits tax has not been provided for as the Group has no assessable profits for the years ended 31 March 2018 and 2017.

The tax on the Group's loss before income tax expense differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

稅項乃按本集團經營所在國家之現行適當稅率計算。由於本集團於截至2018年及2017年3月31日止年度並無應課稅溢利，故並無就香港利得稅計提撥備。

本集團未計所得稅開支前虧損之稅項與使用適用於綜合實體溢利之加權平均稅率計算之理論金額之差額如下：

| | | 2018 HK\$'000 千港元 | (Restated) (經重列) 2017 HK\$'000 千港元 (note 7) (附註7) |
|--|---------------------------------|-------------------------|---|
| Loss before income tax credit/(expense) | 未計所得稅抵免／(開支)前虧損 | 207,280 | 209,636 |
| Tax calculated at domestic tax rates of 16.5% (2017: 16.5%) | 按當地稅率 16.5% (2017年：16.5%) 計算之稅項 | 34,201 | 34,590 |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | 於其他司法權區經營之附屬公司之不同稅率之影響 | 7,956 | 9,570 |
| Income not subject to tax | 毋須課稅之收入 | 7,613 | 4,570 |
| Expenses not deductible for tax purposes | 不可作稅項抵扣之開支 | (19,306) | (4,529) |
| Deductible temporary differences not recognised | 未確認可抵扣暫時差額 | (2,689) | (1,048) |
| Tax losses not recognised | 並無確認之稅項虧損 | (27,189) | (43,388) |
| Over-provision in respect of prior year | 過往年度超額撥備 | — | 119 |
| Income tax credit/(expense) | 所得稅抵免／(開支) | 586 | (116) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 LOSS PER SHARE 每股虧損

For continuing and discontinued operations

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

就持續及終止經營業務而言

(a) 基本

每股基本虧損乃按照本年度本公司權益持有人應佔虧損除以年內已發行普通股之加權平均數目計算。

| | | 2018 | (Restated) (經重列) 2017 (note 7) (附註7) |
|--|--------------------------|-----------|--|
| Loss from continuing operations attributable to equity holders of the Company (HK\$'000) | 本公司權益持有人應佔持續經營業務之虧損(千港元) | (206,076) | (209,065) |
| Loss from discontinued operations attributable to equity holders of the Company (HK\$'000) | 本公司權益持有人應佔終止經營業務之虧損(千港元) | (2,600) | (436) |
| Loss attributable to equity holders of the Company (HK\$'000) | 本公司權益持有人應佔之虧損(千港元) | (208,676) | (209,501) |
| Weighted average number of ordinary shares in issue ('000) | 已發行普通股之加權平均數(千股) | 716,190 | 655,560 |

(b) Diluted

Diluted loss per share is the same as basic loss per share for the years ended 31 March 2018 and 2017 as the Company's outstanding share options and convertible bonds have an anti-dilutive effect on the basic loss per share.

(b) 攤薄

由於本公司尚未行使之購股權及可換股債券對每股基本虧損具反攤薄影響，故截至2018年及2017年3月31日止年度之每股攤薄虧損與每股基本虧損相同。

14 DIVIDEND 股息

The Board has recommended not to declare dividend for the year ended 31 March 2018 (2017: Nil).

董事會建議不宣派截至2018年3月31日止年度之股息(2017年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT 物業、廠房及設備

| | | Land and buildings | Leasehold improvements | Motor vehicles | Furniture, fixtures and equipment | Computer equipment | Total |
|--|---------------------------|--------------------------|---------------------------|-----------------------|-----------------------------------|-------------------------|-----------------------|
| | | 土地及樓宇 HK\$'000 千港元 | 租賃物業裝修 HK\$'000 千港元 | 汽車 HK\$'000 千港元 | 傢俬、裝置及設備 HK\$'000 千港元 | 電腦設備 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| Cost | 成本 | | | | | | |
| At 1 April 2016 | 於2016年4月1日 | 29,782 | 64,974 | 5,541 | 16,122 | 17,222 | 133,641 |
| Additions | 添置 | — | 7,430 | 641 | 1,299 | 187 | 9,557 |
| Acquired through business combinations (note 37) | 透過業務合併進行收購 (附註37) | — | 724 | — | 5 | 45 | 774 |
| Disposals | 出售 | — | (18,634) | (2,137) | (163) | (58) | (20,992) |
| Revaluation surplus | 重估盈餘 | 74,218 | — | — | — | — | 74,218 |
| Exchange differences | 匯兌差額 | — | (2,070) | (31) | (140) | (383) | (2,624) |
| At 31 March 2017 and 1 April 2017 | 於2017年3月31日及 2017年4月1日 | 104,000 | 52,424 | 4,014 | 17,123 | 17,013 | 194,574 |
| Additions | 添置 | — | 6,116 | — | 27 | 72 | 6,215 |
| Disposals | 出售 | (104,000) | (5,301) | (1,814) | (1,924) | (39) | (113,078) |
| Transfer to assets held for sale (note 26) | 轉至持有作出售資產 (附註26) | — | (742) | — | — | — | (742) |
| Exchange differences | 匯兌差額 | — | 3,436 | 59 | 313 | 724 | 4,532 |
| At 31 March 2018 | 於2018年3月31日 | — | 55,933 | 2,259 | 15,539 | 17,770 | 91,501 |
| Accumulated depreciation | 累計折舊 | | | | | | |
| At 1 April 2016 | 於2016年4月1日 | 11,348 | 57,013 | 5,341 | 15,265 | 15,422 | 104,389 |
| Charge for the year | 年內扣除 | 3,171 | 7,069 | 152 | 528 | 861 | 11,781 |
| Impairment | 減值 | — | 1,105 | — | — | — | 1,105 |
| Eliminated on disposal | 自出售對銷 | — | (17,124) | (2,137) | (161) | (56) | (19,478) |
| Revaluation surplus | 重估盈餘 | (14,519) | — | — | — | — | (14,519) |
| Exchange differences | 匯兌差額 | — | (1,790) | (29) | (115) | (304) | (2,238) |
| At 31 March 2017 and 1 April 2017 | 於2017年3月31日及 2017年4月1日 | — | 46,273 | 3,327 | 15,517 | 15,923 | 81,040 |
| Charge for the year | 年內扣除 | — | 6,140 | 207 | 549 | 504 | 7,400 |
| Impairment | 減值 | — | 233 | — | — | — | 233 |
| Eliminated on disposal | 自出售對銷 | — | (5,292) | (1,814) | (1,819) | (39) | (8,964) |
| Transfer to assets held for sale (note 26) | 轉至持有作出售資產 (附註26) | — | (236) | — | — | — | (236) |
| Exchange differences | 匯兌差額 | — | 3,110 | 55 | 255 | 650 | 4,070 |
| At 31 March 2018 | 於2018年3月31日 | — | 50,228 | 1,775 | 14,502 | 17,038 | 83,543 |
| Net book value | 賬面淨值 | | | | | | |
| At 31 March 2018 | 於2018年3月31日 | — | 5,705 | 484 | 1,037 | 732 | 7,958 |
| At 31 March 2017 | 於2017年3月31日 | 104,000 | 6,151 | 687 | 1,606 | 1,090 | 113,534 |
| Analysis of cost or valuation | 按成本或估值之分析 | | | | | | |
| At cost | 按成本 | — | 6,151 | 687 | 1,606 | 1,090 | 9,534 |
| At 2017 valuation | 按2017年估值 | 104,000 | — | — | — | — | 104,000 |
| | | 104,000 | 6,151 | 687 | 1,606 | 1,090 | 113,534 |

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

物業、廠房及設備(續)

Impairment loss arises from the recoverable amount of the leasehold improvement is lower than the carrying amount. The recoverable amount has been determined based on value-in-use calculation, which involves estimating the future cash inflows and outflows to be derived from continuing use of the asset and applying the appropriate discount rate of those future cash flows.

There are no bank borrowings secured on land and buildings as at 31 March 2018 (2017: HK\$104,000,000) (note 31).

The Group's land and buildings were revalued individually on 31 March 2017 by DTZ Debenham Tie Leung Limited, an independent professional qualified valuer, at an aggregate open market value of HK\$104,000,000. A revaluation surplus totalling HK\$88,737,000, resulting from the above valuations has been credited to revaluation reserve. If the land and building not stated at fair value, the amounts would be as follows:

因租賃物業裝修可收回金額低於賬面金額而產生減值虧損。可收回金額乃根據使用價值計算方式釐定，當中涉及估計持續使用資產所產生之未來現金流入及流出以及應用該等未來現金流量之適當貼現率。

於2018年3月31日，概無銀行借貸以土地及樓宇作擔保(2017年：104,000,000港元)(附註31)。

本集團之土地及樓宇於2017年3月31日由獨立專業合資格估值師戴德梁行有限公司單獨重估，公開總市值為104,000,000港元。由上述估值而導致之重估盈餘合共88,737,000港元，已計入重估儲備。倘有關土地及樓宇並非以公平值列賬，有關金額將為如下：

| | | 2017 HK\$'000 千港元 |
|---------------------------|--------------|-------------------------|
| Land and buildings | 土地及樓宇 | |
| Cost | 成本 | 29,782 |
| Accumulated depreciation | 累計折舊 | (11,945) |
| | | 17,837 |

As at 31 March 2018, property, plant and equipment were measured at cost less accumulated depreciation and impairment.

於2018年3月31日，物業、廠房及設備按成本減累計折舊及減值計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

物業、廠房及設備(續)

(a) Depreciation of the Group's property, plant and equipment has been charged to the consolidated income statement as follows:

(a) 已於綜合收益表中扣除之本集團物業、廠房及設備折舊如下：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--------------------------------|---------|-------------------------|-------------------------|
| Selling and distribution costs | 銷售及分銷成本 | 6,246 | 7,544 |
| Administrative expenses | 行政費用 | 1,154 | 4,237 |
| | | 7,400 | 11,781 |

(b) Property, plant and equipment held under finance lease

(b) 根據融資租賃持有之物業、廠房及設備

Motor vehicles include the following amounts of which the Group is a lessee under a finance lease:

汽車包括以下本集團根據融資租賃為承租人之金額：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|----------------------------------|----------------|-------------------------|-------------------------|
| Cost — capitalised finance lease | 成本 — 已資本化之融資租賃 | 491 | 942 |
| Accumulated depreciation | 累計折舊 | (153) | (435) |
| | | 338 | 507 |

The Group leased a motor vehicle under non-cancellable finance lease agreement. The lease term is 4 years and ownership of the asset lies with the Group.

本集團根據不可撤銷融資租賃協議租賃汽車。租期為4年，而資產所有權歸本集團所有。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 INTANGIBLE ASSETS 無形資產

| | | Goodwill 商譽 HK\$'000 千港元 | Licence 使用權費 HK\$'000 千港元 | Computer software 電腦軟件 HK\$'000 千港元 | Trademark 商標 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-----------------------|-----------------------------------|------------------------------------|---|------------------------------------|--------------------------------|
| Cost | 成本 | | | | | |
| At 1 April 2016 | 於2016年4月1日 | — | 318 | 18,491 | 69,566 | 88,375 |
| Additions | 添置 | — | — | 17 | — | 17 |
| Acquired through business combinations (note 37) | 透過業務合併進行收購(附註37) | 36,153 | 193,629 | — | — | 229,782 |
| Exchange difference | 匯兌差異 | — | — | (313) | — | (313) |
| At 31 March 2017 and 1 April 2017 | 於2017年3月31日及2017年4月1日 | 36,153 | 193,947 | 18,195 | 69,566 | 317,861 |
| Additions | 添置 | — | — | 9,612 | — | 9,612 |
| Disposals | 出售 | — | — | (22) | — | (22) |
| Transfer to assets held for sale (note 26) | 轉至持有作出售資產(附註26) | (36,153) | (193,629) | (9,288) | — | (239,070) |
| Exchange difference | 匯兌差異 | — | — | 548 | — | 548 |
| At 31 March 2018 | 於2018年3月31日 | — | 318 | 19,045 | 69,566 | 88,929 |
| Accumulated amortisation | 累計攤銷 | | | | | |
| At 1 April 2016 | 於2016年4月1日 | — | 318 | 16,618 | 69,566 | 86,502 |
| Charge for the year | 年內扣除 | — | — | 806 | — | 806 |
| Exchange difference | 匯兌差異 | — | — | (235) | — | (235) |
| At 31 March 2017 and 1 April 2017 | 於2017年3月31日及2017年4月1日 | — | 318 | 17,189 | 69,566 | 87,073 |
| Charge for the year | 年內扣除 | — | — | 589 | — | 589 |
| Disposals | 出售 | — | — | (22) | — | (22) |
| Exchange difference | 匯兌差異 | — | — | 485 | — | 485 |
| At 31 March 2018 | 於2018年3月31日 | — | 318 | 18,241 | 69,566 | 88,125 |
| Net book value | 賬面淨值 | | | | | |
| At 31 March 2018 | 於2018年3月31日 | — | — | 804 | — | 804 |
| At 31 March 2017 | 於2017年3月31日 | 36,153 | 193,629 | 1,006 | — | 230,788 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 INTANGIBLE ASSETS (Continued)

無形資產(續)

Amortisation of intangible assets has been charged to the consolidated income statement as follows:

已於綜合收益表扣除之無形資產攤銷如下：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--------------------------------|---------|-------------------------|-------------------------|
| Selling and distribution costs | 銷售及分銷費用 | 60 | 83 |
| Administrative expenses | 行政費用 | 529 | 723 |
| | | 589 | 806 |

Impairment tests for goodwill

In February 2017, the Group acquired a provisional licence through acquisition of China Consume Financial Holdings Company Limited (“China Consume”). The licence is a provisional licence issued by UnionPay International Co., Ltd (“UPI”) which allows the holder to conduct payment processing services for UPI credit cards in Hong Kong, Japan, Korea, Italy and France. Management projected that China Consume would commenced its acquiring business from 2019 onwards in the above five regions.

商譽減值測試

於2017年2月，本集團透過收購中國消費金融控股有限公司(「中國消費」)取得臨時特許使用權。該特許使用權為由銀聯國際有限公司(「銀聯國際」)發出之臨時特許使用權，允許持有人於香港、日本、韓國、意大利及法國進行銀聯國際信用卡付款處理服務。管理層預計，中國消費將於2019年起於上述五個地區開始其收單業務。

Goodwill is recognised through the acquisition of China Consume during the year ended 31 March 2017. Please refer to note 37 for details.

於截至2017年3月31日止年度，商譽通過收購中國消費確認。詳情請參閱附註37。

Goodwill arising from the acquisition of China Consume is allocated to e-Commence and e-Payment business segment. During the year ended 31 March 2017, the recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a twenty five-year period. Cash flows beyond the twenty five-year period are extrapolated using the estimated growth rates stated below.

