



TOKYO CHUO AUCTION HOLDINGS LIMITED

東京中央拍賣控股有限公司

(incorporated in Hong Kong with limited liability) (於香港註冊成立之有限公司)
stock code 股份代號 : 1939

2019年度報告

ANNUAL REPORT





CONTENTS

目錄

Corporate Information	公司資料	2
Chairman's Statement	主席報告	4
Management Discussion and Analysis	管理層討論及分析	8
Biographical Details of Directors and Senior Management	董事及高級管理層的履歷詳情	16
Corporate Governance Report	企業管治報告	26
Report of the Directors	董事會報告	46
Independent Auditor's Report	獨立核數師報告	67
Consolidated Income Statement	合併損益表	74
Consolidated Statement of Comprehensive Income	合併綜合收益表	75
Consolidated Balance Sheet	合併資產負債表	76
Consolidated Statement of Changes in Equity	合併權益變動表	78
Consolidated Statement of Cash Flows	合併現金流量表	79
Notes to the Consolidated Financial Statements	合併財務報表附註	81
Four-Year Financial Summary	四年財務概要	175

CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Ando Shokei (alias Liao Xianggui) (*Chairman*)
Mrs. Ando Eri (alias Feng Huijin)
Mr. Katsu Bunkai (alias Ge Wenhai)
Mr. Sun Hongyue
Mr. Yau Chung Hang

Non-Executive Director

Mr. Yang Yi Chung (Resigned on 14 May 2019)

Independent Non-executive Directors

Mr. Chung Kwok Mo John
Ms. Lam Suk Ling Shirley
Mr. Chun Chi Man

COMPANY SECRETARY

Mr. Yau Chung Hang

AUDIT COMMITTEE

Ms. Lam Suk Ling Shirley (*chairlady of the audit committee*)
Mr. Chung Kwok Mo John
Mr. Chun Chi Man

REMUNERATION COMMITTEE

Mr. Chung Kwok Mo John
(*chairman of the remuneration committee*)
Ms. Lam Suk Ling Shirley
Mr. Chun Chi Man
Mrs. Ando Eri
Mr. Yang Yi Chung (Resigned on 14 May 2019)

NOMINATION COMMITTEE

Mr. Ando Shokei (*chairman of the nomination committee*)
Mr. Chung Kwok Mo John
Ms. Lam Suk Ling Shirley
Mr. Chun Chi Man
Mr. Yang Yi Chung (Resigned on 14 May 2019)

董事

執行董事

安藤湘桂先生(又名廖湘桂)(*主席*)
安藤惠理女士(又名馮慧瑾)
葛文海先生
孫鴻月先生
邱仲珩先生

非執行董事

楊維聰先生(於2019年5月14日辭任)

獨立非執行董事

鍾國武先生
林淑玲女士
秦治民先生

公司秘書

邱仲珩先生

審核委員會

林淑玲女士(*審核委員會主席*)
鍾國武先生
秦治民先生

薪酬委員會

鍾國武先生
(*薪酬委員會主席*)
林淑玲女士
秦治民先生
安藤惠理女士
楊維聰先生(於2019年5月14日辭任)

提名委員會

安藤湘桂先生(*提名委員會主席*)
鍾國武先生
林淑玲女士
秦治民先生
楊維聰先生(於2019年5月14日辭任)



CORPORATE GOVERNANCE COMMITTEE

Mr. Chun Chi Man
(*chairman of the corporate governance committee*)
Mr. Ando Shokei
Mr. Chung Kwok Mo John
Ms. Lam Suk Ling Shirley
Mr. Yang Yi Chung (Resigned on 14 May 2019)

AUTHORISED REPRESENTATIVES

Mr. Ando Shokei
Mr. Yau Chung Hang

AUDITOR

PricewaterhouseCoopers

PRINCIPAL BANKERS

Hongkong and Shanghai Banking Corporation Limited
Sumitomo Mitsui Banking Corporation

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

Room 2601, 26/F
Wing On Centre
No. 111 Connaught Road Central
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN JAPAN

2/F and 3/F
Kyobashi-Square
3-7-5 Kyobashi
Chuo-ku
Tokyo
Japan

CORPORATE WEBSITE

www.chuo-auction.com.hk

STOCK CODE

1939

LISTING DATE

11 October 2018

企業管治委員會

秦治民先生
(*企業管治委員會主席*)
安藤湘桂先生
鍾國武先生
林淑玲女士
楊維聰先生(於2019年5月14日辭任)

授權代表

安藤湘桂先生
邱仲珩先生

核數師

羅兵咸永道會計師事務所

主要往來銀行

香港上海滙豐銀行有限公司
三井住友銀行

股份過戶登記總處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

註冊辦事處

香港
干諾道中111號
永安中心
26樓2601室

總辦事處及日本主要營業地點

日本
東京都
中央區
京橋3-7-5
Kyobashi-Square
2樓及3樓

公司網站

www.chuo-auction.com.hk

股份代號

1939

上市日期

2018年10月11日



CHAIRMAN'S STATEMENT

主席報告

DEAR SHAREHOLDERS,

On behalf of the board (the "Board") of directors (the "Directors") of Tokyo Chuo Auction Holdings Limited (the "Company", together with its subsidiaries, collectively, the "Group"), I would like to present the annual report of the Company for the year ended 31 March 2019.

Thanks to the effort of each staff member and the support from our clients and shareholders of the Company (the "Shareholders"), the shares ("Shares") of the Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 October 2018 ("Listing Date"). The access to the capital market in Hong Kong will increase the Group's reputation and popularity in the industry, and transparency to the public. It also provides the Group with more alternative financing platforms, which is extremely beneficial to the future business development of the Group.

Due to the impacts of the US-China trade war, the auction industry has entered a correction period since the second half of 2018. The artwork market shifted toward a more stringent and cautious buyer's market with fewer artworks sold at auctions at high prices than before. However, collectors

致股東

本人謹代表東京中央拍賣控股有限公司(「本公司」, 連同其附屬公司統稱為「本集團」)董事(「董事」)會(「董事會」)提呈本公司截至2019年3月31日止年度的年度報告。

有賴於各位員工的努力, 客戶以及本公司股東(「股東」)的支持, 本公司股份(「股份」)已在2018年10月11日(「上市日期」)成功於香港聯合交易所有限公司(「聯交所」)主板上市。登陸香港的資本市場後, 將提高本集團在行業內的信譽度和知名度, 以及對公眾的透明度, 也為集團提供了更多選擇的融資平台, 對於本集團未來的業務發展有極大的幫助。

由於受到中美貿易戰的影響, 2018下半年開始, 拍賣行業進入一個調整期, 藝術品市場步入了更有要求更安全的買方市場, 高價拍出的藝術品的總數量比過去有所減少, 但一旦遇到珍貴而稀有的頂級拍品, 收藏家參與競投的意



remained eager to purchase valuable and rare art pieces with high bidding price, which is an acknowledgement of artworks. Moreover, artworks have always been an investment tool of collectors and artwork investors around the world. In this connection, the Group rose up to the market challenges through continuous innovation amid the hard time. For example, during the Autumn Auction held in Hong Kong in 2018, we launched a sale for precious Pu'er tea leaves for the first time to further expand our customer base. Since the collection of artworks has become increasingly prevalent among the younger people, contemporary artworks made their debut in our Spring Auction held in Japan in 2019, with a view to pleasing the palates of artwork enthusiast of different age groups. These two first-ever auction sales achieved remarkable success, which significantly boosted our confidence in launching further sales for different categories in the future.

Moreover, in order to promptly extend our coverage in other key regions in terms of Asian artworks, we started planning for a joint consignments tour with our industry peers based in Taiwan during the year ended 31 March 2019 (the "Reporting Period"). Taiwan has always been a pivotal area of antiques and artworks capturing a large pool of collectors and artists. We believe that the brand of the Group will gain wider recognition in Taiwan through this cooperation.

向還是非常高，拍品亦以高價拍出，這也是對藝術品的一種肯定。而且，藝術品也一直是世界各地收藏家及藝術品投資者的投資工具，所以在這個艱難的時刻，本集團通過不斷的創新來對抗市場的逆境，如在2018年香港的秋拍，我們首次推出珍貴普洱茶葉的拍賣，以開拓更廣的客戶群。由於藝術品的收藏家有年輕化的趨勢，我們也於2019年日本的春拍，首次加入當代藝術品，以滿足不同年齡層的藝術品愛好者。這兩次首辦的拍賣專場也取得不俗的成績，大大增加了我們未來繼續開辦不同的拍品專場拍賣的信心。

此外，為了能迅速覆蓋其他亞洲藝術品的重點地區，我們於2019年3月31日止年度（「報告期間」）也已經開始部署與台灣的同業進行聯合徵集活動。一直以來，台灣都是古董、藝術品的薈萃區，大量的收藏家和藝術家都位駐足台灣，而我們相信通過這次的合作，將會讓本集團的品牌在當地更被廣泛認可。



PROSPECTS

The Group has been growing since its establishment and during the Reporting Period, it was successfully listed on the Main Board of Stock Exchange as a pioneering corporate with emphasis on artworks auction, expanding from Japan to the entire Asia. The Group has strived to achieve long-term growth at a steady pace. At present, it has established footholds in major cities in Asia with its business extending from Tokyo to Hong Kong and Taiwan. For the entire Asia, the Group has set up branches and representative offices in the Greater China region to create a strong customer network, integrate regional resources, actively promote regional interaction, consolidate foundation and expand operations.

In the future, the Group will aim at keeping stable growth and development, and continuously uphold its principle of sourcing excellent artworks with good provenance to explore and collect more valuable artworks for art enthusiasts in the artwork auction market. At the same time, the management will also keep an eye on the opportunities to cooperate with other auction companies with a view to developing our business more rapidly.

前景

自本集團創辦以來，東京中央拍賣一路成長，於報告期間內，更成為首家以藝術品拍賣為主體的企業成功於香港聯交所主板上市。由日本延申至整個亞洲發展。本集團秉持以穩健的步伐達致長遠增長，現時已盤踞亞洲各重要城市，業務從東京深入至香港，發展到台灣。在大中華區設立分公司與代表處，針對整個亞洲，務求創立強大的客戶網絡，整合各區域資源，積極推進地區互動，鞏固基礎並拓展業務。

在未來，本集團將力求穩定增長及發展，於藝術拍賣市場上繼續秉承「來源有據，流傳有序」的宗旨，不斷為藝術品愛好者搜羅更多珍貴的藝術品。同時，管理層也會時刻留意與其他拍賣公司的合作商機，務求更迅速發展我們的業務。



APPRECIATION

At last, on behalf of the Board and the management, I would like to express my sincere gratitude to all the staff for their unremitting efforts during the year and to all the Shareholders, investors, clients and business partners for their continuous support for the Group.

Tokyo Chuo Auction Holdings Limited
Ando Shokei
Chairman

27 June 2019

致謝

最後，本人謹代表董事會及管理層對本集團全體員工於本年孜孜不倦的努力深表謝意，亦就所有股東、投資者、客戶及業務夥伴對本集團的持續支持表示致謝。

東京中央拍賣控股有限公司
安藤湘桂
主席

2019年6月27日



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

During the Reporting Period, the Group obtained satisfactory results in each auction session, with 7,038 (2018: 7,025) pieces of auction lots launched in the four auctions, 3,991 (2018: 3,938) of which were successfully sold, representing a successful rate of 56.7% (2018: 56.1%) and achieved an aggregate hammer price of approximately HK\$580.5 million (2018: approximately HK\$739.0 million), and total revenue of approximately HK\$166.1 million (2018: approximately HK\$173.3 million). During the Group's Hong Kong autumn auction, the Group held its first ever tea ceremony auction session "ICHIGO ICHIE — The Art of Tea Ceremony" (一期一會•聽茶聞香) to celebrate the special occasion of the 5th anniversary of the establishment of the Company in Hong Kong. Among the tea auction lots, there was a cylinder of pu'er tea, weighing 2,491 grams, called "Century-old Blue Ticket Songping Pu'er Tea Cakes" (百年藍票宋聘號), which was sold at a record-breaking price of HK\$11.9 million, a historic high in tea prices. In addition, the auction also featured regular sessions for Chinese paintings and calligraphies as well as ceramics, and one of the Group auction lots known as "A magnificent and rare yellow and green enamelled vase with motifs of sprigs of flowers, seal mark and period of Yongzheng in Qing Dynasty" (清雍正黃地綠彩福壽祥雲折枝花卉紋橄欖瓶) was concluded at a high hammer price of HK\$40 million. Meanwhile, the Group actively developed other new auction segments to increase the number and sources of customers and pursue new business opportunities. For example, there was a new session called "Arts in Life" in the Group auction held in Tokyo in March 2019.

During the Reporting Period, the Group achieved a revenue of approximately HK\$166.1 million. The profit attributable to owners of the Company was approximately HK\$8.6 million. Basic and diluted earnings per share were approximately HK1.99 cents. Due to the decrease in revenue from auctions and the increase in operating costs, particularly the expenses for listing (the "Listing Expenses"), as well as the additional expenses after listing and the Fair Value Loss, there was a decrease in the Group's profitability. Excluding the Listing Expenses and Fair Value Loss, the adjusted profit of the Group was approximately HK\$28.0 million (2018: approximately HK\$54.8 million).

業務回顧

於報告期間，本集團的各場拍賣也取得不俗的成績，四場拍賣推出的總拍賣品數量為7,038件(2018年：7,025件)，成功拍出的拍品共3,991件(2018年：3,938件)，拍賣成功率為56.7%(2018年：56.1%)，總落槌價約為580.5百萬港元(2018年：約739.0百萬港元)，總收入約為166.1百萬港元(2018年：約173.3百萬港元)。在本集團的香港秋季拍賣會上，籍著香港公司成立5週年這個特別的時刻，本集團首次舉辦了《一期一會•聽茶聞香》茶藝拍賣專場。在眾多的茶葉拍品中，其中一筒重量為2,491克的普洱茶葉「百年藍票宋聘號」，以破記錄的價格11.9百萬港元成功拍出，創出茶葉價錢的歷史新高。此外，該次拍賣也一如既往的舉辦了中國書畫以及瓷器等拍賣專場，本集團其中一拍品「清雍正黃地綠彩福壽祥雲折枝花卉紋橄欖瓶」亦以高落槌價40百萬港元成交。與此同時，本集團積極拓展其他新的拍賣板塊，如於2019年3月東京舉行的本集團拍賣增設了《當代藝術潮玩》專場，增加客戶數目與來源，開拓新商機。

於報告期間內，本集團實現收入約166.1百萬港元，本公司擁有人應佔溢利約為8.6百萬港元，每股基本及攤薄溢利約為1.99港仙。由於拍賣收入有所下降，以及營運成本上升，尤其是進行上市項目費用(「上市費用」)，和上市後的額外開支以及公平值虧損，導致本集團盈利能力下降。如撇除上市費用和公平值虧損，本集團經調整溢利約為28.0百萬港元(2018年：約54.8百萬港元)。



For the sake of strengthening the long term customers relationship, as well as further developing the artworks sourcing network, more expenses have been incurred for these aspect during the Reporting Period, and the management strongly believes that such expenditure will be beneficial to the Group in coming years.

“Promoting culture and valuing communication” has been the philosophy of the Group. With an aim of facilitating arts and cultural exchanges between China and Japan, the Group organised “Cultural Exhibition in Kyoto City Museum of Art Annex” at Kyoto, Japan in April 2018. Besides, the Group collaborated with Sankeisha Japan (日本三圭社) in publishing a hardcover edition of “Gao Mai — Collections of Painting in Ming Dynasty by Collectors” (高邁 — 明代書畫名家收藏展), which compiles all premium compositions in Ming Dynasty into a single volume for appreciation of Japanese cultural artefacts among enthusiasts in painting and calligraphy. During the Reporting Period, the Group published a series of collections named “A Prime Collection in Japanese Painting and Calligraphy” (日本藏王—亭書畫精選). The two volumes received much support and assistance from Mr. Mii Masahiro (三井雅博) from Sankeisha (三圭社), Mr. Yamasita Hotai (山下方亭) from Suifeng Club (隨風會) and Mr. Jinou (晉鷗) from the Association of Chinese Calligrapher in Japan (全日本華人書法家協會). In May 2018, the Group exclusively sponsored the exhibition “Match Made in Heaven” (天作之合) in the 11th International Antiques Fair in Hong Kong, which displayed nearly 200 exquisite boxes dated from ancient to contemporary times for art enthusiasts to appreciate. During the Reporting Period, the Group also held a series of touring exhibitions in major cities in the PRC, Japan and Hong Kong for marketing the Group’s auctions. Such exhibitions also further establish the Group’s reputation over different regions and expand its customer base.

FUTURE PLAN

In the coming future, we shall further diversify our auction items into various categories such as contemporary artworks from different artists, world-class and limited wine from China, Japan and other European countries, as well as precious jewelry and luxuries. In order to expedite such expansion, we shall keep looking for apposite business partners for collaboration in auction events. Meanwhile, the Board will also consider to make strategic investments in artworks related business, which can help us to achieve synergies.

為加強長期客戶關係，以及進一步發展藝術品徵集網絡，於報告期間已就此等方面投入更多開支，而管理層堅信該等開支將在來年為本集團帶來利益。

一直以來，「推廣文化•重視交流」都是本集團的理念，為了更好促進中日文化交流，推廣藝術文化，本集團於2018年4月在日本京都舉辦了「京都市美術館文化展」，聯合日本三圭社出版了大型精裝《高邁 — 明代書畫名家收藏展》圖集，將明代甄選書畫佳作集於一冊之內，旨在讓更多的書畫愛好者欣賞到這些東瀛藏珍；於報告期間，本集團亦出版系列圖集之《日本藏王—亭書畫精選》。兩冊圖集分別得到了三圭社三井雅博先生，隨風會會長山下方亭先生以及全日本華人書法家協會主席晉鷗先生的大力支持與協助。而於2018年5月，本集團獨家贊助了香港第十一屆國際古玩展「天作之合」展覽，該次展覽呈現近二百個時間橫跨高古至近代的精美盒子給廣大藝術品愛好者欣賞。於報告期間內，本集團也在中國的主要城市、日本和香港舉辦了多場巡展推廣本集團的拍賣。該等巡展亦進一步推廣本集團在各地的知名度和開拓不同的客戶群。

未來計劃

未來，我們將進一步令拍賣品多樣化，分為多個類別，例如來自不同藝術家的當代藝術品、來自中國、日本及其他歐洲國家的世界級及限量酒類，以及珍貴的珠寶及奢侈品。為了加快擴張，我們將繼續尋找合適的商業合作夥伴以於拍賣活動中開展合作。同時，董事會亦將考慮對藝術品相關業務進行戰略性投資，以幫助我們實現協同效應。



FINANCIAL REVIEW

Revenue

During the Reporting Period, the revenue of the Group was approximately HK\$166.1 million (2018: HK\$173.3 million), which represents a decrease of approximately HK\$7.2 million or 4.1% as compared with 2018. Revenue from art auction and related business was approximately HK\$146.9 million (2018: HK\$164.6 million) while revenue from artwork sales was approximately HK\$19.2 million (2018: HK\$8.7 million). The decrease in revenue from art auction and related business was mainly caused by the decrease in hammer price of the auction items, given the average hammer price last year was approximately HK\$188,000, and it was approximately HK\$145,000 during the Reporting Period. The increase in revenue from artwork sales was mainly due to the selling prices of the artwork sold during the Reporting Period were higher than those in 2018.

Gross Profit

During the Reporting Period, gross profit of the Group decreased by approximately HK\$6.1 million or 4.6% to approximately HK\$126.2 million (2018: approximately HK\$132.3 million) as compared with 2018, which is in line with the decrease in revenue. The overall gross profit margin for the Reporting Period was approximately 76.0% which was stable when comparing with 76.4% in 2018. The gross profit margins were approximately 76.4% (2018: 80.1%) and approximately 72.7% (2018: 6.0%) for art auction and related business and artwork sales respectively. The substantial increase of the gross profit margin in artwork sales was due to the upward trend of the values of similar art pieces.

Other losses, net

Other losses, net mainly comprise the changes in fair value of convertible notes, exchange gain/loss, net loss on disposal of property, plant and equipment, and changes in cash surrender values of key management life insurance contracts. Other losses of the Group during the Reporting Period was approximately HK\$4.0 million (2018: approximately HK\$400,000). The increase in other losses for the Reporting Period was approximately HK\$3.6 million, when compared to 2018. The increase was primarily attributable to the changes in fair value of convertible notes which amounted to approximately HK\$4.1 million (2018: Nil).

財務回顧

收益

於報告期間，本集團收益約為166.1百萬港元（2018年：173.3百萬港元），較2018年減少約7.2百萬港元或4.1%。來自藝術品拍賣及相關業務的收益約為146.9百萬港元（2018年：164.6百萬港元），來自藝術品銷售的收益約為19.2百萬港元（2018年：8.7百萬港元）。來自藝術品拍賣及相關業務的收益減少主要由於拍賣品落槌價下跌，去年的落槌價為約188,000港元，而於報告期間則為約145,000港元。藝術品銷售的收益增加乃主要由於往績期間售出的藝術品的售價高於2018年。

毛利

於報告期間，與2018年相比，本集團的毛利減少約6.1百萬港元或4.6%至約126.2百萬港元（2018年：約132.3百萬港元），與收益減少相應。報告期間的整體毛利率為約76.0%，與2018年的76.4%相比屬穩定。藝術品拍賣及相關業務及藝術品銷售的毛利率分別為約76.4%（2018年：80.1%）及約72.7%（2018年：6.0%）。藝術品銷售的毛利率顯著增長乃由於類似藝術品價值呈上升趨勢。

其他虧損淨額

其他虧損淨額主要包括可換股票據之公平值變動、匯兌收益／虧損、出售物業、廠房及設備之虧損淨額及主要管理層人壽保險合約現金退保價值變動。於報告期間，本集團之其他虧損為約4.0百萬港元（2018年：約400,000港元）。報告期間的其他虧損較2018年增加約3.6百萬港元。增幅主要歸因於可換股票據之公平值變動約4.1百萬港元（2018年：無）導致。



Other income

Other income of the Group during the Reporting Period was approximately HK\$1.8 million (2018: approximately HK\$2.6 million).

Other income decreased by approximately HK\$0.8 million as compared with 2018. The decrease is primarily attributable to the decrease in miscellaneous handling fees charged to customers during auctions held in Japan.

Net impairment losses on financial assets

Net impairment losses on financial assets represents the increase in loss allowance recognised in respect of the trade receivables following the adoption of HKFRS 9 during the Reporting Period. During the Reporting Period, approximately HK\$1.2 million of such losses were incurred (2018: Nil).

Selling and distribution expenses

Selling and distribution expenses increased by approximately HK\$14.9 million to HK\$41.7 million for the Reporting Period (2018: approximately HK\$26.8 million). Such increase was mainly caused by the (i) increase in employee benefit expenses of approximately HK\$1.3 million due to general salary inflation and more staff members hired, (ii) increase in transportation costs of approximately HK\$1.6 million as more transportation services had been consumed (iii) aggregate increase in business hospitality, entertainment expenses and travelling expenses of approximately HK\$5.8 million, which resulted from providing better customer services and expanding customers network, (iv) increase in consulting fee of approximately HK\$2.5 million because of engaging additional experts for authentication process, and (v) increase in other general expenses for marketing activities.

其他收入

於報告期間，本集團之其他收入為約1.8百萬港元(2018年：約2.6百萬港元)。

其他收入較2018年減少約0.8百萬港元。減少乃主要由於日本舉行的拍賣會向客戶收取的雜項手續費減少。

金融資產之減值虧損淨額

金融資產之減值虧損淨額指於報告期間自採納香港財務報告準則第9號後就貿易應收款項確認的虧損撥備增加。於報告期間產生的有關虧損為約1.2百萬港元(2018年：無)。

銷售及分銷開支

於報告期間，銷售及分銷開支增加約14.9百萬港元至41.7百萬港元(2018年：約26.8百萬港元)。有關增加乃主要由於(i)僱員福利開支增加約1.3百萬港元，因為薪金整體上升及增聘員工；(ii)運輸成本增加約1.6百萬港元，因為使用較多運輸服務；(iii)商務接待、酬酢費用及差旅開支合共增加約5.8百萬港元，因為提供較佳客戶服務及擴大客戶網絡；(iv)已付顧問費增加約2.5百萬港元，原因是為鑑定程序增聘專家；及(v)營銷活動的其他一般開支增加。



Administrative expenses

During the Reporting Period, administrative expenses increased by approximately HK\$16.6 million or 33.5% to approximately HK\$66.1 million (2018: approximately HK\$49.5 million). The increase was primarily due to the (i) increase in employee benefit expenses of approximately HK\$6.4 million because of new staff members hired and the increased staff salaries and bonus under annual salary review scheme, (ii) increase in operating lease rentals in respect of rented premises of approximately HK\$1.6 million for the new office rented in Hong Kong, (iii) increase in Listing Expenses and related expenses of approximately HK\$5.6 million associated with our listing, and (iv) increase in auditor's remuneration and professional expenses of approximately HK\$3.4 million, and such services were only carried out after listing.

Finance income, net

Net finance income recorded for the Reporting Period amounted to approximately HK\$310,000 and it was a cost of approximately HK\$239,000 in 2018. The net income mainly represents the interest income from bank deposit of approximately HK\$582,000, which was offset by the interest expenses on finance lease liabilities and interest expenses on bank and other borrowings.

Income tax expenses

During the Reporting Period, income tax expenses decreased by approximately HK\$7.4 million, to HK\$6.7 million (2018: approximately HK\$14.1 million). The saving in income tax expenses was attributable to the decrease in profit before income tax. Effective tax rate* was approximately 19.3% (2018: 20.4%) for the Reporting Period and no significant fluctuation was noted.

* Effective tax rate was calculated by income tax expenses divided by profit before income tax excluding the Listing Expenses and Fair Value Loss.

行政開支

於報告期間，行政開支增加約16.6百萬港元或33.5%至約66.1百萬港元（2018年：約49.5百萬港元）。增加乃主要由於(i)員工福利開支增加約6.4百萬港元，因為招聘新員工及根據年度薪金檢討計劃提高員工薪金及花紅；(ii)租用物業的經營租賃租金增加約1.6百萬港元，涉及於香港租賃新辦公室；(iii)與上市有關的上市開支及相關開支增加約5.6百萬港元；及(iv)核數師薪酬及專業開支增加約3.4百萬港元，有關服務僅於上市後進行。

財務收入淨額

於報告期間錄得財務收入淨額約310,000港元，而2018年則為成本約239,000港元。淨收入主要指銀行存款收入的利息收入約582,000港元，惟被融資租賃負債利息開支及銀行及其他借款利息開支所抵銷。

所得稅開支

於報告期間，所得稅開支減少約7.4百萬港元至6.7百萬港元（2018年：約14.1百萬港元）。所得稅開支減少乃由於除所得稅前溢利減少。報告期間實際利率*為約19.3%（2018年：20.4%），且並無錄得重大波動。

* 實際利率乃按所得稅開支除以除所得稅前溢利（不包括上市開支及公平值虧損）計算得出。



Profit attributable to owners of the Company

Due to the drop in the total hammer price for the Reporting Period, which was mainly affected by the unpredictability in the market demand, value and conditions for artworks and development of art auction market in general, and upsurge in the operating costs and additional one-off expenses such as Listing Expenses and Fair Value Loss, the profit attributable to owners of the Company decreased by approximately HK\$35.5 million or 80.5%, to HK\$8.6 million (2018: approximately HK\$44.1 million). If the one-off listing expenses and Fair Value Loss is not taken into account, the adjusted profit attributable to owners of the Company for the Reporting Period was approximately HK\$28.0 million (2018: approximately HK\$54.9 million).

Financial position and liquidity

The Group generally finances its operations with internally generated resources, banking facilities and net proceed from the listing. As at 31 March 2019, the Group had net current assets of approximately HK\$276.8 million (2018: approximately HK\$92.7 million) while the Group's cash and cash equivalents amounted to approximately HK\$236.5 million (2018: approximately HK\$70.4 million). As at 31 March 2019, the Group had interest-bearing bank borrowings of approximately HK\$35.0 million and of which approximately HK\$32.4 million was repayable within one year. As at 31 March 2019, the Group had finance lease liabilities of approximately HK\$0.8 million and of which approximately HK\$0.4 million was repayable within one year.

