



PROSPER ONE INTERNATIONAL
HOLDINGS COMPANY LIMITED

富一國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1470

ANNUAL REPORT 2023年報





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GLOSSARY

詞彙

Unless the context otherwise requires, the following terms used under Corporate Information, Chairman’s Statement, Management Discussion and Analysis, Biographical Details of Directors, Corporate Governance Report, Report of the Directors and Five-Year Financial Summary shall have the respective meanings set out below.

除文義另有所指外，下列公司資料、主席報告、管理層討論及分析、董事履歷、企業管治報告、董事會報告及五年財務概要所用詞彙應具有以下所載的各項涵義。

| | | |
|---|---|--|
| “2022 AGM” 「二零二二年股東週年大會」 | 指 | AGM held on Friday, 21 October 2022 於二零二二年十月二十一日(星期五)舉行的股東週年大會 |
| “2023 AGM” 「二零二三年股東週年大會」 | 指 | AGM to be held on Friday, 20 October 2023 將於二零二三年十月二十日(星期五)舉行的股東週年大會 |
| “AGM(s)” 「股東週年大會」 | 指 | annual general meeting(s) of the Company 本公司股東週年大會 |
| “Annual Report” 「年報」 | 指 | annual report of the Company for the Year 本公司本年度年度報告 |
| “Articles of Association” 「組織章程細則」 | 指 | articles of association of the Company as amended, supplemented or otherwise modified from time to time 本公司之組織章程細則(經不時修訂、增補或另行修正) |
| “associate(s)” 「聯繫人」 | 指 | has the meaning ascribed thereto under the Listing Rules 具有上市規則賦予的涵義 |
| “Audit Committee” 「審核委員會」 | 指 | audit committee of the Board 董事會審核委員會 |
| “Board” 「董事會」 | 指 | board of Directors 董事會 |
| “CEO” or “Chief Executive Officer” 「行政總裁」 | 指 | chief executive officer of the Company 本公司之行政總裁 |
| “CFO” or “Chief Financial Officer” 「首席財務官」 | 指 | chief financial officer of the Company 本公司之首席財務官 |
| “CG Code” 「企業管治守則」 | 指 | corporate governance code contained in Appendix 14 to the Listing Rules 上市規則附錄十四所載之企業管治守則 |
| “Chairman” 「主席」 | 指 | chairman of the Board 董事會主席 |
| “China” or “PRC” 「中國」 | 指 | the People’s Republic of China and, for the purpose of the Annual Report, excluding Hong Kong, the Macau Special Administrative Region and Taiwan 中華人民共和國，就本年報而言，不包括香港、澳門特別行政區及台灣 |

GLOSSARY (CONTINUED)

詞彙 (續)

| | | |
|---|----------|--|
| <p>“close associate(s)” 「緊密聯繫人士」</p> | <p>指</p> | <p>has the meaning ascribed thereto under the Listing Rules 具有上市規則所賦予的涵義</p> |
| <p>“Company” 「本公司」</p> | <p>指</p> | <p>Prosper One International Holdings Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on Main Board of the Stock Exchange (Stock code: 1470) 富一國際控股有限公司，一間於開曼群島註冊成立之獲豁免有限公司，其已發行股份於聯交所主板上市及交易 (股份代號：1470)</p> |
| <p>“Company Secretary” or “Secretary” 「公司秘書」或「秘書」</p> | <p>指</p> | <p>company secretary of the Company 本公司之公司秘書</p> |
| <p>“connected person(s)” 「關連人士」</p> | <p>指</p> | <p>has the meaning ascribed to it under the Listing Rules 具有上市規則所賦予的涵義</p> |
| <p>“controlling shareholder(s)” 「控股股東」</p> | <p>指</p> | <p>has the meaning ascribed to it under the Listing Rules 具有上市規則所賦予的涵義</p> |
| <p>“COVID-19” 「COVID-19」</p> | <p>指</p> | <p>the novel coronavirus disease 2019 2019年新型冠狀病毒疾病</p> |
| <p>“Director(s)” 「董事」</p> | <p>指</p> | <p>director(s) of the Company 本公司董事</p> |
| <p>“EGM(s)” 「股東特別大會」</p> | <p>指</p> | <p>extraordinary general meeting(s) of the Company 本公司股東特別大會</p> |
| <p>“ESG” 「環境、社會及管治」</p> | <p>指</p> | <p>environmental, social and governance 環境、社會及管治</p> |
| <p>“Executive Director(s)” or “ED(s)” 「執行董事」</p> | <p>指</p> | <p>executive Director(s) 執行董事</p> |
| <p>“Fan, Chan” 「范陳」</p> | <p>指</p> | <p>Fan, Chan & Co. Limited, the Independent Auditor 范陳會計師行有限公司，獨立核數師</p> |
| <p>“Financial Statements” 「財務報表」</p> | <p>指</p> | <p>consolidated financial statements of the Group for the Year 本集團本年度之綜合財務報表</p> |
| <p>“Group” 「本集團」</p> | <p>指</p> | <p>the Company and its subsidiaries 本公司及其附屬公司</p> |
| <p>“HKFRS(s)” 「香港財務報告準則」</p> | <p>指</p> | <p>the Hong Kong Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants 香港會計師公會頒佈之香港財務報告準則</p> |

GLOSSARY (CONTINUED)

詞彙(續)

| | | |
|--|---|--|
| “HK\$” 「港元」 | 指 | Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣 |
| “Hong Kong” 「香港」 | 指 | Hong Kong Special Administrative Region of the PRC 中國香港特別行政區 |
| “Independent Auditor” 「獨立核數師」 | 指 | independent auditor of the Company 本公司獨立核數師 |
| “Independent Non-executive Director(s)” or “INED(s)” 「獨立非執行董事」 | 指 | independent non-executive Director(s) 獨立非執行董事 |
| “Listing Rules” 「上市規則」 | 指 | Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time 聯交所證券上市規則(經不時修訂、增補或另行修正) |
| “Model Code” 「標準守則」 | 指 | Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules 上市規則附錄十所載上市發行人董事進行證券交易的標準守則 |
| “Nomination Committee” 「提名委員會」 | 指 | nomination committee of the Board 董事會提名委員會 |
| “Prosper One” 「富一」 | 指 | Prosper One Enterprises Limited, a controlling shareholder of the Company 富一企業有限公司，本公司的一名控股股東 |
| “Register of Members” 「股東名冊」 | 指 | register of members of the Company 本公司股東名冊 |
| “Remuneration Committee” 「薪酬委員會」 | 指 | remuneration committee of the Board 董事會薪酬委員會 |
| “RMB” or “Renminbi” 「人民幣」 | 指 | Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣 |
| “SFO” 「證券及期貨條例」 | 指 | Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time 香港法例第571章證券及期貨條例(經不時修訂、增補或另行修正) |
| “Share(s)” 「股份」 | 指 | ordinary share(s) of HK\$0.01 each in the share capital of the Company 本公司股本中每股面值0.01港元之普通股 |
| “Shareholder(s)” 「股東」 | 指 | holder(s) of the Share(s) 股份持有人 |

GLOSSARY (CONTINUED)

詞彙(續)

| | | |
|-----------------------------|---|---|
| “Stock Exchange” 「聯交所」 | 指 | The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司 |
| “subsidiary(ies)” 「附屬公司」 | 指 | has the same meaning ascribed to it under the Listing Rules 具有上市規則所賦予的相同涵義 |
| “Year” 「本年度」 | 指 | year ended 30 April 2023 截至二零二三年四月三十日止年度 |
| “Year 2022” 「二零二二年度」 | 指 | year ended 30 April 2022 截至二零二二年四月三十日止年度 |
| “%” 「%」或「百分比」 | 指 | per cent. or percentage 百分比 |

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Meng Guangyin (*Chairman and Chief Executive Officer*)
Mr. Liu Guoqing (*Chief Financial Officer*)
Mr. Liu Jiaqiang
Mr. Li Dongpo

Independent Non-Executive Directors

Mr. Tian Zhiyuan
Mr. Lee Chun Keung
Mr. Wang Luping

BOARD COMMITTEES

Audit Committee

Mr. Tian Zhiyuan (*Chairman*)
Mr. Lee Chun Keung
Mr. Wang Luping

Remuneration Committee

Mr. Tian Zhiyuan (*Chairman*)
Mr. Meng Guangyin
Mr. Wang Luping

Nomination Committee

Mr. Meng Guangyin (*Chairman*)
Mr. Tian Zhiyuan
Mr. Lee Chun Keung

COMPANY SECRETARY

Ms. Tung Wing Yee Winnie

AUTHORISED REPRESENTATIVES

Mr. Liu Guoqing
Ms. Tung Wing Yee Winnie

董事會

執行董事

孟廣銀先生 (*主席兼行政總裁*)
劉國慶先生 (*首席財務官*)
劉加強先生
李東坡先生

獨立非執行董事

田志遠先生
李鎮強先生
王魯平先生

董事委員會

審核委員會

田志遠先生 (*主席*)
李鎮強先生
王魯平先生

薪酬委員會

田志遠先生 (*主席*)
孟廣銀先生
王魯平先生

提名委員會

孟廣銀先生 (*主席*)
田志遠先生
李鎮強先生

公司秘書

董穎怡女士

授權代表

劉國慶先生
董穎怡女士

INDEPENDENT AUDITOR

Fan, Chan & Co. Limited

獨立核數師

范陳會計師行有限公司

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hong Kong and Shanghai Banking Corporation Limited

主要往來銀行

中國銀行(香港)有限公司
星展銀行(香港)有限公司
恒生銀行有限公司
香港上海滙豐銀行有限公司

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1403, 14/F
Capital Centre, 151 Gloucester Road
Wanchai
Hong Kong

總部及香港主要營業地點

香港
灣仔
告士打道151號資本中心
14樓1403室

REGISTERED OFFICE

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

註冊辦事處

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

開曼群島主要股份過戶登記處

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

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road
North Point
Hong Kong

香港股份過戶登記分處

寶德隆證券登記有限公司
香港
北角
電氣道148號
21樓2103B室

COMPANY'S WEBSITE

www.prosperoneintl.com

公司網站

www.prosperoneintl.com

LISTING INFORMATION

Place of Listing:

Main Board of the Stock Exchange

Stock Code

1470

Board Lot

4,000 Shares

上市資料

上市地：

聯交所主板

股份代號

1470

每手買賣單位

4,000股

CHAIRMAN'S STATEMENT

主席報告



To Our Shareholders,
尊敬的股東：

On behalf of the Board of Prosper One International Holdings Company Limited, I hereby present the annual report of the Company for the Year.

本人謹此代表富一國際控股有限公司董事會提呈本公司於本年度之年報。

MENG GUANG YIN 孟廣銀
Chairman 主席

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

BUSINESS REVIEW

Since the outbreak of the COVID-19 pandemic in early 2020, it has brought unprecedented challenges to the Group's watches retail business. Coupled with the rapid rise of smart watches in the market, the popularity of mid-priced branded watches has waned. Although the Group had implemented various marketing strategies to boost sales, our retail shops still recorded continuous losses. In order to navigate through this challenging business environment, we are actively restructuring our retail business model. We determinedly closed three underperforming shops upon expiry of the rental agreements during the Year. The Group temporarily closed all retail shops in November 2022 as the business performance of watches retail business was severely affected.

In the second half of the financial year, the COVID-19 pandemic ended, and the borders have reopened. In order to accommodate the return of mainland and international customers coming back into the city, the Group is closely monitoring the retail situation in Hong Kong and actively seeking out the best retail shop locations available to attract the customers.

As for the trading business, the major products sold by the Group include urea, compound fertiliser, coal, crude glycerine and glucose and the application of urea can be broadly divided into agricultural, industrial and vehicle uses. In 2022, rising raw material prices and increasing environmental protection costs led to an increase in the production cost of fertilisers, thereby driving up the fertiliser prices. In addition, under the impact of the Russia-Ukraine war, the global energy supply was tight, which further pushed up the international fertiliser prices. The Group's sales team grasped the opportunity of rising international fertiliser prices and demand to realize considerable profits in its export business by virtue of its extensive business network. However, the situation changed since early 2023. Affected by the weak international urea market, both the export volume and price of urea dropped, and the urea export business fell short of expectations. As the trading revenue recorded a decent growth in the first half of the financial year, the Group's trading business still maintained a momentum of growth during the Year.

Facing with the difficult business environment, the Group showed strong adaptability and adopted a series of measures to control its operating cost to tide over the difficulties. The Group also focused on clearing slow-moving inventories through sales promotion activities to accelerate stock clearance. As a result of the foregoing, the Group's net loss for the Year decreased by approximately HK\$3.7 million to approximately HK\$2.7 million, as compared to a net loss of approximately HK\$6.4 million for the Year 2022.

業務回顧

自二零二零年初COVID-19疫情爆發以來，疫情已為本集團的腕錶零售業務帶來前所未有的挑戰。加上智能手錶在市場上的快速崛起，中價位品牌手錶的受歡迎程度經已減弱。儘管本集團已實施多項營銷策略以促進銷情，惟旗下零售店鋪仍持續錄得虧損。為應對這個充滿挑戰的商業環境，我們正在積極重組我們的零售業務模式。我們於本年度乘著三間表現欠佳的店鋪租約期滿果斷關閉有關店鋪。本集團於二零二二年十一月暫時關閉所有零售店鋪，原因為腕錶零售業務的經營業績受到嚴重影響。

於財政年度下半年，COVID-19疫情終結，而邊境亦重新開放。為配合內地及國際客戶回流香港，本集團正在密切留意香港的零售情況，並積極物色零售店鋪的最佳位置以吸引顧客。

在貿易業務方面，本集團銷售的主要產品包括尿素、複合肥、煤炭、粗甘油及葡萄糖，尿素用途大致可分為農業、工業及車用用途。於二零二二年，由於原材料價格上漲及環保成本增加，導致肥料的生產成本上升，從而推高肥料價格。另外，受俄烏戰爭影響，全球能源供應緊張，進一步推高國際肥料價格。憑藉其廣泛的業務網絡，本集團的銷售團隊把握國際肥料價格上漲和需求上升的機遇，於其出口業務中實現可觀的利潤。然而，情況自二零二三年初起出現變化。受國際尿素市場疲軟影響，尿素出口量及價格均有所下跌，尿素出口業務不如預期。由於財政年度上半年錄得不錯的貿易收益增長，本集團的貿易業務於本年度仍保持增長勢頭。

面對艱難的經營環境，本集團表現出強勁的應變能力，採取了一系列措施控制其營運成本，從而渡過難關。本集團亦專注於通過促銷活動清理滯銷庫存，以加快庫存清理速度。由於上述情況，本集團於本年度的虧損淨額減少約3.7百萬港元至約2.7百萬港元，而二零二二年度則錄得虧損淨額約6.4百萬港元。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

FINANCIAL RESULTS

For the Year, our Group recorded a turnover of approximately HK\$41.5 million, representing a decrease of approximately HK\$33.8 million from approximately HK\$75.3 million as compared to Year 2022.

The loss attributable to owners of the Company decreased by approximately HK\$3.7 million from approximately HK\$6.4 million for the Year 2022 to approximately HK\$2.7 million for the Year.

PROSPECTS

As the COVID-19 pandemic recedes and economic activities return to normal from the pandemic, the domestic fertiliser market still has some support. Fertiliser prices are expected to show a relatively steady trend with the support of rising demand, but factors such as slack and busy seasons and raw material prices may cause price fluctuations. As regards the export business, due to the weak demand in the international urea market, it is expected that the export price of urea will remain comparatively low in the short term. On the road to development, we will inevitably experience some ups and downs, but it is no doubt that we will continue to unswervingly uphold the corporate development philosophy by strengthening the relationship with customers and actively diversifying the customer base. Meanwhile, the Group will make every effort to provide more high-efficiency and high-quality fertiliser products to meet the needs of customers. In addition, the Group will continue to closely monitor market changes and actively seek new development opportunities to create better returns for the Shareholders in the long run.

With the success in the trading of compound fertiliser and urea, the Group has gained abundant knowledge in the market and established strong relationships with the end-users. The Group is exploring the possibility of vertically integrating into the manufacture of these products, which will increase the profit margin and enable a better quality control of the products. The Group is conducting a feasibility study and intends to take a cautious approach initially by leasing a production line from a third party for production. If the results are favourable, the Group may further consider to establish its own production lines in the future.

By expanding its offerings and streamlining the supply chain, the Group can better cater to existing clients and capture a larger share of the compound fertiliser and urea market. The Group believes the vertical integration will present significant growth opportunities for the Group and enhance the value for the Shareholders.

財務業績

於本年度，本集團錄得營業額約41.5百萬港元，較二零二二年度的約75.3百萬港元減少約33.8百萬港元。

本公司擁有人應佔虧損由二零二二年度的約6.4百萬港元減少約3.7百萬港元至本年度約2.7百萬港元。

前景

隨著COVID-19疫情消退，經濟活動已從疫情中恢復正常，國內肥料市場仍有一定支持。預計在需求上升的支持下，肥料價格將呈現相對平穩的走勢，惟淡旺季及原材料價格等因素可能會造成價格波動。就出口業務而言，由於國際尿素市場需求疲軟，預計短期內尿素出口價格將維持較低位。我們於發展途上難免會經歷一些波折，惟此無礙我們繼續堅定秉承企業發展理念，鞏固客戶關係，積極多元化發展客戶基礎。同時，本集團將竭盡全力提供更多高效、優質的肥料產品，以滿足客戶的需求。此外，本集團將繼續密切關注市場變化，積極尋求新的發展機遇，長遠為股東創造更好的回報。

憑藉複合肥及尿素貿易方面的成功，本集團獲得豐富的市場知識並與最終用戶建立牢固的關係。本集團正在探索垂直整合至製造該等產品的可能性，此舉將提高利潤率，亦可對產品質量實施更佳控制。本集團現正進行可行性研究，並擬採取謹慎方針，初步向第三方租賃一條生產線進行生產。倘若業績理想，本集團未來可能會進一步考慮建立自有生產線。

通過擴大產品範圍及精簡供應鏈，本集團可更有效迎合現有客戶並佔領複合肥及尿素市場的更大份額。本集團相信，垂直整合將為本集團帶來顯著增長機會，亦將提升股東價值。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to the Board members, management and employees for their hard work and dedication that enable the Group to face the challenges and uncertainties during the Year. Last but not least, I wish to express my sincere thanks to our Shareholders, suppliers, customers and other business partners for their ongoing trust and support.

Meng Guangyin

Chairman

Hong Kong, 31 July 2023

致謝

本人謹代表董事會藉此機會衷心感謝董事會同仁、管理層及員工不懈工作及付出，使本集團能於本年度迎難而上，面對種種挑戰及不明朗因素。最後，本人謹此向股東、供應商、客戶及其他業務夥伴表達衷心的謝意，感謝彼等一直以來的信任與支持。

主席

孟廣銀

香港，二零二三年七月三十一日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue

The Group's revenue for the Year was approximately HK\$41.5 million, representing a decrease of approximately HK\$33.8 million or 44.9% from approximately HK\$75.3 million for the Year 2022. Revenue derived from trading business increased by approximately HK\$2.7 million or 8.5% from approximately HK\$31.6 million for the Year 2022 to approximately HK\$34.3 million for the Year. Revenue derived from watches business decreased by approximately HK\$36.5 million or 83.5% from approximately HK\$43.7 million for the Year 2022 to approximately HK\$7.2 million for the Year. The decrease in revenue derived from watches business was mainly due to the closure of all retail shops during the Year.

Cost of sales

Our cost of sales primarily consists of cost of inventories sold and provision for slow-moving inventories. Our cost of sales decreased by approximately HK\$29.6 million or 85.5% from approximately HK\$34.6 million for the Year 2022 to approximately HK\$5.0 million for the Year. The decrease was mainly due to the decline in sales of watches.

Gross profit

The overall gross profit decreased by approximately HK\$4.1 million or 10.1% from approximately HK\$40.6 million for the Year 2022 to approximately HK\$36.5 million for the Year. Our gross profit of the watches business decreased by approximately HK\$6.9 million or 75.8% from approximately HK\$9.1 million for the Year 2022 to approximately HK\$2.2 million for the Year. The decrease in gross profit was mainly due to the substantial decrease in revenue from the watches business as a result of the closure of all retail shops.

Selling and distribution costs

Our selling and distribution costs decreased by approximately HK\$15.1 million or 52.1% from approximately HK\$29.0 million for the Year 2022 to approximately HK\$13.9 million for the Year. The decrease was primarily attributable to the decrease of lease expenses of retail shops (including short-term lease expenses and depreciation of right-of-use assets), depreciation of property, plant and equipment, freight costs, repairs and maintenance, building management charges, bank charges and sales staff's salaries and allowances. Over the past year, the Group closed all retail shops. As a result, the core operating expenses relating to the Group's watches retail business reduced significantly.

財務回顧

收益

本集團的收益由二零二二年度的約75.3百萬港元降低約33.8百萬港元或44.9%至本年度的約41.5百萬港元。貿易業務的所得收益由二零二二年度的約31.6百萬港元增加約2.7百萬港元或8.5%至本年度的約34.3百萬港元。腕錶業務的所得收益由二零二二年度的約43.7百萬港元下降約36.5百萬港元或83.5%至本年度的約7.2百萬港元。腕錶業務的所得收益減少乃主要由於本年度關閉所有零售店舖。

銷售成本

我們的銷售成本主要包括已售存貨成本及滯銷存貨撥備。我們的銷售成本由二零二二年度的約34.6百萬港元減少約29.6百萬港元或85.5%至本年度的約5.0百萬港元。該減少乃主要由於腕錶銷售額減少。

毛利

總體毛利由二零二二年度的約40.6百萬港元減少約4.1百萬港元或10.1%至本年度的約36.5百萬港元。我們腕錶業務的毛利由二零二二年度的約9.1百萬港元減少約6.9百萬港元或75.8%至本年度的約2.2百萬港元。毛利減少主要由於腕錶業務的收益因關閉所有零售店舖而大幅下降。

銷售及分銷成本

我們的銷售及分銷成本由二零二二年度的約29.0百萬港元減少約15.1百萬港元或52.1%至本年度的約13.9百萬港元。該減少乃主要由於零售店舖的租賃開支(包括短期租賃開支及使用權資產折舊)、物業、廠房及設備折舊、運費成本、維修及保養費、大樓管理費用、銀行費用及銷售員工的薪金及津貼減少所致。過去一年，本集團關閉所有零售店舖。因此，本集團腕錶零售業務的核心經營開支大幅減少。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Administrative expenses

Our administrative expenses increased by approximately HK\$2.1 million or 11.2% from approximately HK\$18.8 million for the Year 2022 to approximately HK\$20.9 million for the Year. The increase was primarily attributable to the increase in directors' remuneration and impairment loss on property, plant and equipment, which was partially offset by the decrease in administrative staff's salaries and allowances, impairment loss on right-of-use assets recognised and financial advisory fee.

Finance costs

Our finance costs decreased by approximately HK\$0.4 million from approximately HK\$0.5 million for the Year 2022 to approximately HK\$0.1 million for the Year. The decrease was due to the decrease in finance costs on lease liabilities and bank loan interest.

Profit/(loss) before tax and loss attributable to owners of the Company

As a result of the foregoing, the Group recorded a profit before tax of approximately HK\$2.5 million for the Year (2022: loss before tax of approximately HK\$2.3 million). The change was mainly due to the substantial decrease in selling and distribution costs relating to the Group's watches retail business in Hong Kong and the increase in gross profit of the Group's trading business.

The loss attributable to owners of the Company decreased by approximately HK\$3.7 million from approximately HK\$6.4 million for the Year 2022 to approximately HK\$2.7 million for the Year.

FINANCIAL POSITION

The Group's primary source of funds were cash inflows from operating activities and loans from the ultimate holding company.

As at 30 April 2023, the Group's total cash and cash equivalents were approximately HK\$126.2 million (as at 30 April 2022: approximately HK\$82.5 million), most of which were denominated in HK\$ and RMB. The current ratio (calculated by dividing current assets by current liabilities) of the Group decreased from approximately 1.2 time as at 30 April 2022 to approximately 1.1 time as at 30 April 2023. The gearing ratio (calculated by dividing net debt by total equity) was not applicable as the Group maintained at a net cash position as at 30 April 2023 and 30 April 2022. Net debt was calculated as bank loan and amount due to ultimate holding company and lease liabilities less cash and cash equivalents.

行政開支

我們的行政開支由二零二二年度的約18.8百萬港元增加約2.1百萬港元或11.2%至本年度的約20.9百萬港元。有關增加乃主要歸因於董事薪酬及物業、廠房及設備減值虧損增加，其部分由行政員工的薪金及津貼、已確認使用權資產的減值虧損以及財務顧問費用減少所抵銷。

融資成本

我們的融資成本由二零二二年度的約0.5百萬港元減少約0.4百萬港元至本年度的約0.1百萬港元。該減少乃由於租賃負債的融資成本及銀行貸款利息減少。

除稅前溢利／(虧損)及本公司擁有人應佔虧損

由於上述原因，本集團於本年度錄得除稅前溢利約2.5百萬港元(二零二二年：除稅前虧損約2.3百萬港元)。有關變動乃主要歸因於與本集團香港腕錶零售業務相關的銷售及分銷成本大幅減少，以及本集團貿易業務的毛利增加。

本公司擁有人應佔虧損由二零二二年度的約6.4百萬港元減少約3.7百萬港元至本年度的約2.7百萬港元。

財務狀況

本集團的主要資金來源為來自經營業務及最終控股公司貸款之現金流入。

於二零二三年四月三十日，本集團的現金及現金等價物總額約為126.2百萬港元(於二零二二年四月三十日：約82.5百萬港元)，其中大部分以港元及人民幣列值。本集團的流動比率(按流動資產除以流動負債計算)由於二零二二年四月三十日的約1.2倍減少至於二零二三年四月三十日的約1.1倍。於二零二三年四月三十日及二零二二年四月三十日，由於本集團維持淨現金狀況，故資本負債比率(按負債淨額除以權益總額計算)並不適用。負債淨額按銀行貸款及應付最終控股公司及租賃負債款項減去現金及現金等價物計算。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Year, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2023, the Group had a total of 55 (2022: 57) employees, including Independent Non-executive Directors. The total remuneration costs incurred by the Group for the Year were approximately HK\$20.4 million (2022: approximately HK\$23.1 million). We review the performance of our employees annually and use the results of such review in our annual salary review and promotion appraisal, in order to attract and retain valuable employees. Remuneration packages are generally structured by reference to market norms as well as individual qualifications, relevant experience and performance.

The Company has adopted a share option scheme (the “**Share Option Scheme**”) to enable the Board to grant share options to eligible participants with an opportunity to have a personal stake in the Company. As at the date of the Annual Report, there was no outstanding share option granted under the Share Option Scheme.

DEBTS AND CHARGE ON ASSETS

The Group had no bank borrowings as at 30 April 2023 (as at 30 April 2022: HK\$4.0 million).

As at 30 April 2022, the carrying amount of the Group’s bank borrowing was denominated in HK\$ and unsecured and approximated to its fair value.

As at 30 April 2023, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives.

重大收購及出售附屬公司、聯營公司及合營企業

於本年度，本公司並無任何重大收購或出售附屬公司、聯營公司及合營企業。

僱員及薪酬政策

於二零二三年四月三十日，本集團聘有合共55名(二零二二年：57名)僱員(包括獨立非執行董事)。於本年度，本集團產生的薪酬成本總額約為20.4百萬港元(二零二二年：約23.1百萬港元)。我們每年審查僱員的表現，並根據有關審查結果進行年度薪金檢討及晉升評核，以吸引及留住寶貴的僱員。薪酬待遇通常參考市場規範、個人資歷、相關經驗及表現而釐定。

本公司已採納購股權計劃(「**購股權計劃**」)，以使董事會向合資格參與者授出購股權，令彼等有機會於本公司擁有個人股權。於本年報日期，概無根據購股權計劃授出的未行使購股權。

債項及資產押記

於二零二三年四月三十日，本集團並無銀行借款(於二零二二年四月三十日：4.0百萬港元)。

於二零二二年四月三十日，本集團銀行借款之賬面值以港元列值及無擔保，並與其公平值相若。

於二零二三年四月三十日，本集團並無任何外匯合約、利率或貨幣掉期或其他金融衍生工具。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

As at 30 April 2023, the Group had no banking facilities (as at 30 April 2022: approximately HK\$4.1 million) for overdrafts and loans.

於二零二三年四月三十日，本集團並無就透支及貸款擁有任何銀行融資(於二零二二年四月三十日：約4.1百萬港元)。

FOREIGN CURRENCY

The Group does not have a significant foreign exchange exposure and has currently not implemented any foreign currency hedging policy. The management will consider hedging against significant foreign exchange exposure should the need arise.

外幣

本集團並無重大外匯風險，目前並未實施任何外匯對沖政策。管理層將於有需要時考慮對沖重大外匯風險。

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any plans for material investments and capital assets as at 30 April 2023.

重大投資及資本資產之未來計劃

本集團於二零二三年四月三十日並無任何重大投資及資本資產之計劃。

SIGNIFICANT INVESTMENT HELD

The Company did not hold any significant investment in equity interest in any company other than its subsidiaries as at 30 April 2023.

所持有之重大投資

本公司於二零二三年四月三十日概無持有任何公司(其附屬公司除外)的任何重大股權投資。

CAPITAL COMMITMENTS

The Group did not have any material capital commitments as at 30 April 2023 (as at 30 April 2022: Nil).

資本承擔

本集團於二零二三年四月三十日概無任何重大資本承擔(於二零二二年四月三十日：無)。

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 April 2023 (as at 30 April 2022: Nil).

或然負債

本集團於二零二三年四月三十日概無任何重大或然負債(於二零二二年四月三十日：無)。

FINAL DIVIDEND

The Board has resolved not to recommend the payment of any final dividend for the Year (2022: Nil).

末期股息

董事會已議決不建議就本年度派付任何末期股息(二零二二年：無)。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

EXECUTIVE DIRECTORS

Mr. Meng Guangyin (孟廣銀) (“Mr. Meng”), aged 57, was appointed as our Executive Director on 7 September 2017 and as the Chairman on 28 September 2017. He has been re-designated as an Executive Director, the Chief Executive Officer and the Chairman on 1 April 2018. He is also the chairman of the Nomination Committee and a member of the Remuneration Committee.

Mr. Meng had been the chairman and the general manager of Ruixing Group Company Limited* (瑞星集團股份有限公司) since October 2003, and has been re-designated as the chairman and the chief executive officer since February 2013. He has more than 20 years of experience in manufacturing of biochemical products for the agricultural industry. He holds a bachelor degree in business administration from Shandong Economics Management College* (山東省經濟管理幹部學院) in the PRC.

Mr. Meng is the brother-in-law of Mr. Liu Guoqing, an Executive Director. In addition, he is the sole director of Prosper One which owns 75% of the issued Shares.

Mr. Liu Guoqing (劉國慶), aged 52, was appointed as our Executive Director on 7 September 2017, as the Chief Financial Officer on 28 September 2017 and as a Co-chief Executive Officer on 18 October 2017; and was subsequently re-designated as an Executive Director and the Chief Financial Officer on 1 April 2018. He obtained a Bachelor's degree in corporate management from Beijing Business Management College* (北京企業管理研修學院) in the PRC in July 2005. He joined Ruixing Group Company Limited* (瑞星集團股份有限公司) in August 2003 with his current position as the manager of finance department and as a deputy general manager since January 2016. He has seven years of managerial experience in financial matters and nine years of managerial experience in procurement and logistics operations in Ruixing Group Company Limited*.

Mr. Liu Guoqing is the brother-in-law of Mr. Meng, the Chairman, the Chief Executive Officer and an Executive Director.

Mr. Liu Jiaqiang (劉加強), aged 50, was appointed as our Executive Director on 7 September 2017. He obtained a degree in finance from Shandong Agricultural University* (山東農業大學) in January 2016. He has over 20 years of working experience, and spent eleven years thereof in a managerial role. He has worked in Ruixing Group Company Limited* (瑞星集團股份有限公司) since December 1995 and has served as the general manager in the investment department and the manager in the capital operations department since November 2016. He is the deputy general manager of certain subsidiaries of the Company in Shandong, the PRC.

執行董事

孟廣銀先生 (「孟先生」)，57歲，於二零一七年九月七日獲委任為執行董事，並於二零一七年九月二十八日獲委任為主席。彼於二零一八年四月一日調任為執行董事、行政總裁兼主席。彼亦為提名委員會主席及薪酬委員會成員。

孟先生自二零零三年十月起為瑞星集團股份有限公司的主席兼總經理，並自二零一三年二月起調任為主席兼行政總裁。彼於農業生物化學產品製造方面擁有逾20年經驗。彼持有中國山東省經濟管理幹部學院頒發的工商管理學士學位。

孟先生為執行董事劉國慶先生的大舅哥。此外，彼為富一之唯一董事，而富一擁有75%的已發行股份。

劉國慶先生，52歲，於二零一七年九月七日獲委任為執行董事，於二零一七年九月二十八日獲委任為首席財務官，並於二零一七年十月十八日獲委任為聯席行政總裁，隨後於二零一八年四月一日調任為執行董事兼首席財務官。彼於二零零五年七月獲得中國北京企業管理研修學院企業管理學士學位。彼於二零零三年八月加入瑞星集團股份有限公司，現任財務部經理，並自二零一六年一月起擔任副總經理。彼於瑞星集團股份有限公司擁有七年財務事務管理經驗及九年採購及物流運營管理經驗。

劉國慶先生為主席、行政總裁兼執行董事孟先生的妹夫。

劉加強先生，50歲，於二零一七年九月七日獲委任為執行董事。彼於二零一六年一月獲得山東農業大學金融本科文憑。彼擁有20多年的工作經驗，其中擔任了十一年的管理職位。彼自一九九五年十二月起於瑞星集團股份有限公司任職。自二零一六年十一月起，彼擔任投資部總經理及資本運營部經理。彼為本公司於中國山東省若干附屬公司的副總經理。

BIOGRAPHICAL DETAILS OF DIRECTORS (CONTINUED)

董事履歷(續)

Mr. Li Dongpo (李東坡), aged 50, was appointed as our Executive Director on 10 December 2021. He graduated from Party School of the Provincial Committee of Shandong in China* (中國共產黨山東省委員會黨校) in December 2009 majoring in economy management. He has over 25 years of working experience in sales and manufacturing of fertiliser and biochemical products for agricultural industry. He has worked in Ruixing Group Company Limited* (瑞星集團股份有限公司) since December 1995 and had served in various managerial roles in different major departments since 2007. He has been serving as the deputy general manager, general secretary and legal director of Ruixing Group Company Limited* since December 2020 and is responsible for management of Ruixing Group Company Limited*.

李東坡先生，50歲，於二零二一年十二月十日獲委任為執行董事。彼於二零零九年十二月畢業於中國共產黨山東省委員會黨校，主修經濟管理。彼於農業肥料及生化產品銷售及製造領域積逾25年工作經驗。彼自一九九五年十二月起在瑞星集團股份有限公司工作，自二零零七年起在不同主要部門擔任各種管理職務。自二零二零年十二月起，彼出任瑞星集團股份有限公司副總經理、秘書長及法人董事，負責瑞星集團股份有限公司各項管理決策。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tian Zhiyuan (田志遠) (“Mr. Tian”), aged 52, was appointed as our INED on 20 September 2017. Mr. Tian is also the chairman of each of the Remuneration Committee and Audit Committee and a member of the Nomination Committee. Mr. Tian has over 20 years of working experience in the fields of accounting and audit.

獨立非執行董事

田志遠先生(「田先生」)，52歲，於二零一七年九月二十日獲委任為獨立非執行董事。田先生亦為薪酬委員會及審核委員會主席及提名委員會成員。田先生於會計及審計方面擁有逾20年工作經驗。

Mr. Tian joined ShineWing Certified Public Accountants Jinan Branch* (信永中和會計師事務所(特殊普通合夥)濟南分所) in September 1994 and has been the director of management consultancy department since July 2016, being responsible for the business development and technical support of consultancy service projects.

田先生於一九九四年九月加入信永中和會計師事務所(特殊普通合夥)濟南分所，並自二零一六年七月起擔任管理諮詢部主管，負責業務發展及諮詢服務項目技術支援。

Mr. Tian obtained a diploma in financial accounting from Beijing Jiaotong University (北方交通大學) (now known as 北京交通大學) in July 1994. Mr. Tian is a registered certified public accountant of the Chinese Institute of Certified Public Accountants.