收購中國消費所產生商譽分配至電子商務及電子支付業務分部。截至2017年3月31日止年度，現金產生單位的可收回金額乃基於使用價值的計算釐定。該等計算使用基於管理層批准的二十五年期間財務預算之稅前現金流量預測。超過二十五年期間的現金流量乃使用下文所述的估計增長率推測。

For the impairment test for goodwill, the key assumptions, revenue growth rate, long term growth rate and discount rate used in the value-in-use calculations in 2017 are disclosed below.

對於商譽減值測試，2017年使用價值計算法中使用之主要假設、收益增長率、長期增長率及貼現率於下文披露。

| | |
|-----------------------|-------------|
| Revenue growth rate | 10% to 128% |
| Long term growth rate | 3% |
| Discount rate | 21.23% |

| | |
|-------|----------|
| 收益增長率 | 10%至128% |
| 長期增長率 | 3% |
| 貼現率 | 21.23% |

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 INTANGIBLE ASSETS (Continued)

無形資產(續)

Impairment tests for goodwill (Continued)

Management plans to review the business performance based on business nature. It has identified retail of footwear and e-Commerce and e-Payment as the main businesses for future operation during last year. However, the e-Commerce and e-Payment business were reclassified as a discontinued operation as at 31 March 2018. Details are set out in Note 26 to the consolidated financial statements.

For the year ended 31 March 2018, the fair value less costs of disposal of the e-Commerce and e-Payment business is approximately HK\$193,000,000. These calculation use price that would be received from selling the asset less any costs required and needed to make the sale.

| | |
|-----------------------|------------|
| Revenue growth rate | 3% to 128% |
| Long term growth rate | 3% |
| Discount rate | 21.50% |

商譽減值測試(續)

管理層擬按業務性質基準審閱業務表現。去年已確定鞋履零售業務、電子商務及電子支付業務為未來經營之主要業務。然而，電子商務及電子支付業務已於2018年3月31日重新分配為終止經營業務。有關詳情載於綜合財務報表附註26。

截至2018年3月31日止年度，出售電子商務及電子支付業務(公平值減出售成本)為約193,000,000港元。該等計算使用出售資產將予收取之價格減作出銷售必須及所需之任何成本。

| | |
|-------|---------|
| 收益增長率 | 3%至128% |
| 長期增長率 | 3% |
| 貼現率 | 21.50% |

17 INVESTMENT IN A JOINT VENTURE

於合營公司之投資

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---------------------|--------|-------------------------|-------------------------|
| Share of net assets | 應佔資產淨值 | 510 | 510 |

Nature of investment in material joint venture as at 31 March 2018:

於2018年3月31日於重大合營公司之投資之性質：

| Name of entity 實體名稱 | Place of establishment 設立地點 | % of interest held indirectly 間接持有權益之% | Nature of the relationship 關係之性質 | Measurement method 計量方法 | Principal activity 主要業務 |
|---|--------------------------------|---|-------------------------------------|----------------------------|----------------------------|
| Wealthy Trend International Development Limited 富創國際發展有限公司 | Hong Kong 香港 | 51% | Joint venture 合營公司 | Equity method 權益法 | Inactive 並無業務活動 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 INVESTMENT IN A JOINT VENTURE (Continued)

於合營公司之投資(續)

Summarised financial information of joint venture which is consider immaterial:

合營公司(被視為屬非重大性質)之財務資料概要:

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|--------------------------|-------------------------|-------------------------|
| Aggregate carrying amount of individually immaterial joint venture in the consolidated financial statements | 個別非重大性質之合營公司於綜合財務報表之賬面總值 | 510 | 510 |
| Aggregate amount of the Group's share of a joint venture: | 本集團應佔合營公司之總值: | | |
| — Profit or loss from continuing operations | — 持續經營業務之損益 | — | — |
| — Post-tax profit or loss from discontinued operations | — 終止經營業務之除稅後損益 | — | — |
| — Other comprehensive income | — 其他全面收益 | — | — |
| Total comprehensive income | 全面收益總額 | — | — |

As at 31 March 2018, there are no significant contingent liabilities and capital commitments relating to the Group's interest in the joint venture.

於2018年3月31日,概無有關本集團於合營公司之權益之重大或然負債及資本承擔。

18 INTERESTS IN ASSOCIATES

於聯營公司之權益

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--------------------------------|------------------|-------------------------|-------------------------|
| Share of net assets | 應佔資產淨值 | 6,530 | 7,227 |
| Loan to an associate (note(i)) | 貸款予一間聯營公司(附註(i)) | 3,662 | — |
| | | 10,192 | 7,227 |

Note (i) The loan is unsecured, interest free and repayable on demand.

附註(i) 該貸款為無抵押、免息並須按的要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 INTERESTS IN ASSOCIATES (Continued)

於聯營公司之權益(續)

In February 2017, the Group acquired 8.64% interest in Shanghai New World Information Industry Company Limited (“Shanghai New World Information”) through acquisition of China Consume (note 37). It was recognised as available for sales financial assets.

On 27 March 2017, China Consume’s interest in Shanghai New World Information increased to 34.13%. Shanghai New World Information became an associate of the Group. The entire interest of the Group in Shanghai New World Information was then re-measured at fair value on 27 March 2017 and the fair value loss of HK\$2,000 has been recognised in other losses in the consolidated income statement.

Set out below are the associates of the Group as at 31 March 2018. The associates as listed below have share capital consisting solely of ordinary shares, which are held indirectly through its subsidiaries by the Group.

Nature of interest in associates as at 31 March 2018:

於2017年2月，本集團透過收購中國消費收購上海新世界信息產業股份有限公司(「上海新世界信息」)之8.64%權益(附註37)。其獲確認為可供出售金融資產。

於2017年3月27日，中國消費於上海新世界信息之權益增加至34.13%。上海新世界信息成為本集團之聯營公司。本集團於上海新世界信息之全部權益於2017年3月27日按公平值重新計量，且公平值虧損2,000港元已於綜合收益表中確認為其他虧損。

以下載列本集團於2018年3月31日之聯營公司。下列聯營公司擁有僅由普通股組成之股本，其由本集團透過其附屬公司間接持有。

於2018年3月31日於聯營公司之權益之性質：

| Name of entity 實體名稱 | Place of establishment 設立地點 | % of interest held indirectly 間接持有權益之% | Nature of the relationship 關係之性質 | Measurement method 計量方法 | Principal activity 主要業務 |
|--|--------------------------------|---|-------------------------------------|----------------------------|---|
| Guangzhou Guoxin Guanfu Information Technology Company Limited ¹ (“Guoxin Guanfu”) (note a) 廣州國信冠付資訊科技有限公司 ¹ (「國信冠付」) (附註a) | The PRC 中國 | 43.35% | Associate 聯營公司 | Equity method 權益法 | Settlement services of acquiring business 收單業務結算服務 |
| Shanghai New World Information ¹ (note b) 上海新世界信息 ¹ (附註b) | The PRC 中國 | 35.13% | Associate 聯營公司 | Equity method 權益法 | e-Commerce 電子商務 |

¹ English translation is for identification purpose only.

¹ 英文翻譯僅作識別用途。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 INTERESTS IN ASSOCIATES (Continued)

於聯營公司之權益(續)

- a) Guoxin Guanfu is an unlisted limited liability company in the PRC and there is no quoted market price available for its shares.
- b) As at 31 March 2018, the carrying amount of the group's interest in Shanghai New World Information, which is listed on the Shanghai Equity Exchange, was HK\$6,530,000. The fair value of Shanghai New World was HK\$8,251,000 (2017: HK\$6,645,000) based on its published price quotations at RMB2.13 (2017: RMB2.30) as at 31 March 2018.
- a) 國信冠付為中國一間未上市有限責任公司，其股份並無可用之市場報價。
- b) 於2018年3月31日，上海新世界信息(於上海股權托管交易中心上市)集團權益之賬面值為6,530,000港元。於2018年3月31日，上海新世界信息之公平值(以發佈之報價人民幣2.13元(2017年：人民幣2.30元)計)為8,251,000港元(2017年：6,645,000港元)。

Summarised financial information of immaterial associate:

非重大性質之聯營公司之財務資料概要：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--|--------------------------|-------------------------|-------------------------|
| Aggregate carrying amount of individually immaterial associates in the consolidated financial statements | 個別非重大性質之合營公司於綜合財務報表之賬面總值 | 6,530 | 7,227 |
| Aggregate amount of the Group's share of those associates: | 本集團應佔該等聯營公司之總值： | | |
| — Loss from continuing operations | — 持續經營業務虧損 | (1,634) | — |
| — Post-tax loss from discontinued operations | — 終止經營業務之除稅後虧損 | (595) | (54) |
| — Other comprehensive income | — 其他全面收益 | — | — |
| Total comprehensive income | 全面收益總額 | (2,229) | (54) |

As at 31 March 2018, there are no significant contingent liabilities relating to the Group's interest in the associate. The Group was contracted to inject HK\$637,000 (2017: HK\$576,000) as investment capital in interest in an associate in the future.

於2018年3月31日，概無有關本集團於聯營公司之權益之重大或然負債。本集團已就注資637,000港元(2017年：576,000港元)作為將來投資於聯營公司之權益之投資資本簽訂契約。

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19 AVAILABLE-FOR-SALE FINANCIAL ASSET 可供出售金融資產

| | | 2018 千港元 | 2017 千港元 |
|-------------------------------------|-------------|-------------|-------------|
| Unlisted equity securities, at cost | 非上市股本證券，按成本 | 6,248 | — |

One of the Group's strategic investments is a 2.5% interest in 赤玖大數據發展有限公司. This company is not accounted for on an equity method as the Group does not have the power to participate in its operating and financial policies, evidenced by the lack of any direct or indirect involvement at board level.

本集團策略性投資之一為赤玖大數據發展有限公司之2.5%權益。該公司並無按權益法入賬，原因是本集團無權參與該公司之經營及財務政策，由董事會層面缺乏任何直接或間接參與中可見一斑。

For the above available-for-sale financial asset that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses.

就上述於活躍市場並無市場報價及公平值不能可靠計量之可供出售金融資產以及有關並須透過交付有關未報價股本工具予以結算之衍生工具而言，其按成本減任何已識別減值虧損計量。

20 DEFERRED TAX LIABILITIES 遞延稅項負債

The gross movement on the deferred tax liabilities is as follows:

遞延稅項負債之總變動如下：

| | | Fair value gain 公平值 收益 HK\$'000 千港元 | Tax depreciation allowance 稅項折舊 免稅額 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|------------------------|--|--|--------------------------------|
| As at 1 April 2016 | 於2016年4月1日 | — | 351 | 351 |
| Acquisition of subsidiaries (Note 37) | 收購附屬公司(附註37) | 36,153 | — | 36,153 |
| Charged to the consolidated income statement | 已於綜合收益表中扣除 | — | 235 | 235 |
| As at 31 March 2017 and 1 April 2017 | 於2017年3月31日及於2017年4月1日 | 36,153 | 586 | 36,739 |
| Transfer to liabilities directly allocated with non-current assets held for sale | 轉至與持作出售非流動資產直接有關之負債 | (36,153) | — | (36,153) |
| Credited to the consolidated income statement | 已於綜合收益表中計入 | — | (586) | (586) |
| As at 31 March 2018 | 於2018年3月31日 | — | — | — |

20 DEFERRED TAX LIABILITIES (Continued)

遞延稅項負債(續)

As at 31 March 2018, no deferred tax liabilities have been recognised for the withholding tax as there is no distributable profit for the Group's subsidiaries established in the PRC. The income tax liability is not recognised where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

The Group has unrecognised tax losses and unrecognised temporary differences of approximately HK\$905,312,000 (2017: HK\$894,253,000) to carry forward against future taxable income. These tax losses are subject to approval by the Hong Kong Inland Revenue Department and the PRC tax authority respectively, approximately HK\$492,367,000 (2017: HK\$443,917,000) of unrecognised tax losses have no expiry date and the remaining loss of HK\$403,647,000 (2017: HK\$330,871,000) will expire in 5 years.

21 INVENTORIES

存貨

Inventories represent merchandising stock.

The cost of inventories recognised as expenses and included in cost of sales during the year amounted to HK\$176,822,000 (2017: HK\$279,665,000).

於2018年3月31日，由於本集團於中國成立的附屬公司並無可分派溢利，故並無就預扣稅確認遞延稅項負債。未匯出盈利將用於再投資。倘本集團可控制暫時差額之撥回時間，且暫時差額不大可能於可見未來撥回，則所得稅負債不予確認。

本集團的未確認稅項虧損及未確認暫時差額約為905,312,000港元(2017年：894,253,000港元)，可結轉扣減未來應課稅收入。該等稅項虧損須分別取得香港稅務局及中國稅務當局的批准，約492,367,000港元(2017年：443,917,000港元)之未確認稅項虧損不設屆滿日期，餘下403,647,000港元(2017年：330,871,000港元)之虧損將於5年內屆滿。

存貨指銷售庫存。

年內確認為開支並計入銷售成本的存貨成本為176,822,000港元(2017年：279,665,000港元)。

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22 TRADE RECEIVABLES

應收貿易款項

Retail sales are in cash, by credit cards or collected by department stores on behalf of the Group. The department stores normally settle the proceeds to the Group within 2 months from the date of sales.

Wholesales are generally on credit terms ranging from 0 to 30 days.

Ageing analysis of trade receivables by invoice date at the end of reporting period is as follows:

零售銷售乃以現金、信用卡或由百貨公司代表本集團收取。百貨公司一般於自銷售日期起計2個月內向本集團清償所得款項。

批發之信貸期一般介乎0至30日。

應收貿易款項於報告期末按發票日期劃分之賬齡分析如下：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|---------------|-------------------------|-------------------------|
| 0 — 30 days | 0 — 30日 | 19,724 | 25,926 |
| 31 — 60 days | 31 — 60日 | 8,827 | 6,558 |
| 61 — 90 days | 61 — 90日 | 2,527 | 2,069 |
| Over 90 days | 90日以上 | 7,812 | 5,710 |
| | | 38,890 | 40,263 |
| Less: Provision for impairment of trade receivables | 減：應收貿易款項之減值撥備 | (567) | (512) |
| | | 38,323 | 39,751 |

As of 31 March 2018, trade receivables of HK\$18,072,000 (2017: HK\$13,362,000) were past due but not impaired. These relate to a number of independent customers and department stores for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

於2018年3月31日，應收貿易款項18,072,000港元(2017年：13,362,000港元)已逾期但並無減值。該等款項與多名並無近期欠款紀錄之獨立客戶及百貨公司有關。該等應收貿易款項之賬齡分析如下：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--------------|----------|-------------------------|-------------------------|
| 1 — 30 days | 1 — 30日 | 8,300 | 6,109 |
| 31 — 60 days | 31 — 60日 | 2,527 | 2,069 |
| 61 — 90 days | 61 — 90日 | 1,451 | 1,593 |
| Over 90 days | 90日以上 | 5,794 | 3,591 |
| | | 18,072 | 13,362 |

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綜合財務報表附註

22 TRADE RECEIVABLES (Continued)

應收貿易款項(續)

As of 31 March 2018, trade receivables of HK\$567,000 (2017: HK\$512,000) were considered impaired and were provided in full. The individually impaired receivables mainly relate to department stores. An aging analysis of these receivables is as follows:

於2018年3月31日，應收貿易款項567,000港元(2017年：512,000港元)被視為已減值，並已計提全數撥備。個別已減值應收款項主要與百貨公司有關。該等應收款項之賬齡分析如下：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--------------|-------|-------------------------|-------------------------|
| Over 90 days | 90日以上 | 567 | 512 |

Movements in the provision for impairment of trade receivables are as follows:

應收貿易款項減值撥備之變動如下：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|------------|-------------------------|-------------------------|
| At beginning of the year | 於年初 | 512 | 1,118 |
| Written-off on provision of trade receivables | 應收貿易賬款撥備撇銷 | — | (551) |
| Exchange differences | 匯兌差額 | 55 | (55) |
| At end of the year | 於年終 | 567 | 512 |

The creation and release of provision for impaired receivables have been included in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

綜合收益表中已計入新增及撥回已減值應收款項撥備。列於撥備賬之金額一般於預期無法收回額外現金時撇銷。

The other classes within trade and other receivables do not include a provision for impairment of other receivables.