As at 31 March 2019, the Group's net gearing ratio was calculated on the basis of the amount of interest-bearing borrowings less cash and cash equivalents divided by shareholders' equity, and the Group was in net cash position (2018: net cash).

Capital commitments

As at 31 March 2019, the Group had no any material capital commitment (as at 31 March 2018: Nil).

Contingent liabilities

As at 31 March 2019, the Group did not have any material contingent liabilities (as at 31 March 2018: Nil).

本公司擁有人應佔溢利

由於報告期間內的總落槌價(主要受市場需求的不可測性、藝術品的價值及狀況,以及藝術品拍賣市場的發展所影響)減少及營運成本急增,加上上市開支及公平值虧損等一筆過開支,本公司擁有人應佔溢利減少約35.5百萬港元或80.5%至8.6百萬港元(2018年:約44.1百萬港元)。倘並無計及一筆過上市開支及公平值虧損,報告期間的本公司擁有人應佔經調整溢利約為28.0百萬港元(2018年:約54.9百萬港元)。

財務狀況及流動資金

本集團一般以內部產生的資源、銀行融資及上市所得款項淨額為其營運提供資金。於2019年3月31日,本集團有流動資產淨值約276.8百萬港元(2018年:約92.7百萬港元),而本集團的現金及現金等價物約為236.5百萬港元(2018年:約70.4百萬港元)。於2019年3月31日,本集團有計息銀行借款約35.0百萬港元,其中約32.4百萬港元須於一年內償還。於2019年3月31日,本集團有融資租賃負債約0.8百萬港元,其中約0.4百萬港元須於一年內償還。

於2019年3月31日,本集團的淨資產負債比率乃按計息借款金額減現金及現金等價物除以股東權益計算,而本集團處於淨現金狀況(2018年:淨現金)。

資本承擔

於2019年3月31日,本集團並無任何重大資本承擔(於2018年3月31日:無)。

或然負債

於2019年3月31日,本集團並無任何重大或然負債(於2018年3月31日:無)。



Material Acquisitions and Disposal of Subsidiaries and Associated Companies

Save for the reorganisation of the Group for the purpose of the listing as set out in the section headed “History, Reorganization and Corporate Structure — The Reorganization” in the prospectus of the Company dated 27 September 2018 (“Prospectus”), there were no material acquisition or disposal of subsidiaries or associated companies of the Company during the Reporting Period.

Treasury Policies

The Group adopted a prudent strategy towards the treasury and funding policies, with strong emphasis on risk control and transactions directly related to the Group’s principal business. Funds, primarily denominated in Japanese Yen and Hong Kong dollars, are normally placed with banks in short or medium term deposits for working capital of the Group.

Capital Structure and foreign currency exposure

During the Reporting Period, the Group’s operation was mainly financed by funds generated from its operation, borrowings and net proceeds from the listing. As at 31 March 2019, the borrowings were mainly denominated in Japanese Yen, while the cash and cash equivalents held by the Group were mainly denominated in Japanese Yen and Hong Kong dollars. All of the Group’s borrowings were floating rate borrowings and were pledged by bank deposits of approximately HK\$20.3 million to secure such bank facilities during the Reporting Period. The Group’s revenue is mainly denominated in Japanese Yen and Hong Kong dollars, while its costs and expenses are mainly denominated in Japanese Yen and Hong Kong dollars. As majority portion of the Group’s assets, liabilities, revenues and payments during the Reporting Period were denominated in either Japanese Yen or Hong Kong dollars, the Group does not have a formal foreign currency hedging policy or conducts hedging exercise to reduce its foreign currency exposure. However, in view of the prevailing macro-economic environment, the Group may be exposed to the foreign exchange rate risk. The Group will closely monitor the volatility of foreign exchange rate and apply the appropriate hedging strategy as and when appropriate.

重大收購及出售附屬公司及聯營公司

除本公司日期為2018年9月27日的招股章程（「招股章程」）內「歷史、重組及公司架構 — 重組」一節所載，本集團為上市而進行重組外，於報告期間並無重大收購或出售本公司附屬公司或聯營公司。

庫務政策

本集團就庫務及撥款政策採取審慎策略，而且非常重視風險控制及與本集團主要業務直接有關的交易。資金（主要以日圓及港元計值）一般以中短期定期存款的形式存放於銀行，以用作本集團營運資金。

資本架構及外匯風險

於報告期間，本集團的業務主要由其營運、借貸及上市所得款項淨額所產生的資金撥資。於2019年3月31日，借貸主要以日圓計值，而本集團所持現金及現金等價物主要以日圓及港元計值。本集團所有借貸均為浮息借貸並於報告期間已質押約20.3百萬港元銀行存款，作為有關銀行融資的抵押。本集團營業額主要以日圓及港元計值，而其成本及開支主要以日圓及港元計值。由於本集團於報告期間的大部分資產、負債、收益及付款以日圓或港元計值，本集團並無正式的外幣對沖政策或安排對沖行動，減低外幣風險。然而，考慮到現時宏觀經濟環境，本集團可能承擔匯率風險。本集團將密切監控匯率波動及於適當時候使用合適的對沖策略。



Charge on assets

As at 31 March 2019, bank deposits amounting to HK\$20.3 million (2018: Nil) was pledged to a bank to secure general banking facilities granted to the Group.

Other than the aforesaid pledged bank deposits, there was no other charge on assets of the Group as at 31 March 2019.

Employees and Emolument Policy

As at 31 March 2019, the Group had 23, 15, 3 and 1 fulltime staff based in Japan, Hong Kong, Taiwan and the PRC respectively. The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' base salaries. The Group also made contributions to provident funds, elderly insurance, medical insurance, unemployment insurance and work-related injury insurance in accordance with applicable laws and regulations in Japan, Taiwan and the PRC respectively. The Group has adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants, including the employees of the Group, for their contribution to the Group. No share options have been granted since the Listing Date and up to the date of this annual report.

資產抵押

於2019年3月31日，20.3百萬港元（2018年：無）的銀行存款已抵押予銀行以取得授予本集團一般銀行融資。

除上述已抵押銀行存款外，於2019年3月31日本集團概無其他資產抵押。

僱員及薪酬政策

於2019年3月31日，本集團於日本、香港、台灣及中國分別有23名、15名、3名及1名全職員工。本集團的薪酬組合整體上參考市場條款及個人表現制訂。本集團根據香港法例第485章《強制性公積金計劃條例》為其所有香港僱員執行一個界定供款退休服務計劃。供款按僱員基本薪金的百分比作出。本集團亦分別根據日本、台灣及中國的適用法律及法規作出公積金、養老保險、醫療保險、失業保險及工傷保險供款。本集團已採納購股權計劃旨在為合資格參與者（包括本集團僱員）就彼等對本集團的貢獻提供激勵及獎勵。自上市日期起及直至本年報日期，概無授出購股權。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷詳情

BOARD OF DIRECTORS

Executive Directors

Mr. Ando Shohei (安藤湘桂) (alias Liao Xianggui (廖湘桂)), aged 51

Executive Director and chairman of our Board

Mr. Ando is an executive Director and chairman of the Board, and is responsible for overall strategic development, and leading the business development of the Group. He was appointed as a Director on 11 July 2013 and re-designated as executive Director on 25 May 2018. Mr. Ando is the founder of the Group. He has over 10 years of experience in operation and management in the business of artwork trading and over seven years of experience in operation and management of auction. He joined the Group in November 2010 as a director of Tokyo Chuo Auction Co., Ltd.* (株式會社東京中央オークション) (“TCA Japan”), a directly non-wholly owned subsidiary of the Company in Japan. Mr. Ando is also a director of Bai Sheng Co., Ltd.* (株式會社百勝) (“Bai Sheng”) since September 2002, where he acquired knowledge in artworks through artwork trading businesses, gained his experience in daily company operations management, businesses development promotion and development strategies planning, and started to develop his business relationship with artwork artists, masters, experts, merchants and collectors. Prior to working at Bai Sheng, Mr. Ando worked at Orient Co., Ltd.* (株式會社オリエント), a trading company in arts and crafts and home furniture import and export, from 1995 to 2001 as general manager. He obtained a bachelor’s degree in economics from Dokkyo University in March 1994. Mr. Ando is also a director of certain subsidiaries of the Group. Mr. Ando is the spouse of Mrs. Ando Eri. Mr. Ando has an interest in such number of Shares under Part XV of the SFO as disclosed in the section headed “Report of the Directors — Directors’ and chief executive’s interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations” of this annual report.

董事會

執行董事

安藤湘桂先生(又名廖湘桂), 51歲

執行董事兼董事會主席

安藤先生為執行董事兼董事會主席，負責本集團的整體策略發展及領導業務發展。其於2013年7月11日起獲委任為董事，並於2018年5月25日調任為執行董事。安藤先生是本集團的創辦人。其擁有超過十年的藝術品交易業務營運及管理經驗，並擁有超過七年的拍賣業務營運和管理經驗。其於2010年11月加入本集團，擔任本公司日本直接非全資附屬公司株式會社東京中央オークション(「TCA日本」)的董事。安藤先生自2002年9月起亦為株式會社百勝(「百勝」)的董事，並透過其藝術品貿易業務獲取藝術品的知識，累積了日常公司營運管理、業務發展推廣及發展策略規劃的經驗，以及開始與藝術品藝術家、大師、專家、商人和收藏家發展業務關係。安藤先生任職百勝前，於1995年至2001年期間在株式會社オリエント擔任總經理，該公司為專營藝術品及工藝品和傢俱進出口的貿易公司。其於1994年3月畢業於獨協大學，取得經濟學士學位。其亦是本集團若干附屬公司的董事。安藤先生為安藤惠理女士之配偶。安藤先生擁有於本年報「董事會報告 — 董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中的權益及淡倉」一節披露於證券及期貨條例第XV部項下的該等數目股份的權益。



Mrs. Ando Eri (安藤惠理) (alias Feng Huijin (馮慧瑾)), aged 41

Executive Director and vice chairlady of the Board

Mrs. Ando is an executive Director and vice chairlady of the Board, and is responsible for client management, promotion of branding and marketing of the Group. She was appointed as an executive Director on 25 May 2018. She has over six years of experience in operation and management of auction. Mrs. Ando joined the Group in January 2011 as a managing director, and she was involved in establishing and managing client relationships. She was promoted to become a director of the board of TCA Japan in December 2011, and since then she has been principally responsible for conducting marketing events, overseeing and reviewing the auction catalogs and media publications, as well as the overall management of auctions held by the Group. Prior to joining the Group, Mrs. Ando worked at a catering company in the PRC, from 2000 to 2005 as general manager, responsible for overall management and operations of such company. She completed a course in foreign secretary at the Adult Higher Education, School of Continuing Education, Shanghai Jiao Tong University* (上海交通大學夜大學) in July 2000. Mrs. Ando is also a director of TCA Japan. Mrs. Ando is the spouse of Mr. Ando Shokei. Mrs. Ando has an interest in such number of Shares under Part XV of the SFO as disclosed in the section headed "Report of the Directors — Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations" of this annual report.

Mr. Katsu Bunkai (葛文海) (alias Ge Wenhai), aged 49
Executive Director and chief operating officer of the Group

Mr. Katsu is an executive Director and chief operating officer of the Group, and is responsible for the overall operational management of the Group. He was appointed as an executive Director on 25 May 2018. Mr. Katsu has over six years of experience in operation in the business of artwork trading and over six years of experience in operation and management of auction. Mr. Katsu joined the Group and was appointed as a director and vice-president of TCA Japan since February 2012, and since then he has been principally responsible for the planning and supervising auctions of the Group, including managing auction logistics and different working parties such as decoration companies, security and staff of different departments of the Group during auctions. He is also involved in overall strategic development and management of the Group. Prior to joining the Group, Mr. Katsu was also the sales manager of Bai Sheng, responsible for artworks purchase and sales and operations management, from April 2010 to October 2015. He obtained a master's degree in business administration from Kanto Gakuin University in March 2008.

安藤惠理女士(又名馮慧瑾), 41歲

執行董事兼董事會副主席

安藤女士為執行董事兼董事會副主席，負責本集團的客戶管理、品牌推廣及營銷。其於2018年5月25日獲委任為執行董事。其擁有超過六年的拍賣業務營運和管理經驗。安藤女士於2011年1月加入本集團擔任董事總經理，負責建立及管理客戶關係。彼於2011年12月升任TCA日本的董事會董事，其後一直主要負責進行營銷活動、監督及審閱拍品圖錄和媒體刊物，以及總體管理本集團舉辦的拍賣會。安藤女士加盟本集團前，於2000年至2005年期間在中國一家餐飲公司擔任總經理，負責該公司的整體管理及營運。其於2000年7月於上海交通大學夜大學完成涉外秘書課程。安藤女士亦擔任TCA日本的董事。安藤女士為安藤湘桂先生之配偶。安藤女士擁有於本年報「董事會報告—董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中的權益及淡倉」一節披露證券及期貨條例第XV部項下的該等數目股份的權益。

葛文海先生，49歲

執行董事兼集團營運總監

葛先生為執行董事兼集團營運總監，負責本集團整體的營運管理。其於2018年5月25日獲委任為執行董事。葛先生擁有超過六年的藝術品交易業務營運經驗，並擁有超過六年的拍賣業務營運和管理經驗。葛先生自2012年2月起加入本集團並獲委任為TCA日本的董事及副總裁，其後主要負責規劃及監督本集團的拍賣會，包括在拍賣會期間管理拍賣會物流及不同工作方(如裝修公司、保安及本集團不同部門員工)。彼亦負責本集團的整體策略發展及管理。葛先生加盟本集團前，曾於2010年4月至2015年10月擔任百勝的銷售經理，負責藝術品買賣及營運管理。其於2008年3月畢業於關東學院大學，取得工商管理碩士學位。



Mr. Sun Hongyue (孫鴻月), aged 54

Executive Director

Mr. Sun is an executive Director, and is responsible for overall business development of the Group. He was appointed as an executive Director on 25 May 2018. Mr. Sun has over 30 years of experience in artwork trading and over 23 years of experience in auction. Mr. Sun joined the Group in December 2015. He has been the general manager of the calligraphy and painting department of TCA Japan since December 2015, during which he was involved in authenticating artworks for auction, visiting consignors and approaching potential consignors for auction of artworks, and providing consultation to potential bidders and buyers of artwork.

Prior to joining the Group, Mr. Sun worked at Beijing Hanhai Auction Co., Ltd.* (北京翰海拍賣有限公司), an auction company, from 1994 to 2015 and gained his experience in calligraphy and painting, auction and artwork trading. Prior to such, Mr. Sun worked at Beijing Antique Company* (北京市文物公司) from 1984 to 1994 and was mainly responsible for sourcing and sale of artworks. He was an apprentice of Mr. Qin Gong (秦公), a renowned Chinese stone rubbing calligraphy expert, and trained his skills of authentication and valuation of paintings and calligraphies at Qing Yun Tang (慶雲堂), a reputable store in Beijing engaging in the sale of Chinese calligraphies from 1984 to 1994. In 1986, Mr. Sun completed a course in cultural relics authentication and valuation organized by State Administration of Cultural Heritage of PRC (中國國家文物局) in Xi'an, Shaanxi province, the PRC. During 1989 to 1991, he completed a three year program in museology at a sub-school of Peking University.

孫鴻月先生，54歲

執行董事

孫先生為執行董事，負責本集團的整體業務發展。其於2018年5月25日獲委任為執行董事。孫先生擁有超過30年的藝術品交易經驗及超過23年的拍賣經驗。孫先生於2015年12月加入本集團，自2015年12月起擔任TCA日本的書畫部門總經理，期間負責鑑定拍賣會的藝術品、就藝術品拍賣拜訪委託人和接洽潛在委託人，以及向藝術品的潛在競投人和買家提供諮詢服務。

孫先生加盟本集團前，在1994年至2015年任職於拍賣公司北京翰海拍賣有限公司，累積了書畫、拍賣和藝術品貿易的經驗。在此之前，孫先生於1984年至1994年間任職北京市文物公司，主要負責藝術品徵集及銷售。彼為著名中國水墨書法專家秦公的徒弟，於1984年至1994年間在慶雲堂(從事中國書法銷售的北京名店)接受書畫鑑定及估值技巧培訓。1986年，孫先生在中國陝西省西安修畢中國國家文物局舉辦的文化古蹟鑑定及估值課程。於1989年至1991年，孫先生在北京大學一所附屬學院完成為期三年的博物館學課程。



Mr. Yau Chung Hang (邱仲珩), aged 46

Executive Director and chief financial officer of the Group

Mr. Yau is an executive Director and chief financial officer of the Group, and is responsible for overall financial management of the Group. He was appointed as an executive Director on 25 May 2018. Mr. Yau has over 20 years of experience in accounting and financial management. Mr. Yau joined the Group in January 2018. Mr. Yau has been the independent non-executive director of Wang Yang Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1735) since March 2018, the independent non-executive director of Shuang Yun Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1706) since October 2017. Mr. Yau had also been working for four companies listed on either the Main Board or GEM Board of the Stock Exchange during 2002 to 2017. Mr. Yau has acquired auditing and accounting experiences by working in various accountancy firms during June 1995 to May 2000. Mr. Yau is a non-practicing member of the Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants. He obtained a higher diploma certificate in accountancy from the City University of Hong Kong in November 1995 and a bachelor's degree of arts in accountancy from University of Bolton (long distance learning course) in August 2005.

邱仲珩先生，46歲

執行董事兼集團財務總監

邱先生為執行董事兼集團財務總監，負責本集團的整體財務管理。其於2018年5月25日獲委任為執行董事。其擁有超過20年的會計和財務管理經驗。其於2018年1月加入本集團。邱先生自2018年3月起擔任泓盈控股有限公司（一家於聯交所主板上市的公司，股份代號：1735）的獨立非執行董事；自2017年10月起擔任雙運控股有限公司（一家於聯交所主板上市的公司，股份代號：1706）的獨立非執行董事。邱先生亦於2002年至2017年於四間聯交所主板或GEM上市公司任職。邱先生於1995年6月至2000年5月曾在多間會計師行工作，獲得審核和會計經驗。邱先生是香港會計師公會的非執業會員及特許公認會計師公會的資深會員。其於1995年11月在香港城市大學取得會計學高級文憑證書，並於2005年8月取得博爾頓大學會計學文學學士學位（遙距學習課程）。



Non-executive Director

Mr. Yang Yi Chung (楊維聰), aged 50 (resigned on 14 May 2019)

Non-executive Director

Mr. Yang is a non-executive Director. He was appointed as a non-executive director on 25 May 2018. Mr. Yang has over five years of experience in operation and management. He is a director of Grassland Finance Limited since January 2014, which principally engages in lending to micro, small and medium enterprises in the PRC. He served as the chief executive officer of Grassland Finance Limited from February 2014 to August 2015. Mr. Yang is the co-managing director of Sagamore China Partners, which principally engages in investment management of private equity funds and direct investments in China. He is the sole director of Sagamore China GP III Limited since May 2012, the sole general partner of an exempted limited partnership. Furthermore, Mr. Yang is also a director of Cobalt Fashion Holding Limited since September 2017, a holding company in vertical integrated knitwear supply. He is a director of South Ocean Knitters Limited, which principally engages in vertically integrated knitwear supply, since November 1997. He obtained a bachelor's degree in science from Illinois State University in May 1988 and a master's degree in science from Stanford University in June 1989.

非執行董事

楊維聰先生，50歲(於2019年5月14日辭任)

非執行董事

楊先生為非執行董事。其於2018年5月25日獲委任為非執行董事。楊先生擁有超過5年的營運及管理經驗。其由2014年1月起為高信隆有限公司的董事，該公司主要從事中國的中小微企業貸款；其於2014年2月至2015年8月擔任高信隆有限公司的行政總裁。其現任Sagamore China Partners的聯席董事總經理，該公司主要業務是在中國為私募股權基金管理投資以及直接投資。其自2012年5月起擔任Sagamore China GP III Limited的唯一董事及一家獲豁免有限合夥企業的唯一普通合夥人。再者，楊先生自2017年9月起亦為Cobalt Fashion Holding Limited的董事，該公司是垂直整合針織服裝供應的控股公司。其自1997年11月起擔任South Ocean Knitters Limited董事，該公司主要從事垂直整合針織服裝供應業務。楊先生於1988年5月在伊利諾州立大學取得理學學士學位，於1989年6月在史丹福大學取得理學碩士學位。



Independent non-executive Directors

Mr. Chung Kwok Mo John (鍾國武), aged 50

Independent non-executive Director

Mr. Chung is an independent non-executive Director. He was appointed as an independent non-executive Director on 13 September 2018. Mr. Chung has over 20 years of experience in auditing, corporate finance and financial management. Mr. Chung was an auditor in Arthur Andersen (an international accounting firm) from 1992 to 1999. From 2000, Mr. Chung has held several senior management positions including chief financial officer, executive director and independent non-executive director in a number of listed companies in Hong Kong. Mr. Chung is presently a vice president of Yongsheng Advanced Materials Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3608) since February 2018. Mr. Chung has been the independent non-executive director of Zhengye International Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3363) since March 2011, the independent non-executive director of BYD Electronic (International) Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 285) since June 2013, the independent non-executive director of On Time Logistics Holdings Limited (currently known as YTO Express (International) Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 6123) since December 2017, and the independent non-executive director of B&S International Holdings Ltd, a company listed on the Main Board of the Stock Exchange (stock code: 1705) since February 2018.

Mr. Chung obtained a bachelor's degree in economics from Macquarie University in April 1992. He was admitted as a certified practicing accountant of the Australian Society of Certified Practising Accountants (currently known as CPA Australia) in November 1995 and an associate of the Hong Kong Society of Accountants (currently known as the Hong Kong Institute of Certified Public Accountants) in February 1996. He is currently a non-practicing member of Hong Kong Institute of Certified Public Accountants.

獨立非執行董事

鍾國武先生，50歲

獨立非執行董事

鍾先生為獨立非執行董事。彼於2018年9月13日獲委任為獨立非執行董事。鍾先生擁有超過20年的審計、企業融資及財務管理經驗。鍾先生於1992年至1999年間擔任安達信公司(一間國際會計師事務所)的審計師。自2000年起，鍾先生在香港多間上市公司擔任多個管理職位，包括首席財務官、執行董事及獨立非執行董事。鍾先生自2018年2月至今擔任聯交所主板上市公司永盛新材料有限公司(股份代號：3608)副總裁。鍾先生自2011年3月起擔任聯交所主板上市公司正業國際控股有限公司(股份代號：3363)的獨立非執行董事；自2013年6月起擔任聯交所主板上市公司比亞迪電子(國際)有限公司(股份代號：285)的獨立非執行董事；自2017年12月起擔任聯交所主板上市公司先達國際物流控股有限公司(現稱「圓通速遞(國際)控股有限公司」)(股份代號：6123)的獨立非執行董事；及自2018年2月起擔任聯交所主板上市公司賓仕國際控股有限公司(股份代號：1705)的獨立非執行董事。

鍾先生於1992年4月在麥覺理大學取得經濟學學士學位。他於1995年11月被澳洲會計師公會認可為執業會計師及於1996年2月成為香港會計師公會的會員。他現時為香港會計師公會的非執業會員。



Ms. Lam Suk Ling Shirley (林淑玲), aged 52

Independent non-executive Director

Ms. Lam is an independent non-executive Director. She was appointed as an independent non-executive Director on 13 September 2018. Ms. Lam has over 20 years of experience in auditing, accounting and financial management. Ms. Lam has been appointed as an executive director of Chinlink International Holdings Limited, a company listed on the Main Board of Stock Exchange (stock code: 997), since February 2012 and also its chief financial officer and company secretary since January 2012. She was the executive director of Jackin International Holdings Limited (currently known as AMCO United Holding Limited), a company listed on the Main Board of Stock Exchange (stock code: 630) from February 2010 to December 2011, the financial controller of AMVIG Holdings Limited, a company listed on the Main Board of Stock Exchange (stock code: 2300) from July 2007 to March 2010. Ms. Lam held several management position in private companies, including vice president of finance and accounting manager, between June 1999 to February 2006 and between July 2006 to March 2007. She also held position in various international audit firms between May 1993 and April 1999.

Ms. Lam obtained a bachelor's degree in science from Murdoch University in February 1993 and a master's degree in business administration from the University of Adelaide in April 2006. She was admitted as a certified practising accountant of the Australian Society of Certified Practising Accountants (currently known as CPA Australia) in November 1995 and an associate of the Hong Kong Society of Accountants (currently known as the Hong Kong Institute of Certified Public Accountants) in September 1996. She is currently a non-practicing member of Hong Kong Institute of Certified Public Accountants.

林淑玲女士，52歲

獨立非執行董事

林女士為獨立非執行董事。其於2018年9月13日獲委任為獨立非執行董事。林女士擁有超過20年的審核、會計及財務管理經驗。林女士於2012年2月起獲委任為普匯中金國際控股有限公司(一家於聯交所主板上市的公司，股份代號：997)的執行董事，及從2012年1月起擔任該公司的財務總監和公司秘書。林女士由2010年2月至2011年12月期間為輝影國際集團有限公司(現稱雋泰控股有限公司，一家於聯交所主板上市的公司，股份代號：630)的執行董事。林女士於2007年7月至2010年3月為澳科控股有限公司(一家於聯交所主板上市的公司，股份代號：2300)的財務總監。林女士曾在私人公司擔任多個管理職位，包括於1999年6月至2006年2月及於2006年7月至2007年3月間擔任副財務總裁及會計經理。彼亦曾於1993年5月至1999年4月於不同的國際核數師行任職。

林女士於1993年2月在梅鐸大學取得理學士學位及於2006年4月在阿德萊德大學取得工商管理學碩士學位。其在1995年11月被澳洲會計師公會認可為執業會計師，並在1996年9月成為香港會計師公會的會員。其現時是香港會計師公會的非執業會員。



Mr. Chun Chi Man (秦治民), aged 59

Independent non-executive Director

Mr. Chun is an independent non-executive Director. He was appointed as an independent non-executive Director on 13 September 2018. Mr. Chun has over 20 years of experience in property industry in PRC and Hong Kong. Mr. Chun has been the General Manager (Leasing) of Century Link from March 2015 to December 2016, the General Manager — commercial of The Hub at Hong Qiao from January 2014 to November 2014, the General Manager of L Development & Management (Shanghai) Co., Ltd. from September 2010 to December 2013, the Deputy General Manager of Lai Fung Holdings Limited, a company listed on the Main Board of Stock Exchange (stock code: 1125) from September 2007 to July 2010. Mr. Chun held various managerial positions at Hutchison Whampoa Properties Limited from July 1995 to July 2005. Mr. Chun obtained a bachelor's degree of Science from University of Salford at July 1987. He is a member of Shanghai Chongming District Committee (Consultative Conference).

Senior management

Mr. Chen Jian (陳建), 45

Artwork management manager of our Group

Mr. Chen is the artwork management manager of the Group. He joined our Group in June 2012. Prior to joining the Group, Mr. Chen worked at the marketing department in a state-owned company in the PRC, responsible for conducting market research and formulating marketing strategies. Mr. Chen completed a course in applied science from Qingdao Institute of Chemical Industry* (青島化工學院) (now known as Qingdao University of Science & Technology* (青島科技大學)) in July 1996 and a bachelor's degree in international economy from Higashi Nippon International University in March 2005. He further obtained a master's degree in international business from Kanto Gakuin University in March 2008.