田先生於一九九四年七月取得北方交通大學(現稱北京交通大學)財務會計文憑。田先生為中國註冊會計師協會之註冊會計師。

Mr. Wang Luping (王魯平) (“Mr. Wang”), aged 54, was appointed as our INED on 27 December 2018. Mr. Wang is also a member of each of the Audit Committee and the Remuneration Committee. Mr. Wang completed his legal speciality studies at Beijing Jingqiao University* (北京京橋大學) in 1990 and his undergraduate legal studies at China University of Political Science and Law in 2005. He is a qualified lawyer in the PRC and has worked as a legal professional for more than 25 years. He has been a director of Shandong Faya Law Firm* (山東法雅律師事務所) since 2008.

王魯平先生(「王先生」)，54歲，於二零一八年十二月二十七日獲委任為獨立非執行董事。王先生亦為審核委員會及薪酬委員會成員。王先生於一九九零年於北京京橋大學完成其法學專業學習，並於二零零五年於中國政法大學完成其法學本科學習。彼為中國註冊律師並從事法律專業工作逾25年。彼自二零零八年起擔任山東法雅律師事務所之主任。

BIOGRAPHICAL DETAILS OF DIRECTORS (CONTINUED)

董事履歷(續)

Mr. Lee Chun Keung (李鎮強), JP (“Mr. Lee”), aged 46, was appointed as our INED on 14 December 2018. Mr. Lee is also a member of each of the Audit Committee and the Nomination Committee. Mr. Lee obtained a degree of Bachelor of Science in Electrical Engineering from Lehigh University in Pennsylvania, United States in 1997, a Postgraduate Certificate in Business Administration from the Open University of Hong Kong in 2000, and a Certificate in Business (Accounting) from the School of Professional and Continuing Education of the University of Hong Kong in 2007. He is a member of the Hong Kong Institution of Engineers. He is currently the Vice Party Chairman of the Liberal Party and a member of the Legislative Council in Hong Kong and had been an elected member of the Eastern District Council from 2012 to 2019.

Mr. Lee was appointed as a Justice of the Peace on 1 July 2023. He is also a member of the National Committee of the Chinese People’s Political Consultative Conference.

* The English transliterations of the Chinese names are for identification purpose only

李鎮強先生，太平紳士(「李先生」)，46歲，於二零一八年十二月十四日獲委任為獨立非執行董事。李先生亦為審核委員會及提名委員會成員。李先生於一九九七年獲美國賓夕凡利亞州利海大學電子工程理學士學位、於二零零零年獲香港公開大學工商管理學深造證書及於二零零七年獲香港大學專業進修學院商業證書(會計)。彼亦為香港工程師學會會員。彼目前為香港自由黨的副主席及立法會議員，並於二零一二年至二零一九年當選為東區區議會議員。

李先生於二零二三年七月一日獲委任為太平紳士。彼亦為中國人民政治協商會議全國政協委員。

* 中文名稱的英文譯本乃僅供識別

CORPORATE GOVERNANCE REPORT

企業管治報告

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

本公司致力於履行其對股東應負之責任，透過良好企業管治保障及提升股東價值。董事認同於本集團管理架構、內部監控及風險管理程序中套用良好企業管治元素之重要性，從而達到有效問責。

CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability. The Company has adopted and adhered to the principles as set out in the CG Code.

企業管治常規

董事會認同於本集團管理架構、內部監控及風險管理程序中套用良好企業管治元素之重要性，從而達到有效問責。本公司已採納並遵循企業管治守則所載之原則。

In the opinion of the Board, the Company has adopted and complied with all applicable code provisions as set out in the CG Code throughout the Year and up to the date of the Annual Report save for code provisions C.5.1, C.2.1, C.2.7 and F.2.2 of the CG Code as disclosed in the Annual Report.

董事會認為，於本年度及直至本年報日期，本公司已採納並遵守企業管治守則所載之所有適用守則條文，惟本年報所披露之企業管治守則條文第C.5.1條、第C.2.1條、第C.2.7條及第F.2.2條除外。

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Model Code during the Year.

董事進行證券交易

本公司已採納標準守則，作為規管董事進行證券交易之行為守則。本公司已向各董事作出具體查詢，而全體董事已確認於本年度內一直遵守標準守則。

BOARD OF DIRECTORS

Responsibilities

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support is in place for the Group to achieve its objectives. The functions performed by the Board include but are not limited to formulating the Group's business plans and strategies, deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing the Group's corporate governance practices and all other functions reserved to the Board under the Articles of Association. The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. The responsibilities of these Board committees include monitoring the Group's operational and financial performance, and ensuring that appropriate internal control and risk management are in place. The Board may from time to time delegate certain functions to management of the Group if and when considered appropriate. The management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

The Directors have full access to information of the Group and the management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities. The Directors are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

Composition

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

As at 30 April 2023, the Board comprised seven Directors, of which the INEDs in aggregate represented more than one-third of the Board members. The composition of the Board during the Year is set out below:

Executive Directors

Mr. Meng Guangyin
Mr. Liu Guoqing
Mr. Liu Jiaqiang
Mr. Li Dongpo

董事會

責任

董事會主要負責監管及監督本集團之業務事宜管理及整體表現。董事會設定本集團之價值及標準，並確保具備必需之財務及人力資源，使本集團得以實現其目標。董事會履行之職能包括但不限於制訂本集團業務計劃及策略、決定所有重大財務(包括主要資本支出)及營運事項、發展、監察及審查本集團之企業管治常規及所有其他根據組織章程細則須經由董事會負責之職能。董事會轄下已設立董事委員會，並向該等董事委員會轉授其各自職權範圍載列之各項責任。該等董事委員會之責任包括監察本集團營運及財務業績，並確保具備恰當內部監控及風險管理。董事會可於其認為適當之時不時授予本集團管理層若干職能。管理層主要負責執行董事會所採用及其不時獲指派之業務計劃、策略及政策。

董事可充分取閱本集團之資料，且管理層有義務向董事及時提供充足資料，以便董事履行其責任。董事有權於適當情況下徵詢獨立專業意見，費用由本公司支付。

組成

本公司認同，董事會應由執行董事及獨立非執行董事之均衡組合組成並一直予以實行，使董事會具備高度獨立性，能有效作出獨立判斷。

於二零二三年四月三十日，董事會由七名董事組成，其中獨立非執行董事之總人數佔董事會成員人數三分之一以上。本年度董事會之組成載列如下：

執行董事

孟廣銀先生
劉國慶先生
劉加強先生
李東坡先生

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

INEDS

Mr. Tian Zhiyuan
Mr. Lee Chun Keung
Mr. Wang Luping

The biographical details of each of the Directors are set out in the section headed "Biographical Details of Directors" of the Annual Report.

Mr. Meng Guangyin is the brother-in-law of Mr. Liu Guoqing. Save as disclosed, there was no financial, business, family or other material relationship among the Directors.

The INEDs have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will continue to make various contributions to the Company.

Throughout the Year, the Company had three INEDs, which was in compliance with the requirement of the Listing Rules that the number of INEDs must represent at least one-third of the Board members, and that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received a confirmation of independence in writing from each of the INEDs pursuant to Rule 3.13 of the Listing Rules. Based on such confirmation and not aware of the occurrence of any event that would impair the independence of the INEDs, the Company considers that all the INEDs are independent and have met the independence guidelines as set out in Rule 3.13 of the Listing Rules.

Code provision C.2.7 of the CG code provides that the Chairman should at least annually hold meetings with the INEDs without the presence of other directors. During the Year, no meeting was held between Mr. Meng, the Chairman, and the INEDs without the presence of other Directors due to business engagements. Since the INEDs have communicated and discussed with the Chairman directly from time to time to share their view on the Company's affairs, therefore, the Company considers that there were sufficient channels and communication for discussion of the Company's affairs between the Chairman and the INEDs.

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

獨立非執行董事

田志遠先生
李鎮強先生
王魯平先生

各董事之履歷載列於本年報「董事履歷」一節。

孟廣銀先生為劉國慶先生的大舅哥。除已披露者外，董事之間概無財務、業務、家族或其他重要關係。

獨立非執行董事為董事會帶來淵博經營及財務專業知識、經驗及獨立判斷。通過積極參與董事會會議，供職於各董事委員會，全體獨立非執行董事將繼續為本公司作出種種貢獻。

於本年度內，本公司有三名獨立非執行董事，符合上市規則規定，即獨立非執行董事人數須佔董事會成員人數至少三分之一，且至少有一名獨立非執行董事具備適當專業資格或會計或相關財務管理專業知識。

本公司已收取來自各獨立非執行董事依據上市規則第3.13條發出之書面確認，確認其獨立性。基於該等確認書及在不知悉發生任何將損害獨立非執行董事的獨立性事件的情況下，本公司認為，全體獨立非執行董事均具獨立性且已遵守上市規則第3.13條所載獨立指引。

企業管治守則之守則條文第C.2.7條規定，主席應至少每年與獨立非執行董事舉行一次沒有其他董事出席的會議。於本年度內，因公務原因，主席孟先生與獨立非執行董事並無召開沒有其他董事出席的會議。由於獨立非執行董事已不時直接與主席溝通及討論，藉以表達彼等對本公司事務之意見，因此，本公司認為已有足夠渠道及溝通讓主席與獨立非執行董事討論本公司事務。

本公司就針對董事責任之法律訴訟已安排適當保險保障。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

董事入職及持續專業發展

The Company provides each of the newly appointed Directors with a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of the Director's responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

各新委任董事均於首次獲委任時獲本公司提供正式、全面及因人制宜之入職介紹，確保其可適當理解本公司營運及業務，並完全了解其於法規及普通法、上市規則、法律及其他監管規定以及本公司業務及管治政策下之董事職責。

Pursuant to code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Company will from time to time fund and arrange suitable training to all Directors to develop and refresh their knowledge and skills in relation to their duties and responsibilities, such that their contribution to the Board remains informed and relevant. All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records. According to the training records maintained by the Company, the continuing professional development programmes received by each of the Directors during the Year is summarised as follows:

依據企業管治守則之守則條文第C.1.4條，所有董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需之情況下對董事會作出貢獻。本公司將不時為全體董事安排合適培訓並提供有關經費，發展並更新其對職責及責任之知識及技能，以便其繼續在具備全面資訊及切合所需之情況下對董事會作出貢獻。本公司亦鼓勵全體董事參加相關培訓課程，費用由本公司承擔，且全體董事已被要求向本公司提供其培訓記錄。根據本公司存置之培訓記錄，各董事於本年度內接受之持續專業發展課程概述如下：

| Name of Director 董事姓名 | | Type of training 培訓類別 | |
|------------------------------------|---|--------------------------|-------------------------------------|
| Executive Directors 執行董事 | | | |
| Mr. Meng Guangyin | 孟廣銀先生 | A and B and C | A及B及C |
| Mr. Liu Guoqing | 劉國慶先生 | A and B and C | A及B及C |
| Mr. Liu Jiaqiang | 劉加強先生 | A and B and C | A及B及C |
| Mr. Li Dongpo | 李東坡先生 | A and B and C | A及B及C |
| INEDs 獨立非執行董事 | | | |
| Mr. Tian Zhiyuan | 田志遠先生 | A and B and C | A及B及C |
| Mr. Lee Chun Keung | 李鎮強先生 | A and B and C | A及B及C |
| Mr. Wang Luping | 王魯平先生 | A and B and C | A及B及C |
| A: | attending training sessions, including but not limited to, in-house/external seminars, briefings, conferences, forums and workshops | A: | 參加培訓課程，包括但不限於內部／外部研討會、簡報會、會議、論壇及工作坊 |
| B: | reading materials relating to the economy, general business, corporate governance and directors' duties and responsibilities | B: | 閱讀有關經濟、一般商務、企業管治以及董事職責及責任之材料 |
| C: | reading newspapers and journals relating to the corporate governance matters, environment and social issues or director's duties and responsibilities | C: | 閱讀有關企業管治事宜、環境及社會問題或董事職責及責任之報章及期刊 |

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

MEETINGS OF THE BOARD AND THE SHAREHOLDERS AND DIRECTORS' ATTENDANCE RECORDS

董事會會議及股東大會以及董事出席記錄

Code provision C.5.1 of the CG Code provides the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. Notice of at least 14 days will be given to the Directors in advance. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at each of the Board meetings and to make informed decisions, an agenda and the accompanying Board papers will be sent to all Directors at least three days before the intended date of the Board meeting, or such other period as agreed. The Company Secretary is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record respectively within a reasonable time after each meeting and the final version is open for the Directors' inspection.

企業管治守則之守則條文第C.5.1條訂明，董事會須定期舉辦董事會會議，且須每年至少舉行四次董事會會議，大概每季一次。並至少提前14日向董事發出通知。對於所有其他董事會會議而言，會於合理時間內提前發出通知。董事可於議程內包括任何須於會議討論及決議之事宜。為確保各董事會會議上董事均適當知悉當前事項及作出知情決定，會議議程及相關董事會文件將於擬定董事會會議日期至少三天前(或經協定之其他時限內)送達所有董事。公司秘書負責保管所有董事會會議記錄。會議記錄草稿及最終定稿將於各次會議後合理時間內分別送呈董事以供審議及記錄，而最終定稿供董事查閱之用。

During the Year, two regular Board meetings and one other Board meeting have been held and the Board has made resolutions by circulation of written resolutions for all the Directors' execution from time to time. In view of the simplicity of the Group's businesses, regular Board meetings have not been held about quarterly during the Year. The Group's audited consolidated annual results for the Year 2022 and unaudited consolidated interim results for the six months ended 31 October 2022 together with all corporate transactions made during the Year have been reviewed and discussed amongst the Directors at the Board meetings held in the Year. Together with the circulation of written materials to keep the Board informed throughout the Year, sufficient measures had been taken to ensure that there was efficient communication among the Directors, including the INEDs. The attendance of each Director at the Board meetings for the Year and the 2022 AGM is set out below:

於本年度，已舉行兩次董事會定期會議及一次其他董事會會議以及董事會通過不時傳閱有關所有董事履職的書面決議以制定決議。鑒於本集團業務較為簡單，於年內並無按季度定期舉行董事會會議。董事於本年度舉行的董事會會議上審查並討論了本集團二零二二年度的經審核綜合年度業績和截至二零二二年十月三十一日止六個月的未經審核的綜合中期業績以及本年度內進行的所有公司交易。連同於本年度以傳閱書面材料知會董事會之方式，本公司已採取充足措施確保董事(包括獨立非執行董事)間有效的溝通。各董事於本年度之董事會會議及二零二二年股東週年大會之出席記錄載列如下：

| Name of Directors 董事姓名 | | Board Meeting(s) 董事會會議 | | 2022 AGM 二零二二年 股東週年大會 |
|----------------------------|-------------|---|--|-----------------------------|
| | | No. of Attendance/ No. of Meetings Eligible to Attend 已出席次數/ 合資格出席會議次數 | | |
| Executive Directors | 執行董事 | | | |
| Mr. Meng Guangyin | 孟廣銀先生 | 1/3 | | 0/1 |
| Mr. Liu Guoqing | 劉國慶先生 | 3/3 | | 1/1 |
| Mr. Liu Jiaqiang | 劉加強先生 | 3/3 | | 1/1 |
| Mr. Li Dongpo | 李東坡先生 | 3/3 | | 1/1 |

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

| Name of Directors 董事姓名 | Board | |
|---------------------------|---|-----------------------------|
| | Meeting(s) 董事會會議 | 2022 AGM 二零二二年 股東週年大會 |
| | No. of Attendance/ No. of Meetings Eligible to Attend 已出席次數/ 合資格出席會議次數 | |
| INEDs | 獨立非執行董事 | |
| Mr. Tian Zhiyuan | 田志遠先生 | 3/3 |
| Mr. Lee Chun Keung | 李鎮強先生 | 3/3 |
| Mr. Wang Luping | 王魯平先生 | 3/3 |

CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code provides that the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. During the Year and up to the date of the Annual Report, Mr. Meng Guangyin acts as the Chairman and the CEO. In view of the fact that Mr. Meng Guangyin has been operating and managing the Company since 7 September 2017, the Board is of the opinion that it is appropriate and in the best interests of the Group to have Mr. Meng Guangyin taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances. Nevertheless, the Company will look for suitable candidates and will make necessary arrangement pursuant to the requirement under code provision C.2.1 of the CG Code as and when necessary.

主席與主要行政人員

企業管治守則之守則條文第C.2.1條規定，主席及行政總裁之角色應有區分，且不應由一人同時兼任。於本年度及直至本年報日期，孟廣銀先生擔任主席及行政總裁。鑒於孟廣銀先生自二零一七年九月七日起，一直經營及管理本公司之事實，董事會認為，由孟廣銀先生擔任兩個角色對管理效率及業務發展有利，屬合宜之舉且符合本集團之最佳利益。因此，在此情況下，董事會認為偏離企業管治守則之守則條文第C.2.1條乃為恰當。然而，本公司將物色合適人選，並在有需要時根據企業管治守則之守則條文第C.2.1條之規定作出所需安排。

DIVERSITY

Board Diversity

The Company has adopted a Board diversity policy (“**Board Diversity Policy**”) which recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business. All Board nominations, appointments and re-appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members and the nomination policy of the Company. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

多元化

董事會多元化

本公司採納董事會多元化政策(「**董事會多元化政策**」)且明白並深信董事會成員多元化之利益，並致力確保董事會具備適用於本公司業務所需之技巧、經驗及思維多元化之均衡。董事會所有提名、委任及續聘將繼續以因才委任為基準，充分兼顧董事會成員多元化之利益及本公司提名政策，並將根據一系列多元化思維(包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能及知識)挑選候選人。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Board will strive to maintain gender diversity when recruiting and selecting the workforce across the Group's operation. As at 30 April 2023, all Board members are males. To achieve gender diversity on the Board level, the Board will endeavor to appoint one female Board member no later than 31 December 2024.

The Nomination Committee will review the Board Diversity Policy at least annually to ensure its continued effectiveness, and where necessary, will make revisions that may be required and recommend any such revisions to the Board for consideration and approval.

At the meeting held on 31 July 2023, the Nomination Committee has reviewed the Board Diversity Policy and was satisfied with its implementation and effectiveness during the Year. For details, please refer to the section headed "Nomination Committee".

Workforce Diversity

As at 30 April 2023, the gender ratio of male and female in the workforce of the Group (including senior management) was 87% and 13% respectively. For further details of gender ratio together with the relevant data, please refer to the disclosure as set out in the separate ESG report of the Company. The Group's approach for talent recruitment and retention is to employ a diverse team that works together and encourage differences and individuality in employees with respect to equal opportunities and diversity. Notwithstanding that, in view of efficiency enhancement, a measurable objective for achieving gender diversity at the workforce level has not been set. The Group is determined to commit to a diverse approach which provides equal consideration and opportunities to all qualified candidates regardless of gender in terms of hiring and promotion process.

董事會在為本集團營運招聘及挑選員工時將致力保持性別多元化。截至二零二三年四月三十日，全體董事會成員均為男性。為實現董事會層面的性別多元化，董事會將致力於二零二四年十二月三十一日之前委任一名女性董事會成員。

提名委員會將至少每年檢討董事會多元化政策，以確保其持續有效，並在必要時作出修訂(如有需要)，及向董事會建議任何該等修訂以供考慮及批准。

於二零二三年七月三十一日舉行的會議上，提名委員會已檢討董事會多元化政策，並對其於本年度內的實施及成效感到滿意。詳情請參閱「提名委員會」一節。

僱員多元化

於二零二三年四月三十日，本集團僱員(包括高級管理層)的男性及女性之性別比例分別為87%及13%。有關性別比例的更多詳情及相關數據，請參閱本公司另行刊發的環境、社會及管治報告所載之披露。本集團招聘及留聘人才之方法乃聘請多元化的團隊，共同努力，並鼓勵僱員的不同及個性，尊重平等機會及多元化。儘管如此，為提高效率，尚未制訂在勞動力層面實現性別多元化之可計量目標。本集團決心致力於採取多元化方法，在招聘及晉升過程中為所有合資格候選人(不論性別)提供平等的考慮及機會。

INDEPENDENT VIEWS OF THE BOARD

In compliance with code provision B.1.4 of the CG Code, the Company has established mechanisms to ensure that independent views and input are available to the Board (the “Mechanisms”). The Board currently comprises three INEDs who have years of experience from different aspects, including but not limited to accounting and finance, legal and business management. The INEDs are able to provide independent and appropriate opinions to the Board so as to ensure that the Board can obtain independent views and opinions that it requires when exercising its powers and making major decisions. The Company makes certain that the Board has access to independent views and input through the Mechanisms listed below:

1. The Nomination Committee should review the Board composition, independence, qualification and time commitment of the INEDs annually, in particular the proportion of the INEDs and the independence of the INEDs who have served for more than nine years, where applicable.
2. A written confirmation was received by the Company under Rule 3.13 of the Listing Rules from each of the INEDs in relation to his/her independence to the Company. The Company considers all its INEDs to be independent.
3. In view of good corporate governance practices and to avoid conflict of interests, the Directors who are also directors and/or senior management of the controlling shareholder and/or certain subsidiaries of the controlling shareholder, would abstain from voting in the relevant Board resolutions in relation to the transactions with the controlling shareholders and/or its associates.
4. All members of the Board are given an opportunity to include matters in the agenda for Board meetings.
5. All members of the Board can seek independent professional advice when necessary to perform their responsibilities in accordance with the Company’s policy.

The Board have also taken into account the respective contributions of the INEDs to the Board and their firm commitments to their independent roles. During the Year, all the INEDs do not hold any cross-directorships or have any significant links with other Directors through involvement in other companies or bodies that could give rise to conflicts of interest in their roles as INEDs and they are not involved in the daily management of the Company nor in any relationships or circumstances which would affect the exercise of their independent judgment. They continue to demonstrate their ability to provide an independent, balanced and objective view to the affairs of the Company.

董事會之獨立意見

為遵守企業管治守則之守則條文第B.1.4條，本公司已成立機制以確保董事會可獲得獨立意見及建議(「機制」)。董事會目前由三名獨立非執行董事組成，彼等於不同方面擁有多年經驗，包括但不限於會計及財務、法律以及業務管理。獨立非執行董事能夠向董事會提出獨立及合適的意見，以確保董事會在行使職權及作出重大決策時能夠獲得所需的獨立意見及建議。本公司確保董事會能夠通過下列機制獲取獨立意見及建議：

1. 提名委員會應每年檢討董事會的組成、獨立非執行董事的獨立性、資格及投入時間，特別是獨立非執行董事的比例以及任職九年以上的獨立非執行董事的獨立性(如適用)。
2. 本公司已接獲各獨立非執行董事根據上市規則第3.13條就其對本公司的獨立性發出的書面確認。本公司認為所有獨立非執行董事均為獨立人士。
3. 鑑於良好的企業管治常規及避免利益衝突，控股股東及／或控股股東若干附屬公司的董事及／或高級管理層的董事將在與控股股東及／或其聯繫人的交易之相關董事會決議案中放棄投票。
4. 董事會所有成員皆有機會提出商討事項列入董事會會議議程。
5. 董事會所有成員在必要時可根據本公司政策尋求獨立專業意見以履行職責。

董事會亦考慮獨立非執行董事各自對董事會的貢獻及其對獨立角色的堅定承諾。於本年度內，所有獨立非執行董事並無與其他董事相互擔任對方公司董事職務或透過參與其他公司或團體與其他董事有任何重大聯繫，使可能導致其作為獨立非執行董事的角色出現利益衝突，並且彼等不參與本公司的日常事務，亦並無任何會影響其獨立判斷的關係或情況。彼等繼續展示其對本公司事務提供獨立、平衡及客觀觀點的能力。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Board will review the implementation and effectiveness of the Mechanisms annually. At the meeting held on 31 July 2023, the Board has reviewed the implementation and effectiveness of the Mechanisms during the Year and considered that the Mechanisms remain effective.

董事會將每年檢討該機制的實施情況及有效性。董事會已於二零二三年七月三十一日召開的會議上檢討該機制於本年度內的執行情況及有效性，並認為該機制仍然有效。

BOARD COMMITTEES

The Board has established certain Board committees, including the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee particular aspects of the Company's affairs. All Board committees are provided with sufficient resources to discharge their duties and upon reasonable request, members of the Board committees are able to seek independent professional advice in appropriate circumstances at the Company's expenses.

董事委員會

董事會已設立若干董事委員會，包括審核委員會、薪酬委員會及提名委員會，以專門監控本公司不同方面之指定事項。所有董事委員會均獲充分資源以履行其職責，且於合理要求時，董事委員會成員均可在適當情況下尋求獨立專業意見，費用由本公司承擔。

Audit Committee

The Audit Committee was established on 21 April 2015 with written terms of reference in compliance with Rule 3.22 of the Listing Rules and code provision D.3 of the CG Code. The written terms of reference of the Audit Committee were revised on 1 January 2019 to conform with the requirements under the CG Code and the Listing Rules. Such written terms of reference are published on the respective websites of the Stock Exchange and the Company. It comprises all the three INEDs, namely Mr. Lee Chun Keung, Mr. Wang Luping and Mr. Tian Zhiyuan who is the chairman of the Audit Committee.

審核委員會

審核委員會於二零一五年四月二十一日設立，具備符合上市規則第3.22條及企業管治守則之守則條文第D.3條之書面職權範圍。審核委員會之書面職權範圍於二零一九年一月一日修訂以符合企業管治守則及上市規則之規定。該書面職權範圍已分別刊載於聯交所及本公司之網站。成員包括全部三名獨立非執行董事，即李鎮強先生、王魯平先生及田志遠先生，田志遠先生為審核委員會主席。

The principal roles and functions of the Audit Committee include but are not limited to:

審核委員會之主要角色及職能包括但不限於：

- making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving their remuneration and terms of engagement, and handling any questions regarding their resignation or dismissal;
- reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards and discussing with the external auditors the nature and scope of the audit and reporting obligations before the audit commences;
- developing and implementing a policy on engaging external auditors to supply non-audit services and reporting to the Board, identifying and making recommendations on any matters where an action or improvement is needed;
- 就外聘核數師之委任、續聘及罷免向董事會提供建議、批准其薪酬及聘用條款及處理任何有關其辭職或辭退該核數師之問題；
- 按適用標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；於核數工作開始前先與外聘核數師討論核數性質及範疇及有關申報責任；
- 就外聘核數師提供非核數服務制定政策，並予以執行；就其認為必須採取之行動或改善之任何事項向董事會報告、加以識別，並提供建議；

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- monitoring the integrity of the Company's financial statements and annual report and accounts and half-year report, and reviewing significant financial reporting judgments contained in them;
 - overseeing the Company's financial reporting system, and risk management and internal control systems;
 - discussing the risk management and internal control systems with the management to ensure that the management has performed its duty to have such effective systems;
 - considering major investigation findings of internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
 - where an internal audit function exists, ensuring co-ordination between the internal and external auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;
 - reviewing the Group's financial and accounting policies and practices;
 - reviewing the external auditors' management letter, any material queries raised by the auditor to management about the accounting records, financial accounts or systems of control and management's response;
 - ensuring that the Board will provide a timely response to the issues raised in the external auditors' management letters; and
 - considering other topics as defined by the Board.
- 監察本公司財務報表、年報及賬目、半年度報告之完整性，並審閱報表及報告所載有關財務申報之重大判斷；
 - 監管本公司財務申報制度、風險管理及內部監控系統；
 - 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立該等有效系統；
 - 主動或應董事會之委派，就有關內部監控事宜之重要調查結果及管理層對該等結果之回應進行研究；
 - 如本公司設有內部核數功能，須確保內部與外聘核數師之工作得到協調，也須確保內部核數功能在本公司內部有足夠資源運作，並且享有適當地位，以及檢討及監察內部核數功能是否有效；
 - 檢討本集團之財務及會計政策及實務；
 - 檢討外聘核數師給予管理層之函件、核數師就會計記錄、財務賬目或監控系統向管理層提出之任何重大疑問及管理層作出之回應；
 - 確保董事會將及時回應於外聘核數師給予管理層之函件中提出之事宜；及
 - 研究其他由董事會界定之課題。

During the Year, two Audit Committee meetings were held and the Audit Committee, amongst other matters, considered and approved (i) the audited consolidated financial statements of the Group for the Year 2022; (ii) the unaudited consolidated financial statements of the Group for the six months ended 31 October 2022 for presentation to the Board for its consideration and approval; and (iii) audit-related matters.

審核委員會於本年度舉行了兩次會議，而於會議上，審核委員會(其中包括)審議及批准(i)本集團截至二零二二年度之經審核綜合財務報表；(ii)本集團截至二零二二年十月三十一日止六個月之未經審核綜合財務報表，以呈交董事會審議及批准；及(iii)審核相關事宜。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The attendance of each INED at the Audit Committee meetings during the Year is as follows:

各獨立非執行董事於本年度出席審核委員會會議之次數如下：

| Name of Directors | | No. of Attendance/ No. of Meetings Eligible to Attend |
|--------------------------------------|-----------|---|
| 董事姓名 | | 出席次數/ 合資格出席 會議次數 |
| Mr. Tian Zhiyuan (<i>Chairman</i>) | 田志遠先生(主席) | 2/2 |
| Mr. Lee Chun Keung | 李鎮強先生 | 2/2 |
| Mr. Wang Luping | 王魯平先生 | 2/2 |

The Company has complied with Rule 3.21 of the Listing Rules that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an Independent Non-executive Director) is an Independent Non-executive Director who possesses appropriate professional qualifications or accounting or related financial management expertise.

本公司已遵守上市規則第3.21條，至少有一名審核委員會(至少要有三名成員，必須由獨立非執行董事擔任主席)成員為獨立非執行董事，其具備適當專業資格或會計或相關財務管理專業知識。

The audited Financial Statements have been reviewed by the Audit Committee at its meeting held on 31 July 2023. The Audit Committee is of the opinion that such consolidated financial statements comply with the applicable accounting standards and the Listing Rules and that adequate disclosures have been made. The chairman and the members of the Audit Committee attended such meeting.

審核委員會已於二零二三年七月三十一日舉行之會議上審閱經審核財務報表。審核委員會認為該等綜合財務報表乃按適用會計準則及上市規則編製，並已作出充分披露。審核委員會主席及成員均出席了有關會議。

Remuneration Committee

The Remuneration Committee was established on 21 April 2015 with written terms of reference in compliance with the CG Code. The written terms of reference of the Remuneration Committee were revised on 16 February 2023 to conform with the requirements under the CG Code and the Listing Rules. Such written terms of reference are published on the respective websites of the Stock Exchange and the Company. The Remuneration Committee comprises two INEDs, namely Mr. Tian Zhiyuan, Mr. Wang Luping and an Executive Director, Mr. Meng Guangyin. Mr. Tian Zhiyuan is the chairman of the Remuneration Committee.

薪酬委員會

薪酬委員會於二零一五年四月二十一日設立，具備符合企業管治守則之書面職權範圍。薪酬委員會之書面職權範圍已於二零二三年二月十六日修訂以符合企業管治守則及上市規則之規定。該等書面職權範圍已分別刊載於聯交所及本公司之網站。薪酬委員會包括兩名獨立非執行董事，即田志遠先生、王魯平先生，以及一名執行董事孟廣銀先生。田志遠先生為薪酬委員會主席。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The principal roles and functions of the Remuneration Committee include but are not limited to:

- making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;
- reviewing and approving the management's performance-based remuneration by reference to the Board's corporate goals and objectives;
- making recommendations to the Board on the remuneration packages of individual Executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- making recommendations to the Board on the remuneration of the INEDs;
- considering the salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group;
- reviewing and approving the compensation payable to the Executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with the contractual terms and is otherwise fair and not excessive;
- reviewing and approving the compensation arrangements relating to the dismissal or removal of the Directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration; and
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

薪酬委員會之主要角色及職能包括但不限於：

- 就本公司關於全體董事與高級管理層之薪酬政策及結構，及就設立正規而具透明度之程序制訂該薪酬政策，向董事會提出建議；
- 於參考董事會公司目標及宗旨後，檢討及批准管理層按表現而釐定之薪酬；
- 就個別執行董事及高級管理層之薪酬待遇向董事會提出建議，此應包括實物利益、退休金權利及賠償金額(包括喪失或終止職務或委任的任何應付賠償)；
- 就獨立非執行董事之薪酬向董事會提出建議；
- 考慮可資比較公司支付之薪酬、須付出之時間及職責以及本集團內其他職位之僱用條件；
- 檢討及批准向執行董事及高級管理層支付任何與喪失或終止職務或委任有關之賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致造成過重負擔；
- 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及之賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，賠償亦須合理適當；
- 確保概無董事或其任何聯繫人參與釐定其本身之薪酬；及
- 根據上市規則第17章檢討及／或批准有關股份計劃的事宜。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

During the Year, the Remuneration Committee held one meeting, among other things, (i) reviewed and recommended to the Board for consideration and approval certain remuneration-related matters of the Directors and senior management; and (ii) reviewed the share option scheme of the Company. The chairman and a member of the Remuneration Committee attended such meeting.

薪酬委員會於本年度舉行了一次會議；於會議上，(其中包括)(i)檢討並建議董事會審議及批准董事及高級管理層之若干薪酬相關事宜；及(ii)檢討本公司購股權計劃。薪酬委員會的主席及一名成員出席了該會議。

The attendance of each member of the Remuneration Committee at the meetings of the Remuneration Committee during the Year is as follows:

各薪酬委員會成員於本年度出席薪酬委員會會議之次數如下：

| Name of Director 董事姓名 | No. of Attendance/ No. of Meetings Eligible to Attend | |
|--|---|--|
| | 出席次數/ 合資格出席 會議次數 | |
| Mr. Tian Zhiyuan (Chairman) 田志遠先生(主席) | 1/1 | |
| Mr. Meng Guangyin 孟廣銀先生 | 0/1 | |
| Mr. Wang Luping 王魯平先生 | 1/1 | |

Nomination Committee

The Nomination Committee was established on 21 April 2015 with written terms of reference in compliance with the CG Code. The written terms of reference of the Nomination Committee are published on the respective websites of the Stock Exchange and the Company. It comprises two INEDs, namely Mr. Tian Zhiyuan and Mr. Lee Chun Keung, and an Executive Director, Mr. Meng Guangyin. Mr. Meng Guangyin is the chairman of the Nomination Committee.

提名委員會

提名委員會於二零一五年四月二十一日設立，具備符合企業管治守則之書面職權範圍。提名委員會之書面職權範圍已分別刊載於聯交所及本公司之網站。提名委員會包括兩名獨立非執行董事，即田志遠先生和李鎮強先生，以及一名執行董事孟廣銀先生。孟廣銀先生為提名委員會主席。

The principal roles and functions of the Nomination Committee include but are not limited to:

提名委員會之主要角色及職能包括但不限於：

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;
- assessing the independence of the INEDs;
- 至少每年檢討董事會之架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司之公司策略而擬對董事會作出之變動提出建議；
- 物色具備合適資格可擔任董事會成員之人士，並挑選提名有關人士出任董事或就此向董事會提出建議；
- 評核獨立非執行董事之獨立性；

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- making recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for the Directors, in particular, the Chairman and the chief executive; and
 - reviewing the policy on Board diversity and any measurable objectives for implementing such policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives.
- 就董事委任或續聘以及董事(尤其是主席及主要行政人員)繼任計劃向董事會提出建議;及
 - 檢討董事會多元化政策及董事會不時為實施該政策而制定的任何可計量目標及達標程度。

During the Year, one Nomination Committee meeting was held and the Nomination Committee, among other things, (i) reviewed the structure, size and composition of the Board; (ii) assessed the independence of the INEDs; (iii) recommended to the Board for consideration the re-appointment of the retiring Directors at the 2022 AGM with adequate consideration of the Board Diversity Policy; and (iv) reviewed the measurable objectives (including the skills set, knowledge and experience) for implementing the policy on Board diversity and the progress on achieving the objectives. Two members of the Nomination Committee attended such meeting.