應收貿易款項及其他應收款項中之其他類別並不包括其他應收款項之減值撥備。

The maximum exposure to credit risk at the reporting date is the fair values of trade receivables disclosed above. The Group did not hold any collateral as security.

於報告日期之最高信貸風險為上文披露之應收貿易款項公平值。本集團並無持有任何抵押品作抵押。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 TRADE RECEIVABLES (Continued)

應收貿易款項(續)

The carrying amounts of trade receivables are denominated in the following currencies:

應收貿易款項之賬面金額按以下貨幣計值：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|-------------------|-----|-------------------------|-------------------------|
| Hong Kong dollar | 港元 | 499 | 350 |
| Renminbi | 人民幣 | 36,870 | 38,558 |
| New Taiwan dollar | 新台幣 | 954 | 843 |
| | | 38,323 | 39,751 |

The carrying amount of trade receivables approximates its fair value.

應收貿易款項之賬面金額與其公平值相若。

23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

按金、預付款項及其他應收款項

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---------------------------------------|----------------|-------------------------|-------------------------|
| Non-current portion: | 非流動部分： | | |
| Deposits | 按金 | 4,052 | 10,712 |
| Prepayments | 預付款項 | 7,311 | 16,642 |
| | | 11,363 | 27,354 |
| Current portion: | 流動部分： | | |
| Refundable advance payment (note (i)) | 可退還預付款項(附註(i)) | 98,881 | — |
| Deposits | 按金 | 13,257 | 12,220 |
| Prepayments | 預付款項 | 17,111 | 6,144 |
| Other receivables | 其他應收款項 | 4,040 | 9,471 |
| Value-added tax recoverable | 可收回增值稅 | 2,725 | 4,179 |
| | | 136,014 | 32,014 |
| | | 147,377 | 59,368 |
| Denominated in: | 按以下貨幣計值： | | |
| Hong Kong dollar | 港元 | 28,603 | 32,268 |
| Renminbi | 人民幣 | 19,753 | 26,679 |
| New Taiwan dollar | 新台幣 | 137 | 418 |
| Euro | 歐元 | 98,881 | — |
| Others | 其他 | 3 | 3 |
| | | 147,377 | 59,368 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

按金、預付款項及其他應收款項(續)

The carrying amounts of deposits, prepayments and other receivables approximate their fair values. The Group does not hold any collecteral as security. No written-off have been made for the year ended 31 March 2018 (2017: Nil). No impairment provision has been made for both years.

- (i) In relation to the purchase of the Milan Properties, the Directors have considered a construction plan provided by the Milan Properties Vendor and considered that other than the refundable advance payment of Euro10,200,000 (equivalent to approximately HK\$89,892,000), there are no further payment due and payable within the next twelve months from 31 March 2018. As the Directors is considering to withdraw such refundable advance payment within 1 year, the amount is classified under current portion.

按金、預付款項及其他應收款項之賬面金額與其公平值相若。本集團並無持有任何抵押品作抵押。截至2018年3月31日止年度並無作出撇銷(2017年：無)。兩個年度均無作出減值撥備。

- (i) 就收購米蘭物業而言，董事已考慮由米蘭物業賣方提供之建設計劃，並認為除可退還預付款項10,200,000歐元(相當於約89,892,000港元)以外，於2018年3月31日起計未來十二個月概無進一步到期及應付款項。由於董事正在考慮於一年內提取有關可退還預付款項，故該款項分類為流動部分。

24 LOAN RECEIVABLES

應收貸款

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|------------------|------|-------------------------|-------------------------|
| Loan receivables | 應收貸款 | 130,873 | — |

The Group's loan receivables, which arise from Hong Kong and PRC, which are denominated in both Hong Kong dollar and Renminbi respectively. No impairment loss were provided for the above balances.

Loan receivables are unsecured, bear fixed interest and are repayable with fixed terms agreed with the Group's borrowers. The maximum exposure to credit risk at each of the end of reporting period is the carrying value of the loan receivables mentioned above.

The Group has no past due loan receivables as at the end of the reporting period.

本集團之香港及中國應收貸款分別按港元及人民幣計值。上述結餘並無減值虧損。

應收貸款並無抵押、定息並按與本集團借款人協定之固定期限償還。於各報告期末之最高信貸風險為上述應收貸款之賬面值。

於報告期末，本集團並無過往已過期之應收貸款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 LOAN RECEIVABLES (Continued)

應收貸款(續)

A maturity profile of the gross amount of loan receivables as at the end of the reporting period, based on maturity date, is as follows:

於報告期末，根據付款到期日對於報告期末應收貸款總額之到期組合載列如下：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---------------|------|-------------------------|-------------------------|
| Within 1 year | 一年內 | 130,873 | — |
| 1 to 2 years | 一至兩年 | — | — |
| | | 130,873 | — |

Certain loan receivables were subsequently renewed with guarantee by an independent third party.

若干應收貸款隨後已重續，由一名獨立第三方提供擔保。

25 CASH AND CASH EQUIVALENTS

現金及現金等值項目

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---------------------------|-----------|-------------------------|-------------------------|
| Cash at banks and on hand | 銀行及手頭現金 | 53,514 | 32,839 |
| Cash and cash equivalents | 現金及現金等值項目 | 53,514 | 32,839 |

Cash and cash equivalents in the consolidated statement of financial position are denominated in the following currencies:

於綜合財務狀況表內之現金及現金等值項目按以下貨幣計值：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|----------------------|-----|-------------------------|-------------------------|
| Hong Kong dollar | 港元 | 40,231 | 5,416 |
| Renminbi | 人民幣 | 11,687 | 24,873 |
| United States dollar | 美元 | 194 | 124 |
| Others | 其他 | 1,402 | 2,426 |
| | | 53,514 | 32,839 |

The Group's cash and bank balances denominated in Renminbi are placed with banks in the PRC. The conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

本集團以人民幣計值之現金及銀行結餘存放於中國之銀行。將此等以人民幣計值之結餘兌換為外幣須遵守中國政府所頒布之外匯管制規則及規例。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 NET ASSETS HELD FOR SALE

持有作出售之資產淨值

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--------------------------------|------------|-------------------------|-------------------------|
| Investment properties (note i) | 投資物業(附註i) | — | 14,730 |
| Disposal group (note ii) | 出售集團(附註ii) | 189,422 | — |
| | | 189,422 | 14,730 |

- i) At 31 March 2018, the Directors intended to dispose of e-Commerce and e-Payment business and accordingly the assets and liabilities relating to e-Commerce and e-Payment business were classified as non-current assets classified as held for sale and liability directly associated with non-current assets classified as asset held for sale, respectively. In August 2017 and June 2018, the Group signed two MOUs with the potential buyers to sell out the e-Commerce and e-Payment business at consideration with reference to its market value, respectively.

An independent valuation of the China Consume, which non-current asset classified as held for sale was performed by the valuer, Ravia Global Appraisal Advisory Limited to determine the fair value as at 31 March 2018 by an income approach of fair value less costs of disposal valuation method.

The following table summarises the China Consume corresponding assets and liabilities as at 31 March 2018.

- ii) At 31 March 2017, investment properties classified as assets held for sale situated in Hong Kong with carrying value of HK\$14,730,000 were pledged as a security for bank borrowings made available to the Group (note 31).

During the year, the investment properties were disposed at a cash consideration of HK\$22,000,000.

An independent valuation of investment properties classified as assets held for sale was performed by the valuer, DTZ Debenham Tie Leung Limited to determine the fair value of assets held for sale as at 31 March 2017. The following table analyses assets held for sale carried at fair value, by valuation method.

- i) 於2018年3月31日，董事有意出售電子商務及電子支付業務，故電子商務及電子支付業務之相關資產及負債已分別分類為與持有作出售之非流動資產及與分類為持有作出售資產之非流動資產直接有關之負債。於2017年8月及2018年6月，本集團與潛在買家分別簽訂兩份諒解備忘錄，出售電子商務及電子支付業務，代價乃經參考其市價。

分類為持有作出售之非流動資產之中國消費之獨立估值由估值師瑞豐環球評估諮詢有限公司進行，採用公平值減出售成本估值方法之收入法確定於2018年3月31日之公平值。

下表概述中國消費於2018年3月31日之相關資產及負債。

- ii) 於2017年3月31日，位於香港、賬面值為14,730,000港元之分類為持有作出售資產之投資物業，已抵押作為本集團獲授銀行借貸之擔保(附註31)。

於本年度，投資物業按現金代價22,000,000港元出售。

分類為持有作出售資產之投資物業之獨立估值由估值師戴德梁行有限公司進行，以確定持有作出售資產於2017年3月31日之公平值。下表按估值方法分析以公平值計量之持有作出售資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 NET ASSETS HELD FOR SALE (Continued)

持有作出售之資產淨值(續)

Fair value hierarchy

公平值等級

Fair value measurements at 31 March 2017

於2017年3月31日之公平值計量

| Description | Description | Fair value measurements at 31 March 2017 | | |
|---|------------------|--|---|---|
| | | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | | 相同資產在活躍市場之報價 (第1級) | 其他重大可觀察輸入數據 (第2級) | 重大不可觀察輸入數據 (第3級) |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| Recurring fair value measurements | 經常性公平值計量 | | | |
| Investment properties classified as assets held for sale: | 分類為持有作出售資產的投資物業： | | | |
| — Hong Kong | — 香港 | — | — | 14,730 |

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the year.

本集團之政策為於導致轉撥的事件或情況變化發生當日確認公平值層級的轉入及轉出。於本年度，第1級、第2級及第3級之間概無轉撥。

Valuation process of the Group

The fair value of the assets held for sale at 31 March 2017 were determined on the basis of a valuation by a qualified valuer in accordance with the "HKIS Valuation Standards on Properties (2012 Edition)" published by the Hong Kong Institute of Surveyors, RICS Valuation – Professional Standards of the Royal Institution of Chartered Surveyors and the International Valuation Standards (IVS).

本集團的估值程序

持有作出售資產於2017年3月31日的公平值乃由合資格估值師根據香港測量師學會出版的《香港測量師學會物業估值準則》(2012年版)、英國皇家特許測量師學會的《英國皇家特許測量師學會估值—專業準則》及國際估值準則按估值基準而釐定。

As at 31 March 2017, the valuation of the commercial units located in Hong Kong was determined by using the sale comparison approach (Level 3 approach). Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant unobservable input into this valuation approach is price per square meter.

於2017年3月31日，位於香港的商用單位的估值乃利用銷售比較法(第3級方法)而釐定。於鄰近地區可比較物業的銷售價格乃就主要屬性(例如物業面積)的差異作出調整。此估值方法的最重大不可觀察輸入數據為每平方米價格。

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26 NET ASSETS HELD FOR SALE (Continued)

持有作出售之資產淨值(續)

Valuation process of the Group (Continued)

本集團的估值程序(續)

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|--------------------------|-------------------------|-------------------------|
| Fair value less cost of disposal | 公平值減出售成本 | 193,000 | — |
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 506 | — |
| Investment properties | 物業投資 | — | 14,730 |
| Intangible assets | 無形資產 | 239,070 | — |
| Investment in an associate | 於一間聯營公司之投資 | 645 | — |
| Current-assets | 流動資產 | | |
| Trade receivables, prepayment and other receivables | 應收貿易款項、預付款項及其他應收款項 | 865 | — |
| Cash and cash equivalents | 現金及現金等值項目 | 744 | — |
| Non-current assets classified as held for sale | 分類為持有作出售之非流動資產 | 241,830 | 14,730 |
| Current liabilities | 流動負債 | | |
| Trade and other payables | 應付貿易款項及其他應付款項 | (16,255) | — |
| Deferred tax liabilities | 遞延稅項負債 | (36,153) | — |
| Liabilities directly associated with non-current assets classified as assets held for sale | 與分類為持有作出售資產之非流動資產直接相關之負債 | (52,408) | — |
| Net assets held for sale | 持有作出售資產淨值 | 189,422 | 14,730 |

27 SHARE CAPITAL AND PREMIUM

股本及溢價

| | | Number of ordinary shares 普通股數目 | Nominal value of ordinary shares 普通股面值 HK\$'000 千港元 | Share premium 股份溢價 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|--|------------------------------------|--|--|--------------------------------|
| Authorised | 法定 | | | | |
| At 1 April 2016, 31 March 2017, 1 April 2017 and 31 March 2018 | 於2016年4月1日、 2017年3月31日、 2017年4月1日及 2018年3月31日 | 9,000,000,000 | 900,000 | — | 900,000 |
| Issued and fully paid | 已發行及繳足 | | | | |
| At 1 April 2016 | 於2016年4月1日 | 641,360,000 | 64,136 | 576,561 | 640,697 |
| Issuance of shares (note a and note b) | 發行股份(附註a 及附註b) | 74,830,000 | 7,483 | 96,942 | 104,425 |
| At 31 March 2017, 1 April 2017 and 31 March 2018 | 於2017年3月31日、 2017年4月1日及 2018年3月31日 | 716,190,000 | 71,619 | 673,503 | 745,122 |

27 SHARE CAPITAL AND PREMIUM (Continued)

股本及溢價(續)

Notes:

- (a) On 10 January 2017, Silver Summit Ventures Limited, a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Golden Ahead International Limited to acquire China Consume.

On 8 February 2017, all the conditions precedent set out in the sale and purchase agreement had been fulfilled. Consequently, China Consume has become a subsidiary of the Group with effect from 8 February 2017.

The consideration amounted approximately HK\$178,700,000, which was settled in cash by HK\$83,500,000 and by issuance of 70,000,000 consideration shares of the Company to the vendors which amounted approximately HK\$95,200,000 as at 8 February 2017.