秦治民先生，59歲

獨立非執行董事

秦先生乃獨立非執行董事，於2018年9月13日獲委任為獨立非執行董事。秦先生在中國和香港地產行業有逾20年經驗。秦先生於2015年3月至2016年12月擔任Century Link的租務總經理；2014年1月至2014年11月擔任虹橋天地的商務總經理；2010年9月至2013年12月擔任L Development & Management (Shanghai) Co., Ltd.的總經理；2007年9月至2010年7月擔任麗豐控股有限公司（一家於聯交所主板上市的公司，股份代號：1125）的副總經理。秦先生於1995年7月至2005年7月擔任和記黃埔地產有限公司的多個經理職位。秦先生於1987年7月取得索爾福德大學的理學學士學位。彼為上海市崇明區委員會（協商會議）委員。

高級管理層

陳建先生，45歲

本集團藝術品管理部經理

陳先生乃本集團藝術品管理部經理。彼於2012年6月加入本集團。陳先生加盟本集團前，曾任職於一家中國國有企業的營銷部門，負責進行市場研究和制定營銷策略。陳先生於1996年7月完成青島化工學院（現稱為青島科技大學）應用科學課程，於2005年3月取得東日本國際大學的國際經濟學學士學位。彼於2008年3月取得關東學院大學的國際商業學碩士學位。



Mr. Koizumi Jumpei (小泉潤平), 29

Tea wares and Chinese ceramics artwork manager of our Group

Mr. Koizumi is the tea wares and Chinese ceramics artwork manager of the Group. He joined the Group in April 2013. He has over five years of experience in artworks management. Prior to joining the Group, from April 2011 to March 2013, Mr. Koizumi assisted his family in running Koizumi Ancient Art, Kyoto* (京都古美術小泉), an antique shop with over 15 years of operation in selling antiques including teawares, and acquired knowledge and experience in authentication and valuation of Japanese and non-Japanese teawares through purchasing and selling teawares and exchanging views on authentication and valuation of teawares with teaware experts. Since joining our Group in 2013, through application of the experiences in teawares previously accumulated during his days in Koizumi Ancient Art, Kyoto* (京都古美術小泉) and frequent participation in our auctions, Mr. Koizumi further enriched his experience in valuation of artworks by reviewing the appraisal and auction results of multiple artworks and exchanging views on market price and industry trend of the artworks with other artwork experts. Mr. Koizumi obtained a bachelor's degree in biology-oriented business and technology from Kindai University in March 2011.

小泉潤平先生，29歲

本集團茶具和中國陶瓷藝術品部經理

小泉先生乃本集團茶具和中國陶瓷藝術品部經理。彼於2013年4月加入本集團。小泉先生有超過五年藝術品管理經驗。小泉先生加盟本集團前，於2011年4月至2013年3月期間協助其家人經營古董店京都古美術小泉，在銷售茶具等古董方面擁有逾15年營運經驗，並透過買賣茶具及與茶具專家交流茶具鑑定和估值意見而取得日本與非日本茶具的鑑定和估值知識及經驗。小泉先生自2013年加盟本集團以來，透過運用彼先前於京都古美術小泉期間累積的茶具經驗並頻繁參加我們的拍賣會，藉著研究多項藝術品的估價與拍賣結果及與其他藝術品專家交流對藝術品市價和行業趨勢的看法，進一步豐富其藝術品估值經驗。小泉先生於2011年3月取得近畿大學生物為本業務與技術學士學位。



Mr. Wong Chi Ming (汪志明), 38

General manager of our Group

Mr. Wong is the general manager of the Group. He joined the Group in June 2014. Mr. Wong has been the operation and administration manager of Tiancheng International Auctioneer Limited from June 2011 to June 2014. He was also the assistant manager of Seoul Auction Hong Kong Limited from May 2009 to May 2011, the operations and administration officer of Christie's Hong Kong Limited from August 2004 to October 2006, and the assistant taxation officer of the Inland Revenue Department from July 2003 to August 2004. Mr. Wong completed the professional exhibition management course (long distance learning course) at Singapore Association of Convention & Exhibition Organizers & Suppliers in June 2006 and a bachelor's degree in business administration from Lingnan University in November 2002.

Company secretary

The company secretary of the Company is Mr. Yau Chung Hang. He is employed by the Company on a full-time basis. Please refer to his biographical details in the subsection headed "— Board of Directors — Executive Directors" above.

汪志明先生，38歲

本集團總經理

汪先生乃本集團總經理。彼於2014年6月加入本集團。汪先生於2011年6月至2014年6月擔任天成國際拍賣有限公司的營運與行政經理；於2009年5月至2011年5月擔任首爾拍賣香港有限公司的助理經理；於2004年8月至2006年10月擔任佳士得香港有限公司的營運及行政主任；以及於2003年7月至2004年8月擔任稅務局的助理稅務主任。汪先生於2006年6月完成新加坡會議展覽籌組商與供應商協會的專業展覽管理課程(遙距學習課程)，於2002年11月取得嶺南大學工商管理學士學位。

公司秘書

本公司公司秘書為邱仲珩先生。彼受本公司聘任為全職僱員。有關其簡歷詳情，請參閱上文「— 董事會 — 執行董事」分節。



CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The board of directors (the “Board”) of the Company is committed to maintaining good corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company’s corporate governance practices are based on the principles and code provisions as set out in the Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules.

The Board is of the view that for the period from the Listing Date and up to 31 March 2019, the Company has complied with all the code provisions as set out in the CG Code.

DIRECTORS’ SECURITIES TRANSACTIONS

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

Specific enquiry has been made to all the Directors and all the Directors have confirmed that they have complied with the Model Code and the Company’s Code for the period from the Listing Date and up to 31 March 2019.

The Company has also extended the coverage of the Model Code adoption to the senior management of the Company who are likely to be in possession of unpublished inside information of the Company (the “relevant employees”). No incident of noncompliance of the Model Code by the relevant employees was noted by the Company for the period from the Listing Date and up to 31 March 2019.

企業管治常規

本公司董事會(「董事會」)致力於維持高水平的企業管治。

董事會認為，高水平的企業管治對於為本集團提供保障股東權益、提升企業價值、制定業務策略及政策以及提高透明度及問責性的框架而言至關重要。

本公司的企業管治常規乃根據上市規則附錄十四所載的企業管治守則(「企業管治守則」)所載列的原則及守則條文編製。

董事會認為，本公司已於上市日期及直至2019年3月31日期間遵守企業管治守則所載的所有守則條文。

董事的證券交易

本公司已按不遜於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(「標準守則」)所載規定標準的條款，就董事進行本公司證券交易而採納一套行為守則(「公司行為守則」)。

經向全體董事作出特定查詢後，全體董事確認彼等已於上市日期及直至2019年3月31日期間遵守標準守則及公司行為守則。

本公司亦將標準守則的採納範圍拓展至可能會掌握本公司未公開的內幕消息的本公司高級管理層(「有關僱員」)。據本公司所悉，有關僱員於上市日期及直至2019年3月31日期間概無違反標準守則。



BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

BOARD COMPOSITION

The Board of the Company currently comprises the following Directors:

Executive Directors

Mr. Ando Shohei (*Chairman of the Board and Chairman of Nomination Committee, and member of Corporate Governance Committee*)

Mrs. Ando Eri (*Member of Remuneration Committee*)

Mr. Katsu Bunkai

Mr. Sun Hongyue

Mr. Yau Chung Hang (*Company Secretary*)

Non-Executive Director

Mr. Yang Yi Chung (*Resigned on 14 May 2019*)

Independent Non-executive Directors

Mr. Chung Kwok Mo John (*Chairman of Remuneration Committee, and member of Audit Committee, Nomination Committee and Corporate Governance Committee*)

Ms. Lam Suk Ling Shirley (*Chairman of Audit Committee, and member of Remuneration Committee, Nomination Committee and Corporate Governance Committee*)

Mr. Chun Chi Man (*Chairman of Corporate Governance Committee, and member of Audit Committee, Remuneration Committee and Nomination Committee*)

The biographical information of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 16 to 25 of this annual report.

Other than the spousal relationship between Mr. Ando Shohei and Mrs. Ando Eri, none of the members of the Board is related to one another.

董事會

董事會監督本集團的業務、策略性決策及表現，並應客觀地作出符合本公司最佳利益的決策。

董事會應定期檢討董事向本公司履行職責所需付出的貢獻，以及有關董事是否付出足夠時間履行職責。

董事會組成

本公司董事會現時由以下董事組成：

執行董事

安藤湘桂先生(董事會主席及提名委員會主席及企業管治委員會成員)

安藤惠理女士(薪酬委員會成員)

葛文海先生

孫鴻月先生

邱仲珩先生(公司秘書)

非執行董事

楊維聰先生(於2019年5月14日辭任)

獨立非執行董事

鍾國武先生(薪酬委員會主席及審核委員會、提名委員會及企業管治委員會成員)

林淑玲女士(審核委員會主席及薪酬委員會、提名委員會及企業管治委員會成員)

秦治民先生(企業管治委員會主席及審核委員會、薪酬委員會及提名委員會成員)

董事履歷資料載於本年報第16至25頁的「董事及高級管理層的履歷詳情」一節。

除安藤湘桂先生及安藤惠理女士為配偶關係外，董事會成員彼此之間概無任何關聯。



Chairman

The position of Chairman is held by Mr. Ando Shokei, who provides leadership and is responsible for the effective functioning and leadership of the Board.

Independent Non-executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

TERM OF DIRECTORS

Each of the executive Directors entered into a service contract with the Company on 13 September 2018 and the Company issued letters of appointment to each of the non-executive Director and independent non-executive Directors on the same day. The principal particulars of these service contracts and letters of appointment are (i) for a term of three years commencing from the Listing Date, and (ii) subject to termination by not less than three months' notice in writing served by either party on the other. The term of the service contracts and the letters of appointment may be renewed subject to the provisions of the articles of association of the Company (the "Articles") and the applicable Listing Rules.

The Articles provides that all Directors appointed to fill a casual vacancy shall be subject to election by Shareholders at the first general meeting of the Company after appointment.

主席

主席職務由安藤湘桂先生擔任，其發揮領導力，並負責領導及確保董事會有效運作。

獨立非執行董事

於報告期間，董事會一直遵守上市規則有關委任至少三名獨立非執行董事並佔董事會人數三分之一，而其中一名獨立非執行董事須具備適當專業資格或會計或相關財務管理專長的規定。

本公司已收到各獨立非執行董事根據上市規則第3.13條所載獨立性指引就其獨立性發出的年度確認書。本公司認為，全體獨立非執行董事均屬獨立人士。

董事任期

各執行董事已在2018年9月13日與本公司訂立服務合約，且本公司已於同日向各非執行董事及獨立非執行董事發出委任函。該等服務合約及委任函的主要詳情為(i)年期為自上市日期起為期三年；及(ii)可由任何一方向另一方發出不少於三個月書面通知予以終止。服務合約及委任函的年期可根據本公司章程細則(「細則」)條文及適用上市規則予以續期。

細則規定，所有獲委任以填補臨時空缺的董事均須於獲委任後的本公司首屆股東大會上接受股東的重選。



Under the Articles, at each annual general meeting, 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. The retiring Directors shall be eligible for re-election.

RESPONSIBILITIES OF THE DIRECTORS

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances for discharging their duties to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

根據細則，於每屆股東週年大會上，當時為數三分之一的董事（如董事人數並非三的倍數，則須為最接近但不少於三分之一的董事人數）須輪值退任。退任董事合資格膺選連任。

董事的職責

董事會承擔領導及控制本公司的職責，並集體負責指導及監管本公司的事務。

董事會直接（及間接透過其各委員會）領導及指導管理層，其工作包括制定策略及監督其執行情況、監控本集團營運及財務表現，以及確保設有完備的內部控制及風險管理系統。

全體董事（包括獨立非執行董事）均為董事會帶來多種領域的寶貴業務經驗、知識及專業精神，使其高效及有效地運作。

獨立非執行董事須負責確保本公司進行高水平的監管報告，並為董事會帶來持平的觀點，以就企業行動及運作作出有效的獨立判斷。

全體董事均可全面並及時獲得本公司所有資料，及可在適當情況下經提出要求後尋求獨立專業意見，以向本公司履行其職責。

董事會保留其有關本公司政策事項、策略及預算、內部控制及風險管理、重大交易（尤其是可能涉及利益衝突的交易）、財務資料、委任董事及其他重大營運事項的所有重大事項的決策。與執行董事會決策、指導及協調本公司日常營運及管理有關的職責均轉授予管理層處理。



CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate.

The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors during the Reporting Period and up to date of this annual report are summarized as follows:

董事的持續專業發展

董事應瞭解監管的最新發展及變動，以有效履行彼等的職責及確保彼等繼續對董事會作出知情及相關貢獻。

每位新獲委任董事均於首次接受委任時獲得正式、全面及專門的入職培訓，以確保該董事對本公司的業務及營運均有適當的理解，並充分知悉彼於上市規則及相關法定規定下的董事責任及義務。

董事應參與適當的持續專業發展，以發展及更新彼等的知識及技能。本公司將為董事安排內部簡報，並於適當時候向董事提供相關議題的閱讀材料。

於報告期間及截至本年報日期，董事所接受的與董事職責以及監管及業務發展有關的持續專業發展記錄概述如下：

Directors	董事	Type of training 培訓類型 (Note) (附註)
Executive Directors	執行董事	
Mr. Ando Shokei	安藤湘桂先生	A&B
Mrs. Ando Eri	安藤惠理女士	A&B
Mr. Katsu Bunkai	葛文海先生	A&B
Mr. Sun Hongyue	孫鴻月先生	A&B
Mr. Yau Chung Hang	邱仲珩先生	A&B
Non-Executive Director	非執行董事	
Mr. Yang Yi Chung (Resigned on 14 May 2019)	楊維聰先生(於2019年5月14日辭任)	A&B
Independent Non-executive Directors	獨立非執行董事	
Mr. Chung Kwok Mo John	鍾國武先生	A&B
Ms. Lam Suk Ling Shirley	林淑玲女士	A&B
Mr. Chun Chi Man	秦治民先生	A&B

Note:

Types of Training

- A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops
- B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Board Composition" on pages 27 to 28.

Audit Committee

The Audit Committee consists of three independent non-executive Directors namely Ms. Lam Suk Ling Shirley (chairlady), Mr. Chung Kwok Mo John and Mr. Chun Chi Man.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The duties of the Audit Committee include, without limitation, (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) monitoring the integrity of the financial statements and annual report and accounts, and the interim report, and reviewing significant financial reporting judgments contained therein; (c) reviewing the financial control, risk management and internal control systems; and (d) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board.

附註：

培訓類型

- A：參加培訓課程，包括但不限於簡介會、研討會、會議及工作坊
- B：閱讀有關新聞資訊、報章、期刊、雜誌及有關刊物

董事委員會

董事會已設立四個委員會，即審核委員會、薪酬委員會、提名委員會及企業管治委員會，以監察本公司特定範疇的事務。本公司所有董事委員會均訂有具體書面職權範圍，清楚列載各委員會的權限及職責。審核委員會、薪酬委員會、提名委員會及企業管治委員會的職權範圍刊登於本公司網站及聯交所網站，並應要求可供股東查閱。

各董事委員會的主席及成員名單載於第27頁至28頁「董事會組成」內。

審核委員會

審核委員會包括三名獨立非執行董事，即林淑玲女士(主席)、鍾國武先生及秦治民先生。

審核委員會的職權範圍不遜於企業管治守則所載的條款。審核委員會的職責包括(但不限於)：(a)就外聘核數師之委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪金及聘用條款以及處理任何有關核數師辭任或罷免之問題；(b)監察財務報表、年報及賬目以及中期報告的完整性，並檢討當中所載的重大財務報告判斷；(c)檢討財務控制、風險管理及內部控制系統；及(d)制定及檢討本公司的企業管治政策及常規，並向董事會提供推薦建議。



The Audit Committee held two meetings to review, in respect of the period from the Listing Date and up to 31 March 2019, the interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, engagement of non-audit services and relevant scope of works, and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditor once without the presence of the executive Directors. There is no disagreement between the Board and the Audit Committee regarding the appointment of external auditor.

Remuneration Committee

The Remuneration Committee consists of three independent non-executive Directors, namely Mr. Chung Kwok Mo John (chairman), Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man, one non-executive Director namely Mr. Yang Yi Chung (resigned on 14 May 2019) and one executive Director namely Mrs. Ando Eri.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include (a) making recommendations to the Board on the Company's policy and structure for all Directors' and senior management and establishing a formal and transparent procedure for developing remuneration policy; (b) reviewing and approving the management's remuneration proposal with reference to the Board's corporate goals and objectives; (c) making recommendations to the Board on the overall remuneration packages of individual Directors and senior management.

The Remuneration Committee met once during the period from the Listing Date and up to 31 March 2019 to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the Directors and senior management.

就上市日期及直至2019年3月31日期間而言，審核委員會舉行兩次會議，以審閱中期及年度財務業績及報告，以及在財務報告、營運及合規控制、風險管理及內部控制系統及內部審計功能的成效、非審計服務的委聘及相關工作範圍以及讓僱員就可能發生的不當行為提出關注的安排方面的重大事宜。

審核委員會亦在並無執行董事出席的情況下與外聘核數師召開一次會議。董事會與審核委員會在委任外聘核數師方面並無意見不合。

薪酬委員會

薪酬委員會包括三名獨立非執行董事，即鍾國武先生(主席)、林淑玲女士及秦治民先生；一名非執行董事，即楊維聰先生(於2019年5月14日辭任)及一名執行董事，即安藤惠理女士。

薪酬委員會的職權範圍不遜於企業管治守則所載的條款。薪酬委員會的主要功能包括(a)就本公司之董事及高級管理人員之全體薪酬政策及架構向董事會提出建議，及就制訂薪酬政策設立正規而透明之程序；(b)因應董事會所制訂的企業方針及目標，檢討及批准管理層之薪酬建議；(c)向董事會建議個別董事及高級管理層的總體薪酬待遇。

於上市日期及直至2019年3月31日期間，薪酬委員會舉行了一次會議，以檢討薪酬政策及董事及高級管理層的薪酬組合並就此向董事會作出推薦建議。



Details of the annual remuneration of the members of the senior management by band for the year under review are set out below:

於回顧年度按組別劃分的高級管理層成員年度薪酬詳情如下：

Remuneration band (HK\$) 薪酬組別 (港元)		Number of individuals 人數
Below HK\$1,000,000	1,000,000港元以下	3
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—

Details of the remuneration of each Director for the Reporting Period are set out in note 35 to the consolidated financial statements.

各董事於報告期間的薪酬詳情載於合併財務報表附註35。

Nomination Committee

The Nomination Committee consists of one executive Director, namely Mr. Ando Shokei (chairman), three independent non-executive Directors, namely Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man and one non-executive Director namely Mr. Yang Yi Chung (resigned on 14 May 2019).

提名委員會

提名委員會包括一名執行董事，即安藤湘桂先生(主席)；三名獨立非執行董事，即鍾國武先生、林淑玲女士及秦治民先生及一名非執行董事，即楊維聰先生(於2019年5月14日辭任)。

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include, without limitation, (a) reviewing the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the corporate strategy; (b) 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; (c) assessing the independence of the independent non-executive Directors; and (d) making recommendations to the Board on the appointment or re-appointment of the Directors and succession planning for the Directors, in particular the chairman.

提名委員會的職權範圍不遜於企業管治守則所載的條款。提名委員會的主要職責包括(但不限於)：(a)至少須每年檢討董事會架構、人數及成員多元化(包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期方面)，並就任何擬定變更向董事會發表建議以便配合公司策略；(b)物色具備合適資格可擔任董事會成員的人士及甄選或向董事會建議甄選其提名之董事人選；(c)評估獨立非執行董事的獨立性；及(d)就董事的委任或重新委任以及董事(尤其是主席)繼任計劃向董事會提出建議。



In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The Nomination Committee met once during the period from the Listing Date and up to 31 March 2019 to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring Directors standing for re-election at the annual general meeting and to consider and recommend to the Board on the appointment of Directors.

Corporate Governance Committee

The Corporate Governance Committee consists of three independent non-executive Directors, namely Mr. Chun Chi Man (Chairman), Mr. Chung Kwok Mo John and Ms. Lam Suk Ling Shirley, one executive Director, namely Mr. Ando Shokei (chairman), and one non-executive Director namely Mr. Yang Yi Chung (resigned on 14 May 2019).

於評估董事會組成時，提名委員會將考慮本公司董事會多元化政策所載的多個方面以及董事會多元化相關因素。提名委員會將討論及議定達致董事會多元化的可衡量目標(倘必要)並向董事會推薦以供採納。

在物色及甄選合適的董事候選人時，提名委員會將在向董事會提供推薦建議前考慮候選人的品格、資歷、經驗、獨立性及就配合公司策略及達致董事會成員多元化而言屬必要的其他相關準則(倘適用)。

於上市日期及直至2019年3月31日期間，提名委員會舉行了一次會議，以檢討董事會的架構、人數及組成，以及獨立非執行董事的獨立性，並審閱於股東週年大會上退任重選的董事的資歷及考慮及向董事會推薦執行董事的委任。

企業管治委員會

企業管治委員會包括三名獨立非執行董事，即秦治民先生(主席)、鍾國武先生及林淑玲女士；一名執行董事，即安藤湘桂先生(主席)及一名非執行董事楊維聰先生(於2019年5月14日辭任)。



The terms of reference of the Corporate Governance Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Corporate Governance Committee include, without limitation, (a) to develop and review the Group's policies and practices on corporate governance and to make recommendations to the Board; (b) to review and approve the annual corporate governance report and related disclosures in the annual and interim reports of the Group and ensuring compliance with relevant requirements under the Listing Rules or the rules of any other stock exchange in respect of which the securities of the Company are listed or quoted, or other laws, regulations, rules and codes as may be applicable to the Group; (c) to develop and formalise the functions reserved to the Board and those to be delegated by the Board to the management of the Group, and to review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group; and (d) to make sure that appropriate monitoring systems are in place to ensure compliance against the relevant internal controls systems, processes and policies, and in particular to monitor the implementation of the Group's plans to maintain high compliance with its own risk management standards.

The Corporate Governance Committee met once during the period from the Listing Date and up to 31 March 2019 to introduce and propose relevant principles concerning corporate governance and to review and determine the corporate governance policy.

BOARD DIVERSITY POLICY

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

企業管治委員會的職權範圍不遜於企業管治守則所載的條款。企業管治委員會的主要職責包括但不限於(a)制定及檢討本集團的企業管治政策及常規，並向董事會提出建議；(b)審查和批准年度企業管治報告和本集團的年報及中期報告中相關披露及確保遵守上市規則或任何其他本公司之證券於其上市或報價的證券交易所的規則、或適用於本集團的其他法律、法規、規則和守則；(c)制定及規範那些保留予董事會的職能及那些由董事會轉授予本集團管理層的職能，並定期檢討有關安排以確保其符合本集團的需要；(d)確保本集團有適當的監測系統以確保遵循有關內部控制系統、過程和政策，特別是監察本集團嚴格實施對維持自身風險管理標準的計劃。

企業管治委員會於上市日期及直至2019年3月31日期間曾舉行一次會議以推出及提呈有關企業管治的相關原則及檢討及釐定企業管治政策。

董事會多元化政策

本公司已採納董事會多元化政策，當中載有達致董事會多元化的方法。本公司認同及接納多元化董事會的好處，並將提升董事會層面多元化程度視為維持本公司競爭優勢的重要要素。



Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

At present, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any measurable objectives.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

根據董事會多元化政策，提名委員會將每年檢討董事會的架構、規模及組成，並於適當時就董事會的變動作出建議，補足本公司的企業策略，確保董事會維持平衡的多元化組合。就檢討及評估董事會的組成而言，提名委員會致力達成所有職級的多元性，並將會考慮多個層面，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識及地區及行業經驗。

本公司旨在保持本公司業務增長相關的多元化層面的合適平衡，並致力確保所有職級(由董事會起由上而下)的招聘及挑選慣例的架構合適，因此可考慮廣泛及多樣的人選。

董事會將審閱可計量的目標，以執行董事會多元化政策，且不時評估有關目標，以確保其合適性，以及確定達成該等目標的進程。

現時，提名委員會認為董事會的多元性充足，而董事會並未設立任何可計量目標。

提名委員會將檢討董事會多元化政策(如適用)以確保其有效。



DIRECTOR NOMINATION POLICY

The Company has adopted a director nomination policy (the "Director Nomination Policy") on 31 December 2018 which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Director Nomination Policy also sets out the procedures and process for the selection and appointment of new Directors and re-election of Directors at general meetings. During the period from the Listing Date and up to 31 March 2019, the Nomination Committee adhered to the following nomination procedures and the process set out in the Director Nomination Policy to select and recommend candidates for directorship:

董事提名政策

本公司已於2018年12月31日採納董事提名政策（「董事提名政策」），當中載有挑選的準則及程序，以及有關董事的提名及委任的董事會繼任計劃的考慮因素，旨在確保董事會的技能、經驗及多元觀點達致對本公司而言屬適當的平衡，確保董事會的延續性及董事會層級的領導層合適。

董事提名政策載有評估董事會建議人選的合適性及潛在貢獻的因素，包括但不限於以下各項：

- 品格及誠信；
- 資歷，包括與本公司業務及企業策略相關的專業資格、技能、知識及經驗；
- 在所有層面的多樣性，包括但不限於性別、年齡（18歲或以上）、文化及教育背景、族群、專業經驗、技能、知識及服務年期；
- 根據上市規則，董事會獨立非執行董事的規定，以及建議的獨立非執行董事的獨立性；及
- 有關履行董事會及／或本公司董事會委員會成員職務的可行時間及相關意願的承諾。

董事提名政策亦載有挑選新董事及於股東大會重選董事的程序及過程。於上市日期及直至2019年3月31日期間，提名委員會遵守以下提名程序及董事提名政策所載程序，以甄選及推薦董事候選人：



(a) Appointment of new Director

- i. Upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, the Nomination Committee should, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- ii. If the process yields one or more desirable candidates, the Nomination Committee should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- iii. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- iv. For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

(b) Re-election of Director at General Meeting

- i. The Nomination Committee should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- ii. The Nomination Committee should also review and determine whether the retiring Director continues to meet the criteria as set out above.

(a) 委任新董事

- i. 提名委員會應在收到委任新董事的建議及候選人的履歷資料(或相關詳情)後,依據上述準則評估該名候選人,以決定該名候選人是否合資格擔任董事。
- ii. 如過程涉及一名或多名合意的候選人,提名委員會應根據本公司的需要及每名候選人的資歷審查(如適用)排列彼等的優先次序。
- iii. 提名委員會隨後應就委任合適人選擔任董事一事向董事會提出建議(如適用)。
- iv. 就任何經由股東提名於本公司股東大會上選舉為董事的人士,提名委員會應依據上述準則評估該名候選人,以決定該名候選人是否合資格擔任董事。

提名委員會及/或董事會應就擬於股東大會上委任的董事向股東提出建議(如適用)。

(b) 於股東大會上重選董事

- i. 提名委員會應檢討退任董事對本公司的整體貢獻及服務,以及在董事會的參與程度及表現。
- ii. 提名委員會亦應檢討及確定退任董事是否仍然符合上述準則。



- iii. The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of Director at the general meeting.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

- iii. 提名委員會及／或董事會應就擬於股東大會上重選的董事向股東提出建議。

提名委員會將於適當時候檢討董事提名政策以確保其有效。

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

During the period from the Listing Date and up to 31 March 2019, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

企業管治職能

董事會負責執行企業管治守則守則條文D.3.1所載的職能。

於上市日期及直至2019年3月31日期間，董事會已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司有關遵守法律及監管規定的政策及常規、遵守標準守則的情況以及本公司遵守企業管治守則及本企業管治報告中的披露情況。

董事及委員會成員之出席記錄

定期董事會會議應至少每年舉行四次，涉及多數董事親身或通過電子通信方式積極參與。



The attendance record of each Director at these meetings is set out in the table below: 下表載列各董事於該等會議的出席記錄：

Name of director 董事姓名	Attendance/Number of Meetings 出席次數／會議次數				Corporate Governance Committee 企業 管治委員會
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	
Mr. Ando Shokei 安藤湘桂先生	7/7	N/A 不適用	N/A 不適用	1/1	1/1
Mrs. Ando Eri 安藤惠理女士	7/7	N/A 不適用	1/1	N/A 不適用	N/A 不適用
Mr. Katsu Bunkai 葛文海先生	7/7	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Sun Hongyue 孫鴻月先生	7/7	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Yau Chung Hang 邱仲珩先生	7/7	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Yang Yi Chung (Resigned on 14 May 2019) 楊維聰先生(於2019年5月14日辭任)	6/7	N/A 不適用	0/1	0/1	0/1
Mr. Chung Kwok Mo John 鍾國武先生	7/7	2/2	1/1	1/1	1/1
Ms. Lam Suk Ling Shirley 林淑玲女士	7/7	2/2	1/1	1/1	1/1
Mr. Chun Chi Man 秦治民先生	7/7	2/2	1/1	1/1	1/1

RISK MANAGEMENT

The Board is also responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management system.