提名委員會於本年度舉行了一次會議;於會議上,提名委員會(其中包括)(i)檢討董事會之架構、人數及組成;(ii)評核獨立非執行董事之獨立性;(iii)於充分考慮董事會多元化政策後,建議董事會於二零二二年股東週年大會考慮續聘退任董事;及(iv)評估推行董事會多元化政策的可計量目標(包括技能、知識及經驗)以及達到目標的進展。兩名提名委員會的成員出席了該會議。

The attendance of each member of the Nomination Committee at its meetings during the Year is as follows:

各提名委員會成員於本年度出席提名委員會會議之次數如下:

| Name of Director | | No. of Attendance/ No. of Meetings Eligible to Attend |
|------------------------------|-----------|---|
| | | 出席次數/ 合資格出席 會議次數 |
| 董事姓名 | | |
| Mr. Meng Guangyin (Chairman) | 孟廣銀先生(主席) | 0/1 |
| Mr. Tian Zhiyuan | 田志遠先生 | 1/1 |
| Mr. Lee Chun Keung | 李鎮強先生 | 1/1 |

NOMINATION POLICY

The Nomination Committee will recommend to the Board for the selection, appointment and re-appointment of a Director including an INED in accordance with the following procedures and process:

- The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;

提名政策

提名委員會將根據下列程序及流程就董事(包括獨立非執行董事)的甄選、委任及續聘向董事會提出建議:

- 提名委員會將於適當考慮董事會當前的組成及規模後,首先制定一份所需技能、觀點及經驗清單,以集中物色工作;

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

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| <p>ii The Nomination Committee may consult any source it considers appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from a third party agency firm and proposals from the Shareholders with due consideration given to the criteria which include but are not limited to:</p> <p>(a) Diversity in the aspects of, amongst others, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;</p> <p>(b) Commitment for responsibilities of the Board in respect of available time and relevant interest (details of the Board Diversity Policy set out above);</p> <p>(c) Qualifications, both academic and professional, including accomplishment and experience in the relevant industries in which the business(es) of the Company and its subsidiaries is/are involved;</p> <p>(d) Independence (for INEDs);</p> <p>(e) Reputation for integrity;</p> <p>(f) Potential contributions that the individual can bring to the Board; and</p> <p>(g) Plan(s) in place for the orderly succession of the Board.</p> | <p>ii 提名委員會於物色或甄選合適候選人時可諮詢其認為適當的任何來源，例如有董事的推薦、廣告、第三方代理公司的推薦及股東的建議，並適當考慮(包括但不限於)下列因素：</p> <p>(a) 各方面的多樣性，其中包括性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年限；</p> <p>(b) 其能投放於董事會職責的可付出的時間及相關利益(董事會多元化政策之詳情載於上文)；</p> <p>(c) 學術及專業資格，包括涉及本公司及其附屬公司業務的相關行業的成就和經驗；</p> <p>(d) 獨立性(就獨立非執行董事而言)；</p> <p>(e) 誠信聲譽；</p> <p>(f) 個人可以為董事會帶來的潛在貢獻；及</p> <p>(g) 為董事會有序繼任而制定的計劃。</p> |
| <p>iii The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;</p> | <p>iii 提名委員會可採用其認為適當的任何程序評估候選人的合適性，例如面試、背景調查、演講及第三方背景調查；</p> |
| <p>iv The Nomination Committee will consider a broad range of candidates who are in and outside of the Board's circle of contacts;</p> | <p>iv 提名委員會將考慮在董事會聯絡圈內外的各類候選人；</p> |
| <p>v Promptly after considering a candidate's suitability for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;</p> | <p>v 在考慮適合擔任董事職位的候選人後，提名委員會將舉行會議及/或以書面決議案方式以酌情批准向董事會提交委任建議；</p> |

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

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| vi | The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of the remuneration package of such selected candidate; | vi | 提名委員會將向薪酬委員會提供所選候選人的相關資料，以供考慮該選定候選人的薪酬待遇； |
| vii | The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a non-executive Director is considered, the Remuneration Committee will make the recommendation to the Board on the policy and structure for the remuneration; | vii | 其後，提名委員會將就建議委任向董事會提出建議，而倘為非執行董事，薪酬委員會將就薪酬政策及架構向董事會提出建議； |
| viii | The Board may arrange for the selected candidate to be interviewed by the members of the Board, who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and | viii | 董事會可安排選定的候選人由不屬提名委員會成員的董事會成員進行面試，此後，董事會將審議並決定任命(視情況而定)；及 |
| ix | All appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the relevant regulatory authorities, if required. | ix | 所有董事的任命，將通過提交相關董事表示同意擔任董事的文件(或要求相關董事確認或接受任命為董事的任何其他類似文件(視情況而定))予相關法定機構(如有需要)作存檔予以確認。 |

CORPORATE GOVERNANCE FUNCTIONS

The Audit Committee is responsible for performing the corporate governance functions set out in code provision A.2.1 of the CG Code, which include but are not limited to:

- developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of the Directors and senior management of the Group;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the directors of the Group; and
- reviewing the Company's compliance with the CG Code and disclosure in this report.

企業管治職能

審核委員會負責履行企業管治守則之守則條文第A.2.1條所載之企業管治職能，其中包括但不限於：

- 制定及檢討本公司之企業管治政策及常規並向董事會提出建議；
- 審閱及監察本集團董事及高級管理層之培訓及持續專業發展；
- 審閱及監察本公司遵守法律及監管規定之政策及常規；
- 制定、審閱及監察適用於本集團僱員及董事之行為守則及合規手冊(如有)；及
- 審閱本公司遵守企業管治守則及在本報告中之披露。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

ANTI-CORRUPTION POLICY

To outline the Group's expectations and requirements on prevention, detection, reporting and investigation of any suspected fraud, corruption and other similar irregularities; and to provide information and guidance on recognizing and dealing with bribery and corruption, the Group has established its anti-corruption policy that complies with code provision D.2.7 of the CG Code.

With the commitment to ethical operations, the Group adheres to the principle of integrity and has zero tolerance towards corruption or other unethical behaviours. In order to completely eliminate illegal activities such as bribery, extortion, fraud and money laundering, the Group has established a code of conduct in its Staff Handbook. The Group requires all employees to abide by the code of conduct to ensure that they consistently uphold the highest standards of professional ethics. For details, please refer to the disclosure in the separate ESG report of the Company.

The anti-corruption policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

WHISTLEBLOWING POLICY

Committed to achieving and maintaining the highest standards of openness, probity and accountability, the Group has established a whistleblowing policy which forms an important part of its effective risk management and internal control systems.

The whistleblowing policy provides the necessary mechanisms for all stakeholders, including employees, Shareholders, customers and suppliers, to report any suspected misconduct or malpractice within the Group in confidence through our whistleblowing channels. Complaints are handled by designated staff and findings are reported to the Audit Committee. The Audit Committee will ensure that appropriate action is taken on the findings.

The whistleblowing policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

反腐敗政策

為了概述本集團對防止、發現、報告和調查任何不道德行為的期望和要求；及為提供有關識別及處理賄賂及腐敗的資訊及指引，本集團已制訂符合企業管治守則之守則條文第D.2.7條的反腐敗政策。

本集團致力於道德經營，恪守誠信原則，對貪污或其他不道德行為採取零容忍態度。為了徹底杜絕賄賂、勒索、欺詐、洗錢等違法行為，本集團在《員工手冊》中制訂行為準則。本集團要求所有僱員遵守行為準則，以確保彼等始終堅持最高標準的職業道德。詳情請參閱本公司另行刊發的環境、社會及管治報告內的披露。

本集團定期檢討及更新反腐敗政策，以符合適用的法律法規以及行業最佳慣例。

舉報政策

本集團致力於實現並維持公開、廉潔及問責的最高標準，制訂舉報政策，該政策構成其有效風險管理及內部控制系統的重要組成部分。

舉報政策為所有利益相關人士(包括僱員、股東、客戶及供應商)提供必要的機制，以通過我們的舉報渠道保密舉報本集團內任何可疑的不當行為或瀆職行為。投訴乃由指定工作人員處理，並向審核委員會報告調查結果。審核委員會將確保針對調查結果採取適當的行動。

本集團定期檢討及更新舉報政策，以符合適用的法律法規以及行業最佳慣例。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the Executive Directors has entered into a service agreement with the Company for a term of one year and each of the INEDs has signed a letter of appointment with the Company for a term of one year. The extension of the terms or the renewal of any such service agreements or letters of appointment, where necessary, will be in compliance with the Listing Rules and any other applicable laws, rules and regulations.

Any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the Board shall hold office only until the first AGM after his appointment and shall then be eligible for re-election.

All the Directors, including INEDs, are subject to retirement by rotation and will be eligible for re-election in accordance with the Articles of Association. At each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at the AGM at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and does not offer himself for re-election. Any further Directors so to retire shall be those who have been the longest in office since their last re-election or appointment and so that as between the persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Particulars of the Directors' remuneration and the five highest paid employees of the Group for the Year are set out in Notes 12 and 13 to the consolidated financial statements, respectively.

委任及重選董事

各執行董事已與本公司訂立服務協議，年期為一年及各獨立非執行董事已與本公司簽署委任函，年期為一年。任何該等服務協議或委任函之任期延長或重續(如有需要)將根據上市規則及任何其他適用法例、規則及規例而作出。

獲董事會委任以填補董事會臨時空缺或出任董事會新增成員的任何董事，其任期僅直至其委任後首個股東週年大會止，並可膺選連任。

全體董事(包括獨立非執行董事)須依據組織章程細則輪值退任，惟合資格膺選連任。於每屆股東週年大會上，當時為數三分之一之董事(或，如人數並非三之倍數，則須為最接近但不少於三分之一之人數)須輪值退任，惟每名董事須最少每三年於股東週年大會退任一次。退任董事合資格膺選連任，並於其退任之大會舉行期間繼續擔任董事。輪值退任之董事包括(在確定輪值退任董事數目方面)自願退任且不再參選連任之董事。其他須退任的董事為自上次連任或委任起計任期最長者，而倘有數位董事於同日獲重選或連任，則退任之董事須抽籤決定(除非彼等另有協議)。

本集團董事及五名最高薪酬僱員於本年度之薪酬詳情分別載於綜合財務報表附註12及13內。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

INDEPENDENT AUDITOR'S RESPONSIBILITY AND REMUNERATION

The statement of the Independent Auditor about their reporting responsibilities and opinion on the Financial Statements is set out in the section headed "Independent Auditor's Report" of the Annual Report.

For the Year, the remuneration paid or payable to the Independent Auditor in respect of the Year is set out below:

| Services 服務 | | Fee paid/payable 已付/應付費用 HK\$'000 千港元 |
|---|------------------|--|
| Audit services | 審核服務 | 900 |
| Non-audit services | 非審核服務 | |
| — Auditor's letter on continuing connected transactions | — 關於持續關連交易的核數師函件 | 50 |
| Total | 總計 | 950 |

獨立核數師責任及酬金

有關獨立核數師對財務報表之申報責任及意見之陳述，載列於本年報「獨立核數師報告」一節。

於本年度內，本年度已付/應付獨立核數師薪酬載列如下：

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the Financial Statements.

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

RISK MANAGEMENT AND INTERNAL CONTROLS

The Audit Committee reviews the adequacy of the Group's internal financial controls, operational and compliance controls, and risk management policies and systems established by the management of the Company, including those related to the issues as set out in the ESG report that are significant to the operation of the Company and/or substantially affecting the Shareholders and other key stakeholders, to ensure compliance with the relevant legal and regulatory requirements of the ESG Reporting Guide and the Listing Rules (collectively "internal controls").

董事對財務報表之責任

董事知悉彼等有責任編製財務報表。

董事並無發現任何可能對本公司持續經營能力產生重大疑問的重大不明朗事件或情況。

風險管理及內部監控

審核委員會檢討本集團之內部財務監控、營運及合規監控以及本公司管理層制訂之風險管理政策及制度之充分性，當中包括與環境、社會及管治報告中所載對本公司經營具有重大意義及/或對股東及其他主要利益相關人士產生重大影響的議題，以確保遵守環境、社會及管治報告指引的相關法律及監管要求以及上市規則(統稱「內部監控」)。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The risk management and internal control systems 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.

For the Year, the Board has conducted a review and assessment of the effectiveness of the Company's risk management and internal control systems, including financial, operational and compliance controls and risk management. Such review has been made by discussion with the Audit Committee, management and the Independent Auditors, if applicable, from time to time, but at least once a year. The Board will put in place to address the identified area that will be enhanced. The Board considers that the existing risk management and internal control systems are adequate and effective.

The Company also has an internal audit function to carry out the analysis and independent appraisal of the adequacy and effectiveness of the systems, and has procedures in place to keep information confidential and manage actual or potential conflicts of interest. Stringent internal structures have been designed to prevent the misuse of inside information and avoid conflicts of interest.

The Audit Committee has received the summarized information on the risk management and internal controls conducted by the internal audit team. The work carried in relation to the identified areas are summarized as follows:

- (i) the results of selective testing of internal control procedures, assets, and financial records of the Company;
- (ii) a general evaluation of risk management and internal control systems installed by the Company; and
- (iii) an outline of major control issues, if any, noticed during the Year.

The Audit Committee has reviewed the summarized information and discussed with the management.

The Board is responsible for the overall internal control framework and is fully aware of the need to put in place a system of internal controls within the Group to safeguard the interests of the Shareholders and the Group's assets, and to review and monitor the effectiveness of the internal control and risk management systems on a regular basis to ensure that the systems in place are adequate.

風險管理及內部監控制度旨在管理而非消除未能達成業務目標之風險，而且只能對防止出現重大錯誤陳述或虧損作合理而非絕對之保證。

於本年度，董事會已對本公司之風險管理及內部監控制度之效能進行檢討及評估，包括財務、營運及合規控制及風險管理。有關檢討乃經不時與審核委員會、管理層及獨立核數師(如適用)討論後作出，惟至少每年一次。董事會將採取行動處理須加強之已識別範圍。董事會認為，現有風險管理及內部監控制度屬充足及有效。

本公司亦具備內部審核職能，以分析及獨立評估該等制度是否足夠及有效，並設有程序以確保資料保密及管理實質或潛在利益衝突。本公司已設計嚴密內部架構，防止不當使用內幕資料及避免利益衝突。

審核委員會已接獲內部審核團隊進行之風險管理及內部監控概略資料。有關對已識別範圍進行之工作概要如下：

- (i) 對本公司內部監控程序、資產及財務記錄之抽樣調查結果；
- (ii) 本公司所採納風險管理及內部監控制度之一般評估；及
- (iii) 列出於本年度內注意到之任何主要監控問題(如有)。

審核委員會已審閱概略資料並與管理層討論。

董事會負責整體內部監控架構，並完全知悉於本集團內推行內部監控制度之需要，以保障股東及本集團資產之利益，以及定期檢討及監察內部監控及風險管理制度之有效性，以確保既有制度屬充分。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the SFO and the Listing Rules and the overriding principle that inside information should be announced promptly. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company’s website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group’s affairs, so that only the Executive Directors, the Company Secretary and the financial controller of the Company are authorised to communicate with parties outside the Group.

COMPANY SECRETARY

The Company Secretary supports the Board by ensuring that reliable and relevant flow of information is maintained amongst members of the Board and that all procedures have been adhered to in accordance with applicable laws, rules and regulations.

Ms. Tung Wing Yee Winnie (“**Ms. Tung**”) was nominated by Boardroom Corporate Services (HK) Limited to be the Company Secretary on 30 June 2022. The primary person at the Company with whom Ms. Tung contacted in respect of the company secretarial matters was Ms. Mancy Wai, the financial manager of the Company.

Ms. Tung attended over 15 hours’ relevant continuous professional development training during the Year pursuant to rule 3.29 of the Listing Rules.

內幕消息披露

本集團知悉其根據證券及期貨條例及上市規則所應履行之責任，首要原則是內幕消息應該立即公佈。處理及發佈內幕消息之程序及內部控制措施如下：

- 本集團處理事務時會充分考慮上市規則之披露規定以及香港證券及期貨事務監察委員會於二零一二年六月頒佈之「內幕消息披露指引」；
- 本集團透過財務報告、公告及本公司網站等途徑向公眾廣泛及非獨家披露資料，以實施及披露其公平披露政策；
- 本集團已嚴格禁止未經授權使用機密或內幕消息；及
- 本集團已就外界查詢本集團事務訂立及執行回應程序，據此，只有執行董事、公司秘書及本公司財務總監方獲授權與本集團外部人士溝通。

公司秘書

公司秘書以確保在董事會成員之間維持可靠及相關資訊流通及按照適用法例、規則及法則遵循所有程序之方式支持董事會。

於二零二二年六月三十日，董穎怡女士（「**董女士**」）獲寶德隆企業服務（香港）有限公司提名為公司秘書。董女士就公司秘書事宜聯絡之本公司主要人員為本公司財務經理Mancy Wai女士。

根據上市規則第3.29條，董女士於本年度內參加超過15小時之相關持續專業發展培訓。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investment public.

The Company updates its Shareholders on its latest business developments and financial performance through its announcements, circulars as well as annual and interim reports. The corporate website of the Company has provided an effective communication platform to the public and the Shareholders.

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENT

On 21 October 2022, the Company passed a special resolution to amend its memorandum and articles of association (the "M&A") at the 2022 AGM in order to, among others, (i) conform to the amended Appendix 3 to the Listing Rules which came into effect on 1 January 2022 and applicable laws of the Cayman Islands; (ii) allow the Company to hold hybrid general meetings and electronic general meetings; and (iii) make other house-keeping amendments to the existing M&A for the purpose of clarifying existing practices and making consequential amendments in line with the proposed amendments. For details of the amendments, please refer to the circular of the Company dated 26 August 2022.

Save as disclosed above, no significant changes have been made to the Company's constitutional documents during the Year. A consolidated version of the Company's constitutional documents is available on the Company's website and the website of the Stock Exchange.

SHAREHOLDERS' COMMUNICATION

The Company has adopted a Shareholder's communication policy with an objective to provide the Shareholders with detailed information about the Company so that they can exercise their rights as Shareholders in an informed manner and allow them to engage actively with the Company. The Company would review the Shareholders' communication policy on a regular basis.

投資者關係

本公司相信，維持高透明度為加強投資者關係之關鍵。本公司致力奉行向其股東及公眾投資者公開及適時披露公司資料之政策。

本公司透過其公告、通函以及年度及中期報告向其股東更新最新業務發展及財務表現。本公司之公司網站為公眾及股東提供有效交流平台。

章程文件之重大變動

於二零二二年十月二十一日，本公司於二零二二年股東週年大會通過特別決議案，以修訂其組織章程大綱及細則（「大綱及細則」），其中包括(i)符合上市規則之經修訂附錄三（於二零二二年一月一日起生效）及開曼群島適用法律；(ii)允許本公司舉行混合股東大會及電子股東大會；及(iii)對現有大綱及細則作出其他內部修訂以釐清現有慣例並根據建議修訂進行相應的修訂。有關修訂詳情，請參閱本公司日期為二零二二年八月二十六日之通函。

除所披露者外，於本年度，本公司並無對其章程文件作出任何重大變動。本公司章程文件之綜合版本可於本公司網站及聯交所網站查閱。

與股東之溝通

本公司已採納與股東溝通之政策，旨在向股東提供有關本公司之詳細資料，使彼等能在知情之情況下行使身為股東之權利並允許彼等積極參與本公司事務。本公司將定期檢討股東溝通政策。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Company uses a range of communication tools to ensure its Shareholders are kept well informed of key business imperatives. These include AGM, EGM, annual report, various notices, announcements and circulars. Procedure for demanding a poll will be included in circulars accompanying the notice convening a general meeting and such procedure will be read out by the chairman of the general meeting or his delegate. The AGMs and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The members of the Board, Board committees and the Independent Auditor are present to answer Shareholders' questions at the AGMs. The Company will provide Shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable the Shareholders to make an informed decision on the proposed resolution(s). As a channel to promote effective communication, the Group maintains a website where the Company's announcements, financial information and other information are posted. Shareholders and investors may write directly to the Company at its principal place of business in Hong Kong with any inquiries.

Pursuant to code provision F.2.2 of the CG Code, the Company will invite/has invited representatives of the Independent Auditor to attend the 2023 AGM and the chairman of each of the Audit Committee, the Remuneration Committee and the Nomination Committee to attend the forthcoming 2023 AGM to answer Shareholders' questions regarding the conduct of the audit, the preparation and content of the independent auditor's report, the accounting policies and auditors' independence.

Mr. Meng Guangyin, the Chairman, did not attend the Company's 2022 AGM due to other essential business engagements. In order to ensure an effective communication with the Shareholders, the Directors attending the 2022 AGM elected Mr. Liu Guoqing, an Executive Director, to chair the meeting on behalf of the Chairman. The respective chairmen and/or members of the Audit Committee, the Remuneration Committee and the Nomination Committee and a representative of the Independent Auditor were present at the 2022 AGM to answer relevant questions from the Shareholders. To mitigate the above, future AGMs will be scheduled earlier to avoid the timetable clashes.

The Board has reviewed the Company's Shareholders communication activities conducted during the Year and is satisfied with the implementation and effectiveness of the Shareholders' communication policy.

本公司採用多種溝通工具，以確保股東充分獲悉主要業務須知。該等溝通工具包括股東週年大會、股東特別大會、年報、各種通告、公告及通函。要求以投票方式表決之程序將載入隨附召開股東大會通告之通函內，並將由股東大會主席或其委任代表宣讀有關程序。本公司之股東週年大會及其他股東大會為本公司與其股東溝通之主要平台。董事會成員、董事委員會及獨立核數師均會出席股東週年大會以回答股東提問。本公司須按照上市規則及時向股東提供在股東大會上提呈之決議案之相關資料。所提供之資料須為合理所需之資料，以便股東能夠就提呈之決議案作出知情決定。作為促進有效溝通之渠道，本集團設有網站，以刊登有關本公司之公告、財務資料以及其他資料。股東及投資者可以直接致函至本公司之香港主要營業地點，向本公司查詢。

根據企業管治守則之守則條文第F.2.2條，本公司將／已邀請獨立核數師代表出席二零二三年股東週年大會，並邀請審核委員會、薪酬委員會及提名委員會主席出席應屆二零二三年股東週年大會，回答股東有關審計工作、獨立核數師報告的編製及內容、會計政策以及核數師獨立性等提問。

主席孟廣銀先生由於其他重要公務未能出席本公司的二零二二年股東週年大會。為確保與股東的有效溝通，經出席二零二二年股東週年大會的董事推舉，執行董事劉國慶先生代表主席主持該會議。各審核委員會、薪酬委員會及提名委員會主席及／或成員及一名獨立核數師之代表均有出席二零二二年股東週年大會以回答股東的相關提問。為緩解上述情況，未來股東週年大會將提前安排，以避免時間衝突。

董事會已檢討本公司於本年度進行的股東溝通活動，並對股東溝通政策的實施及有效性感到滿意。

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

There is no provision allowing Shareholders to make proposals or move resolutions at the AGMs under the Articles of Association or the laws of the Cayman Islands. However, Shareholders who wish to make proposals or move a resolution may, however, convene an EGM in accordance with the "Procedures for Shareholders to Convene an EGM" set out below.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EGM

Written requisition of any one or more members holding at the date of deposit of the requisition not less than one-tenth of the voting rights at general meetings of the Company, on a one vote per share basis, in the paid share capital of the Company, shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition and the foregoing members shall be able to add resolutions to the meeting agenda; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place, 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.

PROCEDURES FOR SENDING ENQUIRIES TO THE BOARD

Shareholders may send written enquiries to the Board or the Company by post to the Company's principal place of business in Hong Kong.

DIVIDEND POLICY

The Company has adopted a dividend policy which sets out the basic principles in determining the distribution of the dividends to the Shareholders (the "Dividend Policy").

在股東大會上提呈建議之程序

根據組織章程細則或開曼群島法例，概無條文允許股東於股東週年大會上提呈建議或作出動議。然而，有意提呈建議或作出動議之股東可按照下文所載「股東召開股東特別大會之程序」召開股東特別大會。

股東召開股東特別大會之程序

任何一位或以上於提請要求當日持有本公司繳足股本中不少於本公司股東大會投票權十分之一（按一股一票基準）的股東，可隨時向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求所指明的事項，上述股東亦將應可向會議議程新增決議案；且該大會須於提請該要求後兩(2)個月內舉行。倘提請後二十一(21)日內董事會未有召開大會，則提請要求的人士可自行僅於一個地點（將為主要會議地點）召開實體會議，而本公司須向提請要求的人士補償因董事會未有召開大會而自行召開大會的所有合理開支。

向董事會發出查詢之程序

股東可將書面查詢郵寄至董事會或本公司，地址為本公司香港主要營業地點。

股息政策

本公司已採納一項股息政策，其載列釐定向股東分派股息之基本原則（「股息政策」）。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Board shall consider the following factors before declaring or recommending dividends:

- (i) the financial results and financial condition of the Group;
- (ii) the Group's actual and future operations and liquidity position;
- (iii) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
- (iv) the retained earnings and distributable reserves of the Company and each of the members of the Group; and
- (v) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group.

The payment of dividend by the Company is also subject to any restrictions under the Law of the Cayman Islands, the Articles of Association and any other applicable laws and regulations. The Board will continually review the Dividend Policy from time to time and reserve the right at its sole and absolute discretion to update, amend, and/or modify the Dividend Policy at any time as it deems fit and necessary. There is no assurance that dividends will be paid in any particular amount for any specific period.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure that information disclosure is timely, fair, accurate, truthful and complete, thereby enabling the Shareholders, investors as well as the public to make rational and informed decisions.

CONCLUSION

The Company believes that good corporate governance could ensure an effective distribution of the resources and protection of Shareholders' interests. The senior management will continue to use its reasonable endeavours in maintaining, enhancing and increasing the Group's corporate governance level and quality.

董事會在宣派或推薦股息前應考慮以下因素：

- (i) 本集團之財務業績及財務狀況；
- (ii) 本集團實際及未來營運及流動資金狀況；
- (iii) 本集團預期營運資本需求、資本開支要求及未來擴張計劃；
- (iv) 本公司及本集團各成員公司之保留盈利及可供分派儲備；及
- (v) 整體經濟狀況及可能對本集團之業務或財務表現及狀況產生影響之其他內部或外部因素。

本公司股息付款亦須遵守開曼群島法律、組織章程細則及任何其他適用法律及法規下的任何限制。董事會將持續不時審閱股息政策，並保留權利在其認為合適且必要時隨時全權酌情更新、修訂及/或更改股息政策。概不保證將在任何特定期間支付任何特定金額的股息。

資料披露

本公司遵從上市規則披露資料，及根據相關法例及法規向公眾定期刊發報告及公告。本公司首要任務是確保資料披露為及時、公正、準確、真實及完整，務求使股東、投資者及公眾能作出合理知情決定。

總結

本公司堅信良好企業管治可確保資源有效分配及保障股東權益。高級管理層將繼續以合理方式致力維持、加強及提升本集團之企業管治水平及質素。

REPORT OF THE DIRECTORS

董事會報告

The Directors present to the Shareholders their report for the Year and the Financial Statements.

董事向股東提呈彼等本年度之報告及財務報表。

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in (i) the retail and wholesale of watches in Hong Kong, and (ii) the acting as a sales and trading agent of fertilisers raw materials and related fertiliser products.

主要業務

本公司之主要業務為投資控股，其附屬公司主要(i)於香港從事腕錶零售及批發，及(ii)擔任肥料原料及相關肥料產品銷售及買賣代理。

An analysis of the Group's performance for the Year by operating segment is set out in Note 6 to the Financial Statements.

本集團於本年度按營運分部劃分之表現分析載於財務報表附註6。

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the past five financial years is set out on page 152 of the Annual Report. The summary does not form part of the Financial Statements.

五年財務概要

本集團過去五個財政年度之已刊發業績、資產及負債之概要載於本年報第152頁。概要並非財務報表之一部分。

FAIR REVIEW OF BUSINESS

A fair review of the Group's business, a discussion and analysis of the Group's performance during the Year and the likely future development in the Group's business are provided in the "Chairman's Statement" and "Management Discussion and Analysis" sections of the Annual Report. An analysis of the Group's performance during the Year using financial key performance indicators is set out in the "Five-Year Financial Summary" of the Annual Report.

業務之公平回顧

本集團業務之公平回顧、本集團本年度表現討論及分析及本集團業務之可能未來發展載於本年報「主席報告」及「管理層討論及分析」兩節。使用主要財務表現指標之本集團本年度表現分析載於本年報「五年財務概要」。

PRINCIPAL RISKS AND UNCERTAINTIES

There are various risks and uncertainties faced by the Group, which may materially adversely affect its business, financial conditions or results of operations. As some of the projects are located in the PRC, the political, economic and legal developments and changes to government policies in the PRC may have a significant impact on the Group.

主要風險及不確定性

本集團面臨各類風險及不確定性，可能對其業務、財務狀況或營運業績造成重大不利影響。由於部分項目乃位於中國，中國政治、經濟及法律發展以及政府政策變動可能對本集團造成重大影響。

The financial risks of the Group included currency risk, interest rate risk, credit risk and liquidity risk. These financial risks are elaborated in Note 31b to the Financial Statements of the Annual Report.

本集團之財務風險包括貨幣風險、利率風險、信貸風險及流動資金風險。該等財務風險於本年報財務報表附註31b說明。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

COMPLIANCE WITH LAWS AND REGULATIONS

The Group has in place compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing obligation to monitor adherence to and compliance with all significant legal and regulatory requirements by the Group. As far as the Company is aware, the Group has complied with all the relevant laws and regulations in the places where it operates in all material respects during the Year and up to the date of the Annual Report.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group believes that its success depends on the support from key stakeholders which comprise employees, customers, suppliers, Shareholders and other stakeholders. During the Year, there was no material or significant dispute between the Group and its suppliers, customers and/or other stakeholders.

Employees

The Group recognizes that employees are the valuable assets for the Group's continuous development. The Group provides competitive remuneration package by reference to market norms as well as individual qualifications, relevant experience and performance to attract and retain valuable employees.

Customers

The Group is committed to providing good quality service to its customers and enhance the loyalty of customers by increasing the interaction with customers through email, telephone or direct communication, which provide a good foundation to our Group's overall performance in the long run.

Suppliers

The Group has maintained good relationships with its suppliers. The Group cooperates with suppliers that are committed to quality of products.

Shareholders and other stakeholders

The Group has made an ongoing dialogue with its investors and Shareholders as provided in the "Investor Relations" and "Shareholders' Communication" paragraphs of the Corporate Governance Report of the Annual Report.

遵守法例及法規

本集團已設置合規及風險管理政策及程序，而高級管理層成員已獲轉授持續監察本集團遵循並遵守所有重大法律及監管規定之責任。據本公司所知，於本年度內及直至本年報之日期，本集團已於所有重大方面遵守營運所在地之一切相關法例及法規。

與主要利益相關人士之關係

本集團深信達致成功有賴僱員、客戶、供應商、股東等主要利益相關人士及其他利益相關人士之支持。於本年度內，本集團與其供應商、客戶及／或其他利益相關人士並無重要或重大爭議。

僱員

本集團深明僱員乃本集團持續發展的寶貴資產。本集團參考市場規範以及個人資歷、相關經驗及表現提供具競爭力的薪酬待遇，以吸引及留住寶貴的僱員。

客戶

本集團致力為客戶提供優質服務，並透過於電話、電郵或直接溝通加強與客戶互動從而提升客戶忠誠度，為本集團長遠整體表現奠下良好基礎。

供應商

本集團與供應商維持良好關係。本集團與致力維持產品質素之供應商合作。

股東及其他利益相關人士

誠如本年報企業管治報告「投資者關係」及「與股東之溝通」兩段所述，本集團與投資者及股東一直保持對話。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

ESG

The Group continually reviews its ESG efforts, corporate governance and risk management practices with the aim of creating and delivering sustainable value to all key stakeholders. The Group has been exploring more efficient opportunities to reduce the consumption of resources in order to reduce its impact on the environment.

A separate ESG report will be published on the respective websites of the Stock Exchange and the Company at the same time as the publication of the Annual Report.

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 69 of the Annual Report. The Board does not recommend the payment of any final dividend for the Year (2022: Nil).

SHARE CAPITAL

Details of the movements in the Company's share capital during the Year are set out in Note 26 to the Financial Statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on page 72 of the Annual Report and Note 37 to the Financial Statements, respectively.

DISTRIBUTABLE RESERVES

As at 30 April 2023, the Company had no distributable reserves (2022: Nil). Details of the movements in the distributable reserves during the Year are set out in Note 37 to the Financial Statements.

AGM

A notice convening the 2023 AGM will be issued and dispatched to the Shareholders in due course in the manner required by the Listing Rules.

環境、社會及管治

本集團繼續檢討其環境、社會及管治措施、企業管治及風險管理常規，旨在為全體主要利益相關人士創造及提供可持續價值。本集團一直探討更有效減低資源消耗的機會，以減低對環境的影響。

預期環境、社會及管治報告將另行與刊發年報同時於聯交所及本公司之網站刊發。

業績及股息

本集團本年度之業績載於本年報第69頁之綜合損益及其他全面收益表。董事會不建議就本年度(二零二二年：無)派付任何末期股息。

股本

本公司股本於本年度之變動詳情載列於財務報表附註26。

儲備

本集團及本公司之儲備於本年度之變動詳情分別載列於本年報第72頁之綜合權益變動表及財務報表附註37。

可供分派儲備

於二零二三年四月三十日，本公司概無可供分派儲備(二零二二年：無)。本年度之可供分派儲備變動詳情載於財務報表附註37。

股東週年大會

召開二零二三年股東週年大會之通告將於適當時候按上市規則規定之方式向股東發出及寄發。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the Shareholders to attend and vote at the 2023 AGM, the Register of Members will be closed from Tuesday, 17 October 2023 to Friday, 20 October 2023 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the 2023 AGM, the non-registered Shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Monday, 16 October 2023.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in Note 15 to the Financial Statements.

PRE-EMPTIVE RIGHTS

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

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the Group's five largest suppliers in aggregate accounted for approximately 99.2% of the total purchases and purchases from the largest supplier accounted for approximately 67.3% of the total purchases.

For the Year, the Group's five largest customers in aggregate accounted for approximately 41.3% of the total sales and sales to the largest customer accounted for approximately 19.1% of the total sales.

The largest supplier is ultimately controlled by Mr. Meng Guangyin, the Chairman and an Executive Director and the ultimate controlling shareholder of the Company before 15 February 2023 and the second largest supplier is a company owned as to 51% by Mr. Meng Xiao who is a cousin of Mr. Meng Guangyin.

Save as disclosed above, none of the Directors, their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of the Company's issued Shares) had any interest in the Group's five largest customers and suppliers during the Year.

暫停辦理過戶登記手續

為釐定股東出席二零二三年股東週年大會並於會上投票之權利，本公司將於二零二三年十月十七日(星期二)至二零二三年十月二十日(星期五)(包括首尾兩日)暫停辦理過戶登記手續，期間不會辦理股份過戶登記手續。為符合資格出席二零二三年股東週年大會並於會上投票，非登記股東須不遲於二零二三年十月十六日(星期一)下午四時三十分將所有已填妥轉讓表格連同相關股票交回本公司之香港股份過戶登記分處寶德隆證券登記有限公司(地址為香港北角電氣道148號21樓2103B室)登記。

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列於財務報表附註15。

優先購買權

組織章程細則或開曼群島法例並無有關優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股份。

主要客戶及供應商

於本年度內，本集團五大供應商合共佔採購總額約99.2%，而向最大供應商作出之採購則佔採購總額約67.3%。

於本年度內，本集團五大客戶合共佔銷售總額約41.3%，及最大客戶的銷售額佔銷售總額約19.1%。

於二零二三年二月十五日前，最大供應商為本公司主席、執行董事兼最終控股股東孟廣銀先生最終控制的公司，及第二大供應商為孟廣銀先生之堂弟孟蕭先生擁有51%的公司。

除上文所披露者外，於本年度內，概無董事、彼等之緊密聯繫人或任何股東(據董事所深知擁有本公司已發行股份數目5%以上者)於本集團之五大客戶及供應商中擁有任何權益。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

BANK LOAN AND OTHER BORROWINGS

Details of bank loan of the Group during the Year are set out in Note 25 to the Financial Statements.

DIRECTORS

The Directors who held office during the Year and up to the date of this Annual Report were:

Executive Directors

Mr. Meng Guangyin (*Chairman*)
Mr. Liu Guoqing
Mr. Liu Jiaqiang
Mr. Li Dongpo

Independence Non-executive Directors

Mr. Tian Zhiyuan
Mr. Lee Chun Keung
Mr. Wang Luping

Pursuant to article 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the Board shall hold office only until the first AGM after his appointment and shall then be eligible for re-election.

Pursuant to article 84(1) of the Articles of Association, one-third of the Directors will retire by rotation at each AGM. In addition, code provision B.2.2 of the CG Code stipulates that each Director shall retire from office by rotation at least once every three years.