Detail of the transaction is disclosed in Note 37.

- (b) On 22 March 2016, Walker Group International Company Limited, a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Claes-Goeran Fride Hoeglund, David Arellano, and Vicente Arellano (together the “Vendors”) to acquire the entire issued share in Design Management Hong Kong Limited (the “Target Company”) and the employee services of certain key employee of the Target Company. On 31 August 2016, all the conditions precedent set out in the sale and purchase agreement had been fulfilled. Consequently, Target Company has become a subsidiary of the Group with effect from 31 August 2016.

The consideration amounted approximately HK\$12,225,000, which was settled in cash by HK\$3,000,000 and by issuance of 4,830,000 consideration shares of the Company to the Vendors which amounted approximately HK\$9,225,000 as at 31 August 2016. Out of the total consideration, approximately HK\$12,033,000 was recognised as consideration for employee services, while the remaining portion of approximately HK\$192,000 were recognised as the consideration for the acquisition of the Target Company.

As at the 31 August 2016, the net identified assets of the Target Company amounted approximately HK\$192,000, which is approximates to the consideration paid.

The consideration shares for the employee services have a vesting period of 2 years, of which HK\$483,000 was credited to share capital and the balance of HK\$8,742,000 was credited to share premium account.

Walker Shop Footwear Limited subsequently entered into an agreement to accelerate the vesting period with the employees. All remaining share-based payment has been vested. During the year ended 31 March 2017, share-based compensation expenses HK\$9,034,000 was recognised in the consolidated income statement.

附註：

- (a) 於2017年1月10日，銀峰創投有限公司（本公司之全資附屬公司）及金創國際有限公司已訂立買賣協議，以收購中國消費。

於2017年2月8日，買賣協議所載之所有先決條件經已達成。因此，中國消費已成為本集團之附屬公司，由2017年2月8日起生效。

代價約178,700,000港元乃以現金83,500,000港元及透過向賣方發行70,000,000股本公司代價股份（於2017年2月8日約為95,200,000港元）進行清償。

該交易之詳情於附註37披露。

- (b) 於2016年3月22日，盈進集團（國際）有限公司（本公司之全資附屬公司）與Claes-Goeran Fride Hoeglund、David Arellano及Vicente Arellano（統稱「該等賣方」）訂立買賣協議，以收購於Design Management Hong Kong Limited（「目標公司」）之全部已發行股份及目標公司若干主要僱員之僱員服務。於2016年8月31日，買賣協議載列之全部先決條件已獲達成，而目標公司已自2016年8月31日起成為本集團之附屬公司。

有關代價約為12,225,000港元，以現金3,000,000港元及向賣方發行4,830,000股本公司代價股份（於2016年8月31日約為9,225,000港元）支付。總代價當中，約12,033,000港元已確認為僱員服務之代價，其餘約192,000港元則確認為收購目標公司之代價。

於2016年8月31日，目標公司之已識別資產淨額約為192,000港元，約等於已付代價。

僱員服務之代價股份設有2年之歸屬期，其中483,000港元已列入股本，而餘額8,742,000港元則已列入股份溢價賬。

Walker Shop Footwear Limited隨後訂立一份協議，以加快僱員的歸屬期。所有按餘下股份之付款已經歸屬。截至2017年3月31日止年度，股份補償開支9,034,000港元已於綜合收益表內確認。

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綜合財務報表附註

28 POST-IPO SHARE OPTION SCHEME 首次公開售股後購股權計劃

A share option scheme (“Share Option Scheme”) was adopted by the shareholders’ written resolution of the Company dated 21 May 2007. On 28 November 2016, share options were granted to the Directors and to selected employees under the Share Option Scheme.

The subscription price determined by the Board of Directors shall be at least the highest of: (a) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheets on the grant date, which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange’s daily quotations sheets for the 5 business days immediately preceding the grant date; and (c) the nominal value of the shares. Options are conditional on the employee completing 1 to 4 year’s service (the vesting period). The options are exercisable starting 1 years from the grant date. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

一項購股權計劃已根據本公司日期為2007年5月21日之股東書面決議案獲得採納(「購股權計劃」)。於2016年11月28日，本公司根據購股權計劃向董事及經挑選僱員授出購股權。

認購價由董事會釐定，必須最少為以下各項之最高者：(a) 股份於授出日期(必須為營業日)於聯交所每日報價表所報之收市價；(b) 股份於緊接授出日期前5個營業日於聯交所每日報價表所報之平均收市價；及(c) 股份之面值。購股權須待僱員完成1至4年服務後(歸屬期)方可作實。購股權可於自授出日期起計1年後行使。本公司並無法定或推定責任以現金購回或結算購股權。

尚未行使之購股權數目之變動及其相關加權平均行使價如下：

| | | Average exercise price in Hong Kong dollar per share 每股股份之港元平均行使價 | Options ('000) 購股權(千份) |
|-----------------------------------|-----------------------|--|---------------------------|
| At 1 April 2016 | 於2016年4月1日 | — | — |
| Granted on 28 November 2016 | 於2016年11月28日授出 | 1.45 | 41,000 |
| At 31 March 2017 and 1 April 2017 | 於2017年3月31日及2017年4月1日 | 1.45 | 41,000 |
| Lapsed | 已失效 | — | (1,500) |
| At 31 March 2018 | 於2018年3月31日 | 1.45 | 39,500 |

Movement in the number of share option vested are as follows:

已歸屬購股權數目之變動如下：

| | | 2018 | 2017 |
|--------------------------------------|---------------|---------|--------|
| Number of share option vested ('000) | 已歸屬之購股份數目(千份) | | |
| At 1 April | 於4月1日 | 41,000 | — |
| Granted | 已授出 | — | 41,000 |
| Lapsed | 已失效 | (1,500) | — |
| At 31 March | 於3月31日 | 39,500 | 41,000 |

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綜合財務報表附註

28 POST-IPO SHARE OPTION SCHEME (Continued)

首次公開售股後購股權計劃(續)

The share option outstanding under the Post-IPO share option scheme at the end of the year have the following vesting date, expiry date and exercise price:

於年終根據首次公開售股後購股權計劃尚未行使之購股權之歸屬日期、屆滿日期及行使價如下：

| Grant date 授出日期 | Vesting date 歸屬日期 | Expiry date 屆滿日期 | Exercise price in Hong Kong dollar per share 每股股份之 港元行使價 | Number of share options (‘000) outstanding at 31 March 於3月31日尚未行使之 購股權數目(千份) | |
|---------------------------------|---------------------------------|---------------------------------|--|--|---------------|
| | | | | 2018 二零一八年 | 2017 二零一七年 |
| 28 November 2016 2016年11月28日 | 28 November 2017 2017年11月28日 | 27 November 2021 2021年11月27日 | 1.45 | 17,500 | 18,000 |
| 28 November 2016 2016年11月28日 | 28 November 2018 2018年11月28日 | 27 November 2021 2021年11月27日 | 1.45 | 17,500 | 18,000 |
| 28 November 2016 2016年11月28日 | 28 November 2019 2019年11月28日 | 27 November 2021 2021年11月27日 | 1.45 | 2,250 | 2,500 |
| 28 November 2016 2016年11月28日 | 28 November 2020 2020年11月28日 | 27 November 2021 2021年11月27日 | 1.45 | 2,250 | 2,500 |
| | | | | 39,500 | 41,000 |

Share option expenses charged to the consolidated income statement are based on valuation determined using binomial lattice model. Share options granted were valued based on the following assumptions:

計入綜合收益表之購股權開支乃按使用二項式點陣模型釐定之估值計算。已授出購股權之估值乃依據下列假設計算：

| Date of grant 授出日期 | Option value 購股權價值 | Share price at the date of grant 授出日期之股份價格 | Exercise price 可行使價 | Expected volatility 預期波幅 | Annual risk-free interest 年度無風險利率 | Life of option 購股權可使用年期 | Dividend yield 所賺取之股息 |
|---------------------------------|-----------------------|---|------------------------|-----------------------------|--------------------------------------|----------------------------|--------------------------|
| 28 November 2016 2016年11月28日 | 0.6610-0.8400 | 1.45 | 1.45 | 72.03% | 1.11% | 5 years 5年 | 0.00% |

Expected volatility of the Group's share price was based on the historical volatility of the share as at the date of grant.

本集團股價之預期波幅乃根據股份於授出日期之歷史波幅而釐定。

Share option expenses of HK\$15,531,000 (2017: HK\$6,808,000) was recognised in the consolidated income statement.

購股權開支15,531,000港元(2017年：6,808,000港元)於綜合收益表中確認。

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29 OTHER RESERVES 其他儲備

| | | Merger reserve (Note i) 合併儲備 (附註i) HK\$'000 千港元 | Statutory reserves (Note ii) 法定儲備 (附註ii) HK\$'000 千港元 | Foreign currency translation reserve 外匯 兌換儲備 HK\$'000 千港元 | Share-based compen- sation reserve 股份 補償儲備 HK\$'000 千港元 | Convertible bonds reserve 可換股債券 儲備 HK\$'000 千港元 (Note 33) (附註33) | Revaluation reserve 重估儲備 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|------------------------------|---|---|--|--|--|---|--------------------------------|
| Balance at 1 April 2016 (restated) | 於2016年4月1日之結餘 (經重列) | 22,002 | 23,954 | 43,999 | — | — | 5,638 | 95,593 |
| Currency translation differences | 匯兌差額 | — | — | (13,889) | — | — | — | (13,889) |
| Revaluation on land and buildings (note 15) | 重估土地及樓宇(附註15) | — | — | — | — | — | 88,737 | 88,737 |
| Share option scheme (note 28) | 購股權計劃(附註28) | — | — | — | 6,808 | — | — | 6,808 |
| Issuance of convertible bonds (note 33) | 發行可換股債券 (附註33) | — | — | — | — | 7,075 | — | 7,075 |
| Utilisation of statutory reserves | 動用法定儲備 | — | (59) | — | — | — | — | (59) |
| Balance at 31 March 2017 and 1 April 2017 | 於2017年3月31日 及2017年4月1日之結餘 | 22,002 | 23,895 | 30,110 | 6,808 | 7,075 | 94,375 | 184,265 |
| Currency translation differences | 匯兌差額 | — | — | 15,030 | — | — | — | 15,030 |
| Share option scheme (note 28) | 購股權計劃(附註28) | — | — | — | 15,531 | — | — | 15,531 |
| Reversal upon disposal of land and buildings | 出售土地及樓宇 之撥回 | — | — | — | — | — | (94,375) | (94,375) |
| Balance at 31 March 2018 | 於2018年3月31日之結餘 | 22,002 | 23,895 | 45,140 | 22,339 | 7,075 | — | 120,451 |

Notes:

- (i) The merger reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the share capital of the subsidiaries transferred to the Company in connection with the reorganisation for the listing of the shares of the Company.
- (ii) Companies which are established in the PRC are required to make appropriations to certain statutory reserves from profit for the year after offsetting accumulated losses from prior years and before profit distribution to equity holders. The percentages to be appropriated to such statutory reserve funds are determined according to the relevant regulations in the PRC or at the discretion of the board of the respective companies. Such statutory reserves can only be used to offset accumulated losses, to increase capital, or for special bonus or collective welfare of employees. These statutory reserves cannot be distributed to equity holders of the Company.

附註：

- (i) 本集團合併儲備指本公司已發行股本面值與就籌備本公司股份上市進行重組而轉撥予本公司之附屬公司股本面值之差額。
- (ii) 於中國成立之公司須於抵銷往年累計虧損後並於向權益持有人作出溢利分派前，從本年度溢利中撥款至若干法定儲備。撥款至該等法定儲備金之百分比乃按中國相關法規或按相關公司董事會酌情釐定。該等法定儲備僅可用作抵銷累計虧損、增加資本，或作為特別花紅或僱員之集體福利。該等法定儲備不得分派予本公司之權益持有人。

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30 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

應付貿易款項、應計費用及其他應付款項

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|-----------------------------|-------------|-------------------------|-------------------------|
| Trade payables | 應付貿易款項 | 102,737 | 79,576 |
| Accruals and other payables | 應計費用及其他應付款項 | 36,577 | 73,408 |
| | | 139,314 | 152,984 |

The ageing analysis of trade payables by invoice date is as follows:

按發票日期劃分之應付貿易款項之賬齡分析如下：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--------------|----------|-------------------------|-------------------------|
| 0 — 30 days | 0 — 30日 | 12,323 | 26,351 |
| 31 — 60 days | 31 — 60日 | 5,239 | 17,127 |
| 61 — 90 days | 61 — 90日 | 1,020 | 2,525 |
| Over 90 days | 90日以上 | 84,155 | 33,573 |
| | | 102,737 | 79,576 |

The amounts are repayable according to normal trade terms from 30 to 90 days.

該等款項按一般貿易條款應於30至90日內償還。

The carrying amounts of the trade payables, accruals and other payables are denominated in the following currencies:

應付貿易款項、應計費用及其他應付款項之賬面金額按以下貨幣計值：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|-------------------|-----|-------------------------|-------------------------|
| Hong Kong dollar | 港元 | 27,756 | 60,750 |
| Renminbi | 人民幣 | 110,367 | 90,207 |
| New Taiwan dollar | 新台幣 | 975 | 1,851 |
| Others | 其他 | 216 | 176 |
| | | 139,314 | 152,984 |

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31 BORROWINGS

借貸

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--------------------------------|--------------|-------------------------|-------------------------|
| Short-term bank loan — secured | 短期銀行貸款 — 有抵押 | 5,130 | 72,240 |

The carrying amounts of the borrowings are denominated in the following currencies:

借貸之賬面金額按以下貨幣計值：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|-------------------|-----|-------------------------|-------------------------|
| Hong Kong dollar | 港元 | — | 67,000 |
| New Taiwan dollar | 新台幣 | 5,130 | 5,240 |
| | | 5,130 | 72,240 |

The bank loans are repayable in range of 30 days to 90 days from the date of issuance.

銀行貸款須於自發行日期起計30至90日內償還。

At 31 March 2018, a bank loan of HK\$5,130,000 (2017: HK\$5,240,000) was interest bearing at a fixed rate of 2.2% (2017: 2.2%) per annum and secured by the Group's standby letter of credit amounting to US\$1 million, a promissory note of New Taiwan dollar 28 million co-made by the Group and the former non-controlling shareholder.

於2018年3月31日，銀行貸款5,130,000港元(2017年：5,240,000港元)按固定利率2.2%(2017年：2.2%)計息，並以本集團之1,000,000美元備用信用狀，以及本集團與前非控股股東共同作出之28,000,000新台幣之承付票作擔保。

The fair value of the bank loan equals its carrying amount, as the impact of discounting is not significant due to its short maturity.