During the Reporting Period, the Group has reviewed the risk management system. The Board considers that the risk management system is effective and adequate for the Group as a whole.

風險管理

董事會亦負責評估並釐定其在實現本公司策略目標時願意承擔的風險的性質及程度，並確保本公司建立及維持適當及有效的風險管理制度。

於報告期間，本集團已審閱風險管理制度。董事會認為，風險管理制度對本集團整體而言屬有效及充足。



The Board further considers that (i) there was no issue relating to the material controls, including financial, operational and compliance controls and risk management functions, of the Group; and (ii) that there were adequate staff with appropriate qualifications and experience, resources and budget of its accounting and financial reporting function, and adequate training programmes have been provided for the Reporting Period.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the internal control of the Group and for reviewing its effectiveness. Procedures have been designed to ensure maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, ensure compliance of applicable laws, rules and regulations. The Group has an internal audit department primarily responsible for reviewing the internal control function of the Group.

The risk management and internal control systems are reviewed and assessed on an on-going basis by the Audit Committee and the Board, and will be further reviewed and assessed at least once each year by the Board.

During the Reporting Period, the Group has appointed RSM Consulting (Hong Kong) Limited (“RSM”) to review the internal control system. Improvements in internal control and risk management measures as recommended were adopted. Based on the findings from RSM, the Board considers that the internal control system is effective and adequate for the Group as a whole.

DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the Reporting Period.

The Directors are 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.

董事會亦認為，於報告期間，(i)概無任何有關本集團的重大監控問題，包括財務、營運以及合規控制及風險管理職能方面；及(ii)已有足夠具備適當資歷與經驗的人員以及資源及預算處理其會計及財務申報工作，並已提供足夠培訓課程。

風險管理及內部監控

董事會負責本集團的內部監控，檢討監控的成效。本公司已設計程序，確保保存適當的會計記錄，以便提供可靠的財務資料，以供內部使用或刊印發行，亦確保符合相關法律、規則及規例。本集團設有內部審核部門，主要負責審閱本集團的內部監控功能。

風險管理及內部控制系統由審核委員會及董事會持續審查及評估，並將由董事會每年最少作一次深入審查及評估。

於報告期間，本集團已委任羅申美諮詢顧問有限公司(「羅申美」)審閱內部監控制度。本集團已採用其所建議的內部監控及風險管理措施改進。根據羅申美的審閱結果，董事會認為該內部監控制度就本集團整體而言乃有效及充足。

董事對合併財務報表的責任

董事深明彼等編製本公司於報告期間合併財務報表的責任。

據董事所知，並無有關可能會令本公司持續經營能力備受質疑的事件或狀況的任何重大不確定因素。



The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 67 to 73.

DEED OF NON-COMPETITION OF THE CONTROLLING SHAREHOLDER

Reference is made to the non-competition undertakings given by Mr. Ando Shokei in favour of the Company disclosed in the Prospectus. Mr. Ando has confirmed to the Company that he has complied with the non-competition undertakings during the period from the Listing Date and up to 31 March 2019. The independent non-executive Directors have conducted such review for the year, and also reviewed the relevant undertakings and are satisfied that such undertakings have been complied with.

AUDITOR REMUNERATION

The remuneration paid/payable to the external auditor of the Company, Pricewaterhousecoopers, in respect of audit and non-audit services provided to the Group during the Reporting Period was analyzed below:

Service category	服務種類	Fees paid/ payable 已付／應付費用 HK\$ 港元
Audit services	審計服務	2,000,000
Non-audit services (Note (i))	非審計服務(附註(i))	2,647,000
		4,647,000

Note:

(i) The non-audit service provided to the Group included the reporting accountant's work in connection with the initial public offering of the Company of HK\$2,147,000.

本公司獨立核數師有關其對合併財務報表的申報責任的聲明載於第67至73頁獨立核數師報告內。

控股股東的不競爭契據

謹此提述招股章程所披露安藤湘桂先生向本公司提供的非競爭承諾。安藤先生已向本公司確認，彼於上市日期及直至2019年3月31日期間遵守非競爭承諾。獨立非執行董事已於年內進行有關審閱，並已審閱相關承諾及信納有關承諾獲遵守。

核數師酬金

於報告期間，就向本集團提供的審計及非審計服務而向本公司外聘核數師羅兵咸永道會計師事務所支付／應付的酬金分析如下：

附註：

(i) 向本集團提供的非審計服務包括與本公司首次公開發售有關的申報會計師工作2,147,000港元。



COMPANY SECRETARY

Mr. Yau Chung Hang, the Chief Financial Officer of the Company, has been appointed as the company secretary of the Company since 9 March 2018.

During the Reporting Period, Mr. Yau has taken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

RIGHT TO CALL A GENERAL MEETING

General meetings may be convened by the Directors on requisition of shareholder(s) of the Company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings or by such shareholder(s) who made the requisition (as the case may be) pursuant to Sections 566 and 568 respectively of the Companies Ordinance (Chapter 622 of Laws of Hong Kong) (the "Companies Ordinance"). Shareholders should follow the requirements and procedures as set out in the Companies Ordinance for convening a general meeting.

PUTTING FORWARD PROPOSALS AT GENERAL MEETING

Pursuant to Section 615 of the Companies Ordinance, shareholders representing at least 2.5% of the total voting rights of all shareholders; or at least 50 shareholders (as the case may be) who have a right to vote at the relevant annual general meeting, may request to circulate a resolution to be moved at an annual general meeting. Shareholders should follow the requirements and procedures as set out in the Companies Ordinance for circulating a resolution for annual general meeting. Written request can be sent by post to the Company's registered office address at Room 2601, 26/F Wing On Centre, 111 Connaught Road Central, Hong Kong or by email at ir@chuo-auction.com.hk.

公司秘書

自2018年3月9日起，本公司財務總監邱仲珩先生已獲委任為本公司的公司秘書。

於報告期間，邱先生已遵照上市規則第3.29條，參加不少於15個小時的相關專業培訓。

股東權利

為保障股東權益及權利，各項實質上獨立的事宜(包括選舉個別董事)應在股東大會上以獨立決議案的形式提呈。於股東大會上提呈的所有決議案均將根據上市規則以投票表決方式進行表決，而投票結果將於各次股東大會舉行後在本公司及聯交所的網站上刊登。

召開股東大會之權利

股東大會可由董事按佔有權於股東大會投票的所有股東之總投票權至少5%之股東，或分別根據公司條例(香港法例第622章)(「公司條例」)第566及568條提出呈請之股東(視乎情況而定)呈請予以召開。股東應遵守公司條例所載有關召開股東大會之規定及程序。

於股東大會上提出議案

根據公司條例第615條，佔全體股東總表決權至少2.5%的股東或至少50位有權在相關股東週年大會上投票的股東(視情況而定)可要求傳閱將於股東週年大會上動議的決議案。股東應遵守公司條例所載有關傳閱股東週年大會決議案之規定及程序。書面請求可郵寄至本公司註冊辦事處，地址為香港干諾道中111號永安中心26樓2601室，或電郵至 ir@chuo-auction.com.hk。



PUTTING FORWARD ENQUIRIES TO THE BOARD

Shareholders may send written enquiries or requests to the Company for putting forward any enquiries to the Board. Contact details are as follows:

Address: Room 2601, 26/F Wing On Centre, 111 Connaught Road Central, Hong Kong (for the attention of the Board of Directors)

Email: ir@chuo-auction.com.hk

Shareholders are also welcome to make enquiries via the online enquiry form available on the Company's website at www.chuo-auction.com.hk.

For the avoidance of doubt, Shareholders must lodge their questions together with their detailed contact information (including full name, contact details and identification) for prompt response from the Company if the Company deems appropriate. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies.

The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings.

As adopted by special resolution passed on 13 September 2018, the new Articles has been adopted and became effective on 26 September 2018. An up to date version of the Articles is also available on the website of the Company at www.chuo-auction.com.hk and the website of the Stock Exchange at www.hkex.com.hk.

向董事會作出查詢

就向本公司董事會作出查詢而言，股東可將書面查詢或請求發送至本公司。聯絡資料如下：

地址：香港干諾道中111號永安中心26樓2601室（註明收件人為董事會）

電郵：ir@chuo-auction.com.hk

本公司亦歡迎股東透過網上查詢表格作出查詢，有關表格刊載於本公司網站 www.chuo-auction.com.hk。

為免生疑，股東必須於提交上述查詢時連同詳細聯絡資料（包括全名、聯絡詳情及身份），以便本公司在適當情況下迅速回應。股東資料或會按法律規定予以披露。

與股東及投資者的溝通

本公司認為，與股東有效溝通對促進投資者關係及讓投資者瞭解本集團業務表現及策略而言至關重要。

本公司致力於維持與股東持續對話，尤其是通過股東週年大會及其他股東大會。

經2018年9月13日通過的特別決議案採納，新細則已獲採納及於2018年9月26日生效。細則的最新版本亦於本公司網站 www.chuo-auction.com.hk 及聯交所網站 www.hkex.com.hk 可供查閱。



POLICIES RELATING TO SHAREHOLDERS

The Company has in place a shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Company has adopted a dividend policy on 31 December 2018 (the "Dividend Policy") on payment of dividends. Details are set out in Report of the Directors.

股東相關政策

本公司已制定股東通訊政策，以確保合適地處理股東的意見及憂慮。本政策會定期檢討以確保其有效。

本公司已於2018年12月31日就派付股息採納股息政策（「股息政策」）。詳情載於董事會報告。



REPORT OF THE DIRECTORS

董事會報告

The Board is pleased to present the Report of the Directors of the year 2019 together with the audited consolidated financial statements of the Group for the year ended 31 March 2019.

PRINCIPAL BUSINESS ACTIVITIES

The Group is a well-recognized auction house of Chinese and Japanese artworks in Hong Kong and Japan. The Group specializes in auctioneering a wide variety of artworks with emphasis on Chinese and Japanese artworks, including Chinese paintings and calligraphies, Chinese antiques and Japanese and Chinese tea wares.

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

BUSINESS REVIEW

Part of the business review as required under Schedule 5 of the Companies Ordinance is included in the section headed "Management Discussion and Analysis" in this annual report on pages 8 to 15 and such contents form part of this Report of the Directors.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2019 are set out in the consolidated income statement on page 74 of this annual report.

The Board recommended the payment of a final dividend of HK2.0 cents per ordinary share, absorbing a total amount of approximately HK\$10,000,000, in respect of the year ended 31 March 2019 (the "Proposed Final Dividend") (2018: Nil), which is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Sunday, 1 September 2019 (the "2019 AGM"). The Proposed Final Dividend is expected to be paid on Friday, 27 September 2019 to all shareholders whose names to be appeared on the register of members of the Company on Tuesday, 10 September 2019.

None of the shareholders of the Company entered into any arrangement to waive or agree to waive any dividend.

董事會欣然提呈2019年度的董事會報告及本集團截至2019年3月31日止年度的經審核合併財務報表。

主要業務活動

本集團是香港及日本知名的中國及日本藝術品拍賣行。本集團專注拍賣以中國及日本藝術品為主的各種藝術品，包括中國書畫、中國古董及日本及中國茶具。

本集團在本年度之業績表現按營運分部進行的分析載於合併財務報表附註5。

業務審視

部分根據公司條例附表5的業務審視載列於本年報第8至15頁的「管理層討論及分析」一章內，上述內容為本董事會報告一部分。

業績及股息

本集團截至2019年3月31日止年度業績載於本年報第74頁合併損益表。

董事會建議就截至2019年3月31日止年度支付末期股息每股普通股2.0港仙（「建議末期股息」）（2018年：無），派息總額為約10,000,000港元，惟須待本公司股東於2019年9月1日（星期日）舉行的本公司應屆股東週年大會（「2019年股東週年大會」）上批准方可作實。建議末期股息預期將於2019年9月27日（星期五）向所有於2019年9月10日（星期二）名列本公司股東名冊的股東支付。

概無本公司股東訂立任何安排以放棄或同意放棄任何股息。



DIVIDEND POLICY

The Company has adopted the Dividend Policy, which aims to set out the principles and guidelines that the Company applies to the declaration and distribution of dividends to the Shareholders. The Company may by ordinary resolution declare dividends as the Directors consider appropriate. The determination to pay dividends will be based on the Company's profits, cash flows, financial condition, capital requirements and other conditions that the Board deems relevant. No dividend shall be payable except out of the profits or other distributable reserves of the Company available for distribution. Except as otherwise provided by the Articles or the rights attached to Shares or the terms of issue thereof, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. The Company may pay dividends by any method that the Directors consider appropriate.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

- (i) from Monday, 26 August 2019 to Sunday, 1 September 2019 (both days inclusive), for the purpose of determining the right to attend and vote at the 2019 AGM. In order to be eligible to attend and vote at the 2019 AGM, unregistered holders of shares of the Company should ensure that all transfer documents accompanied by the relevant share certificates are lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 23 August 2019; and
- (ii) conditional on the passing of the resolution approving the declaration of the Proposed Final Dividend at the 2019 AGM, from Friday, 6 September 2019 to Tuesday, 10 September 2019 (both days inclusive), for the purpose of determining the entitlement to the Proposed Final Dividend. In order to be qualified for the Proposed Final Dividend (subject to the approval of the shareholders of the Company at the 2019 AGM), unregistered holders of shares of the Company should ensure that all transfer documents accompanied by the relevant share certificates are lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 5 September 2019.

股息政策

本公司已採納股息政策，旨在載列本公司適用於向股東宣派及派發股息的原則及指引。本公司可通過普通決議案宣派董事認為適當的股息。支付股息的決定將基於本公司的利潤、現金流量、財務狀況、資本要求以及董事會認為相關的其他條件。股息只能從本公司可供分派之溢利或其他可供分派之儲備中支付。除非在細則或任何附於股份之權利或其發行條件另有規定，所有股息將根據股份繳足金額宣派及支付。本公司可按董事認為適當的任何方法支付股息。

暫停辦理股份過戶登記

本公司將於以下期間暫停辦理股份過戶登記：

- (i) 自2019年8月26日(星期一)至2019年9月1日(星期日)(包括首尾兩日)，目的是為釐定有權出席2019年股東週年大會及於會上投票的權利。為符合資格出席2019年股東週年大會及於會上投票，本公司股份之未登記持有人應確保所有股份過戶轉讓文件連同有關股票須最遲於2019年8月23日(星期五)下午4時30分前送交本公司的股份過戶登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓，辦理過戶登記手續；及
- (ii) 待批准宣派建議末期股息的決議案於2019年股東週年大會上通過後，自2019年9月6日(星期五)至2019年9月10日(星期二)(包括首尾兩日)，為釐定有權獲派建議末期股息的資格。為符合資格獲派建議末期股息(須待本公司股東於2019年股東週年大會上批准)，本公司股份的未登記持有人應確保所有股份過戶轉讓文件連同有關股票須最遲於2019年9月5日(星期四)下午4時30分前送交本公司的股份過戶登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓，辦理過戶登記手續。



PROPERTY, PLANT AND EQUIPMENT

The movements in the Group's property, plant and equipment for the Reporting Period are set out in Note 15 to the consolidated financial statements.

SHARE ISSUANCE

The Shares were listed on the Main Board of the Stock Exchange on the Listing Date, by issuing 96,520,000 ordinary shares, with the offer price of HK\$1.50 per Share (excluding brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.005%), which raised net proceeds of approximately HK\$110.0 million after deduction of the underwriting fees and commissions and estimated expenses paid and payable by the Company arising from the Global Offering (as defined in the Prospectus).

Pursuant to the Pre-IPO Investments (as defined in the Prospectus), on 24 and 25 April 2018 (as the case may be), the Company issued the Convertible Notes (as defined in the Prospectus) to the respective Pre-IPO Investors (as defined in the Prospectus), namely, Mr. Chan Sai Wai, Happy Capricorn Co., Limited, Paradise Global Limited, Mr. Tse Chung Shing, Mr. Yang Jialin and Centurion Equity I Limited, with an aggregate principal amount of approximately HK\$38.8 million. The investment cost per Share was approximately HK\$1.36 per Share. Please refer to the (i) section headed "History, Reorganization and Corporate Structure — Pre-IPO Investments" of the Prospectus for summary of the principal terms and conditions of the respective Convertible Notes; and (ii) the paragraph headed "Use of Proceeds" of this Report of the Directors for details on the application of the net proceeds from the Convertible Notes by the Group during the Reporting Period. The outstanding principal amount of the Convertible Notes was automatically and mandatorily converted into 28,512,722 fully paid ordinary Shares on the Listing Date.

SHARE CAPITAL

Details of the movements in the share capital of the Company for the Reporting Period are set out in Note 22 to the consolidated financial statements.

物業、廠房及設備

於報告期間，本集團物業、廠房及設備的變動，載於合併財務報表附註15。

股份發行

股份於上市日期在聯交所主板上市，發行96,520,000股普通股，發售價每股1.50港元（不包括經紀佣金1%、證監會交易徵費0.0027%、聯交所交易費0.005%），扣除包銷費用及佣金和本公司因全球發售（定義見招股章程）而支付及應付的估計開支後，籌集所得款項淨額約110.0百萬港元。

根據首次公開發售前投資（定義見招股章程），於2018年4月24日及25日（視情況而定），本公司向首次公開發售前投資者（定義見招股章程），即陳世偉先生、Happy Capricorn Co., Limited、Paradise Global、謝仲成先生、楊家林先生及Centurion Equity I Limited，各自發行可換股票據（定義見招股章程），招股章程本金總額約為38.8百萬港元。每股投資成本約為每股1.36港元。(i)有關各可換股票據之主要條款及條件概要，請參閱招股章程「歷史、重組及公司架構 — 首次公開發售前投資」一節；及(ii)有關本集團於報告期間內應用可換股票據所得款項淨額的詳情，請參閱本董事會報告「所得款項用途」一段。可換股票據之未償還本金額已於上市日期自動及強制轉換為28,512,722股已繳足普通股。

股本

本公司股本於報告期間的變動詳情，載於合併財務報表附註22。



DEBENTURES ISSUED

Save for the Convertible Notes, the Company did not have any debentures in issue for the year ended 31 March 2019.

EQUITY-LINKED AGREEMENT

During the Reporting Period, save for the subscription agreement for the issue of the Convertible Notes, the Convertible Notes and the Share Option Scheme as set out in the paragraph headed "Share Option Scheme" of this Report of the Directors, the Company did not enter into any other equity-linked agreement, nor did any other equity-linked agreement exist during the Reporting Period. Please refer to the paragraphs headed "Share Issuance" and "Share Option Scheme" in this Report of the Directors and Notes 22 and 32 to the consolidated financial statements for further information about the subscription agreements for the issue of the Convertible Notes, the Convertible Notes and the Share Option Schemes.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Since the Listing Date and up to 31 March 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

RESERVES

Details of the 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 78 of this annual report and Note 23 to the consolidated financial statements, respectively.

Distributable reserves of the Company at 31 March 2019 calculated under Part 6 of the Hong Kong Companies Ordinance (Cap. 622) amounted to approximately HK\$60.4 million.

FOUR YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last four financial years is set out on pages 175 to 176 of this annual report.

已發行債券

除可換股票據外，截至2019年3月31日止年度，本公司並無任何已發行債券。

股票掛鈎協議

於報告期間，除發行可換股票據之認購協議、可換股票據及本董事會報告「購股權計劃」一段所載購股權計劃外，本公司並無訂立任何其他股票掛鈎協議，亦無任何其他股票掛鈎協議於報告期間存在。有關發行可換股票據之認購協議、可換股票據及購股權計劃之進一步資料，請參閱本董事會報告「股份發行」及「購股權計劃」各段及合併財務報表附註22及32。

購回、出售或贖回本公司上市證券

自上市日期及直至2019年3月31日期間，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

儲備

本集團和本公司的儲備於年內的變動詳情，分別載於本年報第78頁合併權益變動表及合併財務報表附註23。

按照香港《公司條例》(第622章)第6部分，本公司於2019年3月31日之可供分派儲備為約60.4百萬港元。

四年財務摘要

本集團過去四個財政年度之業績及資產負債摘要載於本年報第175至176頁。



DIRECTORS

During the financial year ended 31 March 2019 and up to the date of this annual report, this Report of the Directors were as follows:

Executive Directors

Mr. Ando Shokei (*Chairman*)
Mrs. Ando Eri
Mr. Katsu Bunkai
Mr. Sun Hongyue
Mr. Yau Chung Hang

Non-Executive Director

Mr. Yang Yi Chung (Resigned on 14 May 2019)

Independent Non-executive Directors

Mr. Chung Kwok Mo John
Ms. Lam Suk Ling Shirley
Mr. Chun Chi Man

Mr. Yang Yi Chung resigned on 14 May 2019 as non-executive director of the company. Mr. Yang has confirmed that he has no disagreement with the Board and nothing relating to the affairs of the company needed to be brought to the attention of the Shareholders.

Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man are independent non-executive directors and were appointed for an initial term of three years commencing from 13 September 2018, which may be terminated by either party giving not less than three months' written notice. The term of appointment shall be renewed and extended automatically for successive term of one year upon expiry of the then current term until terminated by either party giving not less than three months' written notice to the other.

董事

於截至2019年3月31日止財政年度內及直至本年報日期，本董事會報告如下：

執行董事

安藤湘桂先生(主席)
安藤惠理女士
葛文海先生
孫鴻月先生
邱仲珩先生

非執行董事

楊維聰先生(於2019年5月14日辭任)

獨立非執行董事

鍾國武先生
林淑玲女士
秦治民先生

楊維聰先生在2019年5月14日辭任本公司非執行董事職位。楊先生已確認其與董事會之間並無任何分歧，亦無任何需要提請股東關注與公司事務有關的事項。

鍾國武先生、林淑玲女士及秦治民先生均為獨立非執行董事，初步委任年期自2018年9月13日起計為期三年，可由任何一方向另一方發出不少於三個月的書面通知終止。委任任期於當時的現有任期屆滿時自動重續及延長一年，直至任何一方向另一方發出不少於三個月的書面通知終止為止。



DIRECTORS OF SUBSIDIARIES

附屬公司之董事

Name of Subsidiaries	Directors of the subsidiaries as at 31 March 2019 於2019年3月31日的附屬公司董事
Tokyo Chuo Auction Hongkong Company Limited 東京中央拍賣香港有限公司	Mr. Ando Shokei 安藤湘桂先生
Tokyo Chuo Auction Co., Ltd.* (株式會社東京中央オークション)	Mr. Ando Shokei Mrs. Ando Eri Mr. Katsu Bunkai 安藤湘桂先生 安藤惠理女士 葛文海先生
Shanghai Shengjia Culture Development Co., Ltd 上海晟嘉文化發展有限公司	Mr. Ando Shokei 安藤湘桂先生

DIRECTORS' SERVICE CONTRACTS

As at 31 March 2019, none of the Directors had a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation other than statutory compensation.

The Directors' remuneration is determined with reference to the remuneration of the comparable companies, the Directors' time contribution, duties and responsibilities and individual performance as well as the results of the Group.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management are set out on pages 16 to 25 of this annual report.

董事的服務合約

於2019年3月31日，董事與本公司或其任何附屬公司概無訂立任何本公司於一年內不作賠償(法定賠償除外)而不可終止的服務合約。

董事薪酬乃根據可資比較公司支付的薪酬、董事投入的時間、職務及責任、個別工作表現及本集團的業績而釐定。

董事及高級管理層履歷

董事及高級管理層履歷載於本年報第16至25頁。



EXECUTIVE DIRECTORS

Each of the executive Directors has entered into a service contract with the Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from 13 September 2018 which may be terminated by either party by giving not less than three months' written notice. The term of service contract shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term until terminated by either party by giving not less than three months' written notice.

During the term of the service contract, each of these executive Directors is entitled to the basic salary (subject to an annual increment after 1 April 2019 at the discretion of the Directors of not more than 10% of the average annual salary for the 12 months immediately prior to such increase).

In addition, during the term of the service contract, each of the executive Directors is also entitled to a discretionary management bonus in such sum as the Board may in its absolute discretion determine provided that the aggregate amount of bonuses payable to all the executive Directors for any financial year of the Company shall not exceed 10% of the audited consolidated or combined net profit attributable to the shareholders of the Company (after taxation and minority interests and payment of such bonuses but before extraordinary or exceptional items) in respect of that financial year of the Company. An executive Director may not vote on any resolution of the Directors regarding the amount of management bonus payable to him/her.

Pursuant to the service contract of Mr. Ando, the Group has purchased two life insurance policies for Mr. Ando so as to compensate the Group against losses resulting from the loss of Mr. Ando as a key man to the Group during the term of the insurance policies, and to serve as a life insurance for Mr. Ando after the expiry thereof. Under the service contract, Mr. Ando is entitled to all the benefits and payout under two life insurance policies upon the expiry thereof.

Pursuant to the service contract of Mr. Sun, an apartment in Japan will be provided for Mr. Sun as staff dormitory by the Group, and Mr. Sun will bear half of the monthly rental of such apartment.

執行董事

各執行董事與本公司已訂立服務合約，據此，彼等同意出任執行董事，任期由2018年9月13日起初步為期三年，並可由其中一方向另一方發出不少於三個月書面通知予以終止。服務合約的條款將在當時的現有任期屆滿時自動重續及延長一年，直至由其中一方發出不少於三個月書面通知予以終止。

於服務合約任期內，執行董事各自有權收取基本薪酬（於2019年4月1日後可由董事會酌情增加，增幅不多於緊接該增加前十二個月平均年薪的10%）。

此外，於服務合約任期內，各執行董事亦有權獲得酌情管理層花紅，金額由董事會全權酌情釐定，惟本公司於任何財政年度向所有執行董事應付的該項花紅總額不得超過本公司於該財政年度的股東應佔經審計合併或匯總淨溢利（除稅、少數股東權益及該等花紅付款後，但未扣除非經常或特殊項目）的10%。執行董事不得就任何有關應付其的管理層花紅之金額的董事決議案投票。

根據安藤先生的服務合約，本集團已為安藤先生投購兩份人壽保險，以在保單有效期內，一旦作為本集團要員的安藤先生有任何不測，亦可補償本集團因而蒙受的損失，亦在期限屆滿後用作安藤先生的人壽保險。根據服務合約，安藤先生在保單屆滿後，可享兩份保單的所有福利及分派。

根據孫先生的服務合約，本集團向孫先生提供日本一個寓所作為員工宿舍，而孫先生每月將自行承擔一半租金。



NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yang Yi Chung has resigned as a non-executive Director on 14 May 2019.

Each of the independent non-executive Directors has been appointed for an initial term of three years commencing from 13 September 2018, which may be terminated by either party giving not less than three months' written notice. The term of appointment shall be renewed and extended automatically for successive term of one year upon expiry of the then current term until terminated by either party giving not less than three months' written notice to the other. The appointments are subject to the provisions of the Articles with regard to vacation of office of Directors, removal and retirement by rotation of Directors. Each of the independent non-executive Directors is entitled to a director's fee of HK\$240,000 per annum with effect from the Listing Date. Save for directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

Details of the remuneration of the Directors and the senior management of the Group for the Reporting Period are set out in Note 35 to the consolidated financial statements of the Company. The remuneration of each of the three senior management personnel fell within the band below HK\$1,000,000.

PERMITTED INDEMNITY PROVISION

In accordance with the definition of section 469 of the Companies Ordinance, the permitted indemnity provision in relation to the director's and officer's liability insurance was in force during the financial year ended 31 March 2019 and remains in force as at the date of this annual report.