Pursuant to article 84(2) of the Articles of Association, the Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been the longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected or appointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to article 83(3) shall not be taken into account in determining which particular Director or the number of Directors who are to retire by the rotation. Accordingly, Mr. Meng Guangyin, Mr. Tian Zhiyuan and Mr. Lee Chun Keung will retire from office as Directors by rotation and are eligible to offer themselves for re-election at the 2023 AGM.

銀行貸款及其他借款

本集團於本年度內之銀行貸款詳情載列於財務報表附註25。

董事

於本年度內及直至本年報日期在任之董事：

執行董事

孟廣銀先生(主席)
劉國慶先生
劉加強先生
李東坡先生

獨立非執行董事

田志遠先生
李鎮強先生
王魯平先生

根據組織章程細則第83(3)條，獲董事會委任以填補董事會臨時空缺或出任董事會新增成員的任何董事，其任期僅直至其委任後首個股東週年大會止，並可膺選連任。

根據組織章程細則第84(1)條，於每屆股東週年大會上，為數三分之一的董事須輪值退任。此外，企業管治守則之守則條文第B.2.2條列明，每名董事應輪值退任，至少每三年一次。

根據組織章程細則第84(2)條，在確定輪值退任董事數目方面，輪值退任的董事包括自願退任且不再參選連任的董事，其他退任董事乃須輪值退任且自上次連任或委任起計任期最長者，而倘有數位董事於同日獲重選或委任，則退任的董事須抽籤決定(除非彼等另有協議)。確定輪值退任之指定董事或董事數目時，並不計算董事會根據細則第83(3)條委任之董事。因此，孟廣銀先生、田志遠先生及李鎮強先生將於二零二三年股東週年大會上輪值退任董事，惟合資格膺選連任。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

The Company has received from each of the INEDs an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and is not aware of any event undermining their independence. As such, the Company notes that all the INEDs are independent.

本公司已接獲各獨立非執行董事依據上市規則第3.13條發出之年度書面確認，確認其獨立性，且並不知悉任何事項破壞彼等獨立性。因此，本公司知悉全體獨立非執行董事均具獨立性。

PERMITTED INDEMNITY PROVISION

The Articles of Association provides that the Directors, secretary, independent auditors and other officers shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or any of them may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices.

獲准彌償條文

組織章程細則規定，董事、秘書、獨立核數師及其他高級人員，須就或針對其本人或其中任何人將獲以本公司資產及利潤作為彌償保證及擔保，使彼等不會因彼等本身或彼等任何一方於各自的職位履行職責或其假定職責之時作出、同意作出或遺漏作出任何行為而將會或可能招致或蒙受的任何訴訟、費用、收費、損失、損害賠償及開支而蒙受損害。

The Company had arranged appropriate insurance cover in respect of any potential legal action against the Directors and senior management in respect of potential legal actions that may be incurred in the course of performing their duties.

本公司已就董事及高級管理層於履行職責過程中可能產生之潛在法律行動而面臨之任何潛在法律行動安排適當保險保障。

BIOGRAPHICAL DETAILS OF THE DIRECTORS

The biographical details of the Directors are set out on pages 17 to 19 of the Annual Report.

董事履歷

董事履歷詳情載於本年報第17至19頁。

DIRECTORS' SERVICE CONTRACTS

Mr. Meng Guangyin, Mr. Liu Guoqing and Mr. Liu Jiaqiang have renewed their service agreements with the Company for a term of one year commencing on 7 September 2022. Mr. Li Dongpo has renewed his service agreement with the Company for a term of one year commencing on 10 December 2022. Their service agreements may be terminated by not less than one month's notice in writing served by either party on the other.

董事服務合約

孟廣銀先生、劉國慶先生及劉加強先生已與本公司重續服務協議，自二零二二年九月七日起為期一年。李東坡先生已與本公司重續服務協議，自二零二二年十二月十日起為期一年。彼等之服務協議可由任何一方向另一方發出不少於一個月的書面通知予以終止。

All the INEDs were appointed for a specific term of one year, but subject to the relevant provisions of the Articles of Association or any other applicable laws whereby the Directors shall vacate or retire from their office.

所有獨立非執行董事之指定任期為一年，惟董事之離任或退任須受組織章程細則或任何其他適用法例之有關條文所規限。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Mr. Tian Zhiyuan has renewed a letter of appointment with the Company for a term of one year commencing on 20 September 2022. Mr. Lee Chun Keung and Mr. Wang Luping have renewed letters of appointment with the Company for a term of one year commencing on 14 and 27 December 2022 respectively. Their appointment letters may be terminated by not less than one month's notice in writing served by either party on the other.

No Director proposed for re-election at the forthcoming 2023 AGM has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group for the Year are set out in Notes 12 and 13 to the Financial Statements, respectively. The remuneration packages of the Directors are recommended by the Remuneration Committee and approved by the Board as described on page 31 of the Corporate Governance Report.

DIRECTORS' MATERIAL INTERESTS IN CONTRACTS

Details of the related party transactions of the Group during the Year are set out in Note 33 to the Financial Statements.

Save as disclosed above, no other transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at any time during the Year or as at the end of the Year.

CONTROLLING SHAREHOLDER'S INTEREST

Save as disclosed in the Annual Report, no contracts of significance between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries or any contracts of any significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries subsisted at any time during the Year or as at the end of the Year.

田志遠先生已與本公司續新委任函件，自二零二二年九月二十日起為期一年。李鎮強先生及王魯平先生已與本公司續新委任函件，分別自二零二二年十二月十四日及二十七日為期一年。其委任函件可由任何一方向另一方發出不少於一個月的書面通知予以終止。

擬於應屆二零二三年股東週年大會上膺選連任之董事概無與本公司訂立不得由本公司於一年內終止並免付賠償(法定賠償除外)之未屆滿服務合約。

董事及五名最高薪酬人士之薪酬

本集團董事及五名最高薪酬人士於本年度之薪酬詳情分別載於財務報表附註12及13。誠如企業管治報告第31頁所述，董事之薪酬待遇由薪酬委員會建議並由董事會審批。

董事於合約中的重大權益

於本年度內，有關本集團關聯方交易之詳情載於財務報表附註33。

除上文所披露者外，於本年度內任何時間或於本年度末，本公司或其任何附屬公司概無訂立與本集團業務有關之其他交易、安排及重大合約，且董事或與董事有關的實體概無直接或間接於該等交易、安排或合約中擁有重大權益。

控股股東的權益

除本年報所披露者外，於本年度內任何時間或於本年度末，本公司或其任何附屬公司概無與本公司的一名控股股東或其任何附屬公司訂立任何重大合約，亦無就本公司的一名控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務而訂立任何重大合約。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債權證之權益及淡倉

As at 30 April 2023, the interests or short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO, were as follows:

於二零二三年四月三十日，董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中擁有記入本公司根據證券及期貨條例第XV部第352條須存置之登記冊之權益或淡倉如下：

| Name of Director | Capacity/Nature of interest | Number of Shares interested | Percentage of shareholding interest in the Company 佔本公司股權百分比 |
|--|---|-----------------------------|---|
| 董事姓名 | 身份／權益性質 | 權益股份數目 | 股權百分比 |
| Mr. Meng Guangyin (“Mr. Meng”) 孟廣銀先生(「孟先生」) | Interest in a controlled corporation (Note) 於受控法團之權益(附註) | 600,000,000 | 75% |

Notes:

附註：

- The 600,000,000 Shares were held under certain trust units under the Changjiang Absolute Return China Fund (the “Changjiang Fund”), in which Mr. Meng, the Chairman, the CEO and an Executive Director, was beneficially interested via his wholly-owned company Prosper One, and managed by Changjiang Asset Management (HK) Ltd (the “Changjiang Asset”), Mr. Meng’s asset and fund manager. Mr. Meng is the sole shareholder and the sole director of Prosper One and is deemed to be interested in the 600,000,000 Shares in which Prosper One is interested under the SFO.
- The percentage of shareholding interest in the Company shown in the table above is calculated on the basis of 800,000,000 Shares in issue as at 30 April 2023.
- All interests stated above represent long positions.

- 600,000,000股股份由Changjiang Absolute Return China Fund(「Changjiang Fund」)項下若干信託單位持有，孟先生(主席、行政總裁及執行董事)通過彼之全資擁有公司富一於該等股份中擁有實益權益，及該等股份由孟先生的資產及基金經理長江證券資產管理(香港)有限公司(「長江資產」)進行管理。孟先生為富一的唯一股東及唯一董事，並被視為根據證券及期貨條例於富一擁有權益的600,000,000股股份中擁有權益。
- 上表所示佔本公司股權百分比乃根據於二零二三年四月三十日已發行之800,000,000股股份計算。
- 上述所有權益均為好倉。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Interest in the Shares of Prosper One – the immediate and ultimate holding company of the Company

於富一股份的權益 – 本公司之直接及最終控股公司

| Name of Director 董事姓名 | Capacity/Nature of interest 身份／權益性質 | Interests in ordinary shares of Prosper One 富一的普通股權益 | Percentage of shareholding 持股百分比 |
|--------------------------|--|---|-------------------------------------|
| Mr. Meng 孟先生 | Beneficial owner 實益擁有人 | 1 | 100% |

Save as disclosed above and so far as the Directors are aware, as at 30 April 2023, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO), (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

除上文所披露者外及就董事所知，於二零二三年四月三十日，董事或本公司主要行政人員概無於本公司或其任何相聯法團之股份、相關股份或債權證中擁有任何權益或淡倉(定義見證券及期貨條例第XV部)而須：(a)根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所(包括其根據證券及期貨條例有關條文被當作或視為擁有之權益及淡倉)，(b)根據證券及期貨條例第352條須記入該條文所述之登記冊，或(c)根據標準守則須知會本公司及聯交所。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

主要股東及其他人士於股份及相關股份之權益及淡倉

To the best of the Directors' knowledge, as at 30 April 2023, the following entity (other than a Director or the chief executive of the Company) had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

就董事所知，於二零二三年四月三十日，以下實體(並非董事或本公司主要行政人員)於股份及相關股份中擁有記錄於本公司根據證券及期貨條例第336條須存置之登記冊內之權益或淡倉：

| Name of Shareholder 股東姓名 | Capacity/Nature of interest 身份／權益性質 | Number of Shares interested 權益股份數目 | Percentage of shareholding interest in the Company 佔本公司股權百分比 |
|-----------------------------|--|---------------------------------------|---|
| Prosper One 富一 | Beneficial owner (Note) 實益擁有人(附註) | 600,000,000 | 75% |

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Notes:

1. The 600,000,000 Shares were held under certain trust units under the Changjiang Fund, in which Mr. Meng, the Chairman, the CEO and an Executive Director, was beneficially interested via his wholly-owned company Prosper One, and managed by Changjiang Asset, Mr. Meng's asset and fund manager. Mr. Meng is the sole shareholder and sole director of Prosper One and is deemed to be interested in the 600,000,000 Shares in which Prosper One is interested under the SFO.
2. The percentage of shareholding interest in the Company shown in the table above is calculated on the basis of 800,000,000 Shares in issue as at 30 April 2023.
3. All interests stated above represent long positions

Save as disclosed above, as at 30 April 2023, so far as the Directors or chief executive of the Company are aware, no other persons (other than a Director or the chief executive of the Company) or entities had any interests or short positions in the Shares or underlying Shares, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

For the Year and up to the date of the Annual Report, the Directors are not aware of any business or interest of the Directors, the management of the Company and their respective close associates that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

附註:

1. 600,000,000股股份由Changjiang Fund項下若干信託單位持有，孟先生(主席、行政總裁及執行董事)通過彼之全資公司富一於該等股份中擁有實益權益，及該等股份由孟先生的資產及基金經理長江資產進行管理。孟先生為富一的唯一股東及唯一董事，並被視為根據證券及期貨條例於富一擁有權益的600,000,000股股份中擁有權益。
2. 上表所示佔本公司股權百分比乃根據於二零二三年四月三十日已發行之800,000,000股股份計算。
3. 上述所有權益均為好倉

除上文所披露者外，於二零二三年四月三十日，就董事或本公司主要行政人員所知，概無其他人士(本公司董事或主要行政人員除外)或實體於股份或相關股份中擁有任何權益或淡倉將根據證券及期貨條例第XV部第2及3分部之規定予以披露，或須根據證券及期貨條例第336條記入該條文所述之登記冊內。

董事於競爭業務之權益

於本年度及直至本年報日期，董事概不知悉董事、本公司管理層及彼等各自的緊密聯繫人之任何業務或權益與本集團之業務構成或可能構成競爭，亦不知悉任何該等人士已經或可能與本集團存在任何其他利益衝突。

購買股份或債權證之安排

本公司或其任何附屬公司於本年度任何時間概無訂立任何安排，以使董事可透過收購本公司或任何其他法團之股份或債權證而獲得利益。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the normal course of business are provided under note 33 to the Financial Statements. Save for the continuing connected transactions disclosed below, none of the related party transactions constitutes a discloseable connected transaction or continuing connected transaction as defined under Chapter 14A of the Listing Rules. In relation to those related party transactions that also constitute connected transactions or continuing connected transactions under the Listing Rules, they have complied with the applicable requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Details of the continuing connected transactions (as defined in the Listing Rules) of the Group for the Year (the “**Continuing Connected Transactions**”) are as follows:

Non-exempt Continuing Connected Transactions subject to reporting, announcement and independent Shareholders’ approval requirements

Purchases of fertilisers from Shandong Runyin Fertiliser Technology Company Limited* (山東潤銀肥業科技有限公司) (“Shandong Runyin”)

On 18 February 2022, the Company and Ruixing Group Company Limited* (“**Ruixing**”) entered into a new purchase agreement to purchase fertilisers from Ruixing and its subsidiaries (together, the “**Ruixing Group**”). During the Year, the Group had purchased fertilisers such as urea and compound fertilisers from Shandong Runyin, a subsidiary of Ruixing, for resale to independent customers. The transaction values for the purchases amounted to approximately HK\$498.6 million. As the Group is considered to be acting as agent in respect of these purchase and sale transactions, the Group recognised commission income of HK\$24,447,000 for acting as agent in these transactions.

Shandong Runyin is ultimately controlled by Mr. Meng, the Chairman and an Executive Director and the ultimate controlling shareholder of the Company before 15 February 2023. Therefore, Shandong Runyin is an associate of Mr. Meng and thus a connected person of the Company before 15 February 2023.

The annual cap of the transaction value under the purchase agreement shall not exceed HK\$500 million, HK\$600 million and HK\$700 million for each of the three years ending 30 April 2023, 2024 and 2025, respectively.

關聯方交易

正常業務過程中進行的關聯方交易詳情載於財務報表附註33。除下文所披露的持續關連交易外，任何關聯方交易均不構成上市規則第14A章所界定的須予披露關連交易或持續關連交易。根據上市規則亦構成關連交易或持續關連交易的關聯方交易，已遵守上市規則第14A章的適用規定。

持續關連交易

本集團於本年度之持續關連交易(「**持續關連交易**」)(定義見上市規則)詳情如下：

須遵守申報、公佈及徵求獨立股東批准規定之非豁免持續關連交易

自山東潤銀肥業科技有限公司(「山東潤銀」)採購肥料

於二零二二年二月十八日，本公司與瑞星集團股份有限公司(「**瑞星**」)簽訂了新購買協議，向瑞星及其附屬公司(統稱為「**瑞星集團**」)採購肥料。於本年度，本集團已向瑞星之附屬公司山東潤銀採購肥料(如尿素及複合肥料)，以轉售予獨立客戶。該等採購之交易價值約為498.6百萬港元。由於本集團就該等買賣交易被視為代理人行事，故本集團作為該等交易的代理人而確認的佣金收入為24,447,000港元。

於二零二三年二月十五日前，山東潤銀最終由本公司主席、執行董事兼最終控股股東孟先生控制。因此，於二零二三年二月十五日前，山東潤銀為孟先生的聯繫人且由此為本公司的關連人士。

截至二零二三年、二零二四年及二零二五年四月三十日止三個年度，購買協議項下交易價值的年度上限分別不超過500百萬港元、600百萬港元及700百萬港元。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Purchases of fertilisers from Shandong Nongyuan Nongzi Company Limited* (山東農源農資有限公司) (“Shandong Nongyuan”)

On 18 February 2022, the Company and Shandong Nongyuan entered into a new purchase agreement to purchase fertilisers from Shandong Nongyuan and its subsidiaries. During the Year, the Group had purchased fertilisers from Shandong Nongyuan for sale to independent customers. The transaction values of the purchases amounted to approximately HK\$198.8 million. As the Group is considered to be acting as agent in respect of these purchase and sale transactions, the Group recognised commission income of HK\$8,637,000 for acting as agent in these transactions.

As Shandong Nongyuan is a company owned as to 51% by Mr. Meng Xiao who is a cousin of Mr. Meng, Shandong Nongyuan is, therefore, deemed to be a connected person of the Company.

The annual cap of the transaction value under the purchase agreement shall not exceed HK\$200 million, HK\$150 million and HK\$100 million for each of the three years ending 30 April 2023, 2024 and 2025, respectively.

* The English transliteration of the Chinese name is for identification purpose only.

Confirmations from the INEDs and the Independent Auditor

Pursuant to rule 14A.55 of the Listing Rules, the INEDs have reviewed the Continuing Connected Transactions and confirmed that the transactions had been made:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal or better commercial terms; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Independent Auditor was engaged to report on the Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. The Independent Auditor has issued their unqualified letter containing their findings and conclusions in respect of the Continuing Connected Transactions disclosed above in accordance with rule 14A.56 of the Listing Rules.

自山東農源農資有限公司(「山東農源」)採購肥料

於二零二二年二月十八日，本公司與山東農源簽訂了新購買協議，向山東農源及其附屬公司採購肥料。於本年度，本集團已向山東農源採購肥料，以出售予獨立客戶。該等採購之交易價值約為198.8百萬港元。由於本集團就該等買賣交易被視為代理人行事，故本集團作為該等交易的代理人而確認的佣金收入為8,637,000港元。

由於山東農源為孟先生之堂弟孟蕭先生擁有51%的公司，故山東農源被視為本公司之關連人士。

截至二零二三年、二零二四年及二零二五年四月三十日止三個年度，購買協議項下交易價值的年度上限分別不超過200百萬港元、150百萬港元及100百萬港元。

* 中文名稱的英文譯本乃僅供識別。

獨立非執行董事和獨立核數師的確認

根據上市規則第14A.55條，獨立非執行董事已審閱持續關連交易，並確認已進行之交易：

- (i) 於本集團的日常及正常業務過程中；
- (ii) 以正常或更好的商業條款；及
- (iii) 根據有關協議以公平合理之條款訂立並符合股東之整體利益。

獨立核數師獲委聘根據香港會計師公會發佈的香港鑒證業務準則第3000號(經修訂)歷史財務資料審核或審閱以外的鑒證工作並參考實務說明第740號香港上市規則規定的持續關連交易的核數師函件對持續關連交易作出報告。獨立核數師已根據上市規則第14A.56條發出無保留意見函，其中包含有關於上文披露的持續關連交易的調查結果和結論。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

The Independent Auditor has performed agreed-upon procedures regarding the Continuing Connected Transactions as set out above and states that:

- (a) nothing has come to their attention that causes them to believe that the Continuing Connected Transactions have not been approved by the Board;
- (b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (c) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) nothing has come to their attention that causes them to believe that the Continuing Connected Transactions have exceeded the annual caps as set by the Company.

獨立核數師已就上文所載持續關連交易開展確認程序並聲明：

- (a) 其概無發現任何事項使其認為持續關連交易並未經過董事會批准；
- (b) 就涉及由本集團提供貨物或服務的交易而言，其概無發現任何事項使其認為該等交易(於全部重大方面)並未遵守本集團的定價政策；
- (c) 其概無發現任何事項使其認為該等交易(於全部重大方面)並非根據管轄該等交易的相關協議而訂立；及
- (d) 其概無發現任何事項使其認為持續關連交易已超逾本公司所設年度上限。

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

The Company did not redeem its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such securities during the Year.

購買、出售或贖回本公司上市證券

於本年度內，本公司概無贖回其上市證券，且本公司或其任何附屬公司亦無購買或出售任何該等證券。

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of the issued Shares (i.e. at least 25% of the issued Shares in public hands) during the Year and thereafter up to the date of the Annual Report.

充足公眾持股量

根據本公司可查閱之公開資料以及就董事所知，本公司已於本年度及其後截至本年報日期維持已發行股份之充足公眾持股量(即至少25%已發行股份由公眾持有)。

MANAGEMENT CONTRACTS

No contracts (except for the service contracts of the Executive Directors) 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.

管理合約

於本年度內，本公司概無訂立或訂有任何有關管理及經營本公司全部或任何重大部分業務之合約(執行董事服務合約除外)。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

SHARE OPTION SCHEME

The Company has a share option scheme (the “Scheme”) which was adopted pursuant to a resolution passed by the Shareholders on 21 April 2015 (the “Adoption Date”).

1. Purpose and Participants

The primary purpose of the Scheme is providing eligible participants with an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants (the “Participants”) whose contributions are important to the long-term growth and profitability of the Group. Participants of the Scheme include any employees, Executive Directors, non-executive Directors (including INEDs), advisors, consultants of the Company or any of its subsidiaries.

2. Maximum number of Shares available for issue

The maximum number of Shares which may be issued under the Scheme and any other schemes of the Company (excluding options lapsed pursuant to the Scheme and any other schemes of the Company) must not exceed 80,000,000, representing 10% of the issued Shares of the Company as at the Adoption Date and the date of the Annual Report.

3. Acceptance of offer

Offer of a share option shall be deemed to have been accepted by the grantee when the duplicate of the relevant offer letter comprising acceptance of the option duly signed by the grantee together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company within 28 days from the date of the offer.

4. Subscription price

The subscription price for the Shares under the Scheme shall be a price determined by the Board at its sole discretion and notified to the Participant and shall be no less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date on which a Share Option is granted, and (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotation sheets for the 5 business days immediately preceding the date on which a Share Option is granted; and (iii) the nominal value of a Share.

購股權計劃

本公司設有一項根據股東於二零一五年四月二十一日(「採納日期」)通過之決議案而採納之購股權計劃(「該計劃」)。

1. 目的及參與者

該計劃主要旨在向合資格參與者提供機會可於本公司中擁有個人股權，以及激勵、吸引及挽留其貢獻對本集團長期發展及盈利能力尤為重要之合資格參與者(「參與者」)。該計劃之參與者包括本公司或其任何附屬公司之任何僱員、執行董事、非執行董事(包括獨立非執行董事)、顧問及諮詢人。

2. 可供發行的最大股份數目

根據本公司之該計劃及任何其他計劃，可發行之最大股份數目(惟根據該計劃及本公司任何其他計劃而失效之購股權將不會計入)不得超過80,000,000股股份，其相當於本公司於採納日期及本年報日期已發行股份10%。

3. 接納要約

倘本公司於要約日期起計28日內接獲經承授人正式簽署涉及接納購股權的相關要約函件副本連同付予本公司1.00港元之款項作為授出購股權之代價，則有關購股權的要約將被視為已獲承授人接納。

4. 認購價

該計劃項下股份之認購價應由董事會全權酌情釐定後知會參與者，其不得低於下列者中之最高者：(i)授出購股權當日聯交所每日報價表所列的股份收市價；及(ii)緊接授出購股權日期前5個營業日聯交所每日報價表所列的股份平均收市價；及(iii)股份面值。

5. Maximum entitlement of Shares of each Participant

- (i) Subject to paragraphs (ii) and (iii) below, the total number of Shares issued and to be issued upon exercise of the share options granted to each Participant (except for the parties mentioned in paragraph (iii) below) (including both exercised, cancelled and outstanding share options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
- (ii) Notwithstanding (i) above, any further grant of share options to a Participant in excess of the 1% limit or the limit mentioned in paragraph (iii) below (as the case may be) shall be subject to approval by our Shareholders in general meeting with such Participant and his or her close associates (or his associates if the participant is a connected person) abstaining from voting. The number and the terms of the share options to be granted to such Participant shall be fixed before the Shareholders' approval and the date of the Board meeting for proposing such further grant should be taken as the date for grant for the purpose of calculating the subscription price.
- (iii) A substantial Shareholder or an INED, or any of their respective associates can be granted options comprising the underlying Shares (a) in aggregate not over 0.1% of the issued Shares or (b) having an aggregate value, based on the closing price of the Shares at the date of the grant, not in excess of HK\$5 million.

6. Exercise of share options

A share option may be exercised in accordance with the terms of the Scheme and such other terms and conditions upon which a share option was granted, at any time during the option period after the share option has been granted by the Board but in any event, not longer than 10 years from the date of grant. A share option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the option period.

7. Duration of the Scheme

The Scheme will remain valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further share options will be granted but the provisions of the Scheme shall in all other respects remain in full force and effect and share options which are granted during the life of the Scheme may continue to be exercisable in accordance with their terms of issue.

5. 每名參與者可獲股份的上限

- (i) 在下文(ii)及(iii)段之規限下，於任何12個月期間因授予每名參與者(除下文(iii)段所提及的各方外)的購股權(包括已行使、註銷及尚未行使的購股權)獲行使而發行及將發行的股份總數，不得超過已發行股份總數之1%。
- (ii) 即使上文(i)有所規定，向一名參與者授出超逾該1%上限或下文(iii)段所提及的上限(視情況而定)的任何額外購股權須於股東大會上獲得股東批准，而有關參與者及其緊密聯繫人(或倘參與者為關連人士，則為其聯繫人)須放棄投票。向該參與者授出購股權的數目及條款須於股東批准前釐定，而建議此額外授出的董事會會議日期應就計算認購價而言被視為授出日期。
- (iii) 一名主要股東或一名獨立非執行董事或彼等各自的任何聯繫人可獲授包括(a)合計不超過已發行股份0.1%或(b)總價值(根據授出日期股份的收市價計算)不超過5百萬港元的相關股份的購股權。

6. 行使購股權

購股權可於董事會授出購股權當日起計的購股權行使期內，隨時根據該計劃的條款及授出購股權的其他條款與條件行使，惟該行使期無論如何不得長於授出日期起計10年。當購股權行使期屆滿時，尚未行使的購股權將自動失效，不得行使。

7. 計劃期間

該計劃於採納日期起計十年內有效，到期後不會再授出購股權，但該計劃的條文在所有其他方面仍然具有十足效力及作用，而於該計劃有效期內授出的購股權可根據發行條款繼續行使。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

On 4 January 2018, the Company offered to grant to certain Participants options, which were subject to, among others, a refreshment of the scheme mandate limit for the Scheme (the “Refreshment”). The resolution concerning the Refreshment was duly passed by the Shareholders at an EGM held on 25 January 2018.

As the offers of the grant of the share options had not been accepted by the selected Participants in accordance with the terms and conditions of the Scheme, no share options were granted and outstanding as at 30 April 2023.

No share options were exercised or cancelled or lapsed during the Year.

於二零一八年一月四日，本公司向若干參與者授出購股權，該等購股權受限於(其中包括)更新該計劃之計劃授權限額(「更新」)。有關更新之決議案於二零一八年一月二十五日舉行之股東特別大會經股東正式通過。

由於選定參與者並未根據該計劃之條款及條件接納授出購股權之要約，故於二零二三年四月三十日，概無已授出及未行使之購股權。

於本年度，概無任何購股權獲行使或註銷或失效。

EQUITY-LINKED AGREEMENTS

The Company has not entered into other equity-linked agreements that (i) would or might result in the Company issuing Shares or (ii) would require the Company to enter into any agreements that would or might result in the Company issuing Shares during the Year and up to the date of the Annual Report.

股票掛鈎協議

本公司於本年度內及截至本年報日期並無訂立其他股票掛鈎協議(i)會或可能會導致本公司發行股份或(ii)會要求本公司訂立任何會或可能會導致本公司發行股份的協議。

CHARITABLE DONATIONS

During the Year, the Group made charitable donations of HK\$3,000 (2022: Nil).

慈善捐款

於本年度，本集團作出慈善捐款3,000港元(二零二二年：無)。

RELIEF OF TAXATION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares of the Company.

稅務寬免

本公司並不知悉股東可由於持有本公司股份而享有任何稅務寬免。

MATERIAL EVENT AFTER THE REPORTING PERIOD

The Group did not have any material subsequent event after the reporting period and up to the date of the Annual Report.

重大報告期後事項

於報告期間後及直至本年報日期，本集團並無任何重大期後事項。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

REVIEW OF THE ANNUAL RESULTS

The Audit Committee had reviewed the Annual Report (including the audited Financial Statements) and the annual results announcement of the Company for the Year and had submitted the same to the Board for approval. Members of the Audit Committee are of the opinion that the Financial Statements, the results announcement and the Annual Report have been prepared in compliance with the applicable accounting standards, the Listing Rules and the relevant statutory provisions and that an adequate disclosure has been made.

INDEPENDENT AUDITOR

Fan, Chan, will retire as the Independent Auditor and being eligible, offer themselves for reappointment.

A resolution will be proposed at the forthcoming 2023 AGM to re-appoint Fan, Chan as the Independent Auditor until the conclusion of the next AGM and to authorise the Board to fix their remuneration.

PUBLICATION OF INFORMATION ON THE WEBSITES

The Annual Report will be available for viewing on the website of the Stock Exchange at www.hkex.com.hk and on the website of the Company at www.prosperoneintl.com in due course in the manner required by the Listing Rules.

By order of the Board

Meng Guangyin
Chairman

Hong Kong, 31 July 2023

審閱年度業績

審核委員會已審閱本年報(包括經審核財務報表)及本公司本年度之年度業績公告,並已將該等文件遞交董事會批准。審核委員會成員認為財務報表、業績公告及本年報乃按適用會計準則、上市規則及相關法定條文編製,並已作出充分披露。

獨立核數師

范陳將退任獨立核數師並符合資格獲續聘。

於應屆二零二三年股東週年大會上將提呈決議案,以續聘范陳為獨立核數師,直至下屆股東週年大會結束,並授權董事會釐定其酬金。

於網站刊登資料

本年報可於適當時候按上市規則所規定方式於聯交所網站(www.hkex.com.hk)及本公司網站(www.prosperoneintl.com)閱覽。

承董事會命

主席
孟廣銀

香港,二零二三年七月三十一日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



范陳會計師行有限公司
Fan, Chan & Co. Limited

TO THE SHAREHOLDERS OF PROSPER ONE INTERNATIONAL HOLDINGS COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

致富一國際控股有限公司列位股東

(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Prosper One International Holdings Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 69 to 151, which comprise the consolidated statement of financial position as at 30 April 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 April 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

意見

我們已審核載列於第69至151頁致富一國際控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)之綜合財務報表，包括於二零二三年四月三十日之綜合財務狀況表、截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括重大會計政策概要)。

我們認為，綜合財務報表根據由香港會計師公會頒佈的《香港財務報告準則》真實及公平地反映了 貴集團於二零二三年四月三十日的綜合財務狀況，及其截至該日止年度的綜合財務表現及綜合現金流量，並已根據香港《公司條例》的披露規定妥為編製。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。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之責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「**守則**」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter 關鍵審計事項

Valuation of inventories

存貨估值

Refer to notes 4 and 18 to the consolidated financial statements
茲提述綜合財務報表附註4及18

We identified valuation of inventories as a key audit matter because the carrying amount of inventories was significant and the assessment of recoverability of the carrying amount involved significant judgement and estimation uncertainty.

我們將存貨估值識別為關鍵審計事項，原因是存貨賬面值屬重大，且賬面值可收回性評估涉及重大判斷及不確定性估計。

The Group had inventories of gross carrying amount of approximately HK\$11,837,000 and an allowance for write-down of inventories of approximately HK\$10,251,000 as at 30 April 2023.

於二零二三年四月三十日，貴集團擁有賬面總值約11,837,000港元的存貨及約10,251,000港元的撇減存貨撥備。

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。我們確定以下所述事項為須於本報告中溝通的關鍵審計事項。

How our audit addressed the key audit matter 我們如何於審計中處理關鍵審計事項

Our audit procedures in relation to management's valuation assessment of inventories included:

我們有關管理層所進行存貨估值評估的審計程序包括：

- Understanding the Group's key controls in relation to the identification of slow-moving inventories and measurement of the allowance for write-down of inventories;
- 理解 貴集團與識別滯銷存貨及計量撇減存貨撥備有關的關鍵控制；
- Understanding and evaluating the appropriateness of the basis used by the management in estimating the level of inventory allowance, taking into consideration the inventory aging as at 30 April 2023 and subsequent sales after 30 April 2023;
- 經考慮於二零二三年四月三十日之存貨賬齡及二零二三年四月三十日之後續銷售，理解及評估管理層估計存貨撥備等級所採用依據的適當性；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

我們如何於審計中處理關鍵審計事項

Valuation of inventories (continued)

存貨估值(續)

In estimating the allowance for write-down of inventories, it is the Group's policy to review the net realisable value of inventories periodically with reference to aging analysis, seasonality and current market conditions. These assessments are subject to uncertainties arising from changes in market trends, customer tastes and current business environment.