銀行貸款之公平值相等於其賬面金額，此乃由於在短期內到期，故貼現影響並不重大所致。

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32 OBLIGATION UNDER FINANCE LEASE 融資租賃承擔

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|--------------------|-------------------------|-------------------------|
| Gross finance lease liabilities-minimum lease payments: | 融資租賃負債總額 — 最低租賃付款： | | |
| Within one year | 一年內 | 107 | 117 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 143 | 251 |
| | | 250 | 368 |
| Less: Future finance charges | 減：未來融資費用 | (24) | (38) |
| Present value of obligation under finance lease | 融資租賃承擔現值 | 226 | 330 |
| The present value of finance lease liabilities is as follows: | 融資租賃承擔現值如下： | | |
| Within one year | 一年內 | 97 | 105 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 129 | 225 |
| Present value of obligation under finance lease | 融資租賃承擔現值 | 226 | 330 |

The weighted average effective interest rates of the obligation under finance lease was 2.5% (2017: 2.5%) per annum .

Interest rates are fixed at contract date. The lease was on a fixed repayment basis. The obligation under finance lease is secured by the lessor's charge over the leased asset. The carrying amount of the obligation under finance lease approximates its fair value and is denominated in Hong Kong dollar.

融資租賃承擔之加權平均實際年利率為 2.5% (2017年：2.5%)。

利率於合約日期釐定。租約按固定還款基準訂立。融資租賃承擔以出租人之租賃資產押記作抵押。融資租賃承擔之賬面金額與其公平值相若，並以港元計值。

33 CONVERTIBLE BONDS 可換股債券

On 5 July 2016, the Group issued a 6% convertible bonds (“CB-I”) at a par value of HK\$30,000,000. The convertible bonds mature four years from the issue date at their nominal value of HK\$30,000,000 or can be converted into the Group’s shares at the bondholder’s option at a conversion price of HK\$1.81 per share. The bondholder has right to redeem the bonds after two years from the issue date at 108% of HK\$22,025,000 and the equity conversion component of HK\$7,075,000, net of transaction cost of HK\$900,000 being allocated proportionally to the liability and equity components, were determined at issuance of the bond. The fair value of the liability component included in long-term borrowings was calculated using a market interest rate for an equivalent non convertible bond. The liability component is subsequently states at amortised cost until extinguished on conversion or maturity of the bond. The residual amount, representing the value of the equity conversion component, is included in shareholders’ equity in convertible bonds reserves.

On 24 August 2016, the Group issued a 10.5% convertible bonds (“CB-II”) at a par value of HK\$150,000,000. The convertible bonds mature three years from the issue date at their nominal value of HK\$150,000,000 or can be converted into the Group’s shares at the bondholder’s option at a conversion price of HK\$1.845 per share. Since the conversion features of CB-II fail the fixed-to fixed requirement for equity classification, it was recognised as two components, liabilities component and derivative component with a conversion option derivative of the holders and a redemption option derivative of the holders. The liability component and derivative component are recognised initially at the fair value of the compound financial instrument as a whole. Subsequent to initial recognition, the compound financial instrument is measured at fair value as a whole, with changes in fair value presented to the consolidated income statement in the period in which they arise. CB-II is under personal guarantee of Mr. ZHU Xiaojun, the Chairman of the Company.

於2016年7月5日，本集團發行面值30,000,000港元之6厘可換股債券（「可換股債券I」）。可換股債券自發行日期起計四年後到期，屆時面值為30,000,000港元或可按債券持有人選擇以每股1.81港元之兌換價轉換為本集團之股份。債券持有人有權於發行日期兩年後按本金額之108%贖回債券。負債部份之價值22,025,000港元及權益轉換部份之價值7,075,000港元，經按比例分配至負債及權益部份扣除交易費用900,000港元後，乃於發行債券時釐定。計入長期借貸之負債部份公平值乃使用等同不可換股債券之市場利率計算。負債部份其後按攤銷成本列賬直至於債券獲轉換或到期時消失為止。剩餘金額反映權益轉換部份之價值，乃列入其他儲備之股東權益。

於2016年8月24日，本集團發行面值150,000,000港元之10.5厘可換股債券（「可換股債券II」）。可換股債券自發行日期起計三年後到期，屆時面值為150,000,000港元或可按債券持有人選擇以每股1.845港元之兌換價轉換為本集團之股份。由於可換股債券II之轉換特色不符合權益分類之固定對固定規定，故獲確認為兩個部分，即負債部份以及設有持有人轉換選擇權衍生工具及持有人贖回選擇權衍生工具之衍生部份。負債部份及衍生部份初步按複合金融工具整體之公平值予以確認。於初步確認後，該複合金融工具乃按公平值整體計量，而公平值變動乃於其產生之期間於綜合收益表內呈列。可換股債券II由本公司主席朱曉軍先生作出個人擔保。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 CONVERTIBLE BONDS (Continued)

可換股債券(續)

The convertible bonds recognised in the consolidated statement of financial position are as follows:

於綜合財務狀況表內確認之可換股債券如下：

| | | Financial liabilities at amortised costs (“CB-I”) | Financial liabilities at fair value through profit or loss (“CB-II”) | Total |
|---------------------------------------|-----------------------|--|---|-----------------|
| | | 按攤銷成本計量之金融負債 〔可換股債券I〕 | 按公平值計入損益之金融負債 〔可換股債券II〕 | 總計 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| As at 1 April 2016 | 於2016年4月1日 | — | — | — |
| Fair value of convertible bond issued | 已發行可換股債券之公平值 | 30,000 | 150,000 | 180,000 |
| Arrangement fee | 安排費 | (900) | — | (900) |
| Equity component | 權益部份 | (7,075) | — | (7,075) |
| Interest accretion | 利息增值 | 3,041 | — | 3,041 |
| Fair value gain recognised | 已確認公平值收益 | — | (13,521) | (13,521) |
| Interest paid | 已付利息 | (907) | (8,889) | (9,796) |
| As at 31 March 2017 and 1 April 2017 | 於2017年3月31日及2017年4月1日 | 24,159 | 127,590 | 151,749 |
| Interest accretion | 利息增值 | 4,535 | — | 4,535 |
| Fair value loss recognised | 已確認公平值收益 | — | 15,869 | 15,869 |
| Interest paid | 已付利息 | (1,800) | (15,750) | (17,550) |
| As at 31 March 2018 | 於2018年3月31日 | 26,894 | 127,709 | 154,603 |
| Representing: | 按以下呈列： | | 2018 | 2017 |
| | | | HK\$'000 | HK\$'000 |
| | | | 千港元 | 千港元 |
| Current portion | 即期部份 | | 17,550 | 17,550 |
| Non-Current portion | 非即期部份 | | 137,053 | 134,199 |
| | | | 154,603 | 151,749 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 CONVERTIBLE BONDS (Continued)

可換股債券(續)

The fair values measurement of the derivative embedded to the CB-II were determined by using binomial model, were assessed by an independent valuer, with the following key assumption:

可換股債券包含之衍生工具公平值計量乃由獨立估值師使用二項式模型按下列主要假設評估而釐定：

| | | 2018 | 2017 |
|--------------------------|---------|-------------------------------|------------------------|
| Valuation techniques | 估值技術 | Market approach 市場法 | Market approach 市場法 |
| Discount rate | 貼現率 | 12.87% | 25.76%-26.47% |
| Risk free interest rate | 無風險利率 | 1.24% | 0.62%-1.06% |
| Time to maturity (years) | 到期時間(年) | 1.4 | 2.4 |
| Expected volatility | 預期波幅 | 30.00% | 80.39% |

Increase in discount rate and volatility by 1% and 1% would decrease or increase the fair value of derivative component in convertible notes by approximately HK\$1,567,000 and HK\$226,000.

貼現率及波幅增加1%及1%將會導致可換股票據衍生部分之公平值減少或增加約1,567,000港元及226,000港元。

34 CORPORATE BOND

公司債券

On 8 May 2017, the Group issued a two-year corporate bond with principal amount of HK\$350,000,000 at interest rate of 12% per annum for the first year and 13% per annum for the second year. The bond is guaranteed by Mr. Zhu Xiaojun, Chairman of the Company, and is pledged by the shares of the Milan Properties Vendor. The proceeds from the issuance of the corporate bond were received by the Group in May 2017.

於2017年5月8日，本集團發行本金額為350,000,000港元之兩年期公司債券，年利率於第一年及第二年分別為12厘及13厘。該債券由本公司主席朱曉軍先生擔保，並由米蘭物業賣方股份作質押。本集團已於2017年5月收到發行公司債券之所得款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

35 NOTE SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表附註

(a) Reconciliation of loss before income tax expense to cash used in operations

(a) 未計所得稅前虧損與經營業務所用之現金之對賬

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|----------------------|-------------------------|-------------------------|
| Loss before income tax expense | 未計所得稅前虧損 | (207,280) | (209,636) |
| Loss before tax credit/(expense) from discontinued operations | 終止經營業務之未計稅抵免／(開支)前虧損 | (2,689) | (444) |
| Adjustments for: | 就下列各項作出調整： | | |
| — Depreciation of property, plant and equipment | — 物業、廠房及設備之折舊 | 7,400 | 11,781 |
| — Impairment of property, plant and equipment | — 物業、廠房及設備之減值 | 233 | 1,105 |
| — Net write-back of inventories | — 存貨撥回淨額 | (5,753) | (6,669) |
| — Amortisation of intangible assets | — 無形資產之攤銷 | 589 | 806 |
| — (Gain)/loss on disposal of property, plant and equipment | — 出售物業、廠房及設備之(收益)／虧損 | (23,878) | 1,051 |
| — Loss on disposal of available for sale financial assets | — 出售可供出售金融資產之虧損 | — | 2 |
| — Gain on disposal of assets held for sale | — 出售持有作出資產之收益 | (7,217) | — |
| — Fair value gain on revaluation of assets held for sale | — 持有作出售資產之重估公平值收益 | — | (830) |
| — Finance income | — 財務收入 | (9,701) | (15,823) |
| — Finance expense | — 財務開支 | 69,502 | 4,716 |
| — Share option expenses | — 購股權開支 | 15,531 | 6,808 |
| — Share-based compensation expenses | — 股份補償開支 | — | 9,034 |
| — Share of loss in an associate | — 應佔於一間聯營公司之虧損 | 1,634 | 54 |
| Changes in working capital: | 營運資金變動： | | |
| — Inventories | — 存貨 | 51,356 | 88,327 |
| — Trade receivables | — 應收貿易款項 | 5,882 | 29,734 |
| — Deposits, prepayments and other receivables | — 按金、預付款項及其他應收款項 | 14,547 | 21,610 |
| — Trade payables | — 應付貿易款項 | 17,514 | (20,011) |
| — Accruals and other payables | — 應計費用及其他應付款項 | (21,922) | (49,857) |
| Cash used in operations | 經營所用之現金 | (94,252) | (128,242) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

35 NOTE SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

綜合現金流量表附註(續)

(b) Reconciliation of liabilities arising from financing activities

(b) 融資活動所產生負債之對賬：

| | | Bank borrowing (note 31) 銀行借貸 (附註31) HK\$'000 千港元 | Obligation under finance lease (note 32) 融資租賃承擔 (附註32) HK\$'000 千港元 | Convertible bonds (note 33) 可換股債券 (附註33) HK\$'000 千港元 | Corporate bond (note 34) 公司債券 (附註34) HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|--------------|---|--|---|---|--------------------------------|
| At 1 April 2017 | 於2017年4月1日 | 72,240 | 330 | 151,749 | — | 224,319 |
| Changes from cash flow: | 現金流量之變動： | | | | | |
| Issuance of corporate bond | 發行公司債券 | — | — | — | 329,000 | 329,000 |
| Repayment of bank borrowings | 償還銀行借貸 | (67,110) | — | — | — | (67,110) |
| Interest paid | 已付利息 | — | — | (17,550) | (31,500) | (49,050) |
| Capital elements of finance lease payment | 融資租賃付款之資本部分 | — | (104) | — | — | (104) |
| Total changes from financing cash flows | 融資現金流量之變動總額： | (67,110) | (104) | (17,550) | 297,500 | 212,736 |
| Accrued interest | 應計利息 | (1,805) | — | — | — | (1,805) |
| Interest expense | 利息開支 | 1,805 | — | 4,535 | 47,178 | 53,518 |
| Changes in fair value | 公平值之變動 | — | — | 15,869 | — | 15,869 |
| At 31 March 2018 | 於2018年3月31日 | 5,130 | 226 | 154,603 | 344,678 | 504,637 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

本公司之財務狀況表及儲備變動

(a) Statement of financial position of the Company

(a) 本公司之財務狀況表

| | | As at 31 March 於3月31日 | |
|---|------------------------|--------------------------|-------------------------|
| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
| | Note 附註 | | |
| ASSETS | 資產 | | |
| Non-current asset | 非流動資產 | | |
| Interests in subsidiaries | 於附屬公司之權益 | 305,998 | 378,820 |
| | | 305,998 | 378,820 |
| Current assets | 流動資產 | | |
| Deposits, prepayments and other receivables | 按金、預付款項及其他應收款項 | 110,853 | 216 |
| Amounts due from subsidiaries | 應收附屬公司款項 | — | 2,167 |
| Cash and cash equivalents | 現金及現金等值項目 | 1,844 | 789 |
| | | 112,697 | 3,172 |
| Total assets | 資產總值 | 418,695 | 381,992 |
| EQUITY | 權益 | | |
| Capital and reserves attributable to equity holders of the Company | 本公司權益持有人應佔股本及儲備 | | |
| Share capital | 股本 | 71,619 | 71,619 |
| Share premium | 股份溢價 | 673,503 | 673,503 |
| Convertible bonds reserve | 可換股債券儲備 | 7,075 | 7,075 |
| Share-based compensation reserve | 股份補償儲備 | 22,339 | 6,808 |
| Accumulated losses | 累計虧損 | (857,235) | (533,267) |
| | | (82,699) | 225,738 |
| Total equity | 權益總額 | (82,699) | 225,738 |
| LIABILITIES | 負債 | | |
| Current liabilities | 流動負債 | | |
| Accruals and other payables | 應計費用及其他應付款項 | 2,113 | 4,505 |
| Convertible bonds | 可換股債券 | 17,550 | 17,550 |
| | | 19,663 | 22,055 |
| Non-current liabilities | 非流動負債 | | |
| Convertible bonds | 可換股債券 | 137,053 | 134,199 |
| Corporate bond | 公司債券 | 344,678 | — |
| | | 481,731 | 134,199 |
| Total liabilities | 負債總額 | 501,394 | 156,254 |
| Total equity and liabilities | 權益及負債總額 | 418,695 | 381,992 |

The financial statements were approved by the Board of Directors on 22 June 2018 and were signed on its behalf.