非執行董事及獨立非執行董事

楊維聰先生已於2019年5月14日辭任非執行董事。

各獨立非執行董事的初步委任年期自2018年9月13日起計為期三年。該合約可由任何一方向另一方發出不少於三個月的書面通知終止。委任任期於當時的現有任期屆滿時自動重續及延長一年，直至任何一方向另一方發出不少於三個月的書面通知終止為止。該等委任受細則中有關董事離任、罷免及董事輪席退任的條文規限。各獨立非執行董事均有權由上市日期起每年收取240,000港元的董事袍金。除董事袍金外，預期並無獨立非執行董事會因擔任獨立非執行董事一職而收取任何其他薪酬。

董事及高級管理層薪酬

本公司董事及高級管理層報告期間的薪酬詳情載於本公司合併財務報表附註35。三名高級管理層人員的薪酬在1,000,000港元以下。

獲准許的彌償條文

根據公司條例第469條中的定義，有關董事及要員責任保險的獲准許彌償條文於截至2019年3月31日止財政年度期間有效及至本年報日期仍然有效。



DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 35 to the consolidated financial statements, no 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 his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the Prospectus and the transactions as disclosed in Note 31 to the consolidated financial statements, no controlling shareholder of the Company or any of its subsidiaries has any contract of significance (including contract of significance for the provision of services) with the Company or its subsidiaries during the Reporting Period.

MANAGEMENT CONTRACTS

No contracts concerning the management or administration of the whole or any substantial part of the business of the Group was entered into or subsisted during the Reporting Period.

ARRANGEMENTS FOR THE DIRECTORS TO PURCHASE SHARES OR DEBENTURES

At no time during the year were there any arrangements to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries is a party that would enable the directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate entity.

PENSION SCHEME

Details of the pension scheme of the Company are set out in the paragraph headed "Pension Obligations" in Note 2.24(b) to the consolidated financial statements.

董事於重大交易、安排或合約之權益

除合併財務報表附註35所披露者外，概無與本集團業務有關的重大交易、安排及合約於報告期間末或報告期間內任何時間續存，而當中本公司或其任何附屬公司為訂約方，且董事或其關連實體直接或間接擁有重大權益。

控股股東在重大合約中的權益

於報告期間內，除招股章程及合併財務報表附註31所披露的交易外，概無本公司或其任何附屬公司控股股東與本公司或附屬公司訂立任何重大合約(包括提供服務的重大合約)。

管理合約

於報告期間，本集團並無就本集團全部或任何重大部分業務之管理或行政工作訂立或存有任何合約。

董事購買股份或債權證之安排

於年內，概無本公司、其控股公司或其任何附屬公司或同系附屬公司參與任何安排，致使董事、彼等各自之配偶及18歲以下之子女可藉購入本公司或任何其他法人團體的股份或債權證而獲取利益。

退休金計劃

本公司退休金計劃詳情載於合併財務報表附註2.24(b)中「退休金責任」一段。



SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “Share Option Scheme”) on 13 September 2018. The purpose of the Share Option Scheme is to provide incentives or rewards to selected participants who contribute to the success of the Group’s operations. All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group are eligible to participate in the Share Option Scheme. The Share Option Scheme will remain in force for a period of 10 years commencing on its adoption date. The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 10% of the Shares in issue on the Listing Date (the “General Scheme Limit”). As at the date of this Report of the Directors, the total number of Shares available for issue under the Share Option Scheme was 50,000,000 Shares, representing 10% of the issued share capital of the Company. The Company may renew the General Scheme Limit with shareholders’ approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the Shareholders’ approval. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the Shares in issue from time to time. Unless approved by the shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee,

購股權計劃

本公司已於2018年9月13日採納購股權計劃（「購股權計劃」）。購股權計劃旨在為有助本集團營運成功的選定參與者提供激勵或獎勵。全體董事、僱員、商品或服務供應商、客戶、為本集團提供研究、開發或其他技術支援的人士或實體、本集團任何成員公司的股東、本集團的諮詢人或顧問，以及曾經或可能藉合資經營、業務聯盟或其他業務安排而對本集團的增長作出貢獻的任何其他群組或類別的參與者，均有資格參與購股權計劃。購股權計劃將於採納日期起計十年內有效。因根據購股權計劃及本集團採納的任何其他購股權計劃將予授出的所有購股權獲行使而可能配發及發行的股份總數合共不得超過於上市日期已發行股份數目的10%（「一般計劃上限」）。於本董事會報告日期，根據購股權計劃可供發行的股份總數為50,000,000股股份，相當於本公司已發行股本的10%。本公司於獲取股東批准後可更新一般計劃上限，惟每次更新的上限不得超過於獲授股東批准當日已發行股份的10%。因行使根據購股權計劃及本集團所採納的任何其他購股權計劃而已授出惟尚未行使的所有發行在外購股權而可能發行的股份數目上限，合共不得超過不時已發行股份的30%。除非獲本公司股東批准，於任何12個月期間因根據購股權計劃及本集團任何其他購股權計劃所授出的購股權（包括已行使或尚未行使購股權兩者）獲行使而已向各參與者發行及可能將發行的股份總數不得超過當時本公司已發行股本的1%。參與者應於授出購股權的要約日期起計21日內接納購股權。於接納所授購股權時須繳付1港元的象徵式代價。購股權可於董事釐定並通知各承授人的期間內隨時根據購股權計劃的條款行使（該期間須由授出購股權的要約當日一天後起計，但無論如何須於授出購股權日期起計十年內屆滿，惟可根據有關條文提早終止）。除非董事另行決定及在向承授人作出授出購股權的要約中說明，購股權計劃並無規定在可行使購股權前所需持有的最短期限。購股權計劃下的股份認購價須由董事釐定，但不得低於(i)授出購股權的要約日期（必須為營業



which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option, subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised. The subscription price for the Shares under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of: (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for the grant. No share options have been granted, exercised or cancelled by the Company under the Share Option Scheme since its adoption and up to the date of this Report of the Directors.

日)在聯交所每日報價表所報的股份收市價；及(ii)緊接授出購股權的要約日期前五個營業日在聯交所每日報價表所報的股份平均收市價各項中的最高者。自採納購股權計劃日期及直至本董事會報告日期，本公司並無根據購股權計劃授出、行使或註銷購股權。



SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE SHARES

So far as is known to the Directors, as at 31 March 2019, other than a Director or chief executive of the Company whose interests are disclosed under the sub-paragraph headed "Directors' and chief executive's interests and/or short positions in the shares, underlying shares and debentures of the company or any of its associated corporations" below, no other persons had an interest or a short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO").

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

As at 31 March 2019, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules, were as follows:

主要股東於股份的權益

就董事所知，於2019年3月31日，除其權益於下文「董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中的權益及／或淡倉」分段所披露的董事或本公司主要行政人員外，概無其他人士於股份或相關股份中擁有根據證券及期貨條例（香港法例第571章）（「證券及期貨條例」）第336條須記錄於本公司須存置之登記冊內的權益或淡倉。

董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中的權益及淡倉

於2019年3月31日，本公司董事及最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）股份、相關股份及債權證中，根據證券及期貨條例第352條記錄於須存置之登記冊的權益及淡倉，或根據上市規則附錄十所載的標準守則須另行知會本公司及聯交所之權益及淡倉如下：



Long positions in shares:

於股份的好倉：

Name 名稱	Name of Group member/ associated corporation 本集團成員公司/ 相聯法團名稱	Nature of interest 權益性質	Number of shares interested 擁有權益 股份數目 (Note 1) (附註1)	Approximate percentage of interest held in the Company 概約於本公司持 有的權益百分比
Mr. Ando Shokei 安藤湘桂先生	The Company 本公司	Beneficial owner 實益擁有人	374,967,278(L)	75%
Mrs. Ando Eri 安藤惠理女士	The Company 本公司	Interest of spouse (Note 2) 配偶權益(附註2)	374,967,278(L)	75%
Mr. Katsu Bunkai 葛文海先生	TCA Japan TCA日本	Beneficial owner (Note 3) 實益擁有人(附註3)	50 class A shares 50股A類股份	5%

Notes:

附註：

- The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.
- Mrs. Ando Eri is the spouse of Mr. Ando Shokei. Under the SFO, Mrs. Ando Eri is taken to be interested in the same number of Shares in which Mr. Ando Shokei is interested.
- These shares represent class A shares in TCA Japan held by Mr. Katsu Bunkai. Shareholders of class A shares in TCA Japan do not have any voting right at the general meeting of shareholders of TCA Japan.

- 字母「L」代表董事於本公司或有關相聯法團股份中的好倉。
- 安藤惠理女士為安藤湘桂先生之配偶。根據證券及期貨條例，安藤惠理女士被當作於安藤湘桂先生擁有權益的相同股份數目中擁有權益。
- 該等股份為葛文海先生於TCA日本持有的A類股份。TCA日本A類股份股東於TCA日本的股東大會上並無任何投票權。

Save as disclosed above, as at 31 March 2019, none of the Directors and chief executive of the Company had any interests or short positions in any 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 recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於2019年3月31日，概無本公司董事及最高行政人員於本公司或任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中擁有須記錄於根據證券及期貨條例第352條須予備存的登記冊，或根據標準守則之規定而須知會本公司及聯交所的任何權益或淡倉。



MAJOR CUSTOMERS AND SUPPLIERS

The customers under the art auction and related business primarily include sellers who consign artworks to the Group for the auctions and buyers who purchase artworks in the art auctions. To the best knowledge of the Directors, the customers under the segment are generally comprised of artwork interested parties including artworks artists, masters, experts, merchants, collectors, art galleries and private museums.

The suppliers mainly include sellers from whom the Group purchase artworks as principal for the artwork sales segment, property owners who provide venue for artwork preview exhibition and art auction operation, suppliers of event organization and accommodation booking services for the artwork preview exhibition and art auction operation, suppliers of photo-taking, printing and delivery services for the auction catalogs, and suppliers of delivery services for the auctioned artworks and security and insurance services.

The information of the customers and suppliers is as follows:

主要客戶及供應商

本集團的藝術品拍賣及相關業務客戶主要包括將藝術品委託予我們拍賣的賣家及在我們舉辦的藝術品拍賣會上購買藝術品的買家。據董事所知，我們在此分部下的客戶一般由藝術品愛好者構成，包括藝術家、藝術品大師、專家、商人、收藏家、藝廊及私人博物館。

我們的供應商主要包括本集團以主事人身份就藝術品銷售分部向其購買藝術品的賣家、提供場地作藝術品預展及舉行藝術品拍賣會的業主、為我們的藝術品預展及舉行藝術品拍賣會提供活動籌備及住宿預訂服務的供應商、為我們的拍品圖錄提供攝影、印刷及付運服務的供應商，以及為成功拍賣藝術品提供付運服務、保安及保險服務的供應商。

客戶及供貨商的資料如下：

		Percentage of the total income for the year ended 31 March 2019 截至2019年3月31日 止年度佔總收入 百分比
Five largest customers	五大客戶	23.0%
The largest customer	最大客戶	6.7%
		Percentage of the total cost of sales for the year ended 31 March 2019 截至2019年3月31日 止年度佔總銷售成本 百分比
Five largest suppliers	五大供應商	80.1%
The largest suppliers	最大供應商	23.1%



As far as the Directors are aware, none of the Directors, their close associates or shareholders holding more than 5% of the issued shares of the Company had any interest in the five largest customers or five largest suppliers of the Group.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the ordinary course of business by the Group during the Reporting Period are set out in note 31 to the consolidated financial statements of this annual report. The related party transactions set out in note 31 to the consolidated financial statements constitute connected transactions (as defined under Chapter 14A of the Listing Rules) which are fully exempted from the shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules. Accordingly, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

PUBLIC FLOAT

Based on the information publicly available to the Company and as far as the Directors are aware as at the date of this annual report, the Company has maintained the prescribed minimum public float under the Listing Rules.

COMPETING BUSINESS

The compliance of the controlling shareholder of the Company namely, Mr. Ando Shokei, of the non-competition undertakings entered into in favour of the Company on 13 September 2018 is set out in the Corporate Governance Report.

Save for Bai Sheng, a company wholly owned by Mr. Ando Shokei, the controlling shareholder of the Company, which was, among others, engaged in the business of trading of antiques and artworks in Japan prior to the year ended 31 March 2018 and will continue to sell its artworks in the manner as disclosed in the section headed "Continuing Connected Transaction — Appointment of our Group as exclusive agent of Bai Sheng for selling its artworks from time to time" of the Prospectus, none of the Directors or the controlling shareholder of the Company or their respective close associates are considered to be interested in businesses which compete or are likely to compete, either directly or indirectly, with the core businesses of the Group.

就董事所知，概無董事、彼等的緊密聯繫人或持有本公司已發行股份5%以上的股東於本集團五大客戶或五大供應商中擁有任何權益。

關聯方交易

本集團於報告期間日常業務過程中進行的關聯方交易詳情載於本年報合併財務報表附註31。載於合併財務報表附註31的關聯方交易構成關連交易(定義見上市規則第14A章)，其獲全面豁免遵守上市規則第14A章項下年度審閱及所有披露規定。因此，本公司已根據上市規則第14A章遵守披露規定。

公眾持股量

根據本公司可獲得的公開資料及就其董事知悉，於本年報日期，本公司已維持上市規則規定的最低公眾持股量。

競爭業務

本公司控股股東，即安藤湘桂先生，遵守於2018年9月13日為本公司利益出具的不競爭承諾的情況載於企業管治報告內。

本公司控股股東百勝(一間由安藤湘桂先生全資擁有的公司)於2018年3月31日前(其中包括)在日本從事古董及藝術品交易業務，並將繼續以招股章程「持續關連交易 — 委任本集團為百勝的獨家代理以不時出售其藝術品」一節所披露的方式銷售其藝術品，而除百勝外，概無本公司董事或控股股東或彼等各自的緊密聯繫人，於被視為與本集團核心業務直接或間接構成或可能構成競爭之業務中擁有權益。



EMPLOYEES

The number of employees as at 31 March 2019 is set out under “Management Discussion and Analysis — Employees and emolument policy” on page 15 of this annual report.

For the year ended 31 March 2019, the Group did not experience any strikes or significant labor disputes which materially affected the operation of the Group. The Group maintained good relationship with its employees.

SUBSEQUENT EVENTS

On 1 April 2019, the Company entered into a non-legally binding memorandum of understanding with Mr. Chiu Hsin Chun (邱欣俊) who is, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person of the Company (“Independent Third Party”) within the meaning of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), in relation to the proposed acquisition by the Group in cash, 34% of the entire issued shares in Mu Chun Tang Auction Co., Ltd.* (沐春堂拍賣股份有限公司), a Taiwan-based auction house. The transaction has not been completed yet up to the date of this annual report and details of the transaction is set out in the voluntary announcement of the Company dated 1 April 2019.

On 1 June 2019, the Company entered into a share purchase agreement with Mr. Yodo Hiroaki, an Independent Third Party, in relation to the acquisition by the Company the 30 shares of class A shares, represents 3% of the total number of shares, of TCA Japan, a direct non-wholly owned subsidiary of the Company, which was purchased with an aggregate amount of JPY21,014,557.

Other than the aforesaid events, the Group had no other material subsequent events as at 31 March 2019.

僱員

截至2019年3月31日的員工人數載於本年報第15頁的「管理層討論及分析 — 僱員及薪酬政策」。

截至2019年3月31日止年度，本集團並無經歷任何對本集團經營有重大影響的罷工或重大勞工糾紛。本集團與其僱員維持良好關係。

報告期後事項

於2019年4月1日，本公司與邱欣俊先生(據董事作出一切合理查詢後所知，彼並非本公司的關連人士(「獨立第三方」)(定義見香港聯合交易所有限公司證券上市規則(「上市規則」))訂立無法律約束力諒解備忘錄，內容關於本集團以現金建議收購沐春堂拍賣股份有限公司(台灣拍賣行)全部已發行股份的34%。截至本年報日期，該交易尚未完成及該交易的詳情載於本公司日期為2019年4月1日的自願公告。

於2019年6月1日，本公司與獨立第三方養藤博昭先生訂立股份收購協議，內容關於本公司收購30股A股，佔本公司直接非全資附屬公司TCA日本股份總數的3%，乃按總額21,014,557日圓收購。

除上述事件外，本集團於2019年3月31日概無其他重大期後事項。



USE OF PROCEEDS From the Global Offering

The Company's shares were listed on the Main Board of the Stock Exchange on 11 October 2018 and the Company received net proceeds (after deduction of underwriting commission and related costs and expenses) from the global offering of approximately HK\$110.0 million. As at 31 March 2019, the Company have partially utilized such proceeds in accordance with the intended use of proceeds as disclosed in the Prospectus. During the Reporting Period, the net proceeds had been applied for as follows:

所得款項用途 來自全球發售

本公司的股份於2018年10月11日在聯交所主板上市，本公司接獲全球發售所得款項淨額為約110.0百萬港元（已扣除包銷佣金以及相關成本及開支）。截至2019年3月31日，本公司已按照招股章程中所披露的所得款項擬定用途部分使用該等所得款項。於報告期間，所得款項淨額已應用如下：

		Actual net proceeds	Amount utilised as at 31 March 2019	Unutilised net proceeds as at 31 March 2019
		實際所得 款項淨額	於2019年3月31日 所動用的金額	於2019年3月31日 尚未動用的 所得款項淨額
		(HK\$ million)	(HK\$ million)	(HK\$ million)
		(百萬港元)	(百萬港元)	(百萬港元)
Strengthening and expanding existing auction business	加強及擴充現有拍賣業務	62.7	1.7	61.0
Enhancing marketing and promotional activities	加強營銷及推廣活動	22.0	0.9	21.1
Recruiting high caliber managers and experts	招聘高質素的管理人才及專家	8.8	—	8.8
Developing the Group's ERP system	開發本集團的企業資源規劃系統	5.5	—	5.5
Supplementing the Group's working capital and for general corporate purposes	補充本集團的營運資金及作一般公司用途	11.0	—	11.0
		110.0	2.6	107.4

As at the date of this annual report, the Company does not anticipate any change to the above plan of use of proceeds. The remaining unutilised net proceeds as at 31 March 2019 are expected to be fully utilized on or before 31 March 2021.

於本年報日期，本公司並不預期上述所得款項用途計劃會有任何變動。於2019年3月31日餘下尚未動用的所得款項淨額預期於2021年3月31日或之前悉數動用。



From the Issue of the Convertible Notes

Reference is made to the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments” of the Prospectus. The aggregate net proceeds from the issue of the Convertible Notes (as defined in the Prospectus) was approximately HK\$38.8 million.

During the Reporting Period, the net proceeds had been applied for as follows:

來自發行可換股票據

茲提述招股章程「歷史、重組及公司架構 — 首次公開發售前投資」一節。由發行可換股票據（定義見招股章程）的所得款項淨額合共約38.8百萬港元。

於報告期間，所得款項淨額已應用如下：

	Actual Net proceeds	Amount utilized as at 31 March 2019	Unutilized net proceeds as at 31 March 2019 於2019年3月31日 尚未動用的 所得款項淨額
	實際所得 款項淨額 (HK\$ million) (百萬港元)	於2019年3月31日 所動用的金額 (HK\$ million) (百萬港元)	(HK\$ million) (百萬港元)
Fund the capital expenditures and working capital of the Group	38.8	5.0	33.8
為資本開支及本集團 營運資金撥資			

As at the date of this annual report, the Company does not anticipate any change to the above plan of use of proceeds. The remaining unutilised net proceeds as at 31 March 2019 are expected to be fully utilized in or around end of 2020.

於本年報日期，本公司並不預期上述所得款項用途計劃會有任何變動。於2019年3月31日餘下尚未動用的所得款項淨額預期於2020年底前後悉數動用。

FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last four financial years are set out on pages 175 and 176 of this annual report.

財務概要

本集團過去四個財政年度的業績以及資產、負債及非控股權益的概要載於本年報第175至176頁。

AUDIT COMMITTEE

The Company has established an audit committee in compliance with Rule 3.21 of the Listing Rules. It comprises three independent non-executive Directors namely Ms. Lam Suk Ling Shirley (chairlady), Mr. Chung Kwok Mo John and Mr. Chun Chi Man.

審核委員會

本公司已遵照上市規則第3.21條規定設立審核委員會。審核委員會包括三名獨立非執行董事，即林淑玲女士（主席）、鍾國武先生及秦治民先生。

The audit committee has reviewed with the management of the Group the accounting principles and standards adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review this annual report and the audited annual financial results of the Group for the Reporting Period.

審核委員會已與本集團管理層審閱本集團所採納的會計原則及準則，並討論審計、內部控制及財務報告事宜，包括審閱本年報及本集團於報告期間的經審核年度財務業績。



The consolidated financial statements of the Company which are prepared in accordance with Hong Kong Financial Reporting Standards for the year ended 31 March 2019 have been audited by PricewaterhouseCoopers, the auditor of the Company.

AUDITOR

The auditor of the Company for the year ended 31 March 2017 was Morison Heng CPA Limited (“Morison”) and Morison resigned as the auditors of the Company with effect from 12 December 2017. PricewaterhouseCoopers was appointed as auditor of the Company on 13 December 2017 and was re-appointed as the auditor of the Company in 2018. The consolidated financial statements for the year ended 31 March 2019 have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Company will be proposed at the 2019 AGM.

DONATIONS

During the year ended 31 March 2019, the Group made charitable donations in the amount of HK\$1.5 million.

PRINCIPAL RISKS AND UNCERTAINTIES

Discussion of the principal risks and uncertainties faced by the Group is included in Note 3 to the consolidated financial statements and such contents form part of this Report of the Directors.

本公司截至2019年3月31日止年度根據香港財務報告準則編製之合併財務報表已由本公司核數師羅兵咸永道會計師事務所進行審核。

核數師

本公司截至2017年3月31日止年度的核數師為華利信會計師事務所有限公司(「華利信」)，而華利信已辭任本公司核數師，自2017年12月12日起生效。羅兵咸永道會計師事務所於2017年12月13日獲委任為本公司核數師，並於2018年獲續任為本公司核數師。截至2019年3月31日止年度合併財務報表已由羅兵咸永道會計師事務所審核，其將退任並合資格且願意獲重新委任。重新委任羅兵咸永道會計師事務所為本公司核數師的決議案將於2019年股東週年大會上提呈。

捐款

截至2019年3月31日止年度，本集團作出慈善捐款1.5百萬港元。

主要風險及不確定因素

有關本集團所面臨的主要風險及不確定因素的討論載於合併財務報表附註3，且該內容構成本董事會報告的一部分。



ENVIRONMENTAL POLICIES

The Group is committed to environmental protection and values corporate social responsibilities. The Group continues to update internal policies and programs for environmental risk prevention to ensure compliance with requirements of applicable industrial and local standards, laws, regulations and policies. The Group also continues to implement environmental protection, energy saving and emission reduction projects to improve environmental management, setting a solid foundation for better future development.

ACCOUNT OF THE GROUP'S KEY RELATIONSHIPS

(i) Employees

Employees are regarded as the most important and valuable assets of the Group. The objective of the Group's human resource management is to reward and recognise high-performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by offering appropriate training and providing opportunities within the Group for career advancement.

(ii) Suppliers

Please refer to the paragraph headed "Major Customers and Suppliers" in this Report of the Directors for details of the suppliers of the Group. Sound relationships with suppliers of the Group are important for the Group's business, which can derive cost effectiveness and long term business benefits.

(iii) Customers

Please refer to the paragraph headed "Major Customers and Suppliers" in this Report of the Directors for details of the customers of the Group. The Group has the mission in sourcing excellent artworks with good provenance to explore and collect more valuable artworks for auction by its customer whilst maintaining long term profitability and business growth. Various means have been taken to strengthen the communications between customers and the Group.

環境政策

本集團致力推動環保，重視企業社會責任。本集團持續更新規避環境風險的內部政策和項目，以確保遵守適用行業和地方標準、法律、規例及政策的規定。本集團亦持續推行環保、節能及減排項目，以改善環境管理，為日後的更佳發展奠定堅實基礎。

本集團的主要關係說明

(i) 僱員

我們視僱員為本集團最為重要及珍貴的資產。本集團人力資源管理的目的為提供具競爭力的薪酬待遇及推行完善的績效評估制度，並附設適當獎勵，從而嘉獎和認可表現優秀的員工，以及提供適當培訓和在本集團的晉升機會，從而促進事業發展與進程。

(ii) 供應商

有關本集團的供應商詳情，請參閱本董事會報告「主要客戶及供應商」一段。與本集團的供應商維持良好關係對本集團的業務至關重要，可促進成本效益及長期商業利益。

(iii) 客戶

有關本集團的客戶詳情，請參閱本董事會報告「主要客戶及供應商」一段。本集團的使命為搜羅更多「來源有據，流傳有序」的出色藝術珍品以讓客戶作拍賣，同時實現長期的盈利和業務增長。我們已使用各種方法來加強客戶與本集團的溝通。



COMPLIANCE WITH LAWS AND REGULATIONS

For the year ended 31 March 2019, the Group is in compliance with the relevant laws and regulations that have a significant impact on the Group in all material respects.

On behalf of the Board

Ando Shokei

Hong Kong, 27 June 2019

遵守法律及法規

截至2019年3月31日止年度，本集團已遵守對本集團所有重大方面有重大影響的有關法律及法規。

董事會代表

安藤湘桂

香港，2019年6月27日



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

To the Shareholders of Tokyo Chuo Auction Holdings Limited
(incorporated in Hong Kong with limited liability)

致東京中央拍賣控股有限公司股東
(於香港註冊成立的有限公司)

OPINION

What we have audited

The consolidated financial statements of Tokyo Chuo Auction Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 74 to 174, which comprise:

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

Our opinion

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

意見

我們已審計的內容

東京中央拍賣控股有限公司(「貴公司」)及其附屬公司(「貴集團」)列載於第74至174頁的合併財務報表，包括：

- 於2019年3月31日的合併資產負債表；
- 截至該日止年度的合併損益表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於2019年3月31日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》妥為擬備。



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

Independence

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

KEY AUDIT MATTERS

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

Key audit matter identified in our audit is related to revenue recognition.

Key Audit Matter 關鍵審計事項

Revenue recognition 收入確認

Refer to notes 2.22 and 6 to the consolidated financial statements.
請參閱合併財務報表附註2.22及6。

The Group recognised revenue from art auction and related business of HK\$147 million for the year ended 31 March 2019.
貴集團於截至2019年3月31日止年度自藝術品拍賣及相關業務確認收入147百萬港元。

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「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併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合併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。

我們在審計中識別的關鍵審計事項是關於收入確認。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We understood, evaluated and tested management's key internal controls over revenue recognition.

我們已了解、評估及檢測管理層對收入確認的關鍵內部監控。

We attended selected auctions held during the year to check the hammer price of the auction sales on a sample basis.

我們已參與年內經選定拍賣並以抽樣方式檢查拍賣銷售的落槌價。



Key Audit Matter 關鍵審計事項

We considered revenue recognition for art auction and related business as a key audit matter as it is significant to the consolidated income statement and consolidated statement of comprehensive income.

我們將藝術品拍賣及相關業務的收入確認視為關鍵審計事項，因為其對合併損益表及合併綜合收益表而言屬重大。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We checked the commission income from auctions and other auction related income on a sample basis by agreeing the hammer price to auctioneers' record and the commission rates for buyers and sellers to respective invoices, bank receipts and other relevant evidence. We checked the calculation of the commission income on a sample basis by multiplying the hammer price with the relevant commission rates for buyers and sellers.

我們以抽樣方式檢查拍賣的佣金收入及其他拍賣相關收入，方法為將拍賣商記錄與落槌價及買賣雙方的佣金費率與各自的發票、銀行收據及其他相關憑證進行比對。我們以抽樣方式檢查佣金收入的計算，方法為將落槌價與買賣雙方的相關佣金費率相乘。

We compared other commission income and other auction related income such as service income from catalogue preparation to the relevant invoices, bank receipts and other relevant evidence on a sample basis. 我們以抽樣方式，將其他佣金收入和其他拍賣相關收入（例如編製圖錄所得服務收入）與有關發票、銀行收據及其他相關憑證作比較。

We tested completeness of the auction lots sold by reconciling auctioneers' records on auction lots sold to items recorded in the sales register on a sample basis. 我們以抽樣方式，將拍賣者記錄的已售拍賣品比對銷售名冊上記錄的拍賣品，以測試其完整性。

We found the sales transactions being tested were supported by appropriate evidence. 我們發現經測試的銷售交易均具合適的憑證所支持。



OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

其他信息

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

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

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

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

董事及審計委員會就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審計委員會須負責監督 貴集團的財務報告過程。



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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照香港《公司條例》第405條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。



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

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

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

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

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



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

The engagement partner on the audit resulting in this independent auditor's report is Lee Kin Wah, Albert.