在估計撇減存貨撥備時，貴集團的政策是參考賬齡分析、季節性及目前市況定期審視存貨的可變現淨值。該等評估受市場趨勢、客戶品味轉變以及當前業務環境變動帶來的不確定性所影響。

- Assessing and examining the assumptions and estimates applied by management in determining the allowance for slow-moving inventories, including discussing with the management for the assumptions and judgement made in assessing net realisable values and evaluating reasonableness of the management's assessment of saleability of inventories with reference to historical record of the inventories;
- 評估及審查管理層在釐定滯銷存貨撥備時所採用之假設及估計，包括與管理層討論在評估可變現淨值時所作之假設及判斷，及參考過往存貨記錄，評估管理層對存貨之可銷售情況之評估是否合理；
- Assessing the historical accuracy of allowance for slow-moving inventories to evaluate the appropriateness of the basis made by the management in the current year; and
- 評估管理層過往的滯銷存貨撥備是否準確，從而評估管理層於本年度作出的基準是否合適；及
- Comparing the carrying amount of the inventories, on a sample basis, to their net realisable value through review of subsequent sales. Where there are no subsequent sales of the respective inventories subsequent to the year end date, we challenged management on the assumptions and basis applied to estimate the net realisable value of the inventories, corroborating the explanations with aging, consumer demand and market trends of the respective inventories, as appropriate.
- 通過審視後續銷售就存貨賬面值與其可變現淨值進行抽樣比較。當各存貨於年度結算日後並無後續銷售時，我們就管理層估計存貨可變現淨值時採用的假設及依據，以及以各存貨的賬齡、消費者需求及市場趨勢(視何者適用而定)作說明解釋對管理層作出質詢。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

OTHER INFORMATION

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

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

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

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

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

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

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

其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，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。

就有關我們對綜合財務報表的審計而言，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之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之綜合財務報表，並對其認為為使綜合財務報表之擬備不存在由於欺詐或錯誤而導致之重大錯誤陳述所需之內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止營運，或別無其他實際之替代方案。

治理層須負責監督 貴集團之財務報告過程。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

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

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

核數師就審計綜合財務報表承擔之責任

我們的目標，是對綜合財務報表整體上是否存在由於欺詐或錯誤而導致之重大錯誤陳述取得合理保證並發出包含我們意見之核數師報告。本報告根據我們的協定委聘條款僅向閣下(作為整體)發出，並無其他目的。我們不會就本報告之內容向任何其他人士負責或承擔任何責任。合理保證屬高水平之保證，但不能保證按照《香港審計準則》進行之審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可由欺詐或錯誤而引起，如果合理預期該等錯誤陳述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表所作出之經濟決定，則有關之錯誤陳述可被視作重大。

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，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之審計憑證，作為我們意見之基礎。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之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審計相關之內部控制，以設計適當之審計程序，但目的並非對貴集團內部控制之成效發表意見。
- 評價董事所採用之會計政策之恰當性及所作出會計估計與相關披露之合理性。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

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

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

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

核數師就審計綜合財務報表承擔之責任(續)

- 對董事採用持續經營會計基礎之恰當性作出結論，並根據所獲得之審計憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致 貴集團之持續經營能力產生重大疑慮。倘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之相關披露。倘有關披露不足，我們則應當發表保留意見。我們之結論是基於核數師報告日止所取得之審計憑證。然而，未來事項或情況可能導致 貴集團不能繼續持續經營。
- 評價綜合財務報表之整體列報方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就 貴集團內各實體或業務活動之財務信息獲取充足、適當之審計憑證，以便對綜合財務報表發表意見。我們負責集團審計之方向、監督及執行。我們為審計意見承擔全部責任。

除其他事項外，我們與治理層溝通了計劃之審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制之任何重大缺陷。

我們還向治理層提交聲明，說明我們已符合有關獨立性之相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性之所有關係及其他事項，以及在適用之情況下為消除威脅採取的行動或適用的防範措施。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

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

Fan, Chan & Co. Limited

Certified Public Accountants

Rooms 1007-1012
10/F., K. Wah Centre
191 Java Road
North Point
Hong Kong

31 July 2023

Lam Wai Yan

Practising Certificate Number: P06906

核數師就審計綜合財務報表承擔之責任(續)

從與治理層溝通之事項中，我們確定對本期綜合財務報表審計最為重要的事項，彼等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，或在極端罕有之情況下，如果合理預期在我們報告中溝通某事項造成之負面後果超過產生之公眾利益，我們決定不應在報告中溝通該事項。

范陳會計師行有限公司

執業會計師

香港
北角
渣華道191號
嘉華國際中心10樓
1007-1012室

二零二三年七月三十一日

林惠茵

執業證書編號：P06906

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

| | | Notes 附註 | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|----------------------|-------------|----------------------------------|----------------------------------|
| Revenue | 收益 | 5 | 41,510 | 75,269 |
| Cost of sales | 銷售成本 | | (5,005) | (34,647) |
| Gross profit | 毛利 | | 36,505 | 40,622 |
| Other gains and losses | 其他收益及虧損 | 7 | 856 | 5,413 |
| Selling and distribution costs | 銷售及分銷成本 | | (13,880) | (29,006) |
| Administrative expenses | 行政開支 | | (20,889) | (18,801) |
| Finance costs | 融資成本 | 8 | (96) | (525) |
| Profit/(loss) before tax | 除稅前溢利/(虧損) | 9 | 2,496 | (2,297) |
| Income tax expense | 所得稅開支 | 10 | (5,153) | (4,149) |
| Loss for the year attributable to owners of the Company | 本公司擁有人應佔年內虧損 | | (2,657) | (6,446) |
| Other comprehensive expense | 其他全面開支 | | | |
| <i>Item that may be reclassified subsequently to profit or loss</i> | <i>其後或會重新分類至損益項目</i> | | | |
| — Exchange differences arising from translation of foreign operations | — 換算海外業務所產生的匯兌差額 | | (2,062) | (706) |
| Total comprehensive expense for the year attributable to the owners of the Company | 本公司擁有人應佔年內全面開支總額 | | (4,719) | (7,152) |
| Loss per share — basic and diluted (HK cents per share) | 每股虧損 — 基本及攤薄 (每股港仙) | 14 | (0.33) | (0.81) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 30 April 2023 於二零二三年四月三十日

| | | Notes 附註 | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|--------------------|-------------|----------------------------------|----------------------------------|
| Non-current assets | | | | |
| | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 15 | 99 | 126 |
| Right-of-use assets | 使用權資產 | 16 | — | — |
| Rental deposits | 租賃按金 | 20 | — | 47 |
| Deferred tax assets | 遞延稅項資產 | 17 | 237 | 237 |
| | | | 336 | 410 |
| Current assets | | | | |
| | 流動資產 | | | |
| Inventories | 存貨 | 18 | 1,586 | 5,350 |
| Financial asset at fair value through profit or loss | 按公平值計入損益的金融資產 | 19 | — | 3,684 |
| Trade receivables, other receivables and prepayments | 應收貿易款項、其他應收款項及預付款項 | 20 | 73,485 | 71,957 |
| Cash and cash equivalents | 現金及現金等價物 | 21 | 126,190 | 82,459 |
| | | | 201,261 | 163,450 |
| Total assets | 總資產 | | 201,597 | 163,860 |
| Capital and reserves | | | | |
| | 股本及儲備 | | | |
| Share capital | 股本 | 26 | 8,000 | 8,000 |
| Reserves | 儲備 | | 8,853 | 13,572 |
| Total equity | 總權益 | | 16,853 | 21,572 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

As at 30 April 2023 於二零二三年四月三十日

| | | Notes | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|---|---------------|-------|----------------------------------|----------------------------------|
| | | 附註 | | |
| Non-current liabilities | 非流動負債 | | | |
| Provision for other liabilities and charges | 其他負債及費用撥備 | 22 | — | 74 |
| Lease liabilities | 租賃負債 | 23 | — | 135 |
| | | | — | 209 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付款項 | 22 | 137,736 | 100,005 |
| Lease liabilities | 租賃負債 | 23 | 135 | 860 |
| Amount due to ultimate holding company | 應付最終控股公司款項 | 24 | 46,060 | 35,690 |
| Bank loan | 銀行貸款 | 25 | — | 4,000 |
| Tax liabilities | 稅項負債 | | 813 | 1,524 |
| | | | 184,744 | 142,079 |
| Total liabilities | 負債總額 | | 184,744 | 142,288 |
| Total equity and liabilities | 總權益及負債 | | 201,597 | 163,860 |

The consolidated financial statements on pages 69 to 151 were approved and authorised for issue by the Board of Directors on and are signed on its behalf by:

第69至151頁之該等綜合財務報表已由董事會批准及授權刊發，並由以下代表簽署：

Mr. Meng Guangyin
孟廣銀先生
Director
董事

Mr. Liu Guoqing
劉國慶先生
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

| | | Share capital | Share premium | Capital reserve | Statutory reserve | Translation reserve | Accumulated losses | Total equity |
|---|--------------------------------------|------------------|------------------|--------------------|----------------------|------------------------|-----------------------|-----------------|
| | | 股本 | 股份溢價 | 資本儲備 | 法定儲備 | 匯兌儲備 | 累計虧損 | 權益總額 |
| | | 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 |
| | | | | (Note 1) (附註1) | (Note 2) (附註2) | | | |
| Balance at 1 May 2021 | 於二零二一年 五月一日的結餘 | 8,000 | 118,368 | 24,094 | 2,767 | 1,538 | (126,043) | 28,724 |
| Total comprehensive expense | 全面開支總額 | | | | | | | |
| Loss for the year | 年內虧損 | — | — | — | — | — | (6,446) | (6,446) |
| Exchange differences arising on translation of foreign operations | 換算海外業務所產生 的匯兌差額 | — | — | — | — | (706) | — | (706) |
| Total comprehensive expense | 全面開支總額 | — | — | — | — | (706) | (6,446) | (7,152) |
| Transfer to statutory reserve | 轉移至法定儲備 | — | — | — | 1,194 | — | (1,194) | — |
| Balance at 30 April 2022 and 1 May 2022 | 於二零二二年 四月三十日及 二零二二年 五月一日的結餘 | 8,000 | 118,368 | 24,094 | 3,961 | 832 | (133,683) | 21,572 |
| Total comprehensive expense | 全面開支總額 | | | | | | | |
| Loss for the year | 年內虧損 | — | — | — | — | — | (2,657) | (2,657) |
| Exchange differences arising on translation of foreign operations | 換算海外業務所產生 的匯兌差額 | — | — | — | — | (2,062) | — | (2,062) |
| Total comprehensive expense | 全面開支總額 | — | — | — | — | (2,062) | (2,657) | (4,719) |
| Transfer to statutory reserve | 轉移至法定儲備 | — | — | — | 1,775 | — | (1,775) | — |
| Balance at 30 April 2023 | 於二零二三年 四月三十日的結餘 | 8,000 | 118,368 | 24,094 | 5,736 | (1,230) | (138,115) | 16,853 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

Note 1:

The balance of capital reserve comprises the following:

On 23 June 2011, Mr. Lam Man Wah ("**Mr. Lam**"), one of the previous controlling shareholders of the Company, acquired the non-controlling interests of a subsidiary of the Company from an independent third party. The difference between the fair value of the equity interests acquired and the consideration paid amounting to HK\$1,610,000 was credited to the capital reserve.

On 31 October 2014, Mr. Lam agreed to waive part of its lending to the Group. The waived amount of HK\$14,282,000 was recognised as deemed capital consideration and credited to the capital reserve.

On 9 April 2015, the Company allotted and issued 5,833 and 94,166 of its shares to Ms. Ma Lili and Tic Tac Investment Holdings Limited, a company owned by the previous controlling shareholders, respectively, to acquire their respective shareholding interests in the subsidiaries of the Company.

As a result, a balance of HK\$3,902,000 was credited to the capital reserve representing the difference between the carrying value of the non-controlling interest of Jenus Top International Limited acquired over the nominal value of the share capital of the Company issued in exchange thereof. The combined share capital of the other subsidiaries of the Company of HK\$4,300,000 was reclassified to capital reserve upon the completion of the Group reorganisation.

Note 2:

As stipulated by the relevant regulations in the People's Republic of China (the "**PRC**"), the Company's subsidiaries established and operating in the PRC are required to appropriate 10% of their profit after tax as determined in accordance with the PRC accounting rules and regulations, to the statutory reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to equity owners. The statutory reserve can be used to make good previous years' losses, if any, and may be converted into paid-up capital by issuing additional capital to the owners in proportion to the owners' existing equity holdings, provided that the balance after such conversion is not less than 25% of the registered capital.

附註1:

資本儲備結餘包括以下各項:

於二零一一年六月二十三日,林文華先生(「林先生」),為本公司其中一名前控股股東向一名獨立第三方收購本公司一間附屬公司之非控股權益。所收購股權與已付代價之間的公平值差額1,610,000港元已計入資本儲備。

於二零一四年十月三十一日,林先生同意豁免其向本集團借出之部分借款。獲豁免款項14,282,000港元已確認被視為資本代價並已計入資本儲備。

於二零一五年四月九日,本公司分別配發及發行其5,833股及94,166股股份予馬莉莉女士及滴達投資控股有限公司(一間由前控股股東擁有之公司),以收購彼等各自於本公司附屬公司之股權權益。

因此,計入資本儲備之結餘3,902,000港元指所收購之新卓國際有限公司非控股權益賬面值超出本公司為交換而發行之股本面值之差額。本公司其他附屬公司之匯總股本4,300,000港元於本集團重組完成後被重新分類至資本儲備。

附註2:

按中華人民共和國(「中國」)的相關法規規定,本公司於中國成立及運營的附屬公司須將其根據中國會計法例及法規釐定的除稅後溢利中撥出10%以列入法定儲備,直至該儲備結餘達至其註冊資本之50%。撥款予該儲備金須於向權益擁有人分派股息前進行。法定儲備金可用於填補過往年度虧損(如有),並可通過按所有人現有股權比例向所有人發行額外資本轉換為實收資本,惟該轉換後的結餘不低於註冊資本的25%。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

| | Note 附註 | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|--------------------------------|----------------------------------|----------------------------------|
| Operating activities | 經營活動 | | |
| Profit/(loss) before tax | 除稅前溢利/(虧損) | 2,496 | (2,297) |
| Adjustments for: | 就以下各項作調整： | | |
| Finance costs | 融資成本 | 96 | 525 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 63 | 1,149 |
| Depreciation of right-of-use assets | 使用權資產折舊 | — | 388 |
| Impairment loss on property, plant and equipment recognised | 已確認物業、廠房及設備減值虧損 | 466 | — |
| Impairment loss on right-of-use assets recognised | 已確認使用權資產減值虧損 | — | 308 |
| Net (gain)/loss on disposal of property, plant and equipment | 出售物業、廠房及設備之(收益)/虧損淨額 | (107) | 5 |
| Interest income | 利息收入 | (305) | (49) |
| Fair value loss on financial asset at fair value through profit or loss | 按公平值計入損益的金融資產之公平值虧損 | — | 313 |
| Gain on disposal of a subsidiary | 出售一間附屬公司之收益 | — | (3,743) |
| Gain on early termination of leases | 提前終止租賃之收益 | — | (847) |
| Allowance for write-down of inventories recognised | 已確認撇減存貨撥備 | 375 | 3,372 |
| Operating cash flows before movements in working capital | 營運資金變動前的經營現金流量 | 3,084 | (876) |
| Decrease in inventories | 存貨減少 | 3,389 | 3,097 |
| (Increase)/decrease in rental deposits, trade receivables, other receivables and prepayments | 租賃按金、應收貿易款項、其他應收款項及預付款項(增加)/減少 | (4,355) | 69,893 |
| Increase/(decrease) in trade and other payables | 貿易及其他應付款項增加/(減少) | 41,898 | (9,703) |
| Cash generated from operations | 經營所得現金 | 44,016 | 62,411 |
| Interest received | 已收利息 | 305 | 49 |
| Income tax paid | 已付所得稅 | (5,864) | (3,435) |
| Net cash from operating activities | 經營活動所得現金淨額 | 38,457 | 59,025 |
| Investing activities | 投資活動 | | |
| Purchases of property, plant and equipment | 購置物業、廠房及設備 | (508) | — |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | 107 | — |
| Redemption of financial asset at fair value through profit or loss | 贖回按公平值計入損益之金融資產 | 3,684 | — |
| Proceeds from disposal of a subsidiary | 出售一間附屬公司所得款項 | — | 8,588 |
| Net cash from investing activities | 投資活動所得現金淨額 | 3,283 | 8,588 |

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|---|----------------------------|----------------------------------|----------------------------------|
| Financing activities | 融資活動 | | |
| Repayment of principal portion of lease liabilities | 償還租賃負債的本金部分 | (860) | (6,187) |
| Interest paid on lease liabilities | 已付租賃負債利息 | (65) | (223) |
| Repayment of bank loan | 償還銀行貸款款項 | (4,000) | (6,194) |
| Increase in amount due to ultimate holding company | 應付最終控股公司款項增加 | 10,370 | 8,600 |
| Interest paid on borrowings | 已付借款利息 | (31) | (302) |
| Increase in amount due to a director of a subsidiary | 應付一間附屬公司一名董事款項增加 | — | 5,800 |
| Net cash from financing activities | 融資活動所得現金淨額 | 5,414 | 1,494 |
| Net increase in cash and cash equivalents | 現金及現金等價物的增加淨額 | 47,154 | 69,107 |
| Effect of foreign exchange rate changes | 外匯匯率變動影響 | (3,423) | (61) |
| Cash and cash equivalents at the beginning of the year | 年初的現金及現金等價物 | 82,459 | 13,413 |
| Cash and cash equivalents at the end of the year, represented by bank balances and cash | 年末的現金及現金等價物 (即：銀行結餘及現金) | 126,190 | 82,459 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

1. GENERAL INFORMATION

Prosper One International Holdings Company Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands and its issued shares are listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Prosper One Enterprises Limited and its ultimate controlling party is Mr. Meng Guangyin, who is also the chairman of the Board of Directors and the chief executive officer of the Company.

The Company acts as an investment holding company and the principal activities of its subsidiaries (together with the Company, the “**Group**”) are the retail and wholesale of watches in Hong Kong, and acting as agent (for financial reporting purposes) in the sales and trading of fertilisers raw materials, fertilisers and other related products. The address of the principal place of business of the Company was Room 1403, 14/F., Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong.

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

1. 一般資料

富一國際控股有限公司(「**本公司**」)為於開曼群島註冊成立之上市有限公司，其已發行股份於香港聯合交易所有限公司上市。本公司之註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司董事認為，本公司之直接及最終控股公司為富一企業有限公司，該公司之最終控股方為孟廣銀先生，孟先生亦為本公司董事會主席及行政總裁。

本公司擔任投資控股公司，而其附屬公司(連同本公司統稱為「**本集團**」)之主要業務為於香港零售及批發腕錶及作為肥料原料、肥料及其他相關產品之銷售及貿易的代理(就財務申報目的而言)。本公司主要營業地點位於香港灣仔告士打道151號資本中心14樓1403室。

綜合財務報表以本公司之功能貨幣港元呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

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

a. Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 May 2022 for the preparation of the consolidated financial statements:

| | |
|-----------------------|---|
| Amendments to HKFRS 3 | <i>Reference to the Conceptual Framework</i> |
| Amendments to HKAS 16 | <i>Property, Plant and Equipment – Proceeds before Intended Use</i> |
| Amendments to HKAS 37 | <i>Onerous Contracts – Cost of Fulfilling a Contract</i> |
| Amendments to HKFRSs | <i>Annual Improvements to HKFRSs 2018–2020</i> |

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

a. 本年度強制生效之香港財務報告準則修訂本

本集團就編製綜合財務報表首次應用香港會計師公會(「香港會計師公會」)所頒佈以下香港財務報告準則的修訂本，該等修訂本於二零二二年五月一日或以後開始的年度期間強制生效：

| | |
|------------------|--------------------------|
| 香港財務報告準則第3號(修訂本) | 概念框架的提述 |
| 香港會計準則第16號(修訂本) | 物業、廠房及設備—未作擬定用途前的所得款項 |
| 香港會計準則第37號(修訂本) | 虧損性合約—履行合約之成本 |
| 香港財務報告準則(修訂本) | 香港財務報告準則二零一八年至二零二零年之年度改進 |

本年度應用香港財務報告準則的修訂本對本集團本年度及過往年度之財務表現及狀況及/或該等綜合財務報表所載披露並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

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

b. New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective, in these consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

b. 已頒佈但尚未生效之新訂香港財務報告準則及修訂本

本集團並無於該等綜合財務報表中提早應用下列已頒佈但尚未生效之新訂香港財務報告準則及修訂本。

Effective for accounting periods beginning on or after
於會計期間或之後
開始的期間生效

| | |
|---|-------------------------------|
| <ul style="list-style-type: none"> HKFRS 17, <i>Insurance Contracts</i> (including the October 2020 and February 2022 Amendments to HKFRS17) 香港財務報告準則第17號保險合約(包括二零二零年十月及二零二二年二月的香港財務報告準則第17號(修訂本)) | 1 January 2023 二零二三年一月一日 |
| <ul style="list-style-type: none"> Amendments to HKFRS 10 and HKAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> 香港財務報告準則第10號及香港會計準則第28號(修訂本)投資者及其聯營公司或合營企業之資產出售或出資 | <i>To be determined</i> 待定 |
| <ul style="list-style-type: none"> Amendments to HKFRS 16, <i>Lease Liability in a Sale and Leaseback</i> 香港財務報告準則第16號(修訂本)售後租回的租賃負債 | 1 January 2024 二零二四年一月一日 |
| <ul style="list-style-type: none"> Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020)</i> 香港會計準則第1號(修訂本)負債分類為流動或非流動以及香港詮釋第5號相關修訂本(二零二零年) | 1 January 2024 二零二四年一月一日 |
| <ul style="list-style-type: none"> Amendments to HKAS 1, <i>Non-current Liabilities with Covenants</i> 香港會計準則第1號(修訂本)附帶契諾的非流動負債 | 1 January 2024 二零二四年一月一日 |
| <ul style="list-style-type: none"> Amendments to HKAS 1 and HKFRS Practice Statement 2, <i>Disclosure of Accounting Policies</i> 香港會計準則第1號及香港財務報告準則實務報告第2號(修訂本)會計政策披露 | 1 January 2023 二零二三年一月一日 |
| <ul style="list-style-type: none"> Amendments to HKAS 8, <i>Definition of Accounting Estimates</i> 香港會計準則第8號(修訂本)會計估計之定義 | 1 January 2023 二零二三年一月一日 |
| <ul style="list-style-type: none"> Amendments to HKAS 12, <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> 香港會計準則第12號(修訂本)與單一交易所產生資產及負債有關之遞延稅項 | 1 January 2023 二零二三年一月一日 |

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

本公司董事預期應用所有新訂香港財務報告準則及修訂本於可見將來將不會對綜合財務報表造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are within the scope of HKFRS 16 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

3. 重大會計政策

綜合財務報表乃根據香港會計師公會所頒佈的香港財務報告準則編製。就編製綜合財務報表而言，倘資料合理預期將影響主要使用者所作的決定，則該等資料會被視為重大。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則及香港《公司條例》規定之適用披露資料。

於批准綜合財務報表時，本公司董事合理預期本集團擁有足夠資源於可見將來繼續持續經營。因此，彼等繼續採納持續經營基準會計法編製綜合財務報表。

誠如下文會計政策所解釋者，綜合財務報表已按歷史成本法編製。

歷史成本一般基於換取貨品及服務之代價之公平值釐定。

公平值是於計量日市場參與者間於有秩序交易中出售資產所收取或轉讓負債須支付之價格，而不論該價格為可直接觀察取得或可使用其他估值方法估計。於估計資產或負債之公平值時，本集團會考慮該等市場參與者於計量日對資產或負債定價時所考慮之資產或負債之特點。於該等綜合財務報表中作計量及／或披露用途之公平值乃按此基礎釐定，不包括屬於香港財務報告準則第2號「股份付款」範疇內之以股份支付為基礎之交易、香港財務報告準則第16號「租賃」範疇內之租賃交易，及與公平值存在若干類似之處但並非公平值之計量，例如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

3. 重大會計政策(續)

此外，就財務呈報而言，公平值計量根據公平值計量之輸入數據可觀察程度及公平值計量之輸入數據對其整體之重要性分類為第一、第二或第三級，詳情如下：

- 第一級輸入數據為實體有能力於計量日評估之完全相同之資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據為不包括第一級報價之資產或負債之可直接或間接觀察之輸入數據；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

主要會計政策載於下文。

綜合基準

綜合財務報表載有本公司及本公司控制實體及其附屬公司之財務報表。若出現下列情況，本公司即擁有控制權：

- 對接受投資公司之權力；
- 從參與接受投資公司活動中所涉及可變回報之風險或權利；及
- 利用其權利影響其回報之能力。

倘有事實及情況顯示上文所述三項控制因素中有一項或多項出現變化，則本集團會重新評估其是否對接受投資公司擁有控制權。

當本集團取得附屬公司控制權時，開始作綜合記賬，並於本集團失去對該附屬公司之控制權時終止綜合記賬。尤其是，所收購或出售之附屬公司於年內所產生之收入及開支由本集團取得控制權當日直至不再對該附屬公司擁有控制權之日計入綜合損益及其他全面收益表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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

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

Revenue recognition

Revenue from contracts with customers

Under HKFRS 15, revenue is recognised when the Group satisfies a performance obligation by transferring control over a product or service to the customer at the amount of promised consideration to which the Group is expected to be entitled under that performance obligation, excluding those amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

- (i) When the customer simultaneously receives and consumes the benefits provided by the Group's performance, as the Group performs;
- (ii) When the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) When the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If the contract terms and the Group's activities do not fall into any of these three situations, then under HKFRS 15 the Group recognises revenue for the sale of that good or service at a point in time, being when control has passed.

3. 重大會計政策(續)

綜合基準(續)

如有需要，本集團會對附屬公司的財務報表作出調整，使其會計政策與本集團的會計政策保持一致。

本集團成員公司間有關交易的所有集團內公司間資產及負債、權益、收入、開支以及現金流量已於綜合入賬時全數對銷。

收益確認

來自客戶合約的收益

根據香港財務報告準則第15號，當本集團按本集團根據有關履約責任預期有權獲取之承諾代價金額(不包括代第三方收取之金額)透過向客戶轉移產品或服務之控制權以達成履約責任時確認收益。

收益在某個時間點或隨時間確認。香港財務報告準則第15號識別以下會被視為承諾貨品或服務之控制權會隨時間轉移之三種情況：

- (i) 當客戶於本集團履約時同時接受及使用本集團履約所提供之利益時；
- (ii) 當本集團履約創造或增強一項資產而該項資產在創造或增強時由客戶控制時；或
- (iii) 當本集團之履約並無創造對本集團而言具替代用途之資產，且本集團擁有可強制執行權力支付迄今已達成履約部分之款項。

倘合約條款及本集團活動並不屬於任何該等三種情況，本集團則根據香港財務報告準則第15號於某一時間點(即控制權轉移時)確認銷售貨品或服務的收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Principal versus agent

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

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

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

Further details of the Group's revenue and other income recognition policies are as follows:

(a) Sale of merchandise

Revenue from the sale of merchandise is recognised at a point in time when control of the products is transferred to the customer, generally on delivery of the products.

(b) Trading of fertilisers raw materials, fertilisers and other related products (the "fertilisers and other products")

The Group determines that the nature of its promise is to arrange for the fertilisers and other products to be provided by the suppliers to the customers and hence, for financial reporting purposes under HKFRS 15, the Group is an agent not a principal. Commission income is recognised at a point in time when the services are rendered.

3. 重大會計政策(續)

收益確認(續)

主體對代理

倘另一方向客戶提供商品或服務，本集團會釐定其承諾性質是否為其本身提供特定商品或服務的履約責任(即本集團為主體)，或安排另一方提供該等商品或服務(即本集團為代理)。

倘本集團於向客戶轉移特定商品或服務前控制該商品或服務，則本集團為主體。

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

有關本集團收益及其他收入確認政策的進一步詳情如下：

(a) 商品銷售

商品銷售收益於產品控制權轉移至客戶之時間點(通常為交付產品之時)確認。

(b) 肥料原料、肥料及其他相關產品(「肥料及其他產品」)買賣

本集團會釐定其承諾性質為安排供應商向客戶提供肥料及其他產品，因此，就香港財務報告準則第15號項下之財務報告而言，本集團為代理而非主體。佣金收入於提供服務之時間點確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Principal versus agent (Continued)

(c) Service income on repairing watches

The Group provides repair services on watches to customers, which is a single performance obligation. The service income is recognised at a point in time when the service is completed.

(d) Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less accumulated impairment losses, if any.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "Other gains and losses".

3. 重大會計政策(續)

收益確認(續)

主體對代理(續)

(c) 腕錶維修之服務收入

本集團向客戶提供腕錶維修服務，其為單一履約責任。服務收入於服務完成之時間點確認。

(d) 利息收入

利息收入按應計基準及以實際利率法，透過採用將金融工具於預期年期或較短期間(倘適用)的估計未來現金收入貼現至金融資產的賬面淨值之比率予以確認。

於附屬公司的投資

於附屬公司的投資(如有)按成本減累計減值虧損於本公司財務狀況表入賬。

政府補助

政府補助不予確認入賬，直至有合理保證證明本集團將遵守其附帶條件及將收取補助。

作為已產生開支或虧損之補償或向本集團提供直接財務資助(並無日後相關成本)而可收取與收入相關之政府補助，乃於其變為可收取之期間於損益中確認。該等補助於「其他收益及虧損」呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Lease

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

As a practical expedient, leases with similar characteristics are accounted for on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of various offices, warehouses, equipment and vehicles that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. 重大會計政策(續)

租賃

租賃的定義

倘合約賦予權利於一段時間內控制可識別資產的用途以換取代價，則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立或修訂之合約，本集團會於開始或修訂日期(倘適用)根據香港財務報告準則第16號項下的定義評估合約是否為租賃或包含租賃。有關合約將不會被重新評估，除非合約的條款與條件隨後被改動。

本集團作為承租人

作為可行權宜方法，倘本集團合理預期按組別基準入賬與將組合內的租賃個別入賬兩者對綜合財務報表的影響並無重大差異，則具有類似特徵的租賃按組別基準入賬。

短期租賃

本集團對租賃期自開始日期起計12個月或以下且不包含購買選擇權之多項辦公室、倉庫、設備及汽車租賃應用短期租賃確認豁免。短期租賃之租賃付款於租賃期內以直線法或另有系統基準確認為開支。

使用權資產

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團於拆除及拆遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況而產生的成本估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from COVID-19-related rent concessions in which the Group applied the practical expedient.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 “Financial Instruments” and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date.

The lease payments include fixed payments less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

使用權資產(續)

使用權資產按成本計量，減去任何累計折舊及減值虧損，並就任何租賃負債重新計量作出調整，惟本集團應用可行權宜方法就COVID-19相關租金優惠引致的租賃負債調整除外。

使用權資產乃按直線基準於估計可使用年期及租期(以較短者為準)進行折舊。

本集團於綜合財務狀況表內將使用權資產呈列為單獨項目。

可退回租賃按金

已付可退回租賃按金乃根據香港財務報告準則第9號「金融工具」入賬，並初步按公平值計量。於初步確認時對公平值的調整被視為額外租賃付款並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，本集團使用租賃開始日期的增量借貸利率計算。

租賃付款包括固定付款減任何應收租賃優惠。

於開始日期後，租賃負債就應計利息及租賃付款作出調整。

於租期有所變動時，本集團將重新計量租賃負債(並就相關使用權資產作出相應調整)。

本集團於綜合財務狀況表內將租賃負債呈列為單獨項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease (Continued)

The Group as a lessee (Continued)

Lease modifications

Except for COVID-19-related rent concessions in which the Group applied the practical expedients, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

COVID-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃修訂

除本集團應用可行權宜方法之COVID-19相關租金優惠外，倘出現以下情況，本集團將租賃修訂作為一項單獨租賃入賬：

- 有關修訂藉增加使用一項或多項相關資產的權利擴大租賃範圍；及
- 調增租賃的代價，增加的金額相當於範圍擴大對應的獨立價格，及為反映特定合約的情況對獨立價格進行的任何適當調整。

對於不作為一項單獨租賃入賬的租賃修訂，本集團會根據經修訂租賃的租期，在租賃修訂生效日期透過使用經修訂貼現率對經修訂租賃付款進行貼現，以重新計量租賃負債。

COVID-19相關租金優惠

對於因COVID-19疫情的直接後果而發生的租金優惠，倘符合以下全部條件，本集團選擇應用可行權宜方法不評估有關變動是否為一項租賃修訂：

- 租賃付款的變動導致租賃的經修訂代價大致等於或低於緊接變動前的租賃代價；
- 租賃付款的任何減少僅影響原定於二零二二年六月三十日或之前到期的付款；及
- 租賃的其他條款及條件並無實質變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease (Continued)

The Group as a lessee (Continued)

COVID-19-related rent concessions (Continued)

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

COVID-19相關租金優惠(續)

應用可行權宜方法將租賃優惠導致的租賃付款變動列賬的承租人將以同一方式將應用香港財務報告準則第16號的變動入賬(倘變動並非租賃修訂)。租賃付款的寬免或豁免被入賬列作可變租賃付款。相關租賃負債獲調整以反映寬免或豁免的金額，並於該事件發生的期內在損益中確認相應調整。

外幣

編製個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)所進行之交易乃按交易當日之現行匯率確認。於報告期末，以外幣列值之貨幣項目乃按該日之當時匯率重新換算。以外幣歷史成本計量之非貨幣項目則不予重新換算。

結算貨幣項目及重新換算貨幣項目所產生的匯兌差額，於其產生期間於損益確認。

就呈列綜合財務報表而言，本集團之業務產生的資產及負債按各報告期末之當時匯率換算為本集團之呈列貨幣(即港元)。收入及開支項目按期內之平均匯率換算。所產生之匯兌差額(如有)於其他全面收益確認並於權益下以匯兌儲備累計。

出售海外業務時(即出售本集團於海外業務的全部權益，或涉及失去對包含海外業務的附屬公司的控制權的處置，或部分出售於聯合安排或聯營公司的權益(包括保留權益成為金融資產的海外業務))，於與該業務相關的本公司擁有人應佔權益中累計的匯兌差額全部重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefit costs and termination benefits

Payments to the Mandatory Provident Fund Scheme for staff in Hong Kong and state-managed retirement benefit schemes for staff in the PRC are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit/(loss) before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 重大會計政策(續)

借款成本

收購、建造或生產合資格資產(即需要一段長時間才可作擬定用途或出售)直接應佔之借款成本,加入該等資產的成本,直至資產大致上可作擬定用途或出售之時為止。

全部其他借款成本於其產生期間於損益確認。

退休福利成本及離職福利

若員工提供服務且有權獲得供款時,向強積金計劃(就香港員工而言)及國家管理的退休福利計劃(就中國員工而言)之供款被確認為開支。

短期僱員福利

短期僱員福利是在員工提供服務時預期支付的福利的未貼現金額。所有短期僱員福利均被確認為開支,除非另有香港財務報告準則要求或允許在資產成本中納入福利。

經扣除任何已付金額後,僱員應得的福利(例如工資及薪金、年假及病假)確認為負債。

稅項

所得稅開支指現時應付稅項及遞延稅項的總和。

現時應付稅項乃按年內應課稅利潤計算。應課稅利潤不計入其他年度的應課稅或可扣稅收支項目,亦進一步不計入無須課稅或不可扣稅項目,故有別於綜合損益及其他全面收益表所呈報之「除稅前溢利/(虧損)」。本集團即期稅項的負債使用於各報告期末前已頒佈或實質上已頒佈的稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 重大會計政策(續)

稅項(續)

遞延稅項乃按綜合財務報表內資產與負債賬面值與計算應課稅利潤所使用相應稅基的暫時性差額確認。遞延稅項負債一般就所有應課稅暫時性差額確認。遞延稅項資產則於可能有應課稅利潤以抵銷可扣減暫時性差額時確認所有有關差額。倘暫時性差額自不影響應課稅利潤或會計利潤的交易項下資產及負債的初步確認所產生，則不會確認有關遞延稅項資產及負債。

遞延稅項負債就附屬公司之投資所產生應課稅差額予以確認，除非本集團有能力控制暫時性差額撥回，而暫時性差額很可能不會於可見將來撥回。與該等投資及權益相關的可扣減暫時性差額所產生的遞延稅項資產，僅於可能將有充足的應課稅利潤從而可動用暫時性差額利益且預期於可預見未來其將被撥回時，予以確認。

本集團會在報告期末對遞延稅項資產的賬面值進行審核，倘不可能再有充足的應課稅利潤以收回全部或部分資產，則會扣減有關賬面值。

遞延稅項資產及負債乃基於報告期末之前已制定或實質上已制定的稅率(及稅法)按預期於結算負債或變現資產期間應用的稅率計量。

遞延稅項負債及資產的計量反映本集團預期於報告期末收回或結算其資產及負債賬面值的方式產生的稅務影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment including tangible assets that are held for use in the supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 重大會計政策(續)

稅項(續)

就租賃負債應佔稅項扣減之租賃交易而言，本集團就租賃交易整體應用香港會計準則第12號所得稅的規定。有關使用權資產及租賃負債之暫時性差額按淨額基準評估。使用權資產折舊超過租賃負債本金部分之租賃付款，導致可扣減暫時性差額淨額。

即期及遞延稅項於損益內確認，惟有關稅項與於其他全面收益或直接於權益內確認的項目則除外，在此情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益內確認。

物業、廠房及設備

物業、廠房及設備包括用於提供貨品或服務，或出於行政目的而持有的有形資產，乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表內入賬。

資產折舊乃在估計可使用年期內以直線法確認，以撇銷其成本並扣除其剩餘價值。估計可使用年期、剩餘價值及折舊法於各報告期末檢討，而任何估計變動的影響按預期基準入賬。

於出售或預期繼續使用有關資產不會產生任何未來經濟利益時終止確認物業、廠房及設備項目。出售或報廢物業、廠房及設備產生的任何收益或虧損按銷售所得款項與有關資產賬面值之間的差額釐定，並於損益確認。

存貨

存貨以成本及可變現淨值的較低者列賬。存貨成本以加權平均法釐定。可變現淨值為存貨的估計售價減所有估計完工成本及銷售所需成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

Impairment on tangible assets and right-of-use assets

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

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

3. 重大會計政策(續)

撥備

倘本集團因過往事件而導致現時須承擔法律或推定責任，且本集團很可能須履行該義務並能可靠估計義務有關金額，則會確認撥備。

確認為撥備之金額為於各報告期末履行現時責任所需代價之最佳估計，而估計乃經考慮圍繞責任之風險及不確定性而作出。倘撥備以估計履行現時責任所用之現金流量計量時，其賬面值為該等現金流量之現值(倘貨幣時間價值之影響屬重大)。

虧損性合約項產生的現時責任確認及計量為撥備。當本集團為達成合約責任所產生的不可避免成本超逾預期自該合約收取的經濟利益，即視為存在虧損性合約。

有形資產及使用權資產減值

於各報告期末，本集團審閱其有形資產及使用權資產的賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損。倘存在任何該等跡象，則會估計有關資產的可收回金額以釐定減值虧損(如有)程度。

有形資產及使用權資產的可收回金額會個別評估，倘無法估計個別資產的可收回金額，本集團將估計該資產所屬現金產生單位的可收回金額。倘能夠識別一個合理及一致的分配基準，企業資產亦會分配至個別現金產生單位，否則會分配至可識別一個合理及一致分配基準的最小現金產生單位組別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on tangible assets and right-of-use assets (Continued)

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

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

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

3. 重大會計政策(續)

有形資產及使用權資產減值(續)

可收回金額為公平值減出售成本與使用價值兩者中的較高者。評估使用價值時，估計未來現金流量會採用稅前貼現率折現為現值，該稅前貼現率反映對貨幣時間價值的目前市場評價及該資產(或現金產生單位)特有的風險(未針對該風險調整估計未來現金流量)。

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

倘若減值虧損於其後撥回，資產(或現金產生單位)賬面值將調升至其經修訂的估計可收回金額，而增加後的賬面值不得超過倘若該資產(或現金產生單位)於過往年度並無確認減值虧損時原應釐定的賬面值。減值虧損的撥回即時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

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

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

3. 重大會計政策(續)

金融工具

金融資產及金融負債在集團實體成為工具的合約條文訂約方時確認。所有以常規方式購入或出售的金融資產於交易日(即本集團承諾購入或出售資產當日)確認。以常規方式購入或出售指須於市場規定或慣例所訂一般時限內交付資產的金融資產購入或出售。

該等金融資產及金融負債初步按公平值計量(惟客戶合約產生的應收貿易款項初步根據香港財務報告準則第15號計量)。收購或發行金融資產及金融負債(按公平值計入損益(「**按公平值計入損益**」)的金融資產或金融負債除外)直接應佔的交易成本,計入金融資產或金融負債於初始確認的公平值或於當中扣除(視乎何者適用而定)。收購按公平值計入損益的金融資產或金融負債直接應佔交易成本即時於損益確認。

實際利率法為計算金融資產或金融負債的攤銷成本以及分配相關期間的利息收入及利息開支之方法。實際利率乃於初步確認時按金融資產或金融負債的預期可使用年期或適用的較短期間內確切貼現估計未來現金收入及付款(包括構成實際利率不可或缺部分的所有已付或已收費用、交易成本及其他溢價及貼現)至賬面淨值的利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (“**FVOCI**”), and FVPL.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for “Revenue recognition”.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

3. 重大會計政策(續)

金融工具(續)

投資及其他金融資產

初步確認及計量

金融資產於初步確認時分類為其後按攤銷成本、按公平值計入其他全面收益(「按公平值計入其他全面收益」)、按公平值計入損益計量。

於初步確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已就此應用不調整重大融資成分的可行權宜方法的應收貿易款項外，本集團初步按公平值加上(倘金融資產並非按公平值計入損益)交易成本計量金融資產。並無重大融資成分或本集團已就此應用可行權宜方法的應收貿易款項乃根據香港財務報告準則第15號按「收益確認」所載政策釐定的交易價格計量。

為使金融資產按攤銷成本或按公平值計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金利息的現金流量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收取合約現金流量、出售金融資產或兩者兼有。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Investments and other financial assets (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVOCI (debt instruments)

The Group measures debt investments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt investments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the consolidated statement of profit or loss.