財務報表於2018年6月22日經董事會批准，並由其代表簽署。

Zhu Xiaojun
朱曉軍
Director
董事

Cai Jiaying
蔡佳櫻
Director
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 STATEMENT OF FINANCIAL POSITION AND RESERVES

MOVEMENT OF THE COMPANY (Continued)

本公司之財務狀況表及儲備變動(續)

(b) Reserves movement of the Company

(b) 本公司之儲備變動

| | | Convertible bonds reserve 可換股債券儲備 HK\$'000 千港元 | Share-based compensation reserve 股份補償儲備 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 2016 | 於2016年4月1日 | — | — | (298,385) | (298,385) |
| Loss for the year | 本年度虧損 | — | — | (234,882) | (234,882) |
| Issuance of convertible bonds | 發行可換股債券 | 7,075 | — | — | 7,075 |
| Share option scheme (Note 28) | 購股權計劃(附註28) | — | 6,808 | — | 6,808 |
| At 31 March 2017 and 1 April 2017 | 於2017年3月31日及 2017年4月1日 | 7,075 | 6,808 | (533,267) | (519,384) |
| Loss for the year | 本年度虧損 | — | — | (323,968) | (323,968) |
| Share option scheme (note 28) | 購股權計劃(附註28) | — | 15,531 | — | 15,531 |
| At 31 March 2018 | 於2018年3月31日 | 7,075 | 22,339 | (857,235) | (827,821) |

37 BUSINESS COMBINATION DURING PRIOR YEAR

過往年度之業務合併

In February 2017, the Group acquired 100% equity interest in China Consume through a 100% owned subsidiary for a total consideration of HK\$178,700,000, which consist of a cash consideration of HK\$83,500,000 and issue of share of the Company with fair value of HK\$95,200,000 as at 8 February 2017 and obtained control of China Consume which principally engages in e-Commerce and e-Payment business.

The intangible assets acquired through acquisition of China Consume includes a provisional licence issued by UnionPay International Co, Ltd which allows the holder to conduct payment processing services for UPI payments in Hong Kong, Japan, Korea, Italy and France. The management expects the Group could expand its business scope to e-Commerce and e-Payment business through the acquisition of China Consume. The goodwill of approximately HK\$36,153,000 arising from the acquisition is attributable to the anticipated profitability and net cash inflows of the acquired business.

於2017年2月，本集團透過其全資擁有之附屬公司以總代價178,700,000港元(包括現金代價83,500,000港元及於2017年2月8日發行本公司股份之公平值95,200,000港元)收購中國消費之全部股權，並取得主要從事電子商務及電子支付業務之中國消費之控制權。

透過收購中國消費所收購之無形資產包括由銀聯國際有限公司發出之臨時特許使用權，允許持有人於香港、日本、韓國、意大利及法國進行銀聯國際付款處理服務。管理層預期，本集團將可透過收購中國消費擴展其業務範圍至電子商務及電子支付業務。收購產生約36,153,000港元之商譽可歸因於收購業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

37 BUSINESS COMBINATION DURING PRIOR YEAR

(Continued)

過往年度之業務合併(續)

The following table summarises the consideration paid for acquisition of China Consume, the fair value of assets acquired and liabilities assumed on the acquisition date.

下表概述收購中國消費支付之代價、所收購資產之公平值及於收購日期所承擔之負債。

| | | HK\$'000 千港元 |
|---|-----------------------|-----------------|
| Consideration: | 代價： | |
| — Cash consideration | — 現金代價 | 83,500 |
| — Equity instruments | — 股本工具 | 95,200 |
| Total consideration transferred | 已轉讓之代價總額 | 178,700 |
| Recognised amounts of identifiable assets acquired and liabilities assumed: | 可識別已收購資產及已承擔負債之已確認金額： | |
| Property, plant and equipment | 物業、廠房及設備 | 774 |
| Intangible assets | 無形資產 | 193,629 |
| Trade receivables, prepayment and other receivables | 應收貿易款項、預付款項及其他應收款項 | 35,543 |
| Investment in available-for-sale financial assets | 於可供出售金融資產之投資 | 1,793 |
| Investment in an associates | 於聯營公司之投資 | 1,192 |
| Investment in assets held for sale | 於持有作出售資產之投資 | 3,360 |
| Cash and cash equivalents | 現金及現金等值項目 | 141 |
| Trade and other payables | 應付貿易款項及其他應付款項 | (6,169) |
| Deferred tax liabilities | 遞延稅項負債 | (36,153) |
| Total identifiable net assets | 可識別淨資產總額 | 194,110 |
| Amount due to the Group, net | 應付本集團款項，淨額 | (51,217) |
| Non-controlling interests | 非控股權益 | (346) |
| Goodwill | 商譽 | 36,153 |

Acquisition-related costs of approximately HK\$540,000 have been charged to administrative expense in the consolidated income statement for the year ended 31 March 2017.

約540,000港元之與收購事項有關成本已於截至2017年3月31日止年度之綜合收益表中行政開支中扣除。

For the year ended 31 March 2017, China Consume contributed nil revenue and had loss of HK\$944,000 included in the consolidated income statement of the Group.

截至2017年3月31日止年度，中國消費產生之零收益及虧損944,000港元已計入本集團之綜合收益表。

Had China Consume been consolidated from 1 April 2016, the consolidated income statement for the year ended 31 March 2017 would show proforma revenue of approximately HK\$561,557,000 and loss of approximately HK\$213,424,000.

倘中國消費已於2016年4月1日起合併，截至2017年3月31日止年度之綜合收益表將呈列備考收益約561,557,000港元及虧損約213,424,000港元。

38 FINANCIAL RISK MANAGEMENT 財務風險管理

38.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, price risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management.

(a) Foreign currency risk

The Group operates principally in Hong Kong and the PRC. Transactions are mainly conducted in the functional currency of each group entity and therefore the foreign currency risk is considered to be minimal.

The conversion of Renminbi into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

(b) Interest rate risk

The Group's interest rate risk arises primarily from loan receivables (Note 24) and borrowings (Note 31). Income, which both are carried at fixed interest rate. At 31 March 2018, the Group has no cash flow interest-rate risk as there are no loan receivables and borrowings which bear floating interest rates. The following table details the interest rate profile of the Group at the end of the reporting period.

| | | 2018 | | 2017 | |
|------------------------------|--------------|-------------------------|------------------|-------------------------|--------------|
| | | Effective interest rate | HK\$'000 | Effective interest rate | HK\$'000 |
| | | 實際年利率 | 千港元 | 實際年利率 | 千港元 |
| Fixed rate borrowings | 定息借貸 | | | | |
| Borrowings | 借貸 | 2.2% | 5,130 | 2.2% | 5,240 |
| Less: Loan receivables | 減：應收貸款 | 10.36% | (130,873) | — | — |
| Total net borrowings | 總借貸淨值 | | (125,743) | | 5,240 |

At 31 March 2017, borrowings denominated in HK dollar were carried at variable rate. If interest rate of borrowings denominated in HK dollars had increased/decreased by 50 basis points with all other variables constant, the Group's loss after tax and accumulated losses would have been approximately HK\$28,000 higher/lower.

38.1 財務風險因素

本集團業務面對多種財務風險：市場風險(包括外匯風險及利率風險)、信貸風險、價格風險及流動資金風險。本集團之整體風險管理程序專注於金融市場之不可預測性，並尋求將對本集團財務表現之潛在不利影響降至最低。

管理層定期管理本集團之財務風險。由於本集團財務架構及現時營運簡單，故管理層並未進行任何重大對沖活動。

(a) 外幣風險

本集團主要於香港及中國營運。交易主要以各集團實體之功能貨幣進行，因此外幣風險極低。

將人民幣兌換成外幣須遵守中國政府所頒布之外匯管制規則及法規。

(b) 利率風險

本集團之利率風險主要來自應收貸款(附註24)及借貸(附註31)。收入可按固定利率計息。於2018年3月31日，本集團並無現金流量利率風險，原因為並無應收貸款及借貸按浮動利率計息。下表詳列本集團於報告期末之利率狀況。

於2017年3月31日，借貸以港元計值並以浮動利率計息。倘以港元計值借貸之利率上升/下降50個基點，而所有其他變數維持不變，則本集團之除稅後虧損及累計虧損將增加/減少約28,000港元。

38 FINANCIAL RISK MANAGEMENT (Continued)
財務風險管理(續)

38.1 Financial risk factors (Continued)

(c) Credit risk

The Group's credit risk arises from cash and cash equivalents, as well as credit exposures to trade and other receivables. Management has policies in place to monitor the exposures to these credit risks on an on-going basis. Deposits are placed with major and sizeable banks with high credit ratings and management expects no losses from non-performing banks.

Sales to retail customers are made in cash or via major credit cards. The Group's concessionaire sales through department stores are generally collectible within 60 days from the invoice date. Normally the Group does not require collaterals from trade debtors. The existing debtors have no significant defaults in the past.

The Group has put in place policies to ensure that wholesale sales of products are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers.

The Group's credit risk also attributable to its loan receivables. The Group's policy is that all the borrowers who wish to obtain loans from the Group are subject to management review. The Group also obtain the guarantee support directly or indirectly to cover its risk associates with loans receivables.

The Group also makes deposits (current and non-current) for rental of certain of its retail sales point with the relevant landlords. Including the refundable advance payment for the Milan Properties, management does not expect any loss arising from non-performance by these counterparties.

The maximum exposure to credit risk at the reporting dates is the fair value of each class of cash and cash equivalents, trade and other receivables.

38.1 財務風險因素(續)

(c) 信貸風險

本集團之信貸風險來自現金及現金等值項目，以及應收貿易款項及其他應收款項所面對之信貸風險。管理層設有政策持續監察該等信貸風險。存款存放於具規模及高信貸評級之主要銀行，而管理層預期不會自不良銀行產生損失。

對零售客戶之銷售以現金方式或透過主要信用卡結算。本集團透過百貨公司進行之特許經營銷售一般可於由發票日期起計60日內收回。一般而言，本集團並無就貿易應收款項收取抵押品。現有債務人於過往並無重大欠款。

本集團設有政策確保向具有適當信貸紀錄之客戶進行產品批發銷售，並會對客戶進行定期信貸評估。

本集團之信貸風險亦來自應收貸款。本集團之政策為所有有意向本集團取得貸款之借款人須經管理層評審。本集團亦直接或間接取獲得擔保，以減少其應收貸款之風險。

本集團亦向有關業主支付其若干零售點之租金按金(流動及非流動)。管理層預期不會因該等交易對手不履約而招致任何損失。

於報告日期面對之最大信貸風險乃各類現金及現金等值項目以及應收貿易款項及其他應收款項之公平值。

38 FINANCIAL RISK MANAGEMENT (Continued)

財務風險管理(續)

38.1 Financial risk factors (Continued)

(d) Liquidity risk

During the year ended 31 March 2018, the Group reported a net loss of HK\$209,383,000 (2017: HK\$210,196,000) and had a net cash outflow from operating activities of HK\$96,172,000 (2017: HK\$129,865,000). As at 31 March 2018, the Group's cash and cash equivalents amounted to HK\$53,514,000. On 8 May 2017, the Group issued a two-year bond with principal amount of HK\$350,000,000 at interest rate of 12% per annum for the first year and 13% per annum for the second year. The bond is guaranteed by Mr. ZHU Xiaojun, Chairman of the Company and is pledged by the shares of China Investment S.p.A. The Group would redeem the bond at its principal amount HK\$350,000,000 in May 2019.

In view of these advance factors, a series of remedial measures to mitigate the liquidity pressure have been taken to improve its financial and liquidity position of the Group as a whole. Details are disclosed in Note 2.1 to the consolidated financial statements.

38.1 財務風險因素(續)

(d) 流動資金風險

截至2018年3月31日止年度，本集團錄得虧損淨額209,383,000港元(2017年：210,196,000港元)，而經營活動產生之現金流出淨額為96,172,000港元(2017年：129,865,000港元)。於2018年3月31日，本集團之現金及現金等值項目為53,514,000港元。於2017年5月8日，本集團發行本金額為350,000,000港元之兩年期公司債券，年利率於第一年及第二年分別為12厘及13厘。該債券由本公司主席朱曉軍先生擔保，並由China Investment S.p.A股份作質押。本集團將於2019年5月贖回本金額為350,000,000港元之債券。

鑑於上述因素，已採取一系列之補救措施以減輕流動資金壓力，提升本集團整體之財務及流動資金狀況。有關詳情披露於綜合財務報表附註2.1。

Notes to the Consolidated Financial Statements

綜合財務報表附註

38 FINANCIAL RISK MANAGEMENT (Continued)

財務風險管理(續)

38.1 Financial risk factors (Continued)

(d) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting date to the contractual maturity date. The accounts disclosed in the table are the contractual undiscounted cash flows based on the earliest date on which the Group can be required to pay.

38.1 財務風險因素(續)

(d) 流動資金風險(續)

下表依照於結算日至合約到期日餘下期間之有關到期組別分析本集團之金融負債。表中所披露之金額為依照本集團可被要求付款之最早日期計算之合約未貼現現金流量。

| | | Within 1 year 1年內 HK\$'000 千港元 | Between 1 to 5 years 1年至5年 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------------------|---|---|--------------------------------|
| As at 31 March 2018: | 於2018年 3月31日： | | | |
| Other payables, accruals and other liabilities | 其他應付款項、應計款項及其他負債 | 36,687 | 143 | 36,830 |
| Trade payables | 應付貿易款項 | 102,737 | — | 102,737 |
| Borrowings | 借貸 | 5,138 | — | 5,138 |
| Corporate bond | 公司債券 | 44,625 | 361,375 | 406,000 |
| Convertible bonds | 可換股債券 | 17,550 | 187,957 | 205,507 |
| | | 206,737 | 549,475 | 756,212 |
| As at 31 March 2017: | 於2017年 3月31日： | | | |
| Other payables, accruals and other liabilities | 其他應付款項、應計款項及其他負債 | 73,525 | 251 | 73,776 |
| Trade payables | 應付貿易款項 | 79,576 | — | 79,576 |
| Borrowings | 借貸 | 72,302 | — | 72,302 |
| Convertible bonds | 可換股債券 | 17,550 | 229,903 | 247,453 |
| | | 242,953 | 230,154 | 473,107 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

38 FINANCIAL RISK MANAGEMENT (Continued)

財務風險管理(續)

38.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's capital structure is being reviewed annually to ensure these objectives are to be achieved.

During the Year, the Group's strategy was to maintain a gearing ratio within 70% (2017: 40%). The gearing ratios at 31 March 2018 and 2017 were as follows:

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--|---------------|-------------------------|-------------------------|
| Borrowings (Note 31) | 借貸(附註31) | 5,130 | 72,240 |
| Corporate bond (Note 34) | 公司債券(附註34) | 344,678 | — |
| Convertible bonds (Note 33) | 可換股債券(附註33) | 154,603 | 151,749 |
| Obligation under finance lease (Note 32) | 融資租賃承擔(附註32) | 226 | 330 |
| Total debts | 債項總額 | 504,637 | 224,319 |
| Total assets | 資產總值 | 734,639 | 631,341 |
| Gearing ratio | 資產負債比率 | 68.7% | 35.5% |

Note: The calculation of gearing ratio is based on the total debts divided by total assets as at 31 March.