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

出具本獨立核數師報告的審計項目合夥人是李健華。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 June 2019

羅兵咸永道會計師事務所
執業會計師

香港，2019年6月27日



CONSOLIDATED INCOME STATEMENT

合併損益表

FOR THE YEAR ENDED 31 MARCH 2019
截至2019年3月31日止年度

		Note 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Revenue	收入	6	166,091	173,266
Costs of services	服務成本	9	(34,668)	(32,797)
Costs of sales of goods	貨品銷售成本	9	(5,242)	(8,150)
Gross profit	毛利		126,181	132,319
Other losses, net	其他虧損淨額	7	(4,043)	(433)
Other income	其他收入	8	1,836	2,568
Net impairment losses on financial assets	金融資產減值虧損淨額	9	(1,194)	—
Selling and distribution expenses	銷售及分銷開支	9	(41,717)	(26,765)
Administrative expenses	行政開支	9	(66,075)	(49,468)
Operating profit	經營溢利		14,988	58,221
Finance income	財務收入	10	582	10
Finance costs	財務成本	10	(272)	(249)
Finance income/(costs), net	財務收入/(成本)淨額	10	310	(239)
Profit before income tax	除所得稅前溢利		15,298	57,982
Income tax expense	所得稅開支	11	(6,677)	(14,053)
Profit for the year	年度溢利		8,621	43,929
Profit/(loss) attributable to:	以下各方應佔溢利/			
	(虧損):			
Owners of the Company	本公司擁有人		8,632	44,063
Non-controlling interests	非控股權益		(11)	(134)
			8,621	43,929
Earnings per share for profit attributable to owners of the Company	本公司擁有人應佔溢利的每股盈利			
Basic and diluted (HK cents)	基本及攤薄(港仙)	12	HK1.99 cents 1.99港仙	HK11.75 cents 11.75港仙

The above consolidated income statement should be read in conjunction with the accompanying notes. 上述合併損益表應與隨附附註一併閱讀。



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

合併綜合收益表

FOR THE YEAR ENDED 31 MARCH 2019
截至2019年3月31日止年度

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
	附註		
Profit for the year	年度溢利	8,621	43,929
Other comprehensive (loss)/income: <i>Item that may be reclassified subsequently to profit or loss</i>	其他綜合(虧損)/收入： <i>其後可能重新分類至損益的項目</i>		
Currency translation differences	外幣折算差額	(1,872)	4,089
Total other comprehensive (loss)/income for the year, net of tax	年度其他綜合(虧損)/收入總額，扣除稅項	(1,872)	4,089
Total comprehensive income for the year	年度綜合收入總額	6,749	48,018
Total comprehensive income/(loss) for the year attributable to:	以下各方應佔年度綜合收入/(虧損)總額：		
Owners of the Company	本公司擁有人	6,887	47,721
Non-controlling interests	非控股權益	(138)	297
		6,749	48,018

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

上述合併綜合收益表應與隨附附註一併閱讀。



CONSOLIDATED BALANCE SHEET

合併資產負債表

AS AT 31 MARCH 2019
於2019年3月31日

		Note 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	10,942	13,400
Intangible assets	無形資產		590	558
Deferred income tax assets	遞延所得稅資產	17	1	876
Deposits and prepayments	按金及預付款項	20	10,943	16,506
			22,476	31,340
Current assets	流動資產			
Inventories	存貨	18	20,898	23,050
Trade and other receivables	貿易及其他應收款項	19	225,367	423,661
Deposits and prepayments	按金及預付款項	20	14,841	7,187
Tax recoverable	可收回稅項		10,599	—
Amount due from a related company	應收關聯公司款項	31	—	14,716
Pledged bank deposits	已抵押銀行存款	21	20,300	—
Cash and cash equivalents	現金及現金等價物	21	236,522	70,382
			528,527	538,996
Total assets	總資產		551,003	570,336
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	22	169,730	—
Reserves	儲備	23	110,556	103,669
			280,286	103,669
Non-controlling interests	非控股權益		6,602	6,740
Total equity	總權益		286,888	110,409



AS AT 31 MARCH 2019
於2019年3月31日

		Note 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Other payable	其他應付款項	25	6,884	6,149
Finance lease liabilities	融資租賃負債	24	359	793
Borrowings	借款	24	2,603	4,093
Deferred income tax liabilities	遞延所得稅負債	17	2,574	2,591
			12,420	13,626
Current liabilities	流動負債			
Trade and other payables and accruals	貿易及其他應付款項及應計費用	25	213,301	370,820
Amount due to the controlling shareholder	應付控股股東款項	31	—	11,686
Amount due to a former director	應付前董事款項	31	—	1,000
Finance lease liabilities	融資租賃負債	24	422	467
Borrowings	借款	24	32,439	43,972
Current income tax liabilities	當期所得稅負債		5,533	18,356
			251,695	446,301
Total liabilities	負債總額		264,115	459,927
Total equity and liabilities	權益及負債總額		551,003	570,336

The above consolidated balance sheet should be read in conjunction with the accompanying notes. 上述合併資產負債表應與隨附附註一併閱讀。

The consolidated financial statements on pages 74 to 174 were approved by the Board of Directors on 27 June 2019 and were signed on its behalf. 第74至174頁之合併財務報表於2019年6月27日獲董事會批准並由以下董事代為簽署。

Ando Shokei
安藤湘桂
Director
董事

Ando Eri
安藤惠理
Director
董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

合併權益變動表

FOR THE YEAR ENDED 31 MARCH 2019
截至2019年3月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔			Sub-total 小計 HK\$'000 千港元	Non-controlling interests 非控股權益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
		Share capital (Note 22) 股本 (附註22) HK\$'000 千港元	Other reserves (Note 23) 其他儲備 (附註23) HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元			
Balance as at 1 April 2017	於2017年4月1日的結餘	—	(5,864)	104,171	98,307	9,428	107,735
Comprehensive income	綜合收入						
— Profit/(loss) for the year	— 年度溢利/(虧損)	—	—	44,063	44,063	(134)	43,929
Other comprehensive income	其他綜合收入						
— Currency translation differences	— 外幣折算差額	—	3,658	—	3,658	431	4,089
Total comprehensive income for the year	年度綜合收入總額	—	3,658	44,063	47,721	297	48,018
Transaction with non-controlling interests	與非控股權益交易	—	—	816	816	(2,985)	(2,169)
Deemed distribution to shareholders (Note 23)	視作向股東分派(附註23)	—	(43,175)	—	(43,175)	—	(43,175)
Balance at 31 March 2018	於2018年3月31日的結餘	—	(45,381)	149,050	103,669	6,740	110,409
Balance as at 1 April 2018	於2018年4月1日的結餘	—	(45,381)	149,050	103,669	6,740	110,409
Comprehensive income/(loss)	綜合收入/(虧損)						
— Profit/(loss) for the year	— 年度溢利/(虧損)	—	—	8,632	8,632	(11)	8,621
Other comprehensive loss	其他綜合虧損						
— Currency translation differences	— 外幣折算差額	—	(1,745)	—	(1,745)	(127)	(1,872)
Total comprehensive (loss)/income for the year	年度綜合(虧損)/收入總額	—	(1,745)	8,632	6,887	(138)	6,749
Conversion of convertible notes to ordinary shares (Note 22)	將可換股票據轉換為普通股(附註22)	42,726	—	—	42,726	—	42,726
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs (Note 22)	發行有關首次公開發售的普通股(扣除包銷佣金及其他發行成本)(附註22)	127,004	—	—	127,004	—	127,004
Balance at 31 March 2019	於2019年3月31日的結餘	169,730	(47,126)	157,682	280,286	6,602	286,888

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes. 上述合併權益變動表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF CASH FLOWS

合併現金流量表

FOR THE YEAR ENDED 31 MARCH 2019
截至2019年3月31日止年度

	Note	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
	附註		
Cash flow from operating activities			
Cash generated from/(used in) operations	27	42,916	(102,164)
Income tax paid		(28,500)	(10,096)
Net cash generated from/ (used in) operating activities		14,416	(112,260)
Cash flow from investing activities			
Purchase of property, plant and equipment		(578)	(5,341)
Purchase of intangible assets		(104)	(28)
Placement of pledged bank deposits		(20,300)	—
Investment in key management life insurance contracts		(814)	(1,836)
Receipts upon termination of key management life insurance contracts		6,187	—
Decrease in short-term bank deposits		—	341
Repayment from a related company		14,716	—
Interest received		582	10
Net cash used in investing activities		(311)	(6,854)
Cash flow from financing activities			
Repayment of finance lease liabilities		(455)	(493)
Proceeds from bank borrowings		31,788	42,354
Repayment of bank borrowings		(43,594)	(24,704)
Interest paid		(453)	(249)
Payment of listing expenses		(7,984)	(1,049)
Transaction with non-controlling interests		—	(2,169)
Deemed distribution to shareholders		—	(43,175)
Proceed from issuance of convertible notes		38,800	—
Net proceeds from issuance of ordinary shares relating to initial public offering		137,145	—
Net cash generated from/(used in) financing activities		155,247	(29,485)



Consolidated Statement of Cash Flows
 合併現金流量表

FOR THE YEAR ENDED 31 MARCH 2019
 截至2019年3月31日止年度

	Note 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Net increase/(decrease) in cash and cash equivalents		169,352	(148,599)
Cash and cash equivalents at beginning of the year		70,382	213,863
Exchange (losses)/gains on cash and cash equivalents		(3,212)	5,118
Cash and cash equivalents at end of the year	21	236,522	70,382

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上述合併現金流量表應與隨附附註一併閱讀。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

1 GENERAL INFORMATION

Tokyo Chuo Auction Holdings Limited (the “Company”) is a limited liability company incorporated in Hong Kong. The address of the Company’s registered office is Room 2601, 26/F, Wing on Centre, No. 111 Connaught Road Central, Hong Kong.

The Company is an investment holding company. The Company’s subsidiaries principally engage in the provision of auction and related services as well as artwork sales in Hong Kong and Japan.

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

These financial statements are presented in Hong Kong Dollar (“HK\$”), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

(a) Compliance with HKFRS and HKCO

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

1 一般資料

東京中央拍賣控股有限公司(「本公司」)為一間在香港註冊成立的有限公司。本公司的註冊地址為香港干諾道中111號永安中心26樓2601室。

本公司為投資控股公司。本公司附屬公司主要從事在香港及日本提供拍賣及相關服務以及藝術品銷售。

本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

除另有註明外，該等財務報表以港元(「港元」)呈列。

2 主要會計政策概要

本附註提供編製該等合併財務報表所採納的主要會計政策列表。除另有註明外，該等政策於所有呈列年度一直貫徹應用。本集團財務報表包括本公司及其附屬公司(「本集團」)。

2.1 編製基準

(a) 遵守香港財務報告準則及香港公司條例

本集團合併財務報表乃按照香港財務報告準則(「香港財務報告準則」)及香港公司條例第622章的規定編製。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of convertible notes carried at fair value.

(c) New and amended standards adopted by the Group

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

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

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(b) 歷史成本法

財務報表乃按歷史成本基準編製，經重估按公平值列賬的可換股票據修訂。

(c) 本集團所採納新訂及經修訂準則

本集團於以下準則及修訂本於2018年4月1日開始的年度報告期間首次應用該等準則及修訂本：

香港財務報告準則第1號及香港會計準則第28號 (修訂本)	2014年至2016年週期的年度改進
香港財務報告準則第2號 (修訂本)	以股份為基礎的付款交易的分類及計量
香港財務報告準則第4號 (修訂本)	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約的收入
香港財務報告準則第15號 (修訂本)	香港財務報告準則第15號的澄清
香港會計準則第40號 (修訂本)	轉讓投資物業
香港(國際財務報告詮釋委員會) — 詮釋第22號	外幣交易及預付代價



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

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

The Group had to change its accounting policies following the adoption of HKFRS 9 and HKFRS 15. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(d) New standards and interpretations not yet adopted

The following are new and amended standards have been issued but not effective for the financial year beginning on 1 April 2018 and have not been early adopted by the Group:

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(c) 本集團所採納新訂及經修訂準則 (續)

本集團須於採納香港財務報告準則第9號及香港財務報告準則第15號後更改其會計政策。上文所列大部分其他修訂本並不會對先前期間確認的金額造成影響，且預期不會對當前或未來期間造成重大影響。

(d) 尚未採納的新訂準則及詮釋

下列新訂及經修訂準則於2018年4月1日開始的財政年度已頒佈但尚未生效，且本集團並無提早採納：

Effective for annual periods beginning on or after 於下列日期或之後開始的年度期間生效

Annual Improvements Project (amendments)	Annual Improvements 2015–2017 Cycle	1 January 2019
年度改進項目(修訂本)	2015年至2017年週期的年度改進	2019年1月1日
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement	1 January 2019
香港會計準則第19號(修訂本)	計劃修訂、縮減或結清	2019年1月1日
HKAS 28 (Amendments)	Long-term interests in Associates and Joint Ventures	1 January 2019
香港會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益	2019年1月1日
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation	1 January 2019
香港財務報告準則第9號(修訂本)	具有負補償的提前還款特性	2019年1月1日



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(d) New standards and interpretations not yet adopted (Continued)

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(d) 尚未採納的新訂準則及詮釋 (續)

Effective for annual periods beginning on or after
 於下列日期或之後開始的年度期間生效

HKFRS 16 香港財務報告準則第16號	Leases 租賃	1 January 2019 2019年1月1日
HKFRS 17 香港財務報告準則第17號	Insurance Contracts 保險合約	1 January 2021 2021年1月1日
HK(IFRIC)-Int 23 香港(國際財務報告詮釋委員會)一 詮釋第23號	Uncertainty over Income Tax Treatments 所得稅處理的不確定性	1 January 2019 2019年1月1日
Conceptual Framework for Financial Reporting 2018 2018年度財務報告的概念框架	Revised Conceptual Framework for Financial Reporting 經修訂財務報告的概念框架	1 January 2020 2020年1月1日
HKAS 1 and HKAS 8 香港會計準則第1號及香港會計準則第8號	Definition of Material 重大的定義	1 January 2020 2020年1月1日
HKFRS 3 (Amendments) 香港財務報告準則第3號(修訂本)	Definition of a Business 業務的定義	1 January 2020 2020年1月1日
HKFRS 10 and HKAS 28 (Amendments) 香港財務報告準則第10號及香港會計準則第28號(修訂本)	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營企業之間資產出售或注資	Not yet determined by HKICPA 會計師公會尚未釐定



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(d) New standards and interpretations not yet adopted (Continued) HKFRS 16 "Lease"

Nature of change

HKFRS 16 was issued in May 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right-of-use asset) and a financial liability (the lease liability) to pay rentals are recognised on the consolidated balance sheet. In the consolidated income statement, rental expenses are not recognised while amortisation arising from the right-of-use assets and interest expense on the lease liabilities are recognised. The only exceptions are short-term and low-value leases.

Impact

The standard will affect primarily the accounting for the Group's operating leases. The Group's current accounting policy for such leases is set out in note 2.25. As at 31 March 2019, the Group had non-cancellable minimum operating lease commitments of HK\$13,092,000 (Note 29(a)), which are not reflected in the consolidated balance sheet.

Based on management's assessment, the initial adoption of HKFRS 16 in the future will not result in any significant impact on the Group's net financial position and results of operation, notwithstanding the increase in right-of-use assets and lease liabilities in the Group's financial statements. The adoption of HKFRS 16 would also not affect the Group's total cash flows in respect of the leases.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(d) 尚未採納的新訂準則及詮釋 (續)

香港財務報告準則第16號「租賃」

變動性質

香港財務報告準則第16號於2016年5月頒佈。由於經營及融資租賃的區分被剔除，故其將導致絕大部分租賃於資產負債表內確認。根據該項新訂準則，資產(使用權資產)及支付租金的金融負債(租賃負債)均於合併資產負債表確認。在合併損益表內，租金開支不予確認，而使用權資產產生的攤銷及租賃負債的利息開支則會確認。唯一例外是短期及低價值的租賃。

影響

此準則將主要影響本集團經營租賃的會計處理。本集團目前就該等租賃採取的會計政策載於附註2.25。於2019年3月31日，本集團的不可撤銷最低經營租賃承擔為13,092,000港元(附註29(a))，並無反映在合併資產負債表內。

據管理層評估，即使本集團財務報表內的使用權資產及租賃負債增加，日後初次採納香港財務報告準則第16號將不會對本集團的淨財務狀況及經營業績產生任何重大影響。採納香港財務報告準則第16號亦不會影響本集團在租賃方面的現金流量總額。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(d) **New standards and interpretations not yet adopted** (Continued)

HKFRS 16 "Lease" (Continued)

Mandatory application date/date of adoption by the Group

Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

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

2.2 Changes in accounting policies

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

(a) **HKFRS 9 Financial Instruments**

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

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(d) **尚未採納的新訂準則及詮釋** (續)

香港財務報告準則第16號「租賃」(續)

強制應用日期/本集團採納日期

於2019年1月1日或之後開始的財政年度強制生效。於此階段，本集團不擬於其生效日期前採納該準則。本集團擬應用簡化過渡法且將不會重列首次採納前年度的比較金額。

概無尚未生效且預期對實體於目前或未來報告期間及對可見未來交易造成重大影響的其他準則。

2.2 會計政策變動

本附註解釋採納香港財務報告準則第9號「金融工具」及香港財務報告準則第15號「來自客戶合約的收入」對本集團財務報表的影響。

(a) **香港財務報告準則第9號「金融工具」**

香港財務報告準則第9號取代香港會計準則第39號有關金融資產及金融負債的確認、分類及計量、終止確認金融工具、金融資產減值及對沖會計的條文。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(a) HKFRS 9 Financial Instruments (Continued)

The adoption of HKFRS 9 Financial Instruments from 1 April 2018 resulted in changes in accounting policies. The new accounting policies are set out in notes 2.11 and 2.14 below. In accordance with the transitional provisions in HKFRS 9 (7.2.15), comparative figures have not been restated.

However, the Group has reviewed its financial assets and liabilities and assessed that the new standard had no material impact on the Group's financial assets and liabilities.

(i) Classification and measurement

On 1 April 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. There were no changes to the classification and measurement of financial instruments.

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

(a) 香港財務報告準則第9號「金融工具」(續)

自2018年4月1日起採納香港財務報告準則第9號「金融工具」導致會計政策變動。新會計政策載於下文附註2.11及2.14。根據香港財務報告準則第9(7.2.15)的過渡條款，並無重列比較數字。

然而，本集團已審閱其金融資產及負債，並估計新準則對本集團金融資產及負債並無重大影響。

(i) 分類和計量

於2018年4月1日(香港財務報告準則第9號首次應用日期)，本集團管理層已評估本集團所持有金融資產的業務模式類型，並將金融工具分類至香港財務報告準則第9號項下的恰當類別。金融工具的分類及計量概無變動。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(a) HKFRS 9 Financial Instruments (Continued)

(ii) Impairment of financial assets

The Group's trade receivables, other financial assets carried at amortised cost and financial guarantees are subject to HKFRS 9's new expected credit loss model. The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial. The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under HKAS 39. The impact from the adoption of the new impairment methodology is immaterial to the financial position of the Group as at 1 April 2018 and 31 March 2019.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The adoption of the new impairment methodology did not result in significant increase in loss allowance for trade receivables.

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

(a) 香港財務報告準則第9號「金融工具」(續)

(ii) 金融資產減值

本集團的貿易應收款項、其他按攤銷成本計量的金融資產及財務擔保須遵守香港財務報告準則第9號的新預期信貸虧損模式。本集團須根據香港財務報告準則第9號修訂各類資產的減值方法。儘管現金及現金等價物亦須遵守香港財務報告準則第9號的減值規定，但已確認的減值損失並不重大。新減值模式規定根據預期信貸虧損（「預期信貸虧損」），而非香港會計準則第39號項下僅以已產生信貸虧損確認減值撥備。於2018年4月1日及2019年3月31日，採納新減值方法的影響對本集團財務狀況而言並不重大。

貿易應收款項

本集團應用香港財務報告準則第9號的簡化方法計量預期信貸虧損，即對所有貿易應收款項確認全期預期虧損撥備。採納新減值方法並未造成貿易應收款項虧損撥備大幅增加。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(a) HKFRS 9 Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Debt investments

Debt investments at amortised cost are considered to be low risk, and therefore the impairment provision is determined as 12 months expected credit losses. The adoption of the new impairment methodology did not result in significant increase in loss allowance.

(b) HKFRS 15 Revenue from Contracts with Customers

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 April 2018 which resulted in changes in accounting policies. In accordance with the transition provisions in HKFRS 15, the Group has adopted the modified retrospective method. The impact from the adoption of HKFRS 15 is immaterial to the financial performance of the Group for the year ended 31 March 2019.

2.3 Subsidiaries

2.3.1 Merger accounting for common control combination

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

(a) 香港財務報告準則第9號「金融工具」(續)

(ii) 金融資產減值 (續)

債務投資

以攤銷成本計量的債務投資被視為低風險，因此減值撥備確定為12個月預期信貸虧損。採納新減值方法並未造成減值撥備大幅增加。

(b) 香港財務報告準則第15號「來自客戶合約的收入」

本集團自2018年4月1日起已採納香港財務報告準則第15號「來自客戶合約的收入」，導致會計政策變動。根據香港財務報告準則第15號的過渡條文，本集團採用修訂追溯法。截至2019年3月31日止年度，採納香港財務報告準則第15號對本集團財務表現的影響並不重大。

2.3 附屬公司

2.3.1 共同控制合併的合併會計法

合併財務報表包括進行共同控制合併的匯總實體或業務的財務報表，猶如彼等已於匯總實體或業務首次受控制方控制的當日起已匯總。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Merger accounting for common control combination (Continued)

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

2 主要會計政策概要 (續)

2.3 附屬公司 (續)

2.3.1 共同控制合併的合併會計法 (續)

匯總實體或業務的淨資產乃從控股股東角度以現有賬面值匯總得出。倘控制方權益繼續存在，則不就商譽或者收購公司於被收購公司可識別資產、負債及或然負債公平值淨額中的權益超過共同控制合併的當時成本的部分確認任何數額。

合併損益表包括各匯總實體或業務自最早呈報日期或匯總實體或業務首次受共同控制當日起(以較短期間為準)的業績，而不論共同控制合併的日期。

合併財務報表的比較金額乃按有關實體或業務於上一個結算日或其首次受共同控制時(以較短期間為準)已匯總的假設呈列。

該等實體採用統一的會計政策。匯總實體或業務之間的所有集團內公司間交易、結餘及未變現收益於合併時對銷。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Merger accounting for common control combination (Continued)

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred.

2.3.2 Consolidation

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

Except for the Reorganisation, the Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

2 主要會計政策概要 (續)

2.3 附屬公司 (續)

2.3.1 共同控制合併的合併會計法 (續)

就共同控制合併所產生將以合併會計法入賬的交易成本(包括專業費用、登記費用、向股東發送資料的成本、匯總經營先前的獨立業務所產生的成本或虧損等), 乃於產生的期間內確認為開支。

2.3.2 合併

附屬公司指本集團有權控制的實體(包括結構性實體)。當本集團承受或享有參與實體所得的可變回報, 且有能力透過其對實體的權力影響該等回報時, 則本集團控制該實體。附屬公司在控制權轉移至本集團之日合併入賬。附屬公司在控制權終止之日起停止合併入賬。

除重組外, 本集團應用收購法將業務合併入賬。就收購附屬公司所轉讓的代價乃所轉讓資產、所承擔的負債及本集團發行的股本權益的公平值。所轉讓的代價包括或然代價安排所產生的任何資產或負債的公平值。與收購有關的成本於產生時支銷。業務合併時收購的可識別資產以及承擔的負債及或然負債最初按收購日期的公平值計量。本集團按逐項購買基準按公平值或非控股權益所佔被收購公司淨資產的比例, 確認於被收購公司的任何非控股權益。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries (Continued)

2.3.2 Consolidation (Continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3.3 Separate financial information

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

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

2 主要會計政策概要 (續)

2.3 附屬公司 (續)

2.3.2 合併 (續)

所轉讓代價、被收購公司的任何非控股權益金額及任何先前於被收購公司的股權於收購日期的公平值超逾所收購可識別淨資產公平值的差額，乃入賬列作商譽。倘所轉讓代價、已確認非控股權益及先前持有的權益計量的總額低於所收購附屬公司淨資產的公平值(於議價收購的情況下)，則該差額會直接於合併損益表內確認。

集團內的交易、集團公司間結餘及未變現收益均予以對銷。未變現虧損亦會對銷。附屬公司所報金額已作出必要的調整以確保與本集團會計政策一致。附屬公司的會計政策已在需要時作出修改，以確保與本集團所採納的政策貫徹一致。

2.3.3 獨立財務資料

於附屬公司的投資乃按成本值扣除減值入賬。成本包括投資的直接應佔成本。附屬公司的業績乃由本公司按已收及應收股息的基準入賬。

倘自於附屬公司的投資收取的股息超過宣派股息期間該附屬公司的綜合收入總額，或倘獨立財務報表的投資賬面值超過合併財務報表內投資對象的淨資產(包括商譽)賬面值，則須對該等投資進行減值測試。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Segment reporting

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

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in HK\$ which is the Company’s functional and the Group’s presentation currency.

(b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and bank balances are presented in the consolidated income statement within ‘other losses, net’.

2 主要會計政策概要 (續)

2.4 分部報告

營運分部按照向主要營運決策者(「主要營運決策者」)提供的內部報告方式呈報。主要營運決策者(負責資源調配及評估各營運分部的表現)已確認為作出策略決定的本集團執行董事。

2.5 外幣換算

(a) 功能及呈列貨幣

本集團各實體的財務報表所載的項目乃採用該實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計量。合併財務報表以本公司的功能貨幣及本集團的呈列貨幣港元呈列。

(b) 交易及結餘

外幣交易採用交易日或項目重新計量的估值日的通行匯率換算為功能貨幣。因結算該等交易及按年底匯率兌換以外幣計值的貨幣資產及負債而產生的匯兌盈虧均於合併損益表內確認。

有關借款與現金及銀行結餘的匯兌收益及虧損呈列於合併損益表內「其他虧損淨額」項下。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

(c) Group companies

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2 主要會計政策概要 (續)

2.5 外幣換算 (續)

(c) 集團公司

功能貨幣有別於呈列貨幣的所有本集團實體(並無來自嚴重通貨膨脹經濟體的貨幣)的業績及財務狀況均按以下方式換算為呈列貨幣:

- (i) 於各資產負債表呈列的資產及負債乃按該資產負債表日期的收盤匯率換算;
- (ii) 各損益表的收支乃按平均匯率換算(除非該平均匯率並非為有關交易當日的通行匯率累積影響的合理約數,在該情況下,收支按有關交易當日的匯率換算);及
- (iii) 所有因此而產生的匯兌差額於其他綜合收入確認。

購入外國實體所產生的商譽及公平值調整,乃作為該外國實體的資產及負債處理,並按收盤匯率折算。所產生的匯兌差額於其他綜合收入中確認。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Investment in insurance contracts

The Group invests in certain key management insurance contracts, which contain both investment and insurance elements. The life insurance contracts are initially recognised at the amount of premium paid, and subsequently measured at each balance sheet date at its cash surrender value. Changes to the cash surrender value at each balance sheet date will be recognised in profit or loss as “other losses, net”. In the event of death of the insured person, the surrender of the policies, or the policies mature, the investment will be derecognised and any resulting gains/losses will be recognised in profit or loss.