3. 重大會計政策(續)

金融工具(續)

投資及其他金融資產(續)

其後計量

金融資產之其後計量視以下分類而定：

按攤銷成本計量之金融資產(債務工具)
倘符合下列兩項條件，本集團按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有的金融資產。
- 金融資產之合約條款於指定日期產生現金流量，而其純粹支付本金及尚未清償本金之利息。

按攤銷成本計量之金融資產其後使用實際利率法計量，並須予減值。當資產取消確認、修改或減值時，則會在綜合損益表內確認收益及虧損。

按公平值計入其他全面收益的金融資產(債務工具)

倘達成以下兩項條件，本集團按公平值計入其他全面收益計量債務投資：

- 於旨在持有金融資產以收取合約現金流量以及出售金融資產的業務模式中持有的金融資產。
- 金融資產的合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

就按公平值計入其他全面收益的債務投資而言，利息收入、匯兌重估及減值虧損或撥回於綜合損益表內確認並按與按攤銷成本計量的金融資產相同的方式計算。剩餘公平值變動於其他全面收益內確認。於終止確認後，於其他全面收益內確認的累計公平值變動重新計入綜合損益表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on equity investments classified as financial assets at FVPL are also recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

3. 重大會計政策(續)

金融工具(續)

投資及其他金融資產(續)

其後計量(續)

按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作買賣之金融資產、於初步確認時指定按公平值計入損益的金融資產或強制規定須按公平值計量的金融資產。倘金融資產為於近期作出售或回購目的而收購，則該金融資產被分類為持作買賣。衍生工具(包括已分開之嵌入式衍生工具)亦分類為持作買賣，惟彼等被指定為有效對沖工具除外。現金流量並非僅可用作償還本金及利息的金融資產按公平值計入損益分類及計量，而不論業務模式。儘管如上文所述債務工具可分類為按攤銷成本或按公平值計入其他全面收益，倘能夠消除或顯著減少會計錯配，則債務工具或會於初步確認時指定為按公平值計入損益。

按公平值計入損益的金融資產按公平值於綜合財務狀況表列賬，而公平值的淨變動則於綜合損益表內確認。

該類別包括本集團並無不可撤回地選擇按公平值計入其他全面收益分類的權益投資。分類為按公平值計入損益的金融資產的權益投資股息亦於支付權確立，與股息相關的經濟利益很可能流入本集團，且股息的金額能夠可靠計量時，於綜合損益表內確認為其他收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets

The Group recognises an allowance for the “expected credit loss” (“ECL”) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3. 重大會計政策(續)

金融工具(續)

金融資產減值

本集團就並非按公平值計入損益持有的所有債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取並按原始實際利率的概若利率折現的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押品或合約條款所包含的其他信貸升級措施所得的現金流量。

一般方法

預期信貸虧損分兩個階段確認。就初步確認以來信貸風險並無大幅增加的信貸風險而言，會為未來12個月(12個月預期信貸虧損)可能發生的違約事件所產生的信貸虧損計提預期信貸虧損撥備。就初步確認以來信貸風險大幅增加的信貸風險而言，須就預期於敞口的餘下年期產生的信貸虧損計提虧損撥備，不論違約的時間(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險自初步確認起是否已顯著增加。於評估時，本集團將於報告日期金融工具發生的違約風險與初步確認日起金融工具發生的違約風險進行比較，並考慮在無需付出過多成本或努力下即可獲得的合理且具理據資料，包括過往經驗及前瞻性資料。

當合約付款已逾期90日時，本集團會將金融資產視為違約。然而，在若干情況下，倘內部或外部資料顯示，在計及本集團所持的任何信貸提升措施後，本集團不大可能悉數收回尚未償還合約金額，則本集團亦可能將金融資產視為違約。倘無法合理預期收回合約現金流量，則撤銷金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

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

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

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 重大會計政策(續)

金融工具(續)

金融資產減值(續)

一般方法(續)

當一項或多項對金融資產估計未來現金流量造成負面影響的違約事件發生時，即表示金融資產已出現信貸減值。金融資產出現信貸減值的證據包括涉及以下事件的可觀察數據：

- (a) 發行人或借款人面臨重大財務困難；
- (b) 違反合約，例如違約或逾期事件；
- (c) 借款人的貸款人因有關借款人的財務困難出於經濟或合約理由而向借款人批出貸款人不會另行考慮的寬免；
- (d) 借款人將可能陷入破產或其他財務重組；或
- (e) 該金融資產因財務困難而失去活躍市場。

當有資料顯示對手方處於嚴重財務困難及無實際收回可能(例如對手方已處於清盤狀態或已進行破產程序)，則本集團撇銷金融資產。經考慮法律意見後(倘合適)，遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事件。任何其後收回在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

Debt investments at FVOCI and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. 重大會計政策(續)

金融工具(續)

金融資產減值(續)

一般方法(續)

按公平值計入其他全面收益的債務投資及按攤銷成本計量的金融資產按一般方法進行減值，並按下列階段預期信貸虧損計量分類，惟下文詳述應用簡化法的應收貿易款項除外。

- 第一階段 — 金融工具的信貸風險自初步確認後並無顯著增加，其虧損撥備按等同12個月預期信貸虧損的金額計量
- 第二階段 — 金融工具的信貸風險自初步確認後顯著增加(惟並非信貸減值的金融資產除外)，其虧損撥備按等同全期預期信貸虧損的金額計量
- 第三階段 — 於報告日期為信貸減值的金融資產(惟並非購買或源生信貸減值的金融資產除外)，其虧損撥備按等同全期預期信貸虧損的金額計量

簡化法

就不包含重大融資成分或本集團已就此應用不調整重大融資成分的可行權宜方法的應收貿易款項而言，本集團採用簡化法計算預期信貸虧損。根據簡化法，本集團並無追蹤信貸風險的變動，惟於各報告日期根據全期預期信貸虧損確認減值撥備。本集團已根據其過往信貸虧損經驗建立撥備矩陣，並就債務人特定的前瞻性因素及經濟環境作出調整。

金融負債及權益工具

集團實體發行的債項及權益工具乃根據合約安排的內容以及金融負債及權益工具的定義分類為金融負債或權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVPL.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, bank loan and amount due to ultimate holding company) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the FVOCI reserve is reclassified to profit or loss.

The Group derecognises financial liability when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 重大會計政策(續)

金融工具(續)

金融負債及權益工具(續)

權益工具

權益工具乃證明本集團於扣除其所有負債後剩餘資產權益的任何合約。本集團發行的權益工具確認為已收取款項(扣除直接發行成本)。

金融負債

所有金融負債其後採用實際利率法按攤銷成本計量或按公平值計入損益計量。

按攤銷成本計量的金融負債

金融負債(包括貿易及其他應付款項、銀行貸款及應付最終控股公司款項)其後採用實際利率法按攤銷成本計量。

終止確認

本集團僅在自資產取得現金流量的合約權利屆滿，或向另一實體轉讓金融資產及資產所有權的絕大部分風險及回報時，終止確認金融資產。倘本集團並無轉讓或保留擁有權的絕大部分風險及回報，並持續控制已轉讓資產，則本集團按其持續參與程度持續確認資產，並就其可能須支付金額確認相關負債。倘本集團保留已轉讓金融資產擁有權的絕大部份風險及回報，本集團繼續確認金融資產，亦就已收取的所得款項確認有抵押借款。

於終止確認按攤銷成本計量的金融資產時，資產賬面值及已收及應收代價總和之差額於損益中確認。

於應用香港財務報告準則第9號之後，取消確認分類為按公平值計入其他全面收益的債務工具投資時，先前按公平值計入其他全面收益儲備中累計的收益或虧損將重新分類至損益。

本集團僅在本集團的責任已經履行、解除或到期的情況下，方會終止確認金融負債。終止確認的金融負債賬面值與已付及應付代價之間的差額會於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Principal versus agent considerations for trading of fertilisers and other products

Determining whether the Group is acting as a principal or as an agent, for financial reporting purposes, in the sales of goods requires exercise of judgement and consideration of all relevant facts and circumstances. In the evaluation of whether the Group is acting as a principal or an agent, the Group noted that it does not obtain control of the fertilisers and other products from the suppliers before passing on to customers. The Group also considers, individually and in combination, whether the Group is primarily responsible for fulfilling the promise to provide the fertilisers and other products, is subject to inventory risk and has discretion in establishing prices for the goods. Significant judgement is required when making these considerations. Having considered the relevant facts and circumstances, management considers that the Group does not obtain control in respect of the trading activities involving the fertilisers and other products. Accordingly, the Group considers that for financial reporting purposes, it is acting as an agent for sale and trading of fertilisers and other products and the corresponding revenue is presented on a net basis.

4. 關鍵會計判斷及估計不確定性的主要來源

應用附註3所述本集團會計政策時，本公司董事須就無法透過其他來源輕易得出的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及被視為相關的其他因素作出。實際結果可能有別於該等估計。

本集團會持續審核估計及相關假設。倘會計估計的修訂僅對作出修訂期間產生影響，則有關修訂僅於該期間確認，倘會計估計的修訂對當前及未來期間均產生影響，則於作出修訂期間及未來期間確認。

應用會計政策的主要判斷

以下為本公司董事於應用本集團會計政策過程中所作出及對於綜合財務報表中已確認的款項產生最重大影響的主要判斷(不包括涉及估計的判斷(請參閱下文))。

肥料及其他產品貿易的主體對代理代價

釐定本集團於銷售貨品時作為財務申報的主體或代理時須對全部有關事實及情況作出判斷及考慮。於評估本集團作為主體或代理時，本集團知悉在轉讓給客戶之前，並未從供應商處獲得對肥料及其他產品的控制權。本集團亦會個別及共同考慮本集團是否主要負責履行提供肥料及其他產品的承諾、是否面臨存貨風險以及貨品定價是否審慎。當作出有關考慮時須作出重大判斷。經考慮有關事實及情況，管理層認為本集團並無取得肥料及其他產品貿易相關的控制權。因此，就財務申報而言，本集團擔任肥料及其他產品銷售及貿易的代理，相應收益按淨額基準呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

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

Useful lives and residual values and impairment of property, plant and equipment and right-of-use assets

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will increase the depreciation charge where useful lives are less than previously estimated lives, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. The Group tests annually whether its property, plant and equipment and right-of-use assets have suffered any impairment in accordance with the Group's accounting policies. The assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is determined based on value in use calculations which require the use of assumptions and estimates.

As at 30 April 2023, the carrying amount of property, plant and equipment and right-of-use assets are HK\$99,000 (net of accumulated impairment loss of HK\$466,000 (2022: HK\$126,000 (net of accumulated impairment loss of HK\$1,170,000))), and HK\$nil (net of accumulated impairment loss of HK\$308,000) (2022: HK\$nil (net of accumulated impairment loss of HK\$6,027,000)) respectively.

4. 關鍵會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源

下文載列於報告期末有關未來的主要假設及估計不確定性的其他主要來源，上述各項存在須對下個財政年度內資產及負債賬面值進行重大調整的重大風險。

物業、廠房及設備及使用權資產的可使用年期及剩餘價值及減值

本集團釐定其物業、廠房及設備的估計可使用年期及相關折舊開支。該估計乃根據性質及功能類似的物業、廠房及設備的實際可使用年期的過往經驗而作出。倘可使用年期較先前所估計的年期為短，或其將撇銷或撇減技術過時或已被廢棄或出售的非策略性資產，則本集團將會增加折舊支出。根據本集團之會計政策，本集團每年檢測其物業、廠房及設備以及使用權資產是否已經出現減值。倘有事件或情況變動顯示資產的賬面值超過其可收回金額，則會對資產進行減值檢討。資產或現金產生單位之可回收金額，乃根據需要使用假設及估計之使用價值計算法釐定。

於二零二三年四月三十日，物業、廠房及設備及使用權資產的賬面值分別為99,000港元(經扣除累計減值虧損466,000港元)(二零二二年：126,000港元(經扣除累計減值虧損1,170,000港元))及零港元(經扣除累計減值虧損308,000港元)(二零二二年：零港元(經扣除累計減值虧損6,027,000港元))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly in response to change in market trends, customer tastes and business environment. The Group will reassess the estimations by the end of the reporting period. As at 30 April 2023, the carrying amount of inventories was HK\$1,586,000 (net of allowance for write-down of HK\$10,251,000) (2022: HK\$5,350,000 (net of allowance for write-down of HK\$12,504,000)).

5. REVENUE

An analysis of the Group's revenue, all of which were recognised from contracts with customers within the scope of HKFRS 15 is as follows:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|-----------|----------------------------------|----------------------------------|
| <i>Revenue from contracts with customers</i> | 來自客戶合約的收益 | | |
| Sales of merchandise | 商品銷售 | 7,152 | 43,233 |
| Service income | 服務收入 | 9 | 474 |
| Commission income | 佣金收入 | 34,349 | 31,562 |
| | | 41,510 | 75,269 |

4. 關鍵會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

存貨可變現淨值

存貨可變現淨值為一般業務過程中的估計銷售價減估計銷售開支。該等估計乃基於當前市況及類似性質產品銷售的過往經驗，可根據市場趨勢變動、客戶品味變化及業務環境的變動而大幅改變。本集團將於報告期末重新評估該等估計。於二零二三年四月三十日，存貨的賬面值為1,586,000港元(經扣除撇減撥備10,251,000港元)(二零二二年：5,350,000港元(經扣除撇減撥備12,504,000港元))。

5. 收益

本集團年內於香港財務報告準則第15號範圍內之收益(所有收益均自客戶合約確認)分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

5. REVENUE (Continued)

Revenue from contracts with customers

Information about the Group's performance obligations is summarised below:

Sales of merchandise

The performance obligation is recognised at a point in time when control of the products is transferred to the customer, being at the point the customer purchases the goods at the store or on delivery of the merchandise for wholesale segment. Payment of the transaction price is due immediately and within 90 days at the point the customer purchases the products under the retail and wholesale segments, respectively.

Service income

The Group provides services on repairing watches to customers. The performance obligation is satisfied at a point in time when the service is completed and advance payments are normally required before rendering the services. The Group's enforceable right to the payment is subject to the completion of the whole services. The services are for periods less than one year.

Commission income

The performance obligation is completed at a point in time when the services on arranging trading of fertiliser and other related products are completed. Payment is generally in advance from the customers before the agency services are provided.

All the contracts in relation to trading of fertilisers are for original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to the performance obligations of the Group that were unsatisfied or partially unsatisfied as at the end of the reporting periods in relation to these unsatisfied contracts is not disclosed.

5. 收益(續)

來自客戶合約的收益

有關本集團履約義務的資料的概要如下：

商品銷售

履約義務於產品的控制權轉移給客戶時(即客戶於商舖購買產品時或於批發分部交付商品時)得到確認。客戶分別於零售及批發分部購買產品時，交易價格應在90天內隨即到期應付。

服務收入

本集團向客戶提供維修腕錶服務。履約義務於服務完成時達成及提供服務前通常須預先付款。於整個服務完成後本集團可強制要求支付。服務期間不超過一年。

佣金收入

履約義務於安排肥料及其他相關產品之交易服務完成後即為完成。於提供代理服務前客戶通常會提前支付。

所有買賣肥料的合約原先預計期限為一年或以下。據香港財務報告準則第15號所允許，與該等未履行合約有關分配至本集團於截至報告期末尚未履行或部分未履行的履約義務的交易價格未作披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

6. SEGMENT INFORMATION

Information reported to the Group's executive directors, who are the chief operating decision makers (the "CODM") of the Group, for the purposes of resource allocation and assessment of performance, are focused on three main operations of the Group identified in accordance with the business nature and the size of the operations.

Specifically, the reportable and operating segments of the Group under HKFRS 8 are as follows:

- Retail business of watches ("Retail") — retail of multi brands of watches in Hong Kong
- Wholesale business of watches ("Wholesale") — wholesale of multi brands of watches in Hong Kong
- Trading of fertilisers and other related products ("Trading") — provision of agency services in relation to trading of fertilisers and other related products

There are no significant sales or other transactions among the segments, except as disclosed below.

6. 分部資料

本集團執行董事為本集團主要經營決策者(「主要經營決策者」)，向其報告用作資源分配及表現評估之資料集中於本集團三項根據業務性質及經營規模而確認之主要業務。

具體而言，根據香港財務報告準則第8號，本集團之可呈報及經營分部如下：

- 腕錶零售業務(「零售」) — 於香港零售多個品牌之腕錶
- 腕錶批發業務(「批發」) — 於香港批發多個品牌之腕錶
- 肥料及其他相關產品之貿易(「貿易」) — 提供有關肥料及其他相關產品之貿易的代理服務

分部之間並無重大銷售或其他交易，惟以下披露者除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

6. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment for the two years:

For the year ended 30 April 2023

| | | Retail 零售 HK\$'000 千港元 | Wholesale 批發 HK\$'000 千港元 | Trading 貿易 HK\$'000 千港元 | Elimination 對銷 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|----------------------------|-----------|---------------------------------|------------------------------------|----------------------------------|--------------------------------------|--------------------------------|
| Revenue | 收益 | | | | | |
| External sales | 外部銷售 | 5,942 | 1,210 | — | — | 7,152 |
| External service income | 外部服務收入 | 5 | 4 | — | — | 9 |
| External commission income | 外部佣金收入 | — | — | 34,349 | — | 34,349 |
| Inter-segment sales | 分部間銷售 | — | 256 | — | (256) | — |
| | | 5,947 | 1,470 | 34,349 | (256) | 41,510 |
| Segment (loss)/profit | 分部(虧損)/溢利 | (5,777) | 316 | 20,587 | — | 15,126 |
| Finance costs | 融資成本 | | | | | (96) |
| Unallocated group expenses | 未分配集團開支 | | | | | (12,534) |
| Profit before tax | 除稅前虧損 | | | | | 2,496 |

6. 分部資料(續)

分部收益及業績

本集團於兩個年度內按經營及可呈報分部劃分之收益及業績分析如下：

截至二零二三年四月三十日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 30 April 2022

| | | Retail 零售 | Wholesale 批發 | Trading 貿易 | Elimination 對銷 | Total 總計 |
|--|----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Revenue | 收益 | | | | | |
| External sales | 外部銷售 | 41,580 | 1,653 | — | — | 43,233 |
| External service income | 外部服務收入 | 474 | — | — | — | 474 |
| External commission income | 外部佣金收入 | — | — | 31,562 | — | 31,562 |
| Inter-segment sales | 分部間銷售 | 71 | 206 | — | (277) | — |
| | | 42,125 | 1,859 | 31,562 | (277) | 75,269 |
| Segment (loss)/profit | 分部(虧損)/溢利 | (13,302) | 807 | 15,832 | — | 3,337 |
| Finance costs | 融資成本 | | | | | (525) |
| Unallocated gain on disposal of a subsidiary | 出售一間附屬公司之未分配收益 | | | | | 3,743 |
| Unallocated group expenses | 未分配集團開支 | | | | | (8,852) |
| Loss before tax | 除稅前虧損 | | | | | (2,297) |

Sales between segments are carried out on terms mutually agreed between the parties involved in the transactions. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment (loss)/profit represents the loss from/profit earned by each segment without allocation of central administration costs, directors' emoluments, gain on disposal of a subsidiary and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. 分部資料(續)

分部收益及業績(續)

截至二零二二年四月三十日止年度

| | | Retail 零售 | Wholesale 批發 | Trading 貿易 | Elimination 對銷 | Total 總計 |
|--|----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Revenue | 收益 | | | | | |
| External sales | 外部銷售 | 41,580 | 1,653 | — | — | 43,233 |
| External service income | 外部服務收入 | 474 | — | — | — | 474 |
| External commission income | 外部佣金收入 | — | — | 31,562 | — | 31,562 |
| Inter-segment sales | 分部間銷售 | 71 | 206 | — | (277) | — |
| | | 42,125 | 1,859 | 31,562 | (277) | 75,269 |
| Segment (loss)/profit | 分部(虧損)/溢利 | (13,302) | 807 | 15,832 | — | 3,337 |
| Finance costs | 融資成本 | | | | | (525) |
| Unallocated gain on disposal of a subsidiary | 出售一間附屬公司之未分配收益 | | | | | 3,743 |
| Unallocated group expenses | 未分配集團開支 | | | | | (8,852) |
| Loss before tax | 除稅前虧損 | | | | | (2,297) |

分部間銷售乃按涉及交易之各方共同協定之條款進行。向執行董事匯報之外部訂約方收益按與綜合損益及其他全面收益表一致之方式計量。

經營分部的會計政策與附註3所述之本集團會計政策相同。分部(虧損)/溢利指各分部所產生的虧損/所賺取的溢利，當中並無分配中央行政費用、董事酬金、出售一間附屬公司之收益及融資成本。此乃向主要營運決策者就資源分配及分部表現評估所呈報之計量方法。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Inter-segment sales are charged at prevailing market rates.

No segment assets and liabilities information is provided as no such information is regularly provided to the CODM of the Group for the purpose of making decision for resources allocation and performance assessment.

Geographical information

During the year, the Group's operation is mainly located in the PRC and Hong Kong. The Group's revenue by geographical location of customers, based on location of delivery of the watches or services, is detailed below:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|-----------|----|----------------------------------|----------------------------------|
| PRC | 中國 | 34,349 | 31,562 |
| Hong Kong | 香港 | 7,161 | 43,707 |
| Total | 總計 | 41,510 | 75,269 |

The Group's revenue is mainly derived from customers in the PRC and Hong Kong. There are no single external customers who contributed more than 10% of total revenue of the Group for both years.

The information of the Group's non-current assets excluding deferred tax assets and financial assets by geographical location is detailed below:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|-----------|----|----------------------------------|----------------------------------|
| PRC | 中國 | 99 | 122 |
| Hong Kong | 香港 | — | 4 |
| Total | 總計 | 99 | 126 |

6. 分部資料(續)

分部收益及業績(續)

分部間銷售乃按現行市場價格計算。

由於並無定期向本集團主要經營決策者提供分部資產及負債資料，以便作出資源分配及表現評估決策，故不提供有關資料。

地理資料

於本年度，本集團之業務主要位於中國及香港。本集團按客戶地理位置(基於腕錶或服務的交付地點)劃分之收益詳情如下：

本集團之收益主要來自中國及香港之客戶。兩個年度內並無單一外部客戶貢獻超過本集團總收益的10%。

本集團按地理位置劃分之非流動資產(不包括遞延稅項資產及金融資產)詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

6. SEGMENT INFORMATION (Continued)

Other disclosures

For the year ended 30 April 2023

6. 分部資料(續)

其他披露

截至二零二三年四月三十日止年度

| | Retail | Wholesale | Trading | Unallocated Group expenses | Total |
|---|----------|-----------|----------|----------------------------------|----------|
| | 零售 | 批發 | 貿易 | 未分配 集團開支 | 總計 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Addition to non-current assets 添置非流動資產 | — | 508 | — | — | 508 |
| Depreciation of property, plant and equipment 物業、廠房及設備折舊 | — | 45 | 18 | — | 63 |
| Gain on disposal of property, plant and equipment 出售物業、廠房及設備之收益 | 107 | — | — | — | 107 |
| Government grants 政府補貼 | 272 | — | 71 | 159 | 502 |
| Allowance for write-down of inventories recognised 已確認撇減存貨之撥備 | 289 | 86 | — | — | 375 |
| Impairment loss on property, plant and equipment 物業、廠房及設備減值虧損 | — | 466 | — | — | 466 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

6. SEGMENT INFORMATION (Continued)

Other disclosures (Continued)

For the year ended 30 April 2022

| | Retail | Wholesale | Trading | Unallocated Group expenses | Total |
|---|----------|-----------|----------|----------------------------------|----------|
| | 零售 | 批發 | 貿易 | 未分配 集團開支 | 總計 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Depreciation of property, plant and equipment 物業、廠房及設備折舊 | 1,130 | — | 19 | — | 1,149 |
| Depreciation of right-of-use assets 使用權資產折舊 | 388 | — | — | — | 388 |
| Loss on disposal of property, plant and equipment 出售物業、廠房及設備之虧損 | (5) | — | — | — | (5) |
| Rent concessions 租金優惠 | 199 | — | — | — | 199 |
| Government grants 政府補助 | — | — | 861 | — | 861 |
| Allowance for write-down of inventories recognised 已確認撇減存貨之撥備 | 3,220 | 152 | — | — | 3,372 |
| Impairment loss on right-of-use assets 使用權資產減值虧損 | 308 | — | — | — | 308 |

6. 分部資料(續)

其他披露(續)

截至二零二二年四月三十日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

7. OTHER GAINS AND LOSSES

7. 其他收益及虧損

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Rent concessions (<i>note (a)</i>) | 租金優惠(附註(a)) | — | 199 |
| Net foreign exchange (loss)/gain | 匯兌(虧損)/收益淨額 | (66) | 30 |
| Net gain/(loss) on disposal of property, plant and equipment | 出售物業、廠房及設備之收益/(虧損)淨額 | 107 | (5) |
| Interest income | 利息收入 | 305 | 49 |
| Sundry income | 其他收入 | 8 | 2 |
| Gain on early termination of leases | 提前終止租賃之收益 | — | 847 |
| Government grants (<i>note (b)</i>) | 政府補助(附註(b)) | 502 | 861 |
| Fair value loss on financial asset at FVPL | 按公平值計入損益的金融資產之公平值虧損 | — | (313) |
| Gain on disposal of a subsidiary (<i>note 35</i>) | 出售一間附屬公司之收益(附註35) | — | 3,743 |
| | | 856 | 5,413 |

Notes:

- (a) No rent concession was received by the Group (2022: HK\$199,000) in respect of rental periods that fell in the financial year ended 30 April 2023.
- (b) The government grants represent financial subsidies for compensating expenses already incurred or giving immediate financial support to the Group. There are no unfulfilled conditions or contingencies in relation to the grants and the grants were determined at the sole discretion of relevant government authorities in the PRC and Hong Kong.

Government grant income recognised in the current year includes an amount of HK\$431,000 (2022: HK\$nil) in respect of COVID-19-related subsidies, which relate to Employment Support Scheme provided by the Hong Kong government.

附註：

- (a) 本集團並無收取租金優惠(二零二二年：199,000港元)，涉及截至二零二三年四月三十日止財政年度的租期。
- (b) 政府補助指對已發生的支出進行補償或為本集團提供直接財務支持的財政補助。有關補助並無未達成的條件或有事項，而補助乃由中國及香港有關政府當局全權酌情決定。

於本年度確認之政府補助收入包括有關COVID-19相關補貼的款項431,000港元(二零二二年：零港元)，該款項與香港政府提供的保就業計劃有關。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

8. FINANCE COSTS

8. 融資成本

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|-------------------------------|--------|----------------------------------|----------------------------------|
| Interest on bank loan | 銀行貸款利息 | 31 | 302 |
| Interest on lease liabilities | 租賃負債利息 | 65 | 223 |
| | | 96 | 525 |

9. PROFIT/(LOSS) BEFORE TAX

9. 除稅前溢利/(虧損)

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Profit/(loss) before tax has been arrived at after charging: | 除稅前溢利/(虧損)乃於扣除以下各項後得出： | | |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 63 | 1,149 |
| Depreciation of right-of-use assets | 使用權資產折舊 | — | 388 |
| Auditor's remuneration | 核數師薪酬 | 900 | 900 |
| Impairment loss on property, plant and equipment | 物業、廠房及設備減值虧損 | 466 | — |
| Impairment loss on right-of-use assets recognised | 已確認使用權資產減值虧損 | — | 308 |
| Freight costs | 運費成本 | 5,840 | 6,735 |
| Short-term lease expenses | 短期租賃開支 | 864 | 4,565 |
| Directors' remuneration (note 12) | 董事薪酬(附註12) | 9,727 | 5,491 |
| Other staff | 其他員工 | | |
| — Salaries and wages | — 薪金及工資 | 9,856 | 16,381 |
| — Other employee benefits | — 其他僱員福利 | 28 | 242 |
| — Retirement benefit scheme contribution of other staff | — 其他員工之退休福利計劃供款 | 788 | 1,019 |
| Total staff costs | 員工成本總額 | 20,399 | 23,133 |
| Allowance for write-down of inventories recognised in cost of sales | 於銷售成本確認之撇減存貨撥備 | 375 | 3,372 |
| Carrying amount of inventories sold recognised as expense | 確認為開支之已售存貨之賬面值 | 4,630 | 31,275 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

10. INCOME TAX EXPENSE

10. 所得稅開支

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Current taxation | 即期稅項 | | |
| Hong Kong Profits Tax | 香港利得稅 | — | — |
| PRC Enterprise Income Tax (the “EIT”) | 中國企業所得稅(「企業所得稅」) | 5,184 | 3,895 |
| | | 5,184 | 3,895 |
| (Over)/under provision for prior years | 過往年度(超額撥備)/撥備不足 | | |
| Hong Kong Profits Tax | 香港利得稅 | (88) | — |
| PRC EIT | 中國企業所得稅 | 57 | 112 |
| | | (31) | 112 |
| Deferred taxation (note 17) | 遞延稅項(附註17) | — | 142 |
| | | 5,153 | 4,149 |

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million taxable profit of the qualifying corporation of the Group is taxed at 8.25%, and taxable profits above HK\$2 million are taxed at 16.5%. The directors considered the amount involved from the application of the two-tiered profits tax rates as insignificant to the consolidated financial statements. Other subsidiaries in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5%.

For the years ended 30 April 2023 and 2022, no provision for taxation in Hong Kong was made as the subsidiaries in Hong Kong incurred tax loss during the years.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries was 25% for both years.

根據香港利得稅兩級制，本集團合資格法團首2百萬港元應課稅溢利將按8.25%的稅率繳稅，而超過2百萬港元的應課稅溢利將按16.5%的稅率繳稅。董事認為，實施利得稅兩級制後所涉及的金額對綜合財務報表之影響甚微。香港其他附屬公司將按16.5%的稅率繳納香港利得稅。

截至二零二三年及二零二二年四月三十日止年度，由於香港附屬公司於有關年度產生稅項虧損，故並無就香港稅項作出撥備。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，兩個年度之中國附屬公司之稅率為25%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

10. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit/(loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|---|----------------------------------|----------------------------------|
| Profit/(loss) before tax | 除稅前溢利/(虧損) | 2,496 | (2,297) |
| Tax at the domestic income tax rate of 16.5% (2022: 16.5%) (note) | 按本地所得稅率16.5%計算之稅項 (二零二二年: 16.5%)(附註) | 412 | (379) |
| Tax effects of: | 以下各項之稅務影響: | | |
| Expenses not deductible for tax purposes | 不可扣稅開支 | 2,110 | 2,348 |
| Income not taxable for tax purposes | 無須課稅收入 | (434) | (837) |
| Tax losses not recognised | 未確認稅項虧損 | 1,782 | 3,218 |
| Utilisation of tax losses previously not recognised | 動用先前未確認之稅項虧損 | — | (118) |
| Utilisation of deductible temporary difference previously not recognised | 動用先前未確認之可扣減暫時性差額 | (441) | (1,546) |
| (Over)/under provision for prior years | 過往年度(超額撥備)/撥備不足 | (31) | 112 |
| Different tax rate of subsidiaries | 附屬公司之不同稅率 | 1,755 | 1,351 |
| Income tax expense | 所得稅開支 | 5,153 | 4,149 |

Note: The domestic tax rate, which is the Hong Kong Profits Tax rate, in the jurisdiction where the operations of the Group are substantially based is used.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of taxable temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately RMB45,855,000 (2022: RMB33,888,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

10. 所得稅開支(續)

本年度之稅項支出可與綜合損益及其他全面收益表之除稅前溢利/(虧損)對賬如下:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|---|----------------------------------|----------------------------------|
| Profit/(loss) before tax | 除稅前溢利/(虧損) | 2,496 | (2,297) |
| Tax at the domestic income tax rate of 16.5% (2022: 16.5%) (note) | 按本地所得稅率16.5%計算之稅項 (二零二二年: 16.5%)(附註) | 412 | (379) |
| Tax effects of: | 以下各項之稅務影響: | | |
| Expenses not deductible for tax purposes | 不可扣稅開支 | 2,110 | 2,348 |
| Income not taxable for tax purposes | 無須課稅收入 | (434) | (837) |
| Tax losses not recognised | 未確認稅項虧損 | 1,782 | 3,218 |
| Utilisation of tax losses previously not recognised | 動用先前未確認之稅項虧損 | — | (118) |
| Utilisation of deductible temporary difference previously not recognised | 動用先前未確認之可扣減暫時性差額 | (441) | (1,546) |
| (Over)/under provision for prior years | 過往年度(超額撥備)/撥備不足 | (31) | 112 |
| Different tax rate of subsidiaries | 附屬公司之不同稅率 | 1,755 | 1,351 |
| Income tax expense | 所得稅開支 | 5,153 | 4,149 |

附註: 本地稅率指本集團絕大部分業務營運所在司法權區之稅率, 即香港利得稅稅率。

根據中國企業所得稅法, 自二零零八年一月一日起, 就中國附屬公司所賺取的溢利所宣派的股息須徵收預扣稅。並無就中國附屬公司累計溢利應佔的應課稅暫時性差額約人民幣45,855,000元(二零二二年: 人民幣33,888,000元)於綜合財務報表中計提遞延稅項撥備, 原因是本集團有能力控制撥回暫時性差額的時間, 且該等暫時性差額於可見未來很大可能不會撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

11. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the years ended 30 April 2023 and 2022, nor has any dividend been proposed since the end of the reporting year.