38.2 資本風險管理

本集團管理其資本之目標為確保本集團能夠持續經營，以為股東提供回報及為其他持份者提供利益，同時保持最佳之資本結構以降低資本成本。

為保持或調整資本結構，本集團或會調整派付予股東之股息金額、退回資本予股東、發行新股或出售資產以減低債務。

本集團會每年檢討資本結構，以確保達到該等目標。

於本年度，本集團之策略為將資產負債比率維持於70%(2017年：40%)內。於2018年及2017年3月31日之資產負債比率如下：

附註：資產負債比率乃按3月31日之債項總額除以資產總值計算。

38 FINANCIAL RISK MANAGEMENT (Continued)

財務風險管理(續)

38.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 March 2018 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Please refer to Note 15 and Note 26 for details of the land and building and assets held for sale measured at fair value respectively.

The following table presents the Group's financial liabilities that are measured at fair value.

As at 31 March 2018

| | | Level 1 第1級 HK\$'000 千港元 | Level 2 第2級 HK\$'000 千港元 | Level 3 第3級 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| Liabilities | 負債 | | | | |
| Convertible bonds (CB-II) | 可換股債券 (可換股債券II) | | | | |
| — financial liabilities at fair value through profit or loss | — 按公平值計入損益之金融負債 | — | — | 127,709 | 127,709 |
| Total financial liabilities measured at fair value | 按公平值計量之金融資產總額 | — | — | 127,709 | 127,709 |

38.3 公平值估計

下表載列按計量公平值所用估值技術輸入數據等級分析本集團於2018年3月31日按公平值列賬之金融工具。有關輸入數據按以下三個公平值等級分類：

- 相同資產或負債在活躍市場之報價(未經調整)(第1級)。
- 第1級所包括報價以外之輸入數據，有關輸入數據為資產或負債可從觀察中直接(即價格)或間接(即源自價格)得出(第2級)。
- 並非以可觀察市場數據為根據之資產或負債輸入數據(即不可觀察輸入數據)(第3級)。

有關分別按公平值計量之土地與樓宇及持有作出售之資產之詳情，請參閱附註15及附註26。

下表呈列本集團按公平值計量之金融負債。

於2018年3月31日

Notes to the Consolidated Financial Statements

綜合財務報表附註

38 FINANCIAL RISK MANAGEMENT (Continued)

財務風險管理(續)

38.3 Fair value estimation (Continued)

As at 31 March 2017

| | | Level 1 第1級 HK\$'000 千港元 | Level 2 第2級 HK\$'000 千港元 | Level 3 第3級 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|---------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| Liabilities | 負債 | | | | |
| Convertible bonds (CB-II) | 可換股債券 (可換股債券II) | | | | |
| — financial liabilities at fair value through profit or loss | — 按公平值計入 損益之金融負債 | — | — | 127,590 | 127,590 |
| Total financial liabilities measured at fair value | 按公平值計量之 金融資產總額 | — | — | 127,590 | 127,590 |

The valuation techniques used for the valuation of fair value of convertible bonds and the movement of the convertible bonds recognised as financial liabilities at fair value through profit or loss during the year are disclosed in Note 33.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying values of trade and other receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. There were no transfers between level 1, 2 and 3 during the year.

38.3 公平值估計(續)

於2017年3月31日

用於估量可換股債券公平值之估值技術以及於年內已按公平值於綜合收益表中確認為金融負債之可換股債券之變動披露於附註33。

於活躍市場交易之金融工具之公平值乃按於報告日期之市場報價計算得出。活躍市場乃指可輕易地及定期從交易所、經銷商、經紀人、行業集團、報價服務或規管機構取得報價之市場，而有關報價乃在經常進行之真實公平交易之基礎上呈列。該等工具乃列入第1級。

並非於活躍市場交易之金融工具之公平值乃以估值方法釐定。該等估值方法充分利用可獲得之可觀察市場數據，從而盡量減少依賴實體之特定估計數據。倘按公平值計量之工具之所有重大數據均可從觀察所得，則該工具乃列入第2級。

倘一項或多項重大輸入數據並非根據可觀察市場數據，則該工具列入第3級。

應收貿易款項及其他應收款項以及應付款項之賬面值減減值撥備，為其公平值之合理近似值。就披露而言，金融負債之公平值之估計按未來合約現金流量以本集團類似金融工具可得之現有市場利率貼現計算。於本年度，第1級、第2級及第3級間概無轉撥。

39 COMMITMENTS

承擔

(a) Capital commitments

As at 31 March 2018 and 2017, the Group had no capital commitments.

(b) Operating lease commitments

The future aggregate minimum lease payments and turnover rental expenses under non-cancellable operating leases in respect of retail shops, offices, warehouses and furniture, fixtures and equipment are as follows:

(a) 資本承擔

於2018年及2017年3月31日，本集團並無資本承擔。

(b) 經營租賃承擔

根據有關零售店、辦公室、倉庫及傢俬、裝置及設備之不可撤銷經營租賃於日後之最低租賃付款及按營業額計算之租金費用之總額如下：

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|-------------|-------------------------|-------------------------|
| Land and buildings | 土地及樓宇 | | |
| — No later than 1 year | — 1年內 | 28,463 | 49,175 |
| — Later than 1 year and no later than 5 years | — 1年後但不多於5年 | 7,674 | 24,789 |
| — Later than 5 years | — 多於5年 | — | 359 |
| | | 36,137 | 74,323 |
| Furniture, fixtures and equipment | 傢俬、裝置及設備 | | |
| — No later than 1 year | — 1年內 | 333 | 230 |
| — Later than 1 year and no later than 5 years | — 1年後但不多於5年 | 1,125 | 1,458 |
| | | 1,458 | 1,688 |
| | | 37,595 | 76,011 |

Leases are negotiated for varying terms, escalation clauses and renewal options. The operating lease rentals of certain outlets are based on the higher of a minimum guaranteed rental and a sales level based rental. The above operating lease commitments include commitments for fixed rent only.

In addition, rental payable in some cases include additional rent, calculated according to gross revenue, in excess of the fixed rent.

租賃經磋商後具有不同年期、租金遞升條款及續租權。若干門市之經營租賃租金乃根據最低保證租金及以銷售額計算之租金(以較高者為準)計算。上述經營租賃承擔僅包括固定租金之承擔。

此外，應付租金在某些情況下包括超過固定租金之額外租金(根據收益總額計算)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

40 SIGNIFICANT RELATED PARTY TRANSACTIONS

重大關聯人士交易

(a) Key management compensation

During the year, the Group had the following significant transactions with related parties:

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|---------------------|-------------------------|-------------------------|
| Key management compensation | 主要管理人員補償 | | |
| Basic salaries, housing allowances, other allowances and benefits-in-kind | 基本薪金、住房津貼、其他津貼及實物利益 | 6,912 | 12,235 |
| Share options expenses | 購股權開支 | 11,682 | 4,997 |
| Share based compensation expenses | 股份補償開支 | — | 6,063 |
| Contributions to pension plans | 退休金計劃供款 | 18 | 44 |
| | | 18,612 | 23,339 |

Note:

Key management includes directors and certain senior management who have important roles in making operational and financial decisions.

(a) 主要管理人員補償

本集團於年內與關聯人士進行下列重大交易：

附註：

主要管理人員包括董事及若干於營運及財務決策有重要職能之高級管理人員。

(b) Year-end balances

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---------------------------------|-------------|-------------------------|-------------------------|
| Amount due from an associate | 應收一間聯營公司款項 | | |
| — Prepayment | — 預付款項 | 7,311 | 6,603 |
| — Loan to an associate | — 貸款予一間聯營公司 | 3,662 | — |
| Amount due from a related party | 應收一名關聯人士款項 | | |
| — Refundable advance payment | — 可退還預付款項 | 98,881 | — |
| Amount due to a related party | 應付一名關聯人士款項 | | |
| — Other payables | — 其他應付款項 | 626 | 3,010 |

Note:

Refundable advance payment related to the purchase of the Milan Properties from a related party (Note 23). Other payables with related parties are repayable on demand, unsecured and non-interest bearing.

附註：

可退還預付款項與從關聯人士購買米蘭物業(附註23)有關。關聯人士之其他應付款項結餘為須按要求償還、無抵押及免息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

41 SUBSIDIARIES 附屬公司

The following is a list of the principal subsidiaries at 31 March 2018 and 2017:

下列為於2018年及2017年3月31日之主要附屬公司列表：

| Name of company 公司名稱 | Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別 | Principal activities and place of operation 主要業務及經營所在地 | Particulars of issued share capital 已發行股本詳情 | Interest held 所持權益 | |
|--|---|--|--|-----------------------|------|
| | | | | 2018 | 2017 |
| Directly held: 直接持有： | | | | | |
| Carlyon Investment Holdings Limited 格理昂投資控股有限公司 | The British Virgin Islands, limited liability company 英屬處女群島，有限公司 | Investment holding in Hong Kong 投資控股／香港 | 10,000 ordinary share of US\$1 each 10,000 股每股 1 美元之普通股 | 100% | 100% |
| Genius Earn Investments Limited 傑盈投資有限公司 | The British Virgin Islands, limited liability company 英屬處女群島，有限公司 | Investment holding in Hong Kong 投資控股／香港 | 90 ordinary shares of US\$1 each 90 股每股 1 美元之普通股 | 100% | 100% |
| Silver Summit Ventures Limited 銀峰創投有限公司 | The British Virgin Islands, limited liability company 英屬處女群島，有限公司 | Investment holding in Hong Kong 投資控股／香港 | 1 ordinary share of US\$1 1 股每股 1 美元之普通股 | 100% | 100% |
| Indirectly held: 間接持有： | | | | | |
| Artemis Footwear Limited 艾迪米斯鞋業有限公司 | Hong Kong, limited liability company 香港，有限公司 | Retailing of footwear in Taiwan 零售鞋類／台灣 | 10,000,000 ordinary shares 10,000,000 股普通股 | 100% | 100% |
| Ascent Pride Investments Limited 昇傲投資有限公司 | The British Virgin Islands, limited liability company 英屬處女群島，有限公司 | Investment holding in Hong Kong 投資控股／香港 | 1 ordinary share of US\$1 1 股每股 1 美元之普通股 | 100% | 100% |
| Asia Glory Investment Limited 美宏投資有限公司 | Hong Kong, limited liability company 香港，有限公司 | Investment holding in Hong Kong 投資控股／香港 | 1 ordinary share 1 股普通股 | 100% | 100% |
| Billion International Trading (Shanghai) Company Limited 逸盈國際貿易(上海)有限公司 | The PRC, wholly foreign-owned enterprise limited liability company 中國，外商獨資企業有限公司 | Retailing of footwear in the PRC 零售鞋類／中國 | US\$1,000,000 1,000,000 美元 | 100% | 100% |
| Carlyon Asset Management Limited 格理昂資產管理有限公司 | Hong Kong, limited liability company 香港，有限公司 | Asset management in Hong Kong 資產管理／香港 | 5,000,000 ordinary shares 5,000,000 股普通股 | 100% | 100% |

Notes to the Consolidated Financial Statements

綜合財務報表附註

41 SUBSIDIARIES (Continued)

附屬公司(續)

| Name of company 公司名稱 | Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別 | Principal activities and place of operation 主要業務及經營所在地 | Particulars of issued share capital 已發行股本詳情 | Interest held 所持權益 | |
|---|--|--|---|-----------------------|------|
| | | | | 2018 | 2017 |
| Carlyon Capital Limited 格理昂資本有限公司 | Hong Kong, limited liability company 香港，有限公司 | Inactive 並無業務活動 | 100,000 ordinary shares 100,000 股普通股 | 100% | 100% |
| Carlyon Exchange Limited [#] 格理昂地產有限公司 [#] | Hong Kong, limited liability company 香港，有限公司 | Inactive 並無業務活動 | 10,000 ordinary shares 10,000 股普通股 | 100% | — |
| Carlyon Finance Limited 格理昂財務有限公司 | Hong Kong, limited liability company 香港，有限公司 | Money lending in Hong Kong 放債／香港 | 100,000 ordinary shares 100,000 股普通股 | 100% | 100% |
| Carlyon Securities Limited 格理昂證券有限公司 | Hong Kong, limited liability company 香港，有限公司 | Securities dealing in Hong Kong 證券買賣／香港 | 10,000,000 ordinary shares 10,000,000 股普通股 | 100% | 100% |
| China Consume Financial Holdings Company Limited 中國消費金融控股有限公司 | Hong Kong, limited liability company 香港，有限公司 | Investment holding, e-Commerce and e-Payment business in Hong Kong 投資控股、電子商務及 電子支付業務／香港 | 60,000,000 ordinary shares 60,000,000 股普通股 | 100% | 100% |
| Citiward Limited 佳和有限公司 | Hong Kong, limited liability company 香港，有限公司 | Investment holding in Hong Kong 投資控股／香港 | 1 ordinary share 1 股普通股 | 100% | 100% |
| Design Management Hong Kong Limited* 設計管理香港有限公司* | Hong Kong, limited liability company 香港，有限公司 | Investment holding in Hong Kong 投資控股／香港 | 300,000 ordinary shares 300,000 股普通股 | 100% | 100% |
| Million Fortune Star Limited 萬福星有限公司 | Hong Kong, limited liability company 香港，有限公司 | Corporate secretary 公司秘書 | 1 ordinary share 1 股普通股 | 100% | 100% |
| Senet International Limited 盛益國際有限公司 | Hong Kong, limited liability company 香港，有限公司 | Holding of trademarks in Hong Kong 持有商標／香港 | 10 ordinary shares 10 股普通股 | 100% | 100% |
| Silver Focus International Limited 進銀國際有限公司 | Hong Kong, limited liability company 香港，有限公司 | Investment holding in Hong Kong 投資控股／香港 | 100 ordinary shares 100 股普通股 | 100% | 100% |