2.7 Property, plant and equipment

Property, plant and equipment, other than freehold land, are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

2 主要會計政策概要 (續)

2.6 保險合約投資

本集團投資若干包括投資及保險元素在內的主要管理層保險合約。人壽保險以已付保費金額初始確認，隨後於各結算日以現金退保價值計量。於各結算日的現金退保價值變動將於損益中確認為「其他虧損淨額」。倘受保人身故、退保或保單到期，將會取消確認投資，而當中所導致的任何收益／虧損將會於損益中確認。

2.7 物業、廠房及設備

物業、廠房及設備(永久業權土地除外)是按歷史成本減累積折舊和任何減值虧損列賬。歷史成本包括收購項目直接引致的開支。成本亦可能包括物業、廠房及設備外幣購買的合資格現金流量對沖所產生的任何收益或虧損而自權益轉出的部分。

僅當與項目相關的未來經濟利益很可能會流入本集團，且能夠可靠計量項目的成本時，其後成本方會計入資產的賬面值或確認為一項獨立資產(如適用)。重置部分的賬面值取消確認。所有其他維修及保養於其產生的財政期間在合併損益表中扣除。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment (Continued)

Freehold land is not depreciated. Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	2%–4%
樓宇	2%至4%
Leasehold improvements	Shorter of remaining period of the lease or useful life of 5 years
租賃物業裝修	租賃的餘下期限或5年的可使用年期(以較短者為準)
Furniture, fixtures and office equipment	20%
傢俬、固定裝置及辦公設備	20%
Motor vehicles	20%
汽車	20%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within "other losses, net" in the consolidated income statements.

2.8 Construction in progress

Construction in progress represents buildings under construction. Construction in progress is stated at cost, which includes costs of construction and other costs directly attributable to the construction capitalised during the construction period, less accumulated impairment losses. No depreciation is provided in respect of construction in progress until such time as the relevant assets are completed and ready for intended use. Upon completion, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy stated in Note 2.7.

2 主要會計政策概要 (續)

2.7 物業、廠房及設備 (續)

永久業權土地並無折舊。物業、廠房及設備的折舊乃按其估計可使用年期以直線法分配其成本至其剩餘價值，計算如下：

資產之剩餘價值及可使用年期於各報告期末進行檢討及調整(如適用)。

倘資產賬面值高於其估計可收回金額，則資產的賬面值即時撇減至其可收回金額(附註2.10)。

出售收益及虧損透過比較所得款項及賬面值進行釐定，並於合併損益表的「其他虧損淨額」內確認。

2.8 在建工程

在建工程指建築中的樓宇。在建工程以成本(包括建築期間資本化的建築成本及其他直接應佔建築成本)減累計減值虧損列賬。直至相關資產已完成且可作擬定用途時，均不會就在建工程計提折舊。工程完成後，有關成本則會轉撥至物業、廠房及設備，並根據附註2.7所述政策計算折舊。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets

(a) Computer software

Computer software purchased from vendors are initially shown at historical cost and subsequently amortised over their estimated useful lives, which does not exceed three years.

(b) Club membership

Club membership is amortised over its useful life of 20 years and is stated at cost less accumulated amortisation and impairment loss.

2.10 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Investments and other financial assets

(a) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

2 主要會計政策概要 (續)

2.9 無形資產

(a) 電腦軟件

購自賣方的電腦軟件初步以歷史成本列示並隨後按其估計可使用年期攤銷，該年期不會超過三年。

(b) 俱樂部會籍

俱樂部會籍按其20年的可使用年期攤銷，並以成本減累計攤銷及減值虧損列賬。

2.10 非金融資產減值

須攤銷的資產須於發生事件或情況變動顯示其賬面值可能無法收回時進行減值檢討。減值虧損按資產賬面值超出其可收回金額的金額確認入賬。可收回金額指資產公平值減出售成本及使用價值的較高者。就評估減值而言，資產按獨立可識別現金流量(現金產生單位)的最低水平歸類。已減值的非金融資產(商譽除外)於各報告日檢討是否可能撥回減值。

2.11 投資及其他金融資產

(a) 分類

自2018年4月1日起，本集團將其金融資產分類為下列計量類別：

- 其後將按公平值(計入其他綜合收入(「其他綜合收入」)或損益)計量的金融資產；及
- 將按攤銷成本計量的金融資產。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets

(Continued)

(a) Classification (Continued)

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

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

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

(b) Recognition and derecognition

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

(c) Measurement

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

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(a) 分類 (續)

分類視乎本集團用以管理金融資產的業務模式及現金流量的合約條款而定。

至於按公平值計量的資產，損益將記入損益或其他綜合收入。至於非持作買賣的股權工具的投資，將取決於本集團是否已於初步確認時作出不可撤回的選擇，按公平值計入其他綜合收入將股本投資入賬。

本集團只會在改變其用以管理該等資產的業務模式時才將債務投資重新分類。

(b) 確認及取消確認

常規金融資產買賣於交易日（即本集團承諾購買或出售該資產當日）確認。金融資產於自金融資產收取現金流量的權利屆滿或轉讓且本集團已實質上轉移所有權的一切風險及回報時取消確認。

(c) 計量

於初步確認時，本集團按金融資產的公平值加與收購金融資產直接產生的交易成本（倘金融資產並非按公平值計入損益）計量金融資產。按公平值計入損益的金融資產交易成本於損益支銷。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets

(Continued)

(c) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

(d) Impairment

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3.2 for further details.

(e) Accounting policies applied until 31 March 2018

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(c) 計量 (續)

債務工具

債務工具其後計量視乎本集團用以管理資產的業務模式及資產的現金流量特徵而定。倘持有資產目的為收取合約現金流量，而該等資產的現金流量僅為支付本金及利息，則該等資產按攤銷成本計量。來自該等金融資產的利息收入採用實際利率法計入財務收入。終止確認時產生的任何收益或虧損與匯兌收益及虧損一併於損益中直接確認及於其他收益／(虧損)呈列。減值虧損在合併收益表內以單獨項目呈列。

(d) 減值

自2018年4月1日起，本集團按前瞻基準評估與其按攤銷成本列賬的債務工具相關的預期信貸虧損。所應用的減值方法視乎信貸風險是否大增而定。

本集團對貿易應收款項應用香港財務報告準則第9號允許的簡化方法，其規定預期全期虧損自應收款項初始確認起確認，更多詳情見附註3.2。

(e) 截至2018年3月31日應用的會計政策

本集團已追溯應用香港財務報告準則第9號，但已選擇不重列比較資料。因此，所提供比較資料繼續按本集團的過往會計政策入賬。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets

(Continued)

(e) Accounting policies applied until 31 March 2018 (Continued)

Until 31 March 2018 the Group classifies its financial assets in the category of loans and receivables. The classification determined on the purpose for which the financial assets were acquired. Management determined the classification of its financial assets at initial recognition.

(i) Reclassification

The Group could choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset was no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables were permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that was unusual and highly unlikely to recur in the near term. In addition, the Group could choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(e) 截至2018年3月31日應用的會計政策 (續)

截至2018年3月31日，本集團將其金融資產分類為貸款及應收款項類別。分類按獲得金融資產的目的釐定。管理層於初始確認時釐定其金融資產的分類。

(i) 重新分類

如果金融資產不再以近期出售為目的而持有，本集團可以選擇將其從持有待售的金融資產中重新分類為非衍生交易性金融資產。只有在基於近期特殊的、極小可能重複出現的偶然事件發生的情境下，除貸款及應收款項外的金融資產可以從持有待售金融資產中重新分類。此外，如果本集團有意圖及能力將此金融資產持有至可預見的未來或在重新分類日持有至到期，本集團可以選擇將符合貸款及應收款項定義的金融資產從持有待售或可供出售的類別中重新分類。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets

(Continued)

(e) Accounting policies applied until 31 March 2018 (Continued)

(i) Reclassification (Continued)

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

(ii) Subsequent measurement

The measurement at initial recognition did not change an adoption of HKFRS 9, see description above.

Subsequent to the initial recognition, loans and receivables were carried at amortised cost using the effective interest method.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(e) 截至2018年3月31日應用的會計政策 (續)

(i) 重新分類 (續)

重新分類的金融資產以重新分類當日的公平值計量。公平值作為新的成本價或攤銷成本價(如適用)，且重新分類日之前計入的公平值損益在以後期間不可予以回撥。重新分類為貸款及應收款項及持有至到期的金融資產的實際利率在重新分類日決定。未來預計現金流量的增加適時調整實際利率。

(ii) 後續計量

初步確認的計量並不會因採納香港財務報告準則第9號而改變，見上文描述。

經初步確認，貸款及應收款項採用實際利率法以攤銷成本計量。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets

(Continued)

(e) Accounting policies applied until 31 March 2018 (Continued)

(iii) Impairment

The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(e) 截至2018年3月31日應用的會計政策 (續)

(iii) 減值

本集團於各報告期末評估是否有客觀證據，顯示一項金融資產或一組金融資產出現減值。倘因於初步確認資產後發生的一項或多項事件（「虧損事件」）而出現客觀減值證據，而該項虧損事件（或多項虧損事件）對一項金融資產或一組金融資產的估計未來現金流量的影響能可靠地估計時，則該項金融資產或該組金融資產方為出現減值，並產生減值虧損。倘若是分類為可供出售股本投資，則抵押品公平值大幅或持續跌至低於其成本被視為資產減值的跡象。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets

(Continued)

(e) Accounting policies applied until 31 March 2018 (Continued)

(iii) Impairment (Continued)

Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the Group could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

Impairment testing of trade receivables is described in note 3.2.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(e) 截至2018年3月31日應用的會計政策 (續)

(iii) 減值 (續)

按攤銷成本列賬的資產就貸款及應收款項而言，虧損金額以該資產的賬面值與按金融資產原實際利率貼現的估計未來現金流量(不包括未產生的未來信貸虧損)現值的差額計量。資產賬面值予以扣減，虧損金額則於損益中確認。倘若貸款或持至到期投資設有浮動利率，則計量任何減值虧損的貼現率為合約下所釐定的當前實際利率。作為可行的權宜辦法，本集團可使用可觀察市價計量工具的公平值減值。

倘減值虧損金額於其後期間減少，而該減少從客觀角度與確認減值後發生的事件有關(如債務人的信貸評級提高)，則於損益確認撥回之前已確認的減值虧損。

貿易應收款項減值測試於附註3.2載述。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.13 Inventories

Inventories represented artworks that opportunistically purchased by the Group and are stated at the lower of cost and net realisable value. Costs of purchase of these artworks are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.14 Trade and other receivables

Trade receivables represent commission receivables and related services fees receivables that are due from buyers and sellers as a result of the auctions conducted by the Group. Trade receivables also included those arising from direct artwork sales conducted by the Group. The Group grants credit period of 7 days for commission receivables and 30 days for receivables from artwork sales. Receivables are generally due for settlement within credit periods granted by the Group and are all classified as current.

Upon completing the auction, the Group is obliged to collect from the buyers the hammer price amounts for artworks sold. Such receivables are classified as "receivables from buyers in respect of auction and related business" and due for settlement within 7 days of recognition according to the terms of the contracts with the buyers.

2 主要會計政策概要 (續)

2.12 抵銷金融工具

當有法定可執行權利可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表報告其淨額。法定可執行權利不得以未來事件而定，而須可於正常業務過程中以及一旦公司或對手方違約、無償債能力或破產時強制執行。

2.13 存貨

存貨指本集團趁機購買的藝術品，並按成本值與可變現淨值較低者列賬。購買該等藝術品的成本值乃扣除回扣及折扣後釐定。可變現淨值為日常業務過程中的估計售價減去進行出售所需的估計成本。

2.14 貿易及其他應收款項

貿易應收款項指因本集團舉行的拍賣而應收買家及賣家的佣金及應收相關服務費用。貿易應收款項亦包括來自本集團舉行的直接藝術品銷售的款項。本集團就應收佣金而授出7天的信貸期，並就應收藝術品銷售款項而授出30天的信貸期。該等應收款項一般須於本集團授出的信貸期內結付，並全部分類為流動。

於拍賣完成時，本集團須向買家收取售出藝術品的落槌價。該等應收款項分類為「應收買家拍賣及相關業務款項」，並須根據與買家訂立的合約條款於確認後7天內結付。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Trade and other receivables (Continued)

Other receivables that are realised as part of the Group's normal operating cycle are classified as current assets even when they are not expected to be realised within 12 months after the reporting period. The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in the form of cash or cash equivalents.

Trade and other receivables are recognised initially at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 3.2 for a description of the Group's impairment policies.

2.15 Cash and bank balances

For the purpose of presentation in the statement of cash flows, cash and bank balances includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 主要會計政策概要 (續)

2.14 貿易及其他應收款項 (續)

變現為本集團正常營運週期的一部分的其他應收款項分類為流動資產，即使該等應收款項預期不會於報告期間後12個月內變現。一個實體的營運週期為收購資產作加工與其變現為現金或現金等價物之間的時間。

貿易及其他應收款項最初按公平值確認。本集團持有貿易應收款項的目標是收集合約現金流量，因此其後使用實際利率法按攤銷成本計量。有關本集團減值政策的說明，請參閱附註3.2。

2.15 現金及銀行結餘

就編製現金流量表而言，現金及銀行結餘包括手頭現金、金融機構活期存款、其他短期高流動性投資（原定到期日為三個月或以下，隨時可轉換為已知金額的現金及價值變動風險不大者）。

2.16 股本

普通股會被分類為權益。

發行新股或購股權直接應佔的增量成本會在權益中呈列為所得款項的減少（扣除稅項）。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Trade and other payables

Trade payables represent obligations to pay for services from suppliers in the ordinary course of business and amounts due to sellers of artworks purchased by the Group for trading purpose.

Upon completing the auction, the Group is required to remit the hammer price amounts for artworks sold to sellers upon receiving the corresponding amounts from the buyer and such payables are classified as “payables to sellers in respect of auction and related business”. These unpaid balances as at period end are unsecured and are usually paid within 35 days upon receiving the hammer price amount. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fees are deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fees are capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 主要會計政策概要 (續)

2.17 貿易及其他應付款項

貿易應付款項指就供應商於日常業務過程中所提供服務付款的責任及本集團就買賣用途購買藝術品而應付賣家的款項。

於拍賣完成時，本集團在向買家收取相關款項後，須把已成交藝術品的落槌價支付予賣家，而該等應付款項分類為「應付賣家拍賣及相關業務款項」。於期末的該等未付結餘為無抵押，一般須於收取落槌價款項後35天內支付。除非款項並非於報告期後12個月內到期，否則貿易及其他應付款項乃呈列為流動負債。其初步按公平值確認及隨後使用實際利率法按攤銷成本計量。

2.18 借款

借款初步按公平值扣除所產生的交易成本確認。借款其後按攤銷成本計量。所得款項(扣除交易成本)與贖回金額之間的任何差額以實際利率法於借款期間於損益中確認。

在融資很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無證據顯示該融資很有可能部分或全部提取的情況下，該費用將資本化為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團具有無條件權利將負債的結算遞延至報告期末後最少12個月，否則借款歸類為流動負債。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Borrowing costs

General and specific 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.

2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 主要會計政策概要 (續)

2.19 借款成本

直接歸屬於收購、興建或生產合資格資產(即為需要頗長時間方可用作擬定用途或出售的資產)的一般及特定借款成本乃計入該等資產的成本，直至資產大體上可用作擬定用途或出售為止。

所有其他借款成本在產生期內的損益中確認。

2.20 當期及遞延所得稅

期內所得稅開支或抵免指根據各司法權區的適用所得稅率按當期應課稅收入支付的稅項，而有關所得稅率經暫時差額及未動用稅項虧損所致的遞延稅項資產及負債變動調整。

(a) 當期所得稅

當期所得稅開支按結算日本公司附屬公司經營並產生應課稅收入所在的國家已頒佈或實質頒佈的稅法計算。管理層定期評估報稅表中對於有關須詮釋的適用稅務規例的立場。管理層亦根據預期須向稅務機關支付的金額計提適當的撥備。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax (Continued)

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, and the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(c) Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 主要會計政策概要 (續)

2.20 當期及遞延所得稅 (續)

(b) 遞延所得稅

遞延所得稅以負債法按資產及負債的稅基與其於財務報表內的賬面值的暫時差額確認。然而，倘遞延稅項負債源自商譽的初步確認，則不會確認遞延稅項負債，倘遞延所得稅源自首次確認業務合併以外交易中的資產或負債，而交易時並不影響會計及應課稅損益，則遞延所得稅不會入賬。遞延所得稅採用結算日前已頒佈或實質頒佈的稅率(及稅法)釐定，預期該等稅率(及稅法)在有關遞延所得稅資產變現或遞延所得稅負債獲清償時適用。

遞延稅項資產僅在可能有未來應課稅金額以動用該等暫時差額及虧損時予以確認。

對於外國業務投資的賬面值與稅基之間的暫時差額，倘本公司可以控制暫時差額的撥回時間，以及暫時差額在可見將來很可能不會撥回，則不會確認遞延稅項負債及資產。

(c) 抵銷

當有法定可執行權利將當期稅項資產與負債抵銷，而遞延稅項結餘與同一稅務機構相關時，則可將遞延稅項資產與負債抵銷。當實體有法定可執行權利抵銷且有意按淨額基準結算或同時變現資產及清償負債時，則當期稅項資產與稅項負債抵銷。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2 主要會計政策概要 (續)

2.21 撥備及或然負債

當本集團因過往事件須承擔現有的法律或推定責任，而履行有關責任可能需要資源流出，並可對有關金額作可靠估計，則確認撥備。並無就未來經營虧損確認撥備。

倘存在多項相若責任，結付時是否可能需要資源流出，須考慮整體責任的類別而定。即使同一類別的任何一項責任導致資源流出可能性極低，亦須確認撥備。

撥備採用稅前比率按照預期需履行有關責任的開支現值計量，該比率反映當時市場對金錢時間值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息開支。

或然負債乃因過往事件可能產生的責任，而其存在與否僅能透過發生或未有發生一宗或以上本集團不能完全控制的不明朗未來事件確定。或然負債亦可能是因不大可能須流出經濟資源或未能可靠計量有關責任金額而不予確認的過往事件所產生的現時責任。

或然負債不予確認，但已在合併財務報表附註中披露。當流出資源的可能性有變，致使可能流出資源，則或然負債將被確認為撥備。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Revenue recognition

(a) Commission revenue

The Group earns commission revenue from both buyer and seller through the auction sales in which the Group mainly acts as the role of auctioneer as well as promoting the sales through professional marketing techniques provided. The commission revenue is calculated as a percentage of the hammer price of the artwork sold at the auction in accordance with the contracts between the Group and the buyer and the seller. The Group also recorded revenue generated from private sales arranged by the Group on behalf of the consignors. The Group may act as an agent by matching the needs of consignors to those of buyers by private sales. In return, the Group collect commissions which are determined through negotiation with both buyers and sellers, usually representing the difference between the purchase price paid by the buyers and the selling price as pre-agreed by the sellers and the Group.

The Group's entitlement to commission income includes an element of consideration that is variable or contingent on the outcome of future events. Actual commission income to be received is dependent upon, among others, the completion of transaction between buyers and sellers; and price concession based on customary industry practice. Prior to the adoption of HKFRS 15, the Group recognised revenue upon the completion of the auction sale as evidenced by the fall of auctioneer's hammer and when the collectability of the related receivables from the buyer is reasonably assured. For private sales, commission revenue is recognised upon completion of the private sale and when there is high degree of confidence that revenue will not be reversed in a subsequent reporting period.

2 主要會計政策概要 (續)

2.22 收入確認

(a) 佣金收入

本集團透過拍賣銷售向買家及賣家賺取佣金收入，而本集團在拍賣銷售當中主要擔當拍賣官的角色，以及透過所提供的專業營銷技術推廣銷售。佣金收入乃按照本集團與買家及賣家所訂立的合約，於拍賣售出藝術品的落槌價的百分比而計算得出。本集團亦錄得來自本集團代表委託人安排的私洽產生的收入。本集團在私洽中擔任代理人，配對委託人與買家的需求。本集團從中收取佣金作為回報，佣金率按買家與賣家磋商而定，一般是買家支付的購買價與賣家與本集團事先協定的售價之間的差額。

本集團收取佣金收入的權利包括代價的元素，其根據未來事件結果而有所變動或取決於該等事件。將收取的實際佣金收入視乎(其中包括)買賣雙方之間完成交易及根據行業慣例的價格優惠。於採納香港財務報告準則第15號前，本集團於拍賣官落槌證實拍賣銷售完成後以及可合理地確保相關應收款項可自買方收回時，確認收益。就私洽而言，於完成私洽及倘在其後報告期間將不能撥回收益的可信度極高時確認佣金收入。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Revenue recognition (Continued)

(a) Commission revenue (Continued)

Under HKFRS 15, the Group is required to estimate the amount of consideration to which it will be entitled from the provision of auction services and private sales. The estimated amount of variable consideration will be included in the transaction price only to the extent that it is highly probable taking into consideration of the risk of fallen through and price concession based on customary industry practice, that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(b) Revenue from other services relating to auctions

In relation to the auctions organised, the Group also earns other services income from catalogue preparation, or insurance charged to the sellers for artworks in preparation for and placed in the auctions, and they are recognised as revenue when the related services are rendered.

(c) Revenue from artwork sales

Revenue from sale of artworks is recognised upon transferring control of goods to customers, which generally coincides with the time when the goods are delivered to customers and title has passed.

2.23 Interest income

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

2 主要會計政策概要 (續)

2.22 收入確認 (續)

(a) 佣金收入 (續)

根據香港財務報告準則第15號，本集團須估計其提供拍賣服務及私洽將收取的對價金額。估計之可變對價只會在已考慮行業慣例中的取消交易和減價風險後，及當與可變對價相關之不穩定因素其後獲得解決，已確認累積收入之金額將不會出現重大回撥才包括在交易價格中。

(b) 與拍賣相關其他服務的收入

就所舉辦的拍賣會而言，本集團亦自編製圖錄或為籌備拍賣及就置於拍賣會的藝術品而向賣家收取的保費中賺取其他服務收入，並於提供相關服務時確認為收入。

(c) 藝術品銷售收入

藝術品銷售收入於商品的控制權轉移予客戶(一般與貨品向客戶交付及所有權轉交的時間相符)時確認。

2.23 利息收入

利息收入以實際利率法按時間比例確認。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(b) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Employees of the Group are covered by various government-sponsored defined contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no obligation for post-retirement benefits beyond the contributions made.

The contributions are recognised as employee benefit expense when they are due.

2 主要會計政策概要 (續)

2.24 僱員福利

(a) 短期責任

僱員直至報告期末的服務獲確認工資及薪金負債(包括預期在僱員提供相關服務期間結束後12個月內悉數結算的非貨幣福利及累計病假),並按結算有關負債預期支付的金額計量。負債於合併資產負債表內呈列為當期僱員福利責任。

(b) 退休金責任

定額供款計劃為本集團須向獨立實體支付固定供款的退休金計劃。倘基金資產於本期間或過往期間並不足以向所有僱員支付與僱員服務有關的福利,則本集團概無任何法律或推定責任支付額外供款。本集團員工參與多個獲政府資助的定額供款退休金計劃,據此,員工有權享有每月按若干公式計算的退休金。相關政府機構有責任向此等退休員工支付退休金。本集團每月向此等退休金計劃供款。根據此等計劃,除所作供款外,本集團並無其他退休後福利責任。

供款於到期時確認為員工福利開支。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Employee benefits (Continued)

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(d) Share-based compensation

The Group operates share option scheme under which the Group receives services from employees as consideration for equity instruments of the Company.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options as at the date of grant: (i) including any market performance conditions; (ii) excluding the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets); and (iii) including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

2 主要會計政策概要 (續)

2.24 僱員福利 (續)

(c) 僱員應享假期

僱員應享年假於有關假期累計予僱員時確認。本集團為僱員直至結算日止就已提供服務所產生年假的估計負債作出撥備。

(d) 以股份為基礎的酬金

本集團實行購股權計劃，據此，本集團獲取僱員提供的服務作為本公司股本工具的對價。

僱員為獲取購股權而提供的服務的公平值確認為費用。該等予以支銷的總金額參考於授出日期的購股權的公平值釐定：(i)包括任何市場表現條件；(ii)不包括任何服務及非市場表現歸屬條件的影響（例如：盈利能力及銷售增長目標）；及(iii)包括任何非歸屬條件的影響（例如規定僱員儲蓄或於指定時段持有股份）。非營銷歸屬條件計入有關預期將歸屬的購股權數目的假設中。總開支於歸屬期間（所有特定歸屬條件將獲達成的期間）確認。於各報告期末，本集團會根據非營銷歸屬條件修改其估計預期將歸屬的購股權數目，並於合併損益表內確認修改原來估計數字（如有）的影響，以及須對權益作出的相應調整。

倘購股權獲行使，本公司將發行新股。任何扣除直接應佔交易成本的已收所得款項入賬計入股本。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

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

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

2.26 Dividend distribution

Dividend distribution to the Company's Shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2 主要會計政策概要 (續)

2.25 租賃

凡擁有權的大部分風險及回報由出租人保留的租賃，均列作經營租賃。根據經營租賃(扣除出租人給予的任何優惠)作出的付款按租期以直線法自合併損益表扣除。

本集團租賃若干物業、廠房及設備。如本集團承受擁有權的絕大部分風險和回報，則物業、廠房及設備的租賃歸類為融資租賃。融資租賃在租賃開始時，按租賃物業的公平值或最低租賃付款現值兩者之中較低者資本化。

每項租賃付款均分攤為負債及融資費用。相應租賃責任在扣除融資費用後計入其他短期及長期應付款項。財務成本的利息部分於租期內在合併損益表中扣除，以計算出每期剩餘負債的固定周期利率。根據融資租賃而獲得的物業、廠房及設備按資產的可使用年期或租期兩者之中較短者計提折舊。

2.26 股息分派

向本公司股東作出的股息分派於本集團期內合併財務報表確認為負債，當中股息獲本公司股東或董事(倘適用)批准。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Financial guarantees

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

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

2 主要會計政策概要 (續)

2.27 財務擔保

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債項工具的條款於到期時還款而蒙受的損失，而向持有人支付特定款項以作賠償的合約。

所發出的財務擔保初始按公平值確認，乃參照類似服務在公平磋商交易的過程中所收取的費用(如可獲得該等資料)而釐定，或參照息差釐定，方法是以放款人在接受擔保的情況下實際收取的利率與不接受擔保的情況下放款人將會收取的估計利率作比較(如該等資料能可靠地估計)。倘在發出擔保收取或可收取代價，代價則根據適用於該類資產的本集團政策而予確認。倘並無收取或應收代價，則於損益確認即時開支。

初始確認後，初始確認為遞延收入的款項於擔保期內作為所發出財務擔保的收入於損益內攤銷。



3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

3.1 Market risk

(a) Foreign exchange risk

The Company mainly operates in Hong Kong and Japan with transactions mainly settled in HK\$ and Japanese Yen ("JPY"). Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group entity's functional currency.

As the assets and liabilities of each company within the Group are mainly denominated in the respective company's functional currency, the directors are of the opinion that the Group's volatility of its profits against reasonably possible changes in exchange rates of foreign currencies would not be significant.

(b) Cash flow interest rate risk

The Group's interest rate risk arises from bank borrowings. The Group's bank borrowings which are carried at floating rates expose the Group to cash flow interest rate risk. The Group has not entered into any interest rate swaps to hedge its exposure to interest rate risk.

As at 31 March 2019, if the interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, the profit before tax for the year would have been approximately HK\$343,000 lower/higher (2018: HK\$140,000 lower/higher), mainly as a result of higher/lower interest expense on floating-rate borrowings.

3 財務風險管理

本集團的活動令其面對各類財務風險：市場風險（包括外匯風險及現金流量利率風險）、信貸風險及流動資金風險。本集團的整體風險管理政策主要針對金融市場不可預測的特性，並務求將對本集團財務表現構成的潛在不利影響降至最低。

3.1 市場風險

(a) 外匯風險

本公司主要在香港及日本營運，交易主要以港元及日圓（「日圓」）結付。當未來商業交易或已確認資產或負債以集團實體的功能貨幣以外的貨幣計值時，將產生外匯風險。

由於本集團各公司的資產及負債均主要以其功能貨幣計值，董事認為外幣匯率的合理可能變動對本集團之溢利不穩定性並無嚴重的影響。

(b) 現金流量利率風險

本集團的利率風險來自銀行借款。本集團以浮動利率計息的銀行借款令本集團面對現金流量利率風險。本集團並無使用任何利率掉期以對沖所承受的利率風險。

於2019年3月31日，假設所有其他變數維持不變，倘借款利率上升/下跌100個基點，年度除稅前溢利將減少/增加約343,000港元（2018年：減少/增加140,000港元），主要由於浮動利率借款的利息開支增加/減少。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk

The carrying amounts of cash and cash equivalents, bank deposits, trade and other receivables and amount due from a related company included in the consolidated financial statements represent the Group's maximum exposure to credit risk in relation to its financial assets. The Company had given guarantees to financial institutions in connection with the banking facilities granted to its subsidiary as set out in note 28, which would expose the Group or the Company to credit risk. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem.