11. 股息

截至二零二三年及二零二二年四月三十日止年度，並無向本公司普通股股東派付、宣派或建議派付任何股息，自報告年末亦無建議派付任何股息。

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, is as follows:

12. 董事及主要行政人員酬金

根據適用上市規則及《公司條例》披露之年內董事及主要行政人員酬金如下：

| Name of director | 董事姓名 | Fees | | Salaries | | Discretionary bonus | | Employer's contribution to pension scheme | | Total | |
|--------------------------------------|---------|----------|-------|----------|-------|---------------------|-------|---|-------|-------|-------|
| | | 袍金 | | 薪金 | | 酌情花紅 | | 僱主退休金計劃供款 | | 總計 | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| HK\$'000 | 千港元 | 二零二三年 | 二零二二年 | 二零二三年 | 二零二二年 | 二零二三年 | 二零二二年 | 二零二三年 | 二零二二年 | 二零二三年 | 二零二二年 |
| Executive Directors: | | 執行董事： | | | | | | | | | |
| Meng Guangyin (note) | 孟廣銀(附註) | 4,800 | — | 4,200 | 4,800 | — | — | 18 | 18 | 9,018 | 4,818 |
| Liu Guoqing | 劉國慶 | — | — | 250 | 250 | — | — | 13 | 13 | 263 | 263 |
| Liu Jiaqiang | 劉加強 | — | — | 179 | 185 | — | — | 21 | 12 | 200 | 197 |
| Li Dong Po | 李東坡 | — | — | 54 | 21 | — | — | — | — | 54 | 21 |
| Independent Non-Executive Directors: | | 獨立非執行董事： | | | | | | | | | |
| Tian Zhiyuan | 田志遠 | 96 | 96 | — | — | — | — | — | — | 96 | 96 |
| Lee Chun Keung | 李鎮強 | 48 | 48 | — | — | — | — | — | — | 48 | 48 |
| Wang Luping | 王魯平 | 48 | 48 | — | — | — | — | — | — | 48 | 48 |
| Total | 總計 | 4,992 | 192 | 4,683 | 5,256 | — | — | 52 | 43 | 9,727 | 5,491 |

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

上文所示執行董事之酬金乃彼等為本公司及本集團事務提供管理服務之酬金。

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

上文所示獨立非執行董事之酬金乃彼等出任本公司董事之酬金。

There was no arrangement under which a director or the chief executive officer waived or agreed to waive any emoluments during the years ended 30 April 2023 and 2022.

截至二零二三年及二零二二年四月三十日止年度，概無董事或行政總裁根據任何安排放棄或同意放棄任何酬金。

Note: Mr. Meng Guangyin is the chairman of the board and the chief executive officer of the Company.

附註：孟廣銀先生為本公司董事會主席兼行政總裁。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two directors (2022: one), details of whose remuneration are set out in note 12 above. Details of the remuneration for the year of the remaining three (2022: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| Salaries, other allowances and benefits in kind | 薪金、其他津貼及實物利益 | 4,065 | 7,682 |
| Discretionary bonus | 酌情花紅 | — | 3 |
| Retirement benefit costs — Mandatory Provident Fund Scheme | 退休福利成本 — 強制性公積金計劃 | 47 | 72 |
| | | 4,112 | 7,757 |

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands:

| | | Number 人數 | |
|-------------------------------|-----------------------------|---------------|---------------|
| | | 2023 二零二三年 | 2022 二零二二年 |
| Nil – HK\$1,000,000 | 零 – 1,000,000 港元 | 2 | 2 |
| HK\$1,000,001 – HK\$1,500,000 | 1,000,001 港元 – 1,500,000 港元 | — | 1 |
| HK\$3,000,001 – HK\$3,500,000 | 3,000,001 港元 – 3,500,000 港元 | 1 | — |
| HK\$5,000,001 – HK\$5,500,000 | 5,000,001 港元 – 5,500,000 港元 | — | 1 |

During the year, no emoluments were paid by the Group to any of the directors of the Company or the chief executive of the Group or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2022: nil).

13. 五名最高薪酬僱員

年內，本集團的五名最高薪酬僱員中包括兩名董事(二零二二年：一名董事)，有關其薪酬之詳情載於上文附註12。其餘三名(二零二二年：四名)既非董事亦非本公司主要行政人員的最高薪酬僱員於本年度之薪酬詳情如下：

並非本公司董事而其薪酬在下列範圍之內之最高薪酬僱員人數：

本集團年內並無向本公司董事或本集團主要行政人員或五名最高薪酬人士支付酬金，作為加盟本集團或加盟本集團時的獎金或作為離職補償(二零二二年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

| | | 2023 二零二三年 | 2022 二零二二年 |
|--|-----------------------|--------------------|---------------|
| Loss for the year attributable to owners of the Company (HK\$'000) | 本公司擁有人應佔年度虧損 (千港元) | (2,657) | (6,446) |
| Weighted average number of ordinary shares in issue | 已發行普通股加權平均數 | 800,000,000 | 800,000,000 |
| Basic and diluted loss per share (HK cents per share) | 每股基本及攤薄虧損 (每股港仙) | (0.33) | (0.81) |

No adjustments have been made in calculating diluted loss per share for both years as there were no potential ordinary shares in issue for both years.

14. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

由於兩個年度內並無任何已發行潛在普通股，故計算兩個年度之每股攤薄虧損時並無作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

| | | Leasehold improvements 租賃物業裝修 HK\$'000 千港元 | Furniture and fixtures 傢俱及裝置 HK\$'000 千港元 | Office equipment 辦公室設備 HK\$'000 千港元 | Motor vehicles and yacht 汽車及遊艇 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------------|--|---|---|--|--------------------------------|
| COST 成本 | | | | | | |
| At 1 May 2021 | 於二零二一年五月一日 | 9,399 | 475 | 677 | 14,106 | 24,657 |
| Additions | 添置 | (5,215) | (10) | (20) | — | (5,245) |
| Disposals | 出售 | — | — | — | (13,300) | (13,300) |
| Write-off | 撇銷 | (751) | — | (37) | — | (788) |
| Exchange realignment | 外匯調整 | — | — | — | (2) | (2) |
| At 30 April 2022 | 於二零二二年四月三十日 | 3,433 | 465 | 620 | 804 | 5,322 |
| Additions | 添置 | — | — | 3 | 505 | 508 |
| Disposals | 出售 | (2,575) | (1) | (24) | (755) | (3,355) |
| Exchange realignment | 外匯調整 | — | — | — | (9) | (9) |
| At 30 April 2023 | 於二零二三年四月三十日 | 858 | 464 | 599 | 545 | 2,466 |
| DEPRECIATION AND IMPAIRMENT 折舊及減值 | | | | | | |
| At 1 May 2021 | 於二零二一年五月一日 | 9,365 | 463 | 633 | 6,264 | 16,725 |
| Provided for the year (note (a)) | 年內撥備(附註(a)) | 34 | 12 | 35 | 1,068 | 1,149 |
| Eliminated on disposals | 於出售時對銷 | (5,215) | (10) | (15) | — | (5,240) |
| Eliminated on write-off | 於撇銷時對銷 | — | — | — | (6,650) | (6,650) |
| Exchange realignment | 外匯調整 | (751) | — | (37) | — | (788) |
| At 30 April 2022 | 於二零二二年四月三十日 | 3,433 | 465 | 616 | 682 | 5,196 |
| Provided for the year (note (a)) | 年內撥備(附註(a)) | — | — | 4 | 59 | 63 |
| Impairment loss recognised (note (b)) | 已確認減值虧損(附註(b)) | — | — | 3 | 463 | 466 |
| Eliminated on disposals | 於出售時對銷 | (2,575) | (1) | (24) | (755) | (3,355) |
| Exchange realignment | 外匯調整 | — | — | — | (3) | (3) |
| At 30 April 2023 | 於二零二三年四月三十日 | 858 | 464 | 599 | 446 | 2,367 |
| CARRYING VALUES 賬面值 | | | | | | |
| At 30 April 2023 | 於二零二三年四月三十日 | — | — | — | 99 | 99 |
| At 30 April 2022 | 於二零二二年四月三十日 | — | — | 4 | 122 | 126 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) The above items of property, plant and equipment are depreciated, taking into account their residual values, on a straight-line basis as follows:

| | |
|--------------------------|-----------------------------|
| Leasehold improvements | Lease terms of 2 to 5 years |
| Furniture and fixtures | 5 years |
| Office equipment | 3 years |
| Motor vehicles and yacht | 5 years |

- (b) As at the end of the reporting period, the directors of the Company have conducted impairment assessment on recoverable amounts of the Group's property, plant and equipment which are used in the Group's wholesale business of watches, in view of the continuous unfavorable operating results from that business. The management estimated the recoverable amount of the wholesale business, representing an individual cash-generating unit, to which the assets belonged. The recoverable amount of the cash-generating unit has been determined based on value in use calculations. The discount rate in measuring the amount of value in use was 12%.

Based on the results of the impairment assessments, the management estimated that the wholesale business would not generate positive net cash inflows in the future and hence the recoverable amounts of the relevant property, plant and equipment belonging to the wholesale business were insignificant. Accordingly, impairment losses of HK\$466,000 have been recognised on property, plant and equipment for the year ended 30 April 2023 and included in "administrative expenses".

15. 物業、廠房及設備(續)

附註：

- (a) 上述物業、廠房及設備項目乃於計及剩餘價值後，按直線法折舊如下：

| | |
|--------|---------|
| 租賃物業裝修 | 租期為2至5年 |
| 傢俱及裝置 | 5年 |
| 辦公室設備 | 3年 |
| 汽車及遊艇 | 5年 |

- (b) 於報告期末，考慮到腕錶批發業務經營業績持續欠佳，本公司董事對用於本集團腕錶批發業務的物業、廠房及設備之可收回金額進行減值評估。管理層估計批發業務(代表有關資產所屬的一個單獨現金產生單位)的可收回金額。現金產生單位之可收回金額乃根據使用價值計算釐定。計量使用價值金額的貼現率為12%。

基於減值評估結果，管理層估計未來批發業務不會產生正數現金流入淨額，故屬於批發業務之相關物業、廠房及設備之可收回金額並不重大。因此，於截至二零二三年四月三十日止年度，已確認物業、廠房及設備減值虧損466,000港元並於「行政開支」入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

16. RIGHT-OF-USE ASSETS

16. 使用權資產

| | | Land and buildings |
|---------------------------------------|----------------------------|---------------------------|
| | | 土地及樓宇 |
| | | HK\$'000 |
| | | 千港元 |
| COST | | |
| At 1 May 2021 | 於二零二一年五月一日 | 27,594 |
| Additions | 添置 | 361 |
| Write-off (note (a)) | 撇銷(附註(a)) | (19,971) |
| At 30 April 2022 | 於二零二二年四月三十日 | 7,984 |
| Write-off (note (a)) | 撇銷(附註(a)) | (7,624) |
| At 30 April 2023 | 於二零二三年四月三十日 | 360 |
| DEPRECIATION AND IMPAIRMENT | | |
| At 1 May 2021 | 於二零二一年五月一日 | 26,995 |
| Provided for the year | 年內撥備 | 388 |
| Impairment loss recognised (note (b)) | 已確認減值虧損(附註(b)) | 308 |
| Write-off (note (a)) | 撇銷(附註(a)) | (19,707) |
| At 30 April 2022 | 於二零二二年四月三十日 | 7,984 |
| Write-off (note (a)) | 撇銷(附註(a)) | (7,624) |
| At 30 April 2023 | 於二零二三年四月三十日 | 360 |
| CARRYING VALUES | | |
| At 30 April 2023 | 賬面值 於二零二三年四月三十日 | — |
| At 30 April 2022 | 於二零二二年四月三十日 | — |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

16. RIGHT-OF-USE ASSETS (Continued)

Notes:

- (a) Right-of-use assets are written off upon termination of the leases at the end of the lease term.
- (b) As at 30 April 2022, the directors of the Company have conducted impairment assessment on recoverable amounts of the Group's right-of-use assets which are used in the Group's retail business of watches, in view of the continuous unfavorable operating results from that business. The Group's retail business had been adversely impacted by the outbreak of COVID-19 pandemic since January 2020. The management estimated the recoverable amount of each of the retail outlets, each representing an individual cash-generating unit, to which the assets belonged. The recoverable amounts of the cash-generating units have been determined based on value in use calculations. The discount rate in measuring the amount of value in use was 12%.

Based on the results of the impairment assessments, the management estimated that most of the retail outlets would not generate positive net cash inflows in the future and hence the recoverable amounts of each of the cash-generating units, and the relevant right-of-use assets belonging to these retail outlets, were insignificant. Accordingly, impairment losses of HK\$308,000 have been recognised on right-of-use assets for the year ended 30 April 2022 and included in "selling and distribution costs".

16. 使用權資產(續)

附註：

- (a) 使用權資產於在租賃期末終止租賃時撇銷。
- (b) 於二零二二年四月三十日，本公司董事對用於本集團腕錶零售業務的使用權資產之可收回款項進行了減值評估。二零二零年一月起COVID-19疫情的爆發對本集團的零售業務產生了不利影響。管理層估計了每間零售店舖的可收回金額，每個代表資產所屬的個別現金產生單位。現金產生單位之可收回金額乃根據使用價值計算釐定。計量使用價值金額的貼現率為12%。

基於減值評估結果，管理層估計未來大部分零售店舖不會產生正面現金流入淨額，及因此各現金產生單位及屬於該等零售店舖之相關使用權資產之可收回金額並不重大。因此，於截至二零二二年四月三十日止年度，已確認使用權資產減值虧損為308,000港元並於「銷售及分銷成本」入賬。

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| Expense relating to short-term leases | 與短期租賃有關的開支 | 864 | 4,565 |
| Variable lease payments not included in the measurement of lease liabilities (note) | 未計入租賃負債計量之可變租賃付款(附註) | — | 241 |
| Lease expenses for the year | 年內租賃開支 | 864 | 4,806 |
| Repayment of principal portion of lease liabilities | 償還租賃負債之本金部分 | 860 | 6,187 |
| Interest paid on lease liabilities | 已付租賃負債利息 | 65 | 223 |
| Total cash outflow for leases for the year | 年內租賃現金流出總額 | 1,789 | 11,216 |

Note: Leases of retail stores contain the term of minimum monthly lease payment that are fixed over the lease term and variable lease payment that are based on certain percentage of sales of the retail stores if the variable lease payment exceeds the minimum rent.

附註：零售店舖之租賃包含在租賃期限內固定的每月最低租賃付款條款，而如果可變租賃付款超出最低租金，則包括根據零售店舖的特定銷售百分比確定之可變租賃付款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

16. RIGHT-OF-USE ASSETS (Continued)

For the year ended 30 April 2023, the Group leases various staff quarters, office, warehouse and retail stores for its operations. Lease contracts to which the Group's right-of-use assets relate are entered into for fixed terms of 2 years (2022: between 2 to 3 years) and without extension and termination options.

Right-of-use assets are depreciated on a straight-line basis over the terms of the leases.

As at 30 April 2023, the Group has no commitment in respect of short-term leases. The short-term lease expense incurred during the year amounted to HK\$864,000 (2022: HK\$4,565,000). As the outbreak of the fifth wave of COVID-19 pandemic in Hong Kong dampened consumption sentiment and had a severe adverse impact on the sales of retail shops, the Group responded to the changes in economic environment by adjusting its retail strategy by operating its retail business with short-term leases.

As at 30 April 2023, the Group does not provide residual value guarantees in relation to leases arrangements. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

As at 30 April 2023, the Group has no leases that are committed but not yet commenced.

16. 使用權資產(續)

於截至二零二三年四月三十日止年度，本集團租賃若干員工宿舍、辦公室、倉庫及零售店舖用於運營。與本集團使用權資產有關的租賃合約訂立為固定租期為2年(二零二二年：介乎2至3年)，無展期及終止選項。

使用權資產按直線法於租期內計提折舊。

於二零二三年四月三十日，本集團並無與短期租賃有關之承擔。於本年度，已產生短期租賃開支864,000港元(二零二二年：4,565,000港元)。香港爆發第五波疫情遏抑消費意欲，對零售店舖銷售造成重大不利影響，為應對經營環境變動，本集團調整其銷售策略，以短期租賃營運其零售業務。

於二零二三年四月三十日，本集團並未提供與租賃安排有關之剩餘價值擔保。除出租人持有的租賃資產中的擔保權益外，租賃協議不施加任何其他契諾。

於二零二三年四月三十日，本集團並無已承擔但尚未開始的租賃。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

17. DEFERRED TAXATION

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the current and prior years:

| | | Accelerated tax | | | |
|--|----------------------------------|-----------------|--------------|------------|----------|
| | | Provision | depreciation | Tax losses | Total |
| | | 撥備 | 加速稅項折舊 | 稅項虧損 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 May 2021 | 於二零二一年五月一日 | 237 | (613) | 755 | 379 |
| Credited/(charged) to profit or loss | 於損益計入/(扣除) | — | 613 | (755) | (142) |
| At 30 April 2022, 1 May 2022 and 30 April 2023 | 於二零二二年四月三十日、二零二二年五月一日及二零二三年四月三十日 | 237 | — | — | 237 |

At the end of the reporting period, the Group has unused tax losses of approximately HK\$153,427,000 (2022: HK\$142,627,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$9,000 (2022: HK\$2,000) that will expire in next five years ending in 2027 (2022: 2026). Other losses may be carried forward indefinitely.

At the end of the reporting period, the Group has other deductible temporary differences, mainly related to impairment and depreciation of right-of use assets and property, plant and equipment, and accrued expenses for audit and other service fees, of approximately HK\$1,400,000 (2022: HK\$4,071,000), of which deferred tax asset has been recognised in respect of HK\$950,000 (2022: HK\$950,000) of these temporary differences. No deferred tax asset has been recognised in relation to the remaining deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

17. 遞延稅項

下表載列於本年度及過往年度確認之主要遞延稅項資產/(負債)及其變動:

於報告期末，本集團可用於抵扣未來溢利之未動用稅項虧損約為153,427,000港元(二零二二年：142,627,000港元)。鑒於無法預測日後溢利流，故並無就餘下稅項虧損確認遞延稅項資產。將於截至二零二七年止未來五個年度(二零二二年：二零二六年)到期的虧損9,000港元(二零二二年：2,000港元)已計入未確認稅項虧損。其他虧損可以無限期結轉。

於報告期末，本集團的其他可扣減暫時性差額(主要與使用權資產、物業、廠房及設備以及應計審核開支及其他服務費用之減值及折舊有關)約為1,400,000港元(二零二二年：4,071,000港元)，其中有關暫時性差額950,000港元(二零二二年：950,000港元)確認為遞延稅項資產。由於可能並沒有應課稅溢利以抵銷可扣減暫時性差額，故並無確認與餘下可扣減暫時性差額相關的遞延稅項資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

18. INVENTORIES

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|------------------------|------|----------------------------------|----------------------------------|
| Merchandise for resale | 轉售商品 | 1,586 | 5,350 |

As at 30 April 2023, the gross carrying amount of inventories was HK\$11,837,000 (2022: HK\$17,854,000) and allowance for write-down of inventories was HK\$10,251,000 (2022: HK\$12,504,000).

18. 存貨

於二零二三年四月三十日，存貨之總賬面值為11,837,000港元(二零二二年：17,854,000港元)，撇減存貨撥備為10,251,000港元(二零二二年：12,504,000港元)。

19. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Financial asset mandatorily measured at FVPL: | 強制按公平值計入損益計量的 金融資產： | | |
| Life insurance policy | 人壽保單 | — | 3,684 |

As at 30 April 2022, the Group has requested to surrender the policy. The net cash surrender value is US\$471,000 (equivalent to HK\$3,684,000). On 3 May 2022, the policy has been terminated.

19. 按公平值計入損益的金融資產

於二零二二年四月三十日，本集團已要求退保。現金退保淨值為471,000美元(相當於3,684,000港元)。於二零二二年五月三日，有關保單已終止生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

20. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

20. 應收貿易款項、其他應收款項及預付款項

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| Trade receivables | 應收貿易款項 | — | 1,593 |
| Rental and utilities deposits | 租金及公用事業按金 | 374 | 3,608 |
| Other receivables | 其他應收款項 | 131 | 1,355 |
| Prepayments (note (a)) | 預付款項(附註(a)) | 72,980 | 65,285 |
| Amount due from a director of a subsidiary (note (b)) | 應收一間附屬公司董事的款項 (附註(b)) | — | 163 |
| | | 73,485 | 72,004 |
| Less: non-current portion — rental deposits | 減：非即期部分 — 租賃按金 | — | (47) |
| Current portion | 即期部分 | 73,485 | 71,957 |

Notes:

(a) Prepayments as at 30 April 2023 mainly include prepayments to suppliers for procurement of fertilisers raw materials, fertilisers and other related products in China. The amounts prepaid to suppliers will be derecognised when the products are directly delivered to customers by the suppliers. 91% (2022: 81%) of the amounts prepaid to suppliers were paid to the related parties of the Group as disclosed in note 33(i). The management considered that the credit risk in respect of the prepayments as at 30 April 2023 is low based on the records of product deliveries from the suppliers to customers and the deliveries made subsequent to 30 April 2023.

(b) As at 30 April 2022, amount due from the director of a subsidiary of the Company, Mr. Lam, was unsecured, non-interest bearing and repayable on demand.

As at 30 April 2022, the trade receivables mainly comprised receivables from credit card companies and department stores for retail sales and from trading customers in wholesale segment. There were no specific credit terms granted to credit card companies and department stores. The receivables due from credit card companies and department stores were usually settled from 7 to 120 days. The Group's credit terms granted to trading customers generally ranged from 30 to 60 days from the invoice date.

附註：

(a) 於二零二三年四月三十日，預付款項主要包括在中國採購肥料原料、肥料及其他相關產品而付給供應商的預付款項。當供應商直接將產品交付給客戶時，將終止確認預付給供應商的款項。誠如附註33(i)所披露，預付給供應商款項的91% (二零二二年：81%) 已支付給本集團關聯方。管理層認為，根據供應商向客戶交付產品的記錄以及二零二三年四月三十日之後的交付情況，於二零二三年四月三十日預付款項之信用風險較低。

(b) 於二零二二年四月三十日，應收一間附屬公司董事林先生的款項為無擔保、不計息及按要求償還。

於二零二二年四月三十日，應收貿易款項主要包括來自信用卡公司及百貨公司之零售應收款項及批發分部的貿易客戶之應收款項。概無向信用卡公司及百貨公司授出任何特定信貸期。應收信用卡公司及百貨公司之款項一般於介乎7至120日內結清。本集團授予貿易客戶之信貸期一般介乎由發票日期起計30至60日。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

20. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Trade and other receivables that are denominated in currencies other than the functional currencies of the relevant Group entities are set out below:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|-------------------------------|----|----------------------------------|----------------------------------|
| United States Dollars ("USD") | 美元 | — | 260 |

The following is an aging analysis of trade receivables presented based on the invoice dates.

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|----------------|--------|----------------------------------|----------------------------------|
| Within 30 days | 30日內 | — | 616 |
| 31 to 60 days | 31至60日 | — | 300 |
| 61 to 90 days | 61至90日 | — | 375 |
| Over 90 days | 超過90日 | — | 302 |
| | | — | 1,593 |

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

As at 30 April 2023, trade receivables that were past due but not impaired amounted to HK\$nil (2022: HK\$302,000).

20. 應收貿易款項、其他應收款項及預付款項(續)

以相關集團實體之功能貨幣以外之貨幣列值之貿易及其他應收款項載列如下：

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|-------------------------------|----|----------------------------------|----------------------------------|
| United States Dollars ("USD") | 美元 | — | 260 |

按發票日期呈列之應收貿易款項賬齡分析載列如下。

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|----------------|--------|----------------------------------|----------------------------------|
| Within 30 days | 30日內 | — | 616 |
| 31 to 60 days | 31至60日 | — | 300 |
| 61 to 90 days | 61至90日 | — | 375 |
| Over 90 days | 超過90日 | — | 302 |
| | | — | 1,593 |

未逾期及未減值之應收款項與為數眾多且分散之客戶有關，彼等近期並無拖欠記錄。

於二零二三年四月三十日，已逾期但未減值之應收貿易款項為零港元(二零二二年：302,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

21. CASH AND CASH EQUIVALENTS

Bank balances carry interest at prevailing market rates ranging from 0.001% to 0.35% (2022: ranging from 0.001% to 0.35%) per annum.

21. 現金及現金等價物

銀行結餘按介乎0.001%至0.35%之現行市場年利率(二零二二年：介乎0.001%至0.35%)計息。

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|------------------------|---------|----------------------------------|----------------------------------|
| Bank balances | 銀行結餘 | 126,168 | 82,429 |
| Cash | 現金 | 22 | 30 |
| Bank balances and cash | 銀行結餘及現金 | 126,190 | 82,459 |

22. PROVISION FOR OTHER LIABILITIES AND CHARGES, TRADE AND OTHER PAYABLES

22. 其他負債及支出、貿易及其他應付款項撥備

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|---------------|----------------------------------|----------------------------------|
| Trade payables (note (a)) | 應付貿易款項(附註(a)) | 32,272 | 24,034 |
| Accrued employee benefit expenses | 應計僱員福利開支 | — | 385 |
| Provision for reinstatement costs (note (b)) | 修復成本撥備(附註(b)) | — | 758 |
| Other accruals and payables | 其他應計費用及應付款項 | 4,825 | 3,073 |
| Contract liabilities | 合約負債 | 100,639 | 71,829 |
| | | 137,736 | 100,079 |
| Less: non-current portion | 減：非即期部分 | — | (74) |
| Current portion | 即期部分 | 137,736 | 100,005 |

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綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

22. PROVISION FOR OTHER LIABILITIES AND CHARGES, TRADE AND OTHER PAYABLES (Continued)

Contract liabilities include short-term advances received from customers to arrange for the fertilisers and other related products to be provided by the suppliers to the customers (the “**Trading of fertilisers**”) amounting to HK\$100,639,000 as at 30 April 2023 (2022: HK\$71,829,000). The amount of advances is negotiated on a case by case basis with the customers. During the year ended 30 April 2023, there was a decrease in contract liabilities of HK\$67,189,000 (2022: HK\$75,076,000) which was included in the contract liabilities as at 30 April 2022 as a result of completion of the services on arranging the Trading of fertilisers. For the contract liabilities as at 30 April 2023, the entire balances will be derecognised within twelve months from 30 April 2023 when the products are directly delivered to the customers by suppliers.

Notes:

- (a) The following is an aging analysis of trade payables presented based on the invoice dates.

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|----------------|---------|----------------------------------|----------------------------------|
| Within 30 days | 30日內 | 14,679 | 13,993 |
| 31 to 60 days | 31至60日內 | 4,912 | 6 |
| Over 60 days | 超過60日 | 12,681 | 10,035 |
| | | 32,272 | 24,034 |

- (b) Movements in the Group's provision for reinstatement costs are as follows:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|---------------------------|------|----------------------------------|----------------------------------|
| At beginning of the year | 年初 | 758 | 758 |
| Reversals during the year | 年內撥回 | (758) | — |
| At end of the year | 年末 | — | 758 |

22. 其他負債及支出、貿易及其他應付款項撥備(續)

合約負債包括為安排將由供應商向客戶提供的肥料及其他相關產品(「**肥料貿易**」)自客戶收取的短期墊款，於二零二三年四月三十日為100,639,000港元(二零二二年：71,829,000港元)。墊款的金額按個別情況與客戶協商。於截至二零二三年四月三十日止年度，由於安排肥料貿易之服務已完成，故於二零二二年四月三十日計入合約負債的合約負債減少67,189,000港元(二零二二年：75,076,000港元)。對於二零二三年四月三十日之合約負債，當產品由供應商直接交付給客戶時，將在自二零二三年四月三十日起十二個月內終止確認所有餘額。

附註：

- (a) 按發票日期呈列之應付貿易款項賬齡分析如下。

- (b) 本集團之修復成本撥備變動如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

23. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:

| | | Minimum lease payments 2023 | Minimum lease payments 2022 | Present value of minimum lease payments 2023 | Present value of minimum lease payments 2022 |
|---|-----------------|------------------------------------|------------------------------------|---|--|
| | | 最低租賃付款 二零二三年 HK\$'000 千港元 | 最低租賃付款 二零二二年 HK\$'000 千港元 | 最低租賃 付款現值 二零二三年 HK\$'000 千港元 | 最低租賃 付款現值 二零二二年 HK\$'000 千港元 |
| Within 1 year | 一年內 | 144 | 924 | 135 | 860 |
| After 1 year but within 2 years | 一年以上但不超過兩年 | — | 144 | — | 135 |
| After 2 years but within 5 years | 兩年以上但不超過五年 | — | — | — | — |
| Total minimum lease payments | 最低租賃付款總額 | 144 | 1,068 | 135 | 995 |
| Total future interest expenses | 未來利息開支總額 | (9) | (73) | | |
| Present value of lease liabilities | 租賃負債現值 | 135 | 995 | | |
| Amount due within 1 year | 於一年內到期之金額 | (135) | (860) | | |
| Amount due after 1 year | 於一年後到期之金額 | — | 135 | | |

23. 租賃負債

下表列示於報告期末的本集團租賃負債之剩餘合約到期情況：

24. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

Amount due to ultimate holding company is unsecured, non-interest bearing and repayable on demand.

24. 應付最終控股公司款項

應付最終控股公司款項屬無擔保、不計息及按要求償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

25. BANK LOAN

25. 銀行貸款

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|---|------------------------------------|----------------------------------|----------------------------------|
| Revolving term loan | 循環定期貸款 | | |
| – Unsecured, with effective interest rate of 4.94% per annum as at 30 April 2022 (Note 1) | – 於二零二二年四月三十日無擔保，實際年利率為4.94% (附註1) | – | 4,000 |

The carrying amount of the Group's bank loan, which was denominated in Hong Kong dollars and containing a repayable on demand clause, approximated to their fair values. The applicable interest rates of the respective bank loan ranged from Hongkong InterBank Offered Rate ("HIBOR") plus 2.85% per annum as at 30 April 2022.

As at 30 April 2023, the Group had no banking facilities. As at 30 April 2022, the Group had aggregate banking facilities of HK\$4,120,000 for overdrafts and loan. Unused facilities as at the same date were HK\$120,000. The banking facilities were granted to the subsidiaries of the Company and were subject to an annual review.

The Group's bank borrowing was guaranteed by the followings as at 30 April 2022:

Note 1:

- a. Unlimited personal guarantees given by a director of a subsidiary of the Company, Mr. Lam; and
- b. Unlimited cross guarantees given by the subsidiaries of the Company as borrowers.

本集團銀行貸款之賬面值以港元計值及包含按要求償還條款，並與其公平值相若。於二零二二年四月三十日，有關銀行貸款之適用利率為香港銀行同業拆息(「香港銀行同業拆息」)加年利率2.85%不等。

於二零二三年四月三十日，本集團並無銀行融資。於二零二二年四月三十日，本集團有關透支及貸款之銀行融資總額為4,120,000港元。同日之未動用融資為120,000港元。銀行融資乃授予本公司附屬公司，並須進行年度審閱。

截至二零二二年四月三十日，本集團的銀行借款具有以下保證：

附註1：

- a. 由本公司一間附屬公司的一名董事林先生提供的無限個人擔保；及
- b. 本公司附屬公司作為借款人提供的無限交叉擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

26. SHARE CAPITAL

26. 股本

| | | Number of shares 股份數目 '000 千股 | Share capital 股本 HK\$'000 千港元 |
|--|--|---|--|
| Ordinary shares of par value HK\$0.01 each | 每股面值0.01港元之普通股 | | |
| Authorised | 法定 | | |
| At 1 May 2021, 30 April 2022 and 30 April 2023 | 於二零二一年五月一日、 二零二二年四月三十日 及二零二三年四月三十日 | 10,000,000 | 100,000 |
| Issued and fully paid | 已發行及繳足 | | |
| At 1 May 2021, 30 April 2022 and 30 April 2023 | 於二零二一年五月一日、 二零二二年四月三十日 及二零二三年四月三十日 | 800,000 | 8,000 |

27. RETIREMENT BENEFIT PLANS

27. 退休福利計劃

Defined contribution plans

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs or up to a maximum of HK\$1,500 per month to the Scheme, which contribution is matched by employees.

The qualifying employees in the PRC of the Group are members of a state-managed retirement benefit scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expenses recognised in profit or loss of HK\$840,000 (2022: HK\$1,062,000) represent contributions payable to these schemes by the Group in respect of the current accounting period. No forfeited contribution is available to reduce the contribution payable in the future years at 30 April 2023 and 30 April 2022.

定額供款計劃

本集團為香港所有合資格僱員設立強制性公積金計劃。計劃之資產由信託人控制之基金持有，與本集團之資產分開處理。本集團每月按相關員工薪酬之5%或最多1,500港元向計劃供款，而僱員亦作出相同供款。

本集團於中國之合資格僱員均參加了由中國政府運營操作之國家退休金計劃。本集團須按員工薪酬成本之特定比例向退休金計劃供款，以撥付福利所需款項。因此本集團與該退休金計劃相關之義務僅為指定之供款。

已於損益中確認之費用總額為840,000港元(二零二二年：1,062,000港元)，其為本集團於本會計期間應向該等計劃支付之供款。於二零二三年四月三十日及二零二二年四月三十日，並無沒收之供款可用作扣減於未來年度之應付供款。

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綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

28. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option schemes

Pursuant to the board resolution passed on 4 January 2018, the Board resolved to grant 80,000,000 share options (the “Share Option Plan”) in total to employees and business associates of the Company (the “Grantees”), subject to acceptance of the Grantees, to subscribe for a total of 80,000,000 ordinary shares of HK\$0.01 each in the capital of the Company. The Share Option Plan was approved by the Shareholders by way of poll at the Extraordinary General Meeting held on 25 January 2018.

The share options granted under the Share Option Plan were not accepted by the Grantees. As a result, no share options were recognised as granted and outstanding as at 30 April 2023 and 2022.

29. CAPITAL COMMITMENTS

As at 30 April 2023 and 2022, the Group did not have any material capital commitments.

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the bank loan disclosed in note 25, amount due to ultimate holding company and lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company reviews the capital structure from time to time. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with the share capital and bank loan. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the issue of new shares, new debts or the redemption of existing debts.

28. 股份付款交易

以權益結算之購股權計劃

根據於二零一八年一月四日通過之董事會決議案，董事會議決合共授出80,000,000份購股權(「購股權計劃」)予本公司之僱員及業務夥伴(「承授人」)，待承授人接納後，可認購本公司股本中合共80,000,000股每股面值0.01港元之普通股。股東於二零一八年一月二十五日舉行之股東特別大會上以投票表決方式批准購股權計劃。

承授人並未接受根據購股權計劃授出之購股權。因此，於二零二三年及二零二二年四月三十日，並無購股權確認為已授出及尚未行使。

29. 資本承擔

於二零二三年及二零二二年四月三十日，本集團概無任何重大資本承擔。

30. 資本風險管理

本集團的資本管理旨在確保本集團之實體均能持續經營，同時透過優化債務及權益結餘為本公司擁有人帶來最大回報。本集團之整體策略自去年起未有變動。

本集團之資本結構包括負債，其中包含於附註25披露之銀行貸款、應付最終控股公司款項及租賃負債(扣除現金及現金等價物及本公司擁有人應佔權益，而本公司擁有人應佔權益包括已發行股本及儲備)。

本公司董事不時檢討資本結構。本公司董事將在檢討過程中考慮資本成本及與股本及銀行貸款相關之風險。本集團將根據本公司董事之建議，通過發行新股、新造債務或贖回現有債務來平衡整體資本結構。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

30. CAPITAL RISK MANAGEMENT (Continued)

The net debt-to-adjusted equity ratio at 30 April 2023 and 2022 was as follows:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|-----------------------------------|--------------|----------------------------------|----------------------------------|
| Total debts | 債務總額 | 46,195 | 40,685 |
| Less: Cash and cash equivalents | 減：現金及現金等價物 | 126,190 | 82,459 |
| Net cash | 現金淨額 | (79,995) | (41,774) |
| Total capital | 資本總額 | 16,853 | 21,572 |
| Net debt-to-adjusted equity ratio | 債務淨額對經調整股本比率 | N/A 不適用 | N/A 不適用 |

30. 資本風險管理(續)

於二零二三年及二零二二年四月三十日的債務淨額對經調整股本比率如下：

31. FINANCIAL INSTRUMENTS

31a. Categories of financial instruments

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|------------------------------------|---------------|----------------------------------|----------------------------------|
| Financial assets | 金融資產 | | |
| Financial assets at amortised cost | 按攤銷成本列賬之金融資產 | 126,695 | 89,178 |
| Financial asset at FVPL | 按公平值計入損益之金融資產 | — | 3,684 |
| Financial liabilities | 金融負債 | | |
| At amortised cost | 按攤銷成本列賬 | 83,157 | 67,182 |
| Lease liabilities | 租賃負債 | 135 | 995 |

31. 金融工具

31a. 金融工具之類別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, cash and cash equivalents, financial assets at FVPL, bank loan, trade and other payables, amount due to ultimate holding company and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Group undertakes certain transactions in USD, which is the currency other than the functional currencies of the respective group entities. The functional currency of these group entities is Renminbi (2022: Renminbi) and certain of their trade and other receivables are denominated in USD. The Group manages its foreign currency risk by closely monitoring the movements of the foreign currency rates. The directors conduct periodical review of foreign currency exposure and will consider hedging significant foreign exchange exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets at the respective reporting dates are as follows:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Trade and other receivables denominated in USD | 以美元計值的貿易及其他應收款項 | — | 260 |

31. 金融工具(續)

31b. 財務風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收款項、現金及現金等價物、按公平值計入損益的金融資產、銀行貸款、貿易及其他應付款項、應付最終控股公司的款項及租賃負債。該等金融工具之詳情披露於相關附註。該等金融工具之相關風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。有關減輕此等風險之政策載於下文。管理層管理及監控該等風險，以確保及時並有效地採取適當的措施。

貨幣風險

本集團以美元(其為相關集團實體功能貨幣以外之貨幣)進行若干銷售。該等集團實體的功能貨幣為人民幣(二零二二年：人民幣)及彼等的貿易及其他應收款項乃以美元計值。本集團通過密切監察外匯匯率變動管理其外匯風險。董事對外匯風險進行定期檢討並於必要時考慮對沖重大外匯風險。

於各報告日期本集團以外幣計值的貨幣資產的賬面值如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Currency risk (Continued)

Sensitivity analysis

The sensitivity analysis below details the Group's sensitivity to a 5% (2022: 5%) increase in the functional currency of the relevant group entities, Renminbi, relative to respective foreign currency, USD. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2022: 5%) change in the foreign currency rates. If the functional currency of the relevant group entities strengthen/weaken 5% against respective foreign currency, the Group's post tax loss for the year would be increased/decreased by approximately HK\$nil (2022: HK\$10,000).