Notes to the Consolidated Financial Statements

綜合財務報表附註

41 SUBSIDIARIES (Continued)

附屬公司(續)

| Name of company 公司名稱 | Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別 | Principal activities and place of operation 主要業務及經營所在地 | Particulars of issued share capital 已發行股本詳情 | Interest held 所持權益 | |
|--|---|---|---|-----------------------|------|
| | | | | 2018 | 2017 |
| Smart Sky International (Beijing) Limited† 傲天國際貿易(北京)有限公司 | The PRC, wholly foreign- owned enterprise limited liability company 中國·外商獨資企業有限公司 | Trading of footwear in the PRC 買賣鞋類/中國 | HK\$2,800,000 2,800,000 港元 | 100% | 100% |
| Smart Trend Trading (Shenzhen) Company Limited 傲豐貿易(深圳)有限公司 | The PRC, wholly foreign- owned enterprise, limited liability company 中國·外商獨資企業有限公司 | Retailing of footwear in the PRC 零售鞋類/中國 | HK\$41,000,000 41,000,000 港元 | 100% | 100% |
| Smarter Trading (Beijing) Company Limited 奧吉斯貿易(北京)有限公司 | The PRC, wholly foreign- owned enterprise, limited liability company 中國·外商獨資企業有限公司 | Retailing of footwear in the PRC 零售鞋類/中國 | HK\$40,000,000 40,000,000 港元 | 100% | 100% |
| Surplus Jet Investments Limited 盈捷投資有限公司 | The British Virgin Islands, limited liability company 英屬處女群島·有限公司 | Investment holding in Hong Kong 投資控股/香港 | 1 ordinary share of US\$1 1 股每股 1 美元之普通股 | 100% | 100% |
| Treble Berry Limited | The United Kingdom, limited liability company 英國·有限公司 | Inactive 並無業務活動 | 1 ordinary share of £1 each 1 股每股 1 英鎊之普通股 | 100% | 100% |
| Triple Juicy Limited | The United Kingdom, limited liability company 英國·有限公司 | Holding of trademarks 持有商標 | 1,000 ordinary shares of £1 each 1,000 股每股 1 英鎊之 普通股 | 100% | 100% |
| Trunari Enterprises Company Limited 達斯彌企業有限公司 | Hong Kong, limited liability company 香港·有限公司 | Holding of trademarks and properties in Hong Kong 持有商標及物業/香港 | 22,000,000 ordinary shares 22,000,000 股普通股 | 100% | 100% |
| Vervestone Limited | The United Kingdom, limited liability company 英國·有限公司 | Investment holding in the United Kingdom 投資控股/英國 | 2,000 ordinary shares of £1 each 2,000 股每股 1 英鎊之 普通股 | 100% | 100% |

Notes to the Consolidated Financial Statements

綜合財務報表附註

41 SUBSIDIARIES (Continued)

附屬公司(續)

| Name of company 公司名稱 | Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別 | Principal activities and place of operation 主要業務及經營所在地 | Particulars of issued share capital 已發行股本詳情 | Interest held 所持權益 | |
|---|--|---|--|-----------------------|------|
| | | | | 2018 | 2017 |
| Walker Group (Shanghai) Company Limited 奧卡索國際貿易(上海)有限公司 | The PRC, wholly foreign- owned enterprise, limited liability company 中國·外商獨資企業有限公司 | Retailing of footwear in the PRC 零售鞋類/中國 | US\$200,000 200,000 美元 | 100% | 100% |
| Walker Group China Company Limited 盈進集團(中國)有限公司 | Hong Kong, limited liability company 香港·有限公司 | Investment holding in Hong Kong 投資控股/香港 | 100 ordinary shares 100 股普通股 | 100% | 100% |
| Walker Group International Company Limited 盈進集團(國際)有限公司 | Hong Kong, limited liability company 香港·有限公司 | Investment holding in Hong Kong 投資控股/香港 | 100 ordinary shares 100 股普通股 | 100% | 100% |
| Walker International Footwear Limited 盈進國際鞋業有限公司 | Hong Kong, limited liability company 香港·有限公司 | Wholesaling of footwear 批發鞋類 | 100 ordinary shares 100 股普通股 | 100% | 100% |
| Walker Shop Footwear Limited | Hong Kong, limited liability company 香港·有限公司 | Investment holding and retailing of footwear in Hong Kong 投資控股及零售鞋類/香港 | 500,000,000 ordinary shares 500,000,000 股普通股 | 100% | 100% |
| 廣州福珀產品設計有限公司 | The PRC, wholly foreign- owned enterprise limited liability company 中國·外商獨資企業有限公司 | Product design and technology in PRC 產品設計及科技/中國 | RMB1,000,000 人民幣 1,000,000 元 | 100% | 100% |
| 廣州盈暉貿易有限公司 | The PRC, wholly foreign- owned enterprise limited liability company 中國·外商獨資企業有限公司 | Trading of footwear in the PRC 買賣鞋類/中國 | HK\$1,500,000 1,500,000 港元 | 100% | 100% |
| 國信網富信息科技有限公司 | The PRC, foreign and domestic owned enterprise limited liability company 中國·外商與境內合資企業 有限公司 | Information technology 訊息科技 | RMB100,000,000 人民幣 100,000,000 元 | 85% | 85% |
| 上海盛旅廣告有限公司 | The PRC, foreign-owned enterprise limited liability company 中國·外商企業有限公司 | Sales and marketing 市場營銷策劃 | RMB16,000,000 人民幣 16,000,000 元 | 85% | 85% |

41 SUBSIDIARIES (Continued)

附屬公司(續)

† The English names of certain companies represent the best effort by the management of the Group in translating their Chinese names as they do not have official English names.

* The company name of the company has changed to Carlyon Immigration Consulting Limited on 7 June 2018 and disposed to an independent third party on 7 June 2018.

The company name of the company has changed to Carlyon Properties Limited on 17 May 2018 and disposed to an independent third party on 6 June 2018.

As legal requirement, all companies established in the PRC and Taiwan have adopted 31 December as their accounting date for statutory reporting purpose. All other companies have adopted 31 March as their financial year end date.

42 EVENTS AFTER THE END OF REPORTING PERIOD

報告期末後事項

(a) Disposal of e-Commerce and e-Payment business

During June 2018, the Group signed non-binding MOUs with the potential buyers to sell out the e-Commerce and e-Payment business at a consideration, with reference to its market value respectively.

(b) Disposal of financial services business

After financial year end, the Group signed MOU with potential buyer to sell the financial services business at a market consideration.

(c) A stand-by revolving loan facilities granted by independent third party

On 20 June 2018, an independent third party granted a stand-by revolving loan facilities of up to RMB200,000,000 to the Group, which is available to drawn down on or after 21 June 2018. The loan facility is guaranteed by Mr. ZHU Xiaojun, the Chairman of the Company, and bears interest at 18% per annum.

† 若干公司並無正式英文名稱，有關英文名稱乃本集團管理層盡力翻譯該等公司中文名稱之譯名。

* 該公司之公司名稱已於2018年6月7日更改為格里昂移民顧問有限公司，並於2018年6月7日出售予一名獨立第三方。

該公司之公司名稱已於2018年5月17日更改為格里昂地產有限公司，並於2018年6月6日出售予一名獨立第三方。

根據法律規定，於中國及台灣成立之所有公司已採納12月31日為其法定申報會計日期。所有其他公司已採納3月31日為其財政年度年結日。

(a) 出售電子商務及電子支付業務

於2018年6月，本集團與潛在買方簽訂不具法律約束力之諒解備忘錄，分別參考其市場價值為代價出售電子商務及電子支付業務。

(b) 出售金融服務業務

財政年度止後，本集團與潛在買方訂立諒解備忘錄，按市場代價出售金融服務業務。

(c) 獨立第三方授予備用循環貸款融資

於2018年6月20日，獨立第三方向本集團授予最多為人民幣200,000,000元之備用循環貸款融資，其可在2018年6月21日或之後提取。貸款融資由本公司主席朱曉軍先生擔保，年利率為18%。

Five-Year Financial Summary

五年財務概要

CONSOLIDATED INCOME STATEMENTS

綜合收益表

| | | For the year ended 31 March 截至3月31日止年度 | | | | |
|--|-----------------|---|------------|------------|------------|------------|
| | | 2018 | (Restated) | (Restated) | (Restated) | (Restated) |
| | | HK\$'000 | (經重列) | (經重列) | (經重列) | (經重列) |
| | | 千港元 | 2017 | 2016 | 2015 | 2014 |
| | | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | | 千港元 | 千港元 | 千港元 | 千港元 |
| Continuing operations | 持續經營業務 | | | | | |
| Revenue | 收益 | 346,157 | 561,557 | 840,658 | 1,090,668 | 1,299,154 |
| Cost of sales | 銷售成本 | (171,069) | (272,996) | (357,342) | (473,751) | (616,940) |
| Gross profit | 毛利 | 175,088 | 288,561 | 483,316 | 616,917 | 682,214 |
| Operating expenses | 經營費用 | (355,485) | (513,646) | (642,913) | (719,836) | (909,209) |
| Other gains/(losses), net | 其他收益/(虧損)·淨值 | 30,552 | (400) | (394) | 8,262 | (162) |
| Other income | 其他收入 | 4,000 | 4,742 | 4,277 | 7,035 | 12,029 |
| Operating loss | 經營虧損 | (145,845) | (220,743) | (155,714) | (87,622) | (215,128) |
| Finance (costs)/income, net | 財務(費用)/收入·淨值 | (59,801) | 11,107 | (524) | (489) | (332) |
| Share of loss of an associate | 應佔於一間聯營公司之虧損 | (1,634) | — | — | — | — |
| Loss before income tax credit/(expense) | 未計所得稅抵免/(開支)前虧損 | (207,280) | (209,636) | (156,238) | (88,111) | (215,460) |
| Income tax credit/(expense) | 所得稅抵免/(開支) | 586 | (116) | (656) | (2,415) | (13,902) |
| Loss for the year | 本年度虧損 | (206,694) | (209,752) | (156,894) | (90,526) | (229,362) |
| Continuing operations | 持續經營業務 | | | | | |
| Attributable to: | 應佔： | | | | | |
| Equity holders of the Company | 本公司權益持有人 | (206,076) | (209,065) | (155,892) | (89,546) | (227,241) |
| Non-controlling interests | 非控股權益 | (618) | (687) | (1,002) | (980) | (2,121) |
| | | (206,694) | (209,752) | (156,894) | (90,526) | (229,362) |
| Dividends | 股息 | — | — | — | — | — |

Five-Year Financial Summary

五年財務概要

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

綜合財務狀況表

| | | As at 31 March 於3月31日 | | | | |
|---|------------------------|--------------------------|------------------|------------------|------------------|--|
| | | (Restated) | (Restated) | (Restated) | (Restated) | |
| | | (經重列) | (經重列) | (經重列) | (經重列) | |
| | | 2016 | 2015 | 2014 | 2014 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | | 千港元 | 千港元 | 千港元 | 千港元 | |
| ASSETS | 資產 | | | | | |
| Non-current assets | 非流動資產 | | | | | |
| Investment in a joint venture | 於合營公司之投資 | 510 | 510 | — | — | |
| Investment in an associate | 於聯營公司之投資 | 6,530 | 7,227 | — | — | |
| Property, plant and equipment | 物業、廠房及設備 | 7,958 | 113,534 | 29,252 | 34,942 | |
| Investment properties | 投資物業 | — | — | — | 17,140 | |
| Intangible assets | 無形資產 | 804 | 230,788 | 1,873 | 2,570 | |
| Deferred income tax assets | 遞延所得稅資產 | — | — | — | 6,091 | |
| Available-for-sale financial assets | 可供出售金融資產 | 6,248 | — | — | — | |
| Long-term deposits and prepayments | 長期按金及預付款項 | 11,363 | 27,354 | 12,588 | 10,995 | |
| | | 33,413 | 379,413 | 43,713 | 54,598 | |
| Current assets | 流動資產 | | | | | |
| Inventories | 存貨 | 97,010 | 132,594 | 223,446 | 242,388 | |
| Trade receivables | 應收貿易款項 | 38,323 | 39,751 | 72,939 | 115,024 | |
| Deposits, prepayments and other receivables | 按金、預付款項及其他應收款項 | 136,014 | 32,014 | 27,081 | 40,044 | |
| Tax recoverable | 可收回稅項 | — | — | — | — | |
| Loan receivables | 應收貸款 | 130,873 | — | — | — | |
| Amount due from an associate | 應收聯營公司款項 | 3,662 | — | — | — | |
| Cash and cash equivalents | 現金及現金等值項目 | 53,514 | 32,839 | 41,039 | 94,939 | |
| | | 459,396 | 237,198 | 364,505 | 492,395 | |
| Non-current assets classified as held for sales | 分類為持有作出售之非流動資產 | 241,830 | 14,730 | 13,900 | 26,660 | |
| | | 701,226 | 251,928 | 378,405 | 597,116 | |
| LIABILITIES | 負債 | | | | | |
| Current liabilities | 流動負債 | | | | | |
| Trade payables | 應付貿易款項 | (102,737) | (79,576) | (104,026) | (101,396) | |
| Accruals and other payables | 應計費用及其他應付款項 | (36,577) | (73,408) | (41,129) | (53,193) | |
| Borrowings | 借貸 | (5,130) | (72,240) | (44,920) | (25,040) | |
| Obligation under finance lease | 融資租賃承擔 | (97) | (105) | (106) | (106) | |
| Current tax liabilities | 即期稅項負債 | (1,077) | (973) | (1,102) | (1,001) | |
| Convertible bonds | 可換股債券 | (17,550) | (17,550) | — | — | |
| | | (163,168) | (243,852) | (191,283) | (180,736) | |
| Liability directly associated with non-current assets classified as assets held for sales | 與分類為持有作出售之非流動資產直接相關之負債 | (52,408) | — | — | — | |
| | | (215,576) | (243,852) | (191,283) | (208,423) | |

Five-Year Financial Summary

五年財務概要

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

綜合財務狀況表

| | | As at 31 March 於3月31日 | | | | |
|--|-----------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | | (Restated) (經重列) | (Restated) (經重列) | (Restated) (經重列) | |
| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 | 2016 HK\$'000 千港元 | 2015 HK\$'000 千港元 | 2014 HK\$'000 千港元 |
| Net current assets | 流動資產淨值 | 485,650 | 8,076 | 187,122 | 338,319 | 388,693 |
| Total assets less current liabilities | 資產總額減流動負債 | 519,063 | 387,489 | 230,835 | 392,917 | 475,152 |
| Non-current liabilities | 非流動負債 | | | | | |
| Convertible bonds | 可換股債券 | (137,053) | (134,199) | — | — | — |
| Obligation under finance lease | 融資租賃承擔 | (129) | (225) | (9) | (115) | (221) |
| Corporate bond | 公司債券 | (344,678) | — | — | — | — |
| Deferred income tax liabilities | 遞延所得稅負債 | — | (36,739) | (351) | (5,990) | (5,989) |
| | | (481,860) | (171,163) | (360) | (6,105) | (6,210) |
| Net assets | 資產淨值 | 37,203 | 216,326 | 230,475 | 386,812 | 468,942 |
| EQUITY | 權益 | | | | | |
| Capital and reserves | 資本及儲備 | | | | | |
| Share capital | 股本 | 71,619 | 71,619 | 64,136 | 62,356 | 62,356 |
| Reserves | 儲備 | (33,649) | 144,466 | 168,353 | 326,772 | 407,766 |
| | | 37,970 | 216,085 | 232,489 | 389,128 | 470,122 |
| Non-controlling interests | 非控股權益 | (767) | 241 | (2,014) | (2,316) | (1,180) |
| Total equity | 權益總額 | 37,203 | 216,326 | 230,475 | 386,812 | 468,942 |