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank loan. It is the Group's policy to keep a portion of its financial assets and financial liabilities at floating rate of interests so as to minimise the fair value interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and HIBOR arising from the Group's Hong Kong dollar denominated borrowings.

The sensitivity analysis below has been determined based on the exposure to interest rates for the Group's variable-rate bank balances and bank loan. The analysis is prepared assuming the variable-rate bank balance and bank loan outstanding at the end of the reporting period were outstanding for the whole year. A 50-basis point on bank loan (2022: 50-basis point) and 10-basis point on bank balances (2022: 10-basis point) increase or decrease in the interest rates is the sensitivity rate used when reporting interest risk internally to key management personal and represent the management's assessment of the reasonably possible change in interest rates.

31. 金融工具(續)

31b. 財務風險管理目標及政策(續)

貨幣風險(續)

敏感度分析

下列敏感度分析詳述本集團對相關集團實體之功能貨幣人民幣，兌各自之外幣(即美元)升值5%(二零二二年：5%)之敏感度。敏感度分析僅包括以外幣計值之貨幣項目，並於報告期末按5%(二零二二年：5%)外幣匯率變動調整換算。倘若相關集團實體之功能貨幣兌各自之外幣升值/貶值5%，本集團年內之稅後虧損將增加/減少約零港元(二零二二年：10,000港元)。

利率風險

本集團就按浮動利率計息之銀行結餘及銀行貸款面臨現金流量利率風險。本集團之政策為按浮動息率持有其一部分金融資產及金融負債，以將公平值利率風險降至最低。本集團之現金流量利率風險主要集中於本集團以港元計值之借款產生之銀行結餘及香港銀行同業拆息之利率波動。

下列敏感度分析乃根據承受本集團按浮動利率計息之銀行結餘及銀行貸款之利率風險情況而釐定。有關分析假設於報告期末未動用之按浮動利率計息之銀行結餘及銀行貸款於整年內未動用而編製。本集團內部向主要管理人員匯報利率風險之敏感比率乃就銀行貸款採用50個基點(二零二二年：50個基點)及就銀行結餘採用10個基點(二零二二年：10個基點)上升或下降為基準，此亦代表管理層對利率之合理可能變動所作之評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Interest rate risk (Continued)

If the interest rate on bank balances had been 10 basis point (2022: 10 basis point) higher/lower and all other variables were held constant, the Group's post tax loss for the year would have decreased/increased by approximately HK\$95,000 (2022: HK\$62,000).

As at 30 April 2022, if the interest rate on bank loan had been 50 basis point higher/lower and all other variables were held constant, the Group's post tax loss for the year would have increased/decreased by approximately HK\$17,000.

Credit risk and impairment assessment

The carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position best represent the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties.

In order to minimise the credit risk, the Group has delegated a team responsible for the determination of credit limits and credit approvals.

The Group has concentration to credit risk as its current assets as at 30 April 2023 includes prepayments of approximately HK\$66,643,000 (2022: HK\$52,691,000) paid to two (2022: three) major suppliers of the Group as disclosed in note 20(a) and note 33(i). These prepayments are not subject to ECL assessment as they are not financial assets or contract assets. The management considered the credit risk in respect of the prepayments as at 30 April 2023 is low.

31. 金融工具(續)

31b. 財務風險管理目標及政策(續)

利率風險(續)

倘銀行結餘利率上升/下跌10個基點(二零二二年: 10個基點), 而所有其他變數維持不變, 則本集團年內之稅後虧損將減少/增加約95,000港元(二零二二年: 62,000港元)。

於二零二二年四月三十日, 倘銀行貸款利率上升/下跌50個基點, 而所有其他變數維持不變, 則本集團年內之稅後虧損將增加/減少約17,000港元。

信貸風險及減值評估

於綜合財務狀況表列賬各已確認金融資產之賬面值指本集團最大信貸風險, 倘交易方未能履行責任, 有關風險將導致本集團承受財務損失。

為盡量降低信貸風險, 本集團已委派一支團隊專責釐定信貸限額及信貸批核。

誠如附註20(a)及附註33(i)所披露, 本集團具有信貸集中風險, 乃因其於二零二三年四月三十日之流動資產包括向本集團兩名(二零二二年: 三名)主要供應商支付的預付款項約66,643,000港元(二零二二年: 52,691,000港元)。由於該等預付款項為非金融資產或合約資產, 故不須進行預期信貸虧損評估。管理層認為與於二零二三年四月三十日之預付款項有關之信貸風險較低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued) Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk of the Group's financial assets, based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 30 April.

The amounts presented are gross carrying amounts for financial assets which are subject to ECL assessment.

As at 30 April 2023

31. 金融工具(續)

31b. 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

最高風險及年末分階段分類

下表根據本集團的信貸政策，列示本集團金融資產之信貸質素及最高信貸風險，除無須過大成本或努力便可獲得其他資料外，下表主要以逾期資料及於四月三十日之年末分階段分類為基礎。

呈列金額為須進行預期信貸虧損評估的金融資產的總賬面值。

於二零二三年四月三十日

| | | 12-month ECLs 12個月 預期 信貸虧損 | Life time ECLs 全期預期信貸虧損 | | | |
|--|------------------------------|--|----------------------------|-----------------|-------------------------------|-----------------|
| | | Stage 1 第一階段 | Stage 2 第二階段 | Stage 3 第三階段 | Simplified approach 簡化法 | |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Trade receivables | 應收貿易款項 | — | — | — | — | — |
| Financial assets included in other receivables (note (b)) | 計入其他應收款項 的金融資產 (附註(b)) | | | | | |
| — Normal | — 正常 | 505 | — | — | — | 505 |
| — Doubtful | — 可疑 | — | — | — | — | — |
| Cash and cash equivalents (note (c)) | 現金及現金等價物 (附註(c)) | 126,190 | — | — | — | 126,190 |
| | | 126,695 | — | — | — | 126,695 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued) Maximum exposure and year-end staging (Continued)

As at 30 April 2022

| | | 12-month ECLs 12個月預期 信貸虧損 | | Life time ECLs 全期預期信貸虧損 | | |
|---|------------------------------|------------------------------------|------------------------------------|------------------------------------|---|-----------------|
| | | Stage 1 第一階段 HK\$'000 千港元 | Stage 2 第二階段 HK\$'000 千港元 | Stage 3 第三階段 HK\$'000 千港元 | Simplified approach 簡化法 HK\$'000 千港元 | HK\$'000 千港元 |
| Trade receivables (note (a)) | 應收貿易款項 (附註(a)) | — | — | — | 1,593 | 1,593 |
| Financial assets included in other receivables (note (b)) | 計入其他應收款項 的金融資產 (附註(b)) | | | | | |
| — Normal | — 正常 | 5,126 | — | — | — | 5,126 |
| — Doubtful | — 可疑 | — | — | — | — | — |
| Cash and cash equivalents (note (c)) | 現金及現金等價物 (附註(c)) | 82,459 | — | — | — | 82,459 |
| | | 87,585 | — | — | 1,593 | 89,178 |

Notes:

- (a) As at 30 April 2022, trade receivables primarily consist of credit card companies and department stores and arose from retail sales of watches in Hong Kong. The directors monitor their balances on an ongoing basis. In addition, the Group performs impairment assessment under ECL model on trade balances individually. Trade receivables in connection with these customers are with good credit quality and no past due history. In addition, the management of the Group considers these assets are short-term in nature and the probability of default is negligible. In this regard, the directors consider that the Group's credit risk is significantly reduced.

31. 金融工具(續)

31b. 財務風險管理目標及政策(續)

信貸風險及減值評估(續) 最高風險及年末分階段分類(續)

於二零二二年四月三十日

附註：

- (a) 於二零二二年四月三十日，應收貿易款項主要包括自香港腕錶零售銷售所得的信用卡公司及百貨公司所得款項。董事持續監控彼等的結餘。此外，本集團就貿易結餘應用預期信貸虧損模式進行個別減值評估。有關該等客戶之應收貿易款項為信貸質素良好及並無過往違約歷史。此外，本集團管理層認為該等資產屬短期性質，且違約概率可忽略不計。就此而言，董事認為本集團的信貸風險已大幅減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued) Maximum exposure and year-end staging (Continued)

Notes: (Continued)

- (b) The credit quality of the financial assets included in other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".
- (c) The credit risk on liquid funds is limited because cash are placed with reputable banks with external credit rating of at least "A" assigned by an international credit-rating agency or state owned.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowing and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loan with a repayment on demand clause is included in the earliest time band regardless of the probability of the bank choosing to exercise its rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

31. 金融工具(續)

31b. 財務風險管理目標及政策(續)

信貸風險及減值評估(續) 最高風險及年末分階段分類(續)

附註:(續)

- (b) 當計入其他應收款項的金融資產並無逾期及並無資料顯示該等金融資產的信貸風險自初步確認時出現大幅增加,其信貸質素視為「正常」。否則,該等金融資產的信貸質素視為「可疑」。
- (c) 流動資金信貸風險有限,是由於現金乃存放於獲得國際信貸評級機構給予至少「A級」外部信貸評級的信譽良好的銀行或國有銀行。

流動資金風險

於管理流動資金風險時,本集團會監察並將現金及現金等價物維持在管理層認為足以為本集團的業務營運提供資金及減輕現金流量波動影響的水平。管理層會監察銀行借款的使用情況,並確保遵守貸款契約。

下表詳列本集團非衍生金融負債的餘下合約到期日分析。該表按可要求本集團付款的最早日期的金融負債未貼現現金流量編製。尤其是,具有須按要求償還條款的銀行貸款乃計入最早時間段,而不論銀行是否可能選擇行使其權利。其他非衍生金融負債的到期日分析乃根據協定的償還日期編製。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

31. 金融工具(續)

31b. 財務風險管理目標及政策(續)

流動資金風險(續)

下表載列利息及本金現金流量。倘利息流量為浮動利率，則未貼現金額按報告期末之利率曲線得出。

| Financial liabilities | 金融負債 | On demand | Less than 3 months | More than 3 months to 1 year | More than 1 year to 2 years | More than 2 years to 5 years | Undiscounted cash flows | Carrying Amount |
|--|--------------------|---------------|--------------------|------------------------------|-----------------------------|------------------------------|-------------------------|-----------------|
| | | 按要求 | 少於3個月 | 3個月以上至1年 | 1年以上至2年 | 2年以上至5年 | 未貼現現金流量 | 賬面值 |
| | | 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 |
| As at 30 April 2023 | 於二零二三年四月三十日 | | | | | | | |
| Trade and other payables | 貿易及其他應付款項 | — | 37,097 | — | — | — | 37,097 | 37,097 |
| Amount due to ultimate holding company | 應付最終控股公司款項 | 46,060 | — | — | — | — | 46,060 | 46,060 |
| Lease liabilities | 租賃負債 | — | 52 | 92 | — | — | 144 | 135 |
| | | 46,060 | 37,149 | 92 | — | — | 83,301 | 83,292 |
| As at 30 April 2022 | 於二零二二年四月三十日 | | | | | | | |
| Trade and other payables | 貿易及其他應付款項 | — | 27,492 | — | — | — | 27,492 | 27,492 |
| Bank loan | 銀行貸款 | 4,000 | — | — | — | — | 4,000 | 4,000 |
| Amount due to ultimate holding company | 應付最終控股公司款項 | 35,690 | — | — | — | — | 35,690 | 35,690 |
| Lease liabilities | 租賃負債 | — | 767 | 157 | 144 | — | 1,068 | 995 |
| | | 39,690 | 28,259 | 157 | 144 | — | 68,250 | 68,177 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Bank loan with a repayment on demand clause is included in the “on demand” time band in the above maturity analysis. As at 30 April 2023, the aggregate undiscounted principal amount of these bank loan amounted to HK\$nil (2022: HK\$4,000,000). Taking into account the Group’s financial position, the directors do not believe that it is probable that the bank will exercise its discretionary rights to demand immediate repayment. The table below analyses the Group’s bank loan into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date.

31. 金融工具(續)

31b. 財務風險管理目標及政策(續)

流動資金風險(續)

具有須按要求還款條文的銀行貸款計入上文到期日分析「按要求」之時間組別內。於二零二三年四月三十日，該銀行貸款之未貼現本金總額為零港元(二零二二年：4,000,000港元)。經考慮本集團之財務狀況，董事認為銀行不大可能會行使要求即時還款之酌情權。下表根據由報告期末至合約到期日之餘下期間，按相關的到期日組別對本集團之銀行貸款進行分析。

Maturity Analysis – Bank loan with a repayment on demand clause based on scheduled repayments

到期日分析 – 具有須按要求還款條文並根據計劃還款的銀行貸款

| | | Less than 1 year | 1–2 years | 2–5 years | Over 5 years | Undiscounted cash flows 未貼現 現金流量 | Carrying amount 賬面值 |
|----------------------|----------------|-------------------------|-------------------------|-------------------------|-------------------------|---|---------------------------|
| | | 少於1年 HK\$'000 千港元 | 1至2年 HK\$'000 千港元 | 2至5年 HK\$'000 千港元 | 5年以上 HK\$'000 千港元 | 現金流量 HK\$'000 千港元 | 賬面值 HK\$'000 千港元 |
| 30 April 2023 | 二零二三年 四月三十日 | — | — | — | — | — | — |
| 30 April 2022 | 二零二二年 四月三十日 | 4,001 | — | — | — | 4,001 | 4,000 |

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

倘按浮動利率計息之變動與於報告期末釐定之利率估計有異，則上文所載有關非衍生金融負債浮動利率工具之金額將有所變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

32. 融資活動產生的負債對賬

下表載列本集團融資活動產生之負債變動詳情，包括現金和非現金變動。融資活動產生之負債為在本集團綜合現金流量表中其現金流量被分類為或未來現金流量將被分類為融資活動產生之現金流量之負債。

| | | Amount due to ultimate holding company | Lease liabilities | Bank loan | Amount due to a director of a subsidiary | Total |
|---|--------------------|--|-------------------|-----------------|--|-----------------|
| | | 應付最終控股公司款項 | 租賃負債 | 銀行貸款 | 應付一間附屬公司之一名董事款項 | 總計 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1 May 2022 | 於二零二二年五月一日 | 35,690 | 995 | 4,000 | — | 40,685 |
| Financing cash flows | 融資現金流量 | | | | | |
| Proceeds | 所得款項 | 10,370 | — | — | — | 10,370 |
| Repayments | 還款 | — | (860) | (4,000) | — | (4,860) |
| Interests paid | 已付利息 | — | (65) | (31) | — | (96) |
| Non-cash changes: | 非現金變動： | | | | | |
| Finance costs | 融資成本 | — | 65 | 31 | — | 96 |
| At 30 April 2023 | 於二零二三年四月三十日 | 46,060 | 135 | — | — | 46,195 |
| At 1 May 2021 | 於二零二一年五月一日 | 27,090 | 7,932 | 10,194 | — | 45,216 |
| Financing cash flows | 融資現金流量 | | | | | |
| Proceeds | 所得款項 | 8,600 | — | — | 5,800 | 14,400 |
| Repayments | 還款 | — | (6,187) | (6,194) | — | (12,381) |
| Interests paid | 已付利息 | — | (223) | (302) | — | (525) |
| Non-cash changes: | 非現金變動： | | | | | |
| Increase in lease liabilities from entering into new leases | 訂立新租約導致的租賃負債增加 | — | 361 | — | — | 361 |
| Derecognised upon early termination of lease | 終止確認提前終止租賃 | — | (1,111) | — | — | (1,111) |
| Finance costs | 融資成本 | — | 223 | 302 | — | 525 |
| Disposal of a subsidiary | 出售一間附屬公司 | — | — | — | (5,800) | (5,800) |
| At 30 April 2022 | 於二零二二年四月三十日 | 35,690 | 995 | 4,000 | — | 40,685 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

33. RELATED PARTY TRANSACTIONS

- (i) In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, during the year, the Group entered into the following transactions with related parties:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|-------------|----------------------------------|----------------------------------|
| Commission income (note (a)) | 佣金收入(附註(a)) | 8,637 | 15,462 |
| Commission income (note (b)) | 佣金收入(附註(b)) | 24,447 | 9,380 |
| Advances from ultimate holding company | 來自最終控股公司之墊款 | 10,370 | 8,600 |

The following balances were outstanding at the end of the reporting period:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| Prepayment to a related party (note (a)) | 向關聯方支付的預付款項(附註(a)) | 31,391 | 43,937 |
| Trade payables to a related party (note (a)) | 應付關聯方的應付貿易款項 (附註(a)) | (18,277) | (13,386) |
| Prepayment to related parties (note (b)) | 向關聯方支付的預付款項(附註(b)) | 35,326 | 8,754 |
| Trade payables to a related party (note (b)) | 應付關聯方的應付貿易款項 (附註(b)) | (4,417) | — |
| Amount due to ultimate holding company | 應付最終控股公司款項 | (46,060) | (35,690) |

Amount due to ultimate holding company is unsecured, non-interest bearing and repayable on demand. Receivables and payables from/(to) other related parties were trade nature balances, unsecured, interest-free and repayable on demand. The carrying amounts of the amounts due from/(to) related parties approximated to their fair values and are denominated in Renminbi (2022: Renminbi) except for amount due to ultimate holding company which is denominated in HK\$ (2022: HK\$).

- (i) 除該等綜合財務報表其他部分披露的交易與結餘外，於本年度，本集團與關聯方進行了以下交易：

下列結餘於報告期末尚未償還：

應付最終控股公司款項屬無擔保、不計息及按要求償還。應收/(應付)其他關聯方的應收款項及應付款項均為屬貿易性質之結餘，無擔保、不計息及按要求償還。應收/(應付)關聯方款項的賬面值與其公平值相若及以人民幣(二零二二年：人民幣)計值，惟應付最終控股公司款項以港元(二零二二年：港元)計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

33. RELATED PARTY TRANSACTIONS (Continued)

(i) (Continued)

Notes:

- (a) The related party is an entity of which the controlling shareholder is a cousin of the Company's ultimate controlling shareholder. The Group had entered into arrangements for the purchases of fertilisers such as urea and compound fertilisers from the related party to be sold to independent third party customers. Such purchases from the related party for the year amounted to approximately HK\$198,795,000 (2022: HK\$394,720,000). As the Group is considered to be acting as agent in respect of these purchase and sale transactions, the Group recognised commission income of HK\$8,637,000 (2022: HK\$15,462,000) for acting as agent in these sales and purchases of fertilisers and other related products.
- (b) The Group had entered into arrangements for the purchases of fertilisers such as urea and compound fertilisers from related parties, which were controlled by the ultimate controlling shareholder of the Company before 15 February 2023 and significantly influenced by the ultimate controlling shareholder of the Company since 15 February 2023, to be sold to independent third party customers. Such purchases from the related parties for the year amounted to approximately HK\$498,636,000 (2022: HK\$270,440,000). As the Group is considered to be acting as agent in respect of these purchase and sale transactions, the Group recognised commission income of HK\$24,447,000 (2022: HK\$9,380,000) for acting as agent in these sales and purchases of fertilisers and other related products.

33. 關聯方交易(續)

(i) (續)

附註：

- (a) 該關聯方為一間實體，其控股股東為本公司最終控股股東的堂弟。本集團就自關聯方採購尿素及複合肥等肥料訂立安排，該等肥料將售予獨立第三方客戶。本年度向關聯方的該等採購金額達約198,795,000港元(二零二二年：394,720,000港元)。由於本集團就該等買賣交易被視為以代理人身份行事，故本集團作為該等肥料及其他相關產品買賣的代理人而確認的佣金收入為8,637,000港元(二零二二年：15,462,000港元)。
- (b) 本集團就向關聯方(於二零二三年二月十五日前由本公司最終控股股東控制，並自二零二三年二月十五日起受本公司最終控股股東之重大影響)採購尿素及複合肥等肥料訂立相關安排，該等肥料將售予獨立第三方客戶。本年度向關聯方的該等採購金額達約498,636,000港元(二零二二年：270,440,000港元)。由於本集團就該等買賣交易被視為以代理人身份行事，故本集團作為該等肥料及其他相關產品買賣的代理人而確認的佣金收入為24,447,000港元(二零二二年：9,380,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

33. RELATED PARTY TRANSACTIONS (Continued)

33. 關聯方交易(續)

(ii) Compensation of key management personnel

The remuneration of members of key management of the Group, comprising the directors of the Company, during the year was as follows:

(ii) 主要管理人員薪酬

本集團主要管理人員(包括本公司董事)於本年度內的薪酬如下:

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Fees, salaries, bonus, other allowances and benefits in kind | 費用、薪金、花紅、其他津貼及實物利益 | 9,675 | 5,448 |
| Retirement benefit costs — Mandatory Provident Fund Scheme | 退休福利成本 — 強制性公積金計劃 | 52 | 43 |
| | | 9,727 | 5,491 |

The remuneration of directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

董事的薪酬乃由薪酬委員會根據其個人表現及市場趨勢釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

34. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

For the year ended 30 April 2023, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements measured at amortised cost approximate to their fair values.

Assets measured at fair value:

As at 30 April 2022

| | Fair value measurement using 公平值計量說明 | | | Valuation technique(s) and key input(s) |
|--|---|---|--|--|
| | Quoted prices in active markets (Level 1) 於活躍市場 之報價 (第一級) HK\$'000 千港元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元 | |
| Financial asset at FVPL 按公平值計量之金融資產 | — | 3,684 | — | Based on the account value of the policy as provided by the insurance company 基於保險公司提供的保單的賬戶價值 |

During the year ended 30 April 2023, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for the financial assets. The Group did not have any financial liabilities and financial assets measured at fair value under Level 3 as at 30 April 2023 and 2022.

34. 金融工具之公平值層級

下表說明本集團金融工具之公平值計量層級：

截至二零二三年四月三十日止年度，董事認為，在綜合財務報表中確認的按攤銷成本計量的金融資產及金融負債的賬面值與其公平值相若。

按公平值計量之資產：

於二零二二年四月三十日

於截至二零二三年四月三十日止年度內，金融資產之第一級與第二級公平值計量之間並無轉撥，亦無轉入或轉出第三級。於二零二三年及二零二二年四月三十日，本集團並無任何按公平值計量之金融負債及金融資產位於第三級項下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

35. DISPOSAL OF A SUBSIDIARY

On 18 February 2022, the Group disposed of 100% equity interest in Fulham and assigned the debt due from Fulham by Treasure Ascent International Limited (“**Treasure Ascent**”) of approximately HK\$13,614,000 to Mr. Lam for an aggregate consideration of HK\$14,400,000. The principal activity of Fulham is holding a yacht and club membership in Hong Kong. As a result of the disposal, the Group has lost control over Fulham.

The aggregate net liabilities of Fulham as at the date of disposal were as follows:

35. 出售一間附屬公司

於二零二二年二月十八日，本集團出售上置100%股權，並將寶高國際有限公司(「寶高」)應付上置之債務約13,614,000港元轉讓予林先生，總代價為14,400,000港元。上置之主要業務為於香港持有遊艇及俱樂部會籍。由於出售，本集團已失去對上置的控制權。

上置於出售日期的總負債淨額如下：

| | | HK\$'000 千港元 |
|--|---------------|-----------------|
| Net liabilities disposed of: | 所出售以下項目之負債淨額： | |
| Intangible asset — club membership | 無形資產 — 俱樂部會籍 | 4,000 |
| Yacht | 遊艇 | 6,650 |
| Cash and cash equivalents | 現金及現金等價物 | 12 |
| Other payables | 其他應付款項 | (5) |
| Amount due to Treasure Ascent | 應付寶高款項 | (13,614) |
| Net liabilities disposed of | 所出售負債淨額 | (2,957) |
| Consideration | 代價 | 14,400 |
| Amount due from Fulham assigned to Mr. Lam | 轉讓予林先生之應收上置款項 | (13,614) |
| | | 786 |
| Gain on disposal | 出售收益 | 3,743 |
| Net cash inflow arising from the disposal: | 出售所產生的現金流入淨額： | |
| Cash consideration received (note) | 已收現金代價(附註) | 8,600 |
| Bank balances and cash disposed of | 所出售銀行結餘及現金 | (12) |
| | | 8,588 |

Note: In March 2022, HK\$8,600,000 of the consideration was settled by cash, the remaining consideration of HK\$5,800,000 was settled against the outstanding balance in the amount due to a director of a subsidiary which arose from fund transfer from Mr. Lam to Tic Tac Time Company Limited, a subsidiary of the Company, during the year prior to the disposal.

附註：於二零二二年三月，代價中的8,600,000港元以現金結算，其餘代價5,800,000港元則以應付一間附屬公司一名董事款項的未償餘額結算，該款項為出售前一年由林先生轉移資金至本公司附屬公司滴達鐘錶有限公司所產生。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at the end of the reporting period are set out below.

| Name 名稱 | Place of incorporation/ establishment 註冊成立/成立地點 | Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之詳情 | Equity interest held | | Principal activities and place of operation 主要業務及營運地點 |
|---|---|---|----------------------|-------|--|
| | | | 2023 | 2022 | |
| | | | 二零二三年 | 二零二二年 | |
| Directly held | 直接持有 | | | | |
| Tic Tac International Company Limited ¹ 滴達國際有限公司 ¹ | British Virgin Islands ("BVI") 英屬處女群島(「英屬處女群島」) | US\$2 2美元 | 100% | 100% | Investment holding in Hong Kong 於香港投資控股 |
| POI Limited ¹ | BVI 英屬處女群島 | US\$1 1美元 | 100% | 100% | Investment holding in Hong Kong 於香港投資控股 |
| Indirectly held | 間接持有 | | | | |
| City Great Limited ¹ 城宏有限公司 ¹ | Hong Kong 香港 | HK\$1 1港元 | 100% | 100% | Wholesale of watches in Hong Kong 於香港從事腕錶批發 |
| Jenus Top International Limited ¹ 新卓國際有限公司 ¹ | Hong Kong 香港 | HK\$300,000 300,000港元 | 100% | 100% | Provision of management services in Hong Kong 於香港提供管理服務 |
| Sun Step Asia Limited ¹ 耀進亞洲有限公司 ¹ | Hong Kong 香港 | HK\$500,000 500,000港元 | 100% | 100% | Wholesale of watches in Hong Kong 於香港從事腕錶批發 |
| Tic Tac Time Company Limited ¹ 滴達鐘錶有限公司 ¹ | Hong Kong 香港 | HK\$3,000,000 3,000,000港元 | 100% | 100% | Retail of watches in Hong Kong 於香港從事腕錶零售 |
| Treasure Ascent ¹ 寶高國際有限公司 ¹ | Hong Kong 香港 | HK\$500,000 500,000港元 | 100% | 100% | Provision of management services in Hong Kong 於香港提供管理服務 |
| Prosper One Industrial Investment Limited ¹ | BVI 英屬處女群島 | US\$1 1美元 | 100% | 100% | Investment holding in Hong Kong 於香港投資控股 |
| Prosper One Commerce Investment Limited ¹ | BVI 英屬處女群島 | US\$1 1美元 | 100% | 100% | Investment holding in Hong Kong 於香港投資控股 |
| Prosper One Eco-Technology Limited ¹ 富一環保科技有限公司 ¹ | Hong Kong 香港 | HK\$10,000 10,000港元 | 100% | 100% | Investment holding in Hong Kong 於香港投資控股 |
| Prosper One Fertilizer Limited ¹ 富一肥業有限公司 ¹ | Hong Kong 香港 | HK\$1 1港元 | 100% | 100% | Investment holding in Hong Kong 於香港投資控股 |

36. 本公司主要附屬公司的詳情

於報告期末本公司主要附屬公司之詳情載列如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

36. 本公司主要附屬公司的詳情(續)

| Name 名稱 | Place of incorporation/ establishment 註冊成立/成立地點 | Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之詳情 | Equity interest held 所持股權 | | Principal activities and place of operation 主要業務及營運地點 |
|--|---|---|------------------------------|---------------|--|
| | | | 2023 二零二三年 | 2022 二零二二年 | |
| Prosper One Resources Commerce Limited ¹ 富一資源貿易有限公司 ¹ | Hong Kong 香港 | HK\$1 1港元 | 100% | 100% | Investment holding in Hong Kong 於香港投資控股 |
| Prosper One Well Rich Commerce Limited ¹ 富一佳裕貿易有限公司 ¹ | Hong Kong 香港 | HK\$1 1港元 | 100% | 100% | Inactive 暫無營業 |
| 山東富一環保科技有限公司 ² | PRC 中國 | HK\$50,000,000 50,000,000港元 | 100% | 100% | Provision of consulting services 提供諮詢服務 |
| 山東富一肥業科技有限公司 ² | PRC 中國 | HK\$50,000,000 50,000,000港元 | 100% | 100% | Trading of fertilisers and other related products in PRC 於中國買賣肥料及其他相關產品 |
| 山東富一化工原料有限公司 ² | PRC 中國 | HK\$50,000,000 50,000,000港元 | 100% | 100% | Trading of fertilisers and other related products in PRC 於中國買賣肥料及其他相關產品 |
| 山東富一國際貿易有限公司 ² | PRC 中國 | HK\$50,000,000 50,000,000港元 | 100% | 100% | Trading of fertilisers and other related products in PRC 於中國買賣肥料及其他相關產品 |

¹ Incorporated as a limited liability company under local jurisdiction

¹ 根據當地法律註冊成立為有限公司

² Registered as a wholly foreign-owned enterprise under the PRC law

² 根據中國法律註冊為外商獨資企業

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

本公司董事認為，上表列示之本公司附屬公司主要影響本集團之業績或資產及負債。本公司董事認為，載列其他附屬公司之詳情將使本詳情內容冗長，故不贅述。

None of the subsidiaries had any debt securities outstanding as at 30 April 2023 and 2022 or at any time during both years.

概無附屬公司於二零二三年及二零二二年四月三十日或於兩個年度內任何時間有任何未償還之債務證券。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

37. 本公司財務狀況表及儲備

本公司於報告期末之財務狀況表資料包括：

| | | 2023 二零二三年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 |
|-----------------------------------|-------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | |
| Interest in subsidiaries | 於附屬公司之權益 | 5,391 | 10,860 |
| Current assets | 流動資產 | | |
| Amounts due from subsidiaries | 應收附屬公司款項 | 3,906 | 3,849 |
| Other receivables and prepayments | 其他應收款項及預付款項 | 33 | 105 |
| Cash and cash equivalents | 現金及現金等價物 | 169 | 520 |
| | | 4,108 | 4,474 |
| Total assets | 總資產 | 9,499 | 15,334 |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 8,000 | 8,000 |
| Reserves | 儲備 | (47,468) | (29,463) |
| Total equity | 權益總額 | (39,468) | (21,463) |
| Current liability | 流動負債 | | |
| Accruals and other payables | 應計費用及其他應付款項 | 48,967 | 36,797 |
| Total liability | 負債總額 | 48,967 | 36,797 |
| Total equity and liabilities | 總權益及負債 | 9,499 | 15,334 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 30 April 2023 截至二零二三年四月三十日止年度

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

37. 本公司財務狀況表及儲備(續)

Movement in the Company's reserves

本公司之儲備變動

| | | Share premium 股份溢價 HK\$'000 千港元 | Capital reserve 資本儲備 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------------------------------|---|---|--|--------------------------------|
| Balance at 1 May 2021 | 於二零二一年 五月一日之結餘 | 118,368 | 66,887 | (197,588) | (12,333) |
| Total comprehensive expense | 全面開支總額 | | | | |
| Loss for the year | 年內虧損 | — | — | (17,130) | (17,130) |
| Balance at 30 April 2022 and 1 May 2022 | 於二零二二年 四月三十日及 二零二二年 五月一日之結餘 | 118,368 | 66,887 | (214,718) | (29,463) |
| Total comprehensive expense | 全面開支總額 | | | | |
| Loss for the year | 年內虧損 | — | — | (18,005) | (18,005) |
| Balance at 30 April 2023 | 於二零二三年 四月三十日之結餘 | 118,368 | 66,887 | (232,723) | (47,468) |

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out below:

本集團過去五個財政年度的業績以及資產及負債之概要載列如下：

RESULTS

業績

| | | Year ended 30 April 截至四月三十日止年度 | | | | 2023 |
|---|-----------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|--------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 | 2021 二零二一年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 | 二零二三年 HK\$'000 千港元 |
| Revenue | 收益 | 202,349 | 94,193 | 83,372 | 75,269 | 41,510 |
| Cost of sales | 銷售成本 | (112,744) | (49,816) | (39,303) | (34,647) | (5,005) |
| Gross profit | 毛利 | 89,605 | 44,377 | 44,069 | 40,622 | 36,505 |
| Other gain and losses | 其他收益及虧損 | 1,913 | 3,764 | 6,091 | 5,413 | 856 |
| Selling and distribution costs | 銷售及分銷成本 | (80,515) | (74,702) | (26,795) | (29,006) | (13,880) |
| Administrative expenses | 行政開支 | (32,508) | (27,292) | (19,792) | (18,801) | (20,889) |
| Other expense | 其他開支 | (1,000) | — | — | — | — |
| Operating (loss)/profit | 經營(虧損)/溢利 | (22,505) | (53,853) | 3,573 | (1,772) | 2,592 |
| Finance costs | 融資成本 | (128) | (2,326) | (1,229) | (525) | (96) |
| (Loss)/profit before income tax | 除所得稅前(虧損)/溢利 | (22,633) | (56,179) | 2,344 | (2,297) | 2,496 |
| Income tax expense | 所得稅開支 | (4,260) | (2,826) | (3,113) | (4,149) | (5,153) |
| Loss for the year | 年度虧損 | (26,893) | (59,005) | (769) | (6,446) | (2,657) |
| Other comprehensive (expense)/income | 其他全面(開支)/收益 | (153) | (781) | 2,465 | (706) | (2,062) |
| Total comprehensive (expense)/income for the year | 年度全面(開支)/收益總額 | (27,046) | (59,786) | 1,696 | (7,152) | (4,719) |
| Total comprehensive (expense)/income for the year attributable to: | 以下人士應佔年度全面(開支)/收益總額： | | | | | |
| Owners of the Company | 本公司擁有人 | (27,046) | (59,786) | 1,696 | (7,152) | (4,719) |
| Non-controlling interests | 非控股權益 | — | — | — | — | — |
| | | (27,046) | (59,786) | 1,696 | (7,152) | (4,719) |

ASSETS AND LIABILITIES

資產及負債

| | | For the year ended 30 April 截至四月三十日止年度 | | | | 2023 |
|---------------------|------------|---|----------------------------------|----------------------------------|----------------------------------|--------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 | 2021 二零二一年 HK\$'000 千港元 | 2022 二零二二年 HK\$'000 千港元 | 二零二三年 HK\$'000 千港元 |
| Total assets | 總資產 | 235,015 | 190,908 | 185,802 | 163,860 | 201,597 |
| Total liabilities | 總負債 | (149,227) | (163,880) | (157,078) | (142,288) | (184,744) |
| Total equity | 總權益 | 85,788 | 27,028 | 28,724 | 21,572 | 16,853 |