(a) Risk management

Cash and cash equivalents and bank deposits were deposited in the major financial institutions in Hong Kong, Japan, Taiwan and the PRC, which the directors believe are of high credit quality.

The Group established policies to ensure that revenue from art auction and related business and artwork sales are made to customers with an appropriate credit history and the Group assesses the credit worthiness and financial strength of its customers as well as considering prior transaction history with the customers and volume of sales. Refer to Note 19 for ageing analysis of trade receivables. Management makes periodic collective assessment as well as individual assessment on the recoverability of trade and other receivables based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any disputes with the debtors. If the other receivables from buyers in respect of auction and related business has not been received, the Group is not obligated to pay the corresponding other payables to sellers in respect of auction and related business. If the buyer defaults on payment, the sale may be cancelled, and the auction lots will be returned to the seller. Both of the other receivables and other payables in respect of auction and related business in relation to such cancelled sales shall be derecognised simultaneously. As such, management believes the credit risk relating to other receivables in respect of auction and related business is not significant.

3 財務風險管理(續)

3.2 信貸風險

合併財務報表內的現金及現金等價物、銀行存款、貿易及其他應收款項以及應收關聯公司款項之賬面值，代表本集團就其金融資產承擔的最高信貸風險。本公司已就其附屬公司獲授銀行融資向金融機構作出擔保(載於附註28)，因而令本集團或本公司面臨信貸風險。本集團管理信貸風險措施的目的為控制可收回性問題的潛在風險。

(a) 風險管理

現金及現金等價物及銀行存款存放於董事認為擁有高信貸質素的香港、日本、台灣及中國的大型金融機構。

本集團訂有政策以確保來自藝術品拍賣及相關業務以及藝術品銷售的收入乃向信貸記錄恰當的客戶作出，而本集團評估客戶的信譽度及財務實力，並考慮客戶的交易往績及銷售量。有關貿易應收款項的賬齡分析，請參閱附註19。管理層根據債務人的過往付款記錄、逾期期間長短、財務實力以及與債務人可能存在的任何爭議，對貿易及其他應收款項的可收回性定期進行集體評估及個別評估。倘其他應收買家拍賣及相關業務款項尚未收取，本集團毋須就拍賣及相關業務向賣家支付相關其他應付款項。倘買家未能支付，銷售可能會取消，而拍品將退回予賣家。就該等已取消銷售而言，其他應收及應付拍賣及相關業務款項須同時取消確認。因此，管理層相信與其他應收拍賣及相關業務款項有關的信貸風險並不重大。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

(a) Risk management (Continued)

For financial guarantee, the Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than its carrying amount (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

3 財務風險管理(續)

3.2 信貸風險(續)

(a) 風險管理(續)

就財務擔保而言，本集團監察特定債務人違約之風險，並於財務擔保之預期信貸虧損釐定為高於其賬面值時(即初始確認數額減去累計攤銷)確認撥備。

為釐定預期信貸虧損，本集團將考慮自發行擔保以來特定債務人違約風險之變動。本集團將計量十二個月之預期信貸虧損，除非自發行擔保以來特定債務人違約之風險大幅增加，則在這種情況下，將計量全期預期信貸虧損。由於本集團僅在特定債務人違約之情況下根據擔保工具之條款進行付款，因此，根據預期付款以償還持有人之信貸損失，再減去本集團預期從擔保持有人、特定債務人或任何其他方獲得之任何數額，藉以估計預期信貸虧損。相關數額乃使用就現金流量特定風險已作出調整之當前無風險貼現率貼現計算。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk

(b) Impairment of financial assets

The Group's trade receivables and other financial assets carried at amortised cost are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 month before 31 March 2019 or 1 April 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

3 財務風險管理(續)

3.2 信貸風險

(b) 金融資產減值

本集團的貿易應收款項及其他按攤銷成本列賬的金融資產須應用預期信貸虧損模式。雖然現金及現金等價物亦須遵守香港財務報告準則第9號的減值規定，惟已識別減值虧損並不重大。

貿易應收款項

本集團應用香港財務報告準則第9號簡化法計量預期信貸虧損，該方法就所有貿易應收款項使用全期預期虧損撥備。

為計量預期信貸虧損，貿易應收款項根據共同信貸風險特徵及逾期日數分類。

預期虧損率乃分別根據於2019年3月31日或2018年4月1日前12個月期間之銷售付款情況及於該期間經歷之相應過往信貸虧損計算。過往虧損率乃經調整以反映影響客戶結清應收款項能力的宏觀經濟因素之現時及前瞻性資料。本集團已將其銷售貨品及服務所在國家的國內生產總值識別為最相關因素，因此根據該等因素的預期變化調整過往虧損率。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Trade receivables (Continued)

On that basis, the loss allowance as at 31 March 2019 was determined as follows for trade receivables:

		Current	Past due within 30 days	Past due 1 to 3 months	Past due 3 to 6 months	Past due 6 to 12 months	Past due over 1 year	Total
		即期	於30日內逾期	於1至3個月逾期	於3至6個月逾期	於6至12個月逾期	超過1年逾期	總計
Expected loss rate	預期虧損率	0%-0.2%	0%-0.4%	0%-1.6%	0%-5.2%	0%-47.2%	0%-47.2%	
Gross carrying amount	賬面總值 — 貿易應收款項(千港元)	14,000	22,328	—	6,919	4,301	26	47,574
Loss allowance	虧損撥備(千港元)	—	108	—	—	420	12	540

The impact from the adoption of the new impairment methodology is immaterial to the financial position of the Group as at 1 April 2018 and 31 March 2019.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 360 days past due.

3 財務風險管理(續)

3.2 信貸風險(續)

(b) 金融資產減值(續)

貿易應收款項(續)

故此，貿易應收款項於2019年3月31日的虧損撥備釐定如下：

採用新減值方法對本集團於2018年4月1日及2019年3月31日財務狀況的影響並不重大。

當合理預期無法收回時撇銷貿易應收款項。合理預期無法收回的指標包括債務人未能遵從本集團的還款計劃，以及逾期超過360日未能作出合約付款。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Trade receivables (Continued)

Impairment losses on trade receivables are presented as net impairment losses within the consolidated income statement. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets carried at amortised cost are considered to low risk, and therefore the impairment provision is determined as 12 months expected credit losses. The adoption of the new impairment methodology did not result in significant increase in loss allowance.

3.3 Liquidity risk

The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Group expects to fund the future cash flow needs through internally generated cash flows from operations, and borrowings from financial institutions. Regarding other payables to sellers in respect of auction and related business, the Group is not obligated to pay the seller until the other receivables from buyers in respect of auction and related business are collected. If the buyer defaults on payment, the sale may be cancelled, and the auction lots will be returned to the seller, and both of the other receivables and payables in respect of auction and related business in relation to such cancelled sales shall be derecognised simultaneously.

3 財務風險管理(續)

3.2 信貸風險(續)

(b) 金融資產減值(續)

貿易應收款項(續)

貿易應收款項減值虧損於合併收益表中呈列作減值虧損淨額。其後收回先前撇銷的款項於同一欄目入賬。

按攤銷成本列賬的其他金融資產視為低風險，因此，減值撥備釐定為12個月預期信貸虧損。採用新減值方法並無導致虧損撥備大幅增加。

3.3 流動資金風險

本集團對流動資金需求的滾動預測進行監控，確保在隨時維持足夠備用的未提取承諾借款融資的同時，持有足夠現金滿足經營需求，以使本集團不超過借款額度或違反任何借款融資的契諾(如適用)。本集團預計以內部產生的經營所得現金流量及金融機構借款為未來現金流量需求提供資金。就其他應付賣家拍賣及相關業務款項而言，本集團毋須向賣家付款，直至收取其他應收買家拍賣及相關業務款項為止。倘買家未能支付，銷售可能會取消，而拍品將退回予賣家。就該等已取消銷售而言，其他應收及應付拍賣及相關業務款項須同時取消確認。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity grouping based on the remaining period at each of the consolidated balance sheet dates to the respective contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

		On demand 按要求 HK\$'000 千港元	Less than 1 year 少於一年 HK\$'000 千港元	Between 1 and 2 years 一至兩年 HK\$'000 千港元	Between 2 and 5 years 兩至五年 HK\$'000 千港元	Over 5 years 超過五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 March 2019	於2019年3月31日						
Trade and other payables	貿易及其他應付款項	—	210,315	—	6,884	—	217,199
Finance lease liabilities and interest payments	融資租賃負債及利息款項	—	435	276	87	—	798
Bank borrowings and interest payments	銀行借款及利息款項	—	32,479	2,406	200	—	35,085
		—	243,229	2,682	7,171	—	253,082
As at 31 March 2018	於2018年3月31日						
Trade and other payables	貿易及其他應付款項	—	353,888	—	—	6,149	360,037
Amounts due to the Controlling Shareholder	應付控股股東款項	1,640	10,046	—	—	—	11,686
Amount due to a former director	應付前董事款項	1,000	—	—	—	—	1,000
Finance lease liabilities and interest payments	融資租賃負債及利息款項	—	492	440	371	—	1,303
Bank borrowings and interest payments	銀行借款及利息款項	—	44,090	1,496	2,656	—	48,242
		2,640	408,516	1,936	3,027	6,149	422,268

3.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in long term.

3 財務風險管理 (續)

3.3 流動資金風險 (續)

下表為根據於各合併資產負債表日期的剩餘期間至相關合約到期日為止按相關到期組別對本集團按淨額結算的金融負債所作的分析。表內披露的金額為訂約未貼現現金流量。

3.4 資本風險管理

本集團管理資本旨在保障本集團持續經營的能力，藉以回報股東及為其他持份者提供利益，同時維持最佳資本架構以長期提升股東價值。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Capital risk management (Continued)

The Group's monitors capital by regularly reviewing the capital structure. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on basis of the gearing ratio. This ratio is calculated as total debts divided by total capital. Total debts are calculated as total borrowings and finance lease liabilities. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus debts.

The gearing ratio at 31 March 2019 is as follows:

3 財務風險管理(續)

3.4 資本風險管理(續)

本集團通過定期檢討資本架構藉以監管資本。作為該項檢討的一環，本公司董事會考慮資本成本及與已發行股本有關的風險。本集團或會調整向股東派付的股息金額、向股東返還資本、發行新股份或出售資產以降低債務。

與業內其他公司一樣，本集團利用資產負債比率監察其資本。該比率按照債務總額除以總資本計算所得。債務總額按總借款及融資租賃負債計算。總資本為合併資產負債表所列的「權益」另加債務。

於2019年3月31日的資產負債比率如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Borrowings (Note 24)	借款(附註24)	35,042	48,065
Finance lease liabilities (Note 24)	融資租賃負債(附註24)	781	1,260
Total debt	債務總額	35,823	49,325
Total capital	總資本	322,711	159,734
Gearing ratio	資產負債比率	11.1%	30.9%



3 FINANCIAL RISK MANAGEMENT (Continued)

3.5 Fair value estimation

The carrying amounts of the Group's current financial assets, including cash and cash equivalents, short-term bank deposits, trade and other receivables, deposits and amount due from a related company and the Group's current financial liabilities, including trade and other payables, borrowings, finance lease liabilities, amount due to the Controlling Shareholder and amount due to a former director, approximate their fair values due to their short maturities.

3.6 Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset as at 31 March 2019 and 2018.

3 財務風險管理(續)

3.5 公平值估計

由於本集團流動金融資產(包括現金及現金等價物、短期銀行存款、貿易及其他應收款項、按金及應收關聯公司款項)及本集團流動金融負債(包括貿易及其他應付款項、借款、融資租賃負債、應付控股股東款項及應付前董事款項)將於短期內到期，故其賬面值與公平值相若。

3.6 抵銷金融資產及金融負債

下表呈列於2019年及2018年3月31日抵銷的已確認金融工具。

Effects of offsetting on the balance sheet 抵銷對資產負債表的影響

		Gross amounts 總額 HK\$'000 千港元	Gross amounts set off in the balance sheet 於資產負債表 抵銷的總額 HK\$'000 千港元	Net amounts presented in the balance sheet 呈列於資產負 債表的淨額 HK\$'000 千港元
As at 31 March 2019	於2019年3月31日			
Financial assets	金融資產			
Trade receivables	貿易應收款項	72,238	(24,441)	47,797
Total	總計	72,238	(24,441)	47,797
Financial liabilities	金融負債			
Payables to sellers in respect of auction and related business	就拍賣及相關業務 應付賣家的款項	(221,967)	24,441	(197,526)
Total	總計	(221,967)	24,441	(197,526)
As at 31 March 2018	於2018年3月31日			
Financial assets	金融資產			
Trade receivables	貿易應收款項	110,192	(34,213)	75,979
Total	總計	110,192	(34,213)	75,979
Financial liabilities	金融負債			
Payables to sellers in respect of auction and related business	就拍賣及相關業務 應付賣家的款項	(382,248)	34,213	(348,035)
Total	總計	(382,248)	34,213	(348,035)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

4.1 Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for the Group's 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. Management will revise the depreciation charges where useful lives are different to that of previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in future periods.

4 重大會計估計及判斷

本集團持續評估及根據過往經驗及其他因素作出估計及判斷，包括在有關情況下對未來事件的合理預期。

本集團就未來作出估計及假設，而所得會計估計難免有機會偏離實際結果。下文論述可能會有較大風險導致於下個財政年度內對資產及負債之賬面值作出重大調整的估計及假設。

4.1 物業、廠房及設備之估計可使用年期及剩餘價值

本集團的管理層就本集團的物業、廠房及設備釐定估計可使用年期、剩餘價值以及相關折舊費用。此項估計以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為基準。當可使用年期有別於過往預計，管理層會修訂折舊費用，或撤銷或撇減已棄置或出售之技術性陳舊或非策略性資產。實際經濟年期可能有別於估計可使用年期及實際剩餘價值可能有別於估計剩餘價值。定期審閱或可導致折舊年期及剩餘價值變動，因而影響未來期間的折舊開支。



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 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. Write-downs of inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the period in which such estimate has been changed. Management reassesses these estimates at each balance sheet date.

4.3 Current and deferred income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

4 重大會計估計及判斷(續)

4.2 存貨之可變現淨值

存貨之可變現淨值乃根據於日常業務過程中之估計售價減估計銷售開支計算。該等估計乃以現行市況及銷售相若性質產品的過往經驗為依據。倘發生事件或情況變動顯示結餘可能無法變現時，將記錄存貨撇減。識別撇減情況時須作出判斷及估計。當預期之金額與原定估計有差異時，則有關差異將影響於該估計出現變動期間內存貨之賬面值及撇減。管理層於各結算日重新評估該等估計。

4.3 當期及遞延所得稅

本集團於多個司法權區須繳付所得稅，並於釐定各有關司法權區的所得稅撥備時須作出重大判斷。日常業務過程中會有不能明確作最終稅項釐定的交易及計算。倘有關事宜的最終評稅結果有別於初步記錄的數額，則有關差額會影響作出有關決定期間的所得稅及遞延所得稅撥備。

倘管理層認為可能有未來應課稅溢利抵銷暫時差額或稅項虧損，則會確認有關若干暫時差額及稅項虧損的遞延所得稅資產。倘預期與原先估計不同，則差額會影響估計更改期間的遞延所得稅資產及稅項費用確認。



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.4 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in note 3.2.

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Group ("CODM") that make strategic decisions. The CODM assesses the performance of the operating segments based on a measure of gross profit for the purpose of allocating resources.

The management has identified two operating segments based on the types of revenues, namely (i) operation of art auction and related business and (ii) artwork sales.

4 重大會計估計及判斷(續)

4.4 金融資產減值

金融資產虧損撥備乃根據違約風險及預期虧損率的假設計量。本集團於各報告期末根據過往經驗、現有市況以及前瞻性估計，使用判斷作出該等假設及挑選輸入數據，以計算減值。所用主要假設及輸入數據的詳情於附註3.2的表格披露。

5 分部資料

本集團執行董事被視為作出策略決策的主要經營決策者(「主要經營決策者」)。主要經營決策者根據毛利計量評估經營分部的表現，以分配資源。

管理層已基於收入類別識別兩個經營分部，分別為(i)藝術品拍賣及相關業務經營；及(ii)藝術品銷售。



5 SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the years ended 31 March 2019 and 2018 are as follows:

5 分部資料(續)

於截至2019年及2018年3月31日止年度，呈交主要經營決策者的分部資料如下：

Year ended 31 March 2019	截至2019年3月 31日止年度	Operation of art auction and related business 藝術品拍賣及 相關業務經營 HK\$'000 千港元	Artwork sales 藝術品銷售 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue from external customers	來自外部客戶的分部收入	146,889	19,202	166,091
Costs of services/sales	服務/銷售成本	(34,668)	(5,242)	(39,910)
Segment results	分部業績	112,221	13,960	126,181
Other losses, net	其他虧損淨額			(4,043)
Other income	其他收入			1,836
Net impairment losses on financial assets	金融資產減值虧損淨額			(1,194)
Selling and distribution expenses	銷售及分銷開支			(41,717)
Administrative expenses	行政開支			(66,075)
Operating profit	經營溢利			14,988
Finance income, net	財務收入淨額			310
Profit before income tax	除所得稅前溢利			15,298
Income tax expense	所得稅開支			(6,677)
Profit for the year	年度溢利			8,621



5 SEGMENT INFORMATION (Continued)

5 分部資料(續)

Year ended 31 March 2018	截至2018年3月 31日止年度	Operation of art auction and related business 藝術品拍賣及 相關業務經營 HK\$'000 千港元	Artwork sales 藝術品銷售 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue from external customers	來自外部客戶的 分部收入	164,596	8,670	173,266
Costs of services/sales	服務/銷售成本	(32,797)	(8,150)	(40,947)
Segment results	分部業績	131,799	520	132,319
Other losses, net	其他虧損淨額			(433)
Other income	其他收入			2,568
Selling and distribution expenses	銷售及分銷開支			(26,765)
Administrative expenses	行政開支			(49,468)
Operating profit	經營溢利			58,221
Finance costs, net	財務成本淨額			(239)
Profit before income tax	除所得稅前溢利			57,982
Income tax expense	所得稅開支			(14,053)
Profit for the year	年度溢利			43,929

Revenue from external customers, by geographical area, is as follows:

按地理區域劃分的來自外部客戶收入如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Hong Kong	香港	94,105	89,757
Japan	日本	71,986	83,509
		166,091	173,266



5 SEGMENT INFORMATION (Continued)

Information on segment assets and segment liabilities of the Group are not reviewed by CODM for the purpose of resource allocation and performance assessment nor otherwise regularly provided to the CODM. As a result, no analysis of segment assets and segment liabilities is presented.

Non-current assets, other than deferred income tax assets, by geographical area are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Hong Kong	香港	3,883	5,115
Japan	日本	18,592	25,349
		22,475	30,464

6 REVENUE

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Revenue from art auction and related business	藝術品拍賣及相關業務收入	146,889	164,596
Artwork sales	藝術品銷售	19,202	8,670
		166,091	173,266

All customers individually accounted for less than 10% of the Group's revenue for the year ended 31 March 2019 (2018: Same).

All revenue of the Group are recognised at a point in time.

5 分部資料(續)

由於本集團的分部資產及分部負債資料並未由主要經營決策者審閱以分配資源及評核表現，亦未有定期呈交予主要經營決策者，故並無呈列分部資產及分部負債的分析。

按地理區域劃分的非流動資產(遞延所得稅資產除外)如下：

6 收入

於截至2019年3月31日止年度，所有客戶個別佔本集團收入少於10% (2018年：相同)。

本集團所有收入均於某時間點確認。



7 OTHER LOSSES, NET

7 其他虧損淨額

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Exchange gain/(loss)	匯兌收益/(虧損)	138	(248)
Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備虧損淨額	(98)	(109)
Changes in cash surrender values of key management life insurance contracts	主要管理層人壽保險合約現金退保價值變動	24	(76)
Changes in fair value of convertible notes	可換股票據公平值變動	(4,107)	—
		(4,043)	(433)

8 OTHER INCOME

8 其他收入

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Miscellaneous income (Note (i))	雜項收入(附註(i))	723	1,374
Others (Note (ii))	其他(附註(ii))	1,113	1,194
		1,836	2,568

Note:

- (i) The amount mainly represented miscellaneous handling fees charged to customers during auctions in Japan.
- (ii) Other income mainly represented bidding deposits forfeited and penalties from the buyers.

附註：

- (i) 該款項主要指在日本拍賣會期間向客戶收取的雜項手續費。
- (ii) 其他收入主要指沒收買家的競投保證金及罰款。



9 EXPENSES BY NATURE

9 按性質劃分之開支

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	5,242	8,150
Rental and setup costs for auction and preview exhibition venues	拍賣及預展場地租用及設置費用	23,367	23,489
Catalogue expenses	圖錄開支	9,722	8,660
Operating lease rentals in respect of rented premises	物業租賃的經營租賃租金	7,756	6,143
Agency commissions	代理佣金	2,528	2,230
Advertising and promotion expenses	廣告及宣傳開支	9,181	6,121
Transportation	運輸費用	4,629	3,082
Travelling	差旅開支	5,803	4,486
Entertainment	娛樂費用	3,811	1,759
Business hospitality	商務接待	3,794	1,981
Bank charge	銀行收費	1,075	1,344
Consulting fee	顧問費	5,190	1,580
Employee benefit expenses (Note 13)	員工福利開支(附註13)	31,891	24,111
Depreciation of property, plant and equipment (Note 15)	物業、廠房及設備折舊(附註15)	2,727	1,896
Amortisation of intangible assets	無形資產攤銷	62	49
Provision for doubtful debts (Note 19)	呆賬撥備(附註19)	—	527
Net impairment losses on financial assets (Note 19)	金融資產減值虧損淨額(附註19)	1,194	—
Auditor's remuneration	核數師薪酬		
— Audit services	— 審計服務	2,000	180
— Non-audit services	— 非審計服務	500	—
Listing expenses (Note)	上市開支(附註)	15,258	10,899
Others	其他	13,166	10,493
Total costs of sales of goods, costs of services, net impairment losses on financial assets, selling and distribution expenses and administrative expenses	貨品銷售成本、服務成本、金融資產減值虧損淨額、銷售及分銷開支及行政開支總額	148,896	117,180

Note:

For the year ended 31 March 2019, the amount included auditor's remuneration for non-audit services of HK\$2,147,000 (2018: HK\$2,268,000).

附註：

截至2019年3月31日止年度，該款項包括非審計服務的核數師薪酬2,147,000港元(2018年：2,268,000港元)。



10 FINANCE INCOME/(COSTS), NET

10 財務收入／(成本)淨額

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Finance income:	財務收入：		
— Interest income on bank deposits	— 銀行存款利息收入	582	10
Finance costs:	財務成本：		
— Interest expense on finance lease liabilities	— 融資租賃負債利息開支	(24)	(61)
— Interest expense on bank and other borrowings	— 銀行及其他借款利息開支	(248)	(188)
		(272)	(249)
Finance income/(costs), net	財務收入／(成本)淨額	310	(239)

11 INCOME TAX EXPENSE

The amounts of income tax expense charged to the consolidated income statements represent:

11 所得稅開支

於合併損益表列支的所得稅開支款項指：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Current income tax	當期所得稅		
— Hong Kong	— 香港	5,542	9,565
— Japan	— 日本	260	2,973
Total current income tax	當期所得稅總額	5,802	12,538
Deferred income tax (Note 17)	遞延所得稅(附註17)	875	1,515
Income tax expense	所得稅開支	6,677	14,053



11 INCOME TAX EXPENSE (Continued)

(a) Hong Kong profits tax

For the year ended 31 March 2019, the Group is eligible to nominate one Hong Kong incorporated entity in the Group to be chargeable at the two tiered profits tax rates, whereby profits tax will be chargeable on the first HK\$2 million of assessable profits at 8.25% and assessable profits above this threshold will be subject to a rate of 16.5%. Hong Kong profits tax of other Hong Kong incorporated entities in the Group has been provided for at the rate of 16.5% on the estimated assessable profits. For the year ended 31 March 2018, Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits.

(b) Japan corporate income tax

Japan corporate income tax has been calculated on the estimated assessable profit for the year ended 31 March 2019 at the rates of taxations prevailing in Japan in which the Group operates. The Group is subject to national corporate income tax, inhabitant tax, and enterprise tax in Japan, which in aggregate, resulted in effective statutory income tax rates of approximately 34.6% for the year ended 31 March 2019 (2018: 34.8%).

11 所得稅開支(續)

(a) 香港利得稅

截至2019年3月31日止年度，本集團有資格提名本集團一間香港註冊成立實體按兩級所得稅稅率繳納稅款，據此，首2百萬港元之應課稅溢利將按8.25%的稅率繳納稅款，而超出該上限的應課稅溢利將按16.5%的稅率繳納稅款。本集團其他香港註冊成立實體的香港利得稅已根據估計應課稅溢利按16.5%的稅率撥備。截至2018年3月31日止年度，香港利得稅乃根據估計應課稅溢利按16.5%稅率撥備。

(b) 日本公司所得稅

日本公司所得稅按照截至2019年3月31日止年度估計應課稅溢利依日本(本集團經營業務所在地)之現行稅率計算。在日本，本集團須繳納國家公司所得稅、居民稅及企業稅，截至2019年3月31日止年度的合計實際法定所得稅率分別約為34.6%(2018年：34.8%)。



11 INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that could arise using the weighted average tax rates applicable to profits of the consolidated entities during the respective years is as follows:

11 所得稅開支(續)

於相關年度，本集團除所得稅前溢利之稅項有別於採用適用於合併實體溢利之加權平均稅率計算之理論稅額，詳情如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	15,298	57,982
Tax calculated at a taxation rate of 16.5%	以16.5%稅率計算的稅項	2,524	9,567
Difference arising from tax rate in respect of other jurisdiction	不同司法權區稅率的差異	230	2,133
Tax effect of:	以下各項之稅務影響：		
— Expenses not deductible for tax purpose	— 不可扣稅開支	3,651	2,204
— Income not subject to income tax	— 毋須繳納所得稅之收入	(35)	(1)
— Tax losses not recognised	— 未確認稅項虧損	61	161
— Tax allowance and special deduction	— 免稅額及特別抵扣	(165)	—
— Withholding tax on unremitted earnings (Note 17)	— 未匯出盈利之預扣稅(附註17)	15	265
— Under provision in prior years	— 過往年度撥備不足	105	—
— Temporary difference not recognised	— 未確認的暫時差額	178	24
— Others	— 其他	113	(300)
Income tax expense	所得稅開支	6,677	14,053



12 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year ended 31 March 2019.

12 每股盈利

(a) 每股基本盈利

每股基本盈利按截至2019年3月31日止年度，本公司擁有人應佔溢利除以已發行普通股的加權平均數計算。

		2019 2019年	2018 2018年
Net profit attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔淨溢利(千港元)	8,632	44,063
Weighted average number of ordinary shares in issue ('000) (Note)	已發行普通股的加權平均數(千股)(附註)	433,544	374,967
Basic earnings per share (HK cents)	每股基本盈利(港仙)	1.99	11.75

Note:

On 11 October 2018, pursuant to a shareholders' resolution, a bonus issue of 374,967,178 Shares were allotted upon successful listing of the Company. The weighted average number of shares for the purpose of basic and diluted earnings per share for the year ended 31 March 2019 and 2018 in connection with such bonus shares issued has been retrospectively adjusted to the beginning of the year.

附註：

於2018年10月11日，根據一項股東決議案，374,967,178股紅股發行於本公司成功上市後配發。就計算截至2019年及2018年3月31日止年度該等已發行紅股的每股基本及攤薄盈利之股份加權平均數已於年初作出追溯調整。



12 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares during the year ended 31 March 2018 and accordingly the diluted earnings per share equals basic earnings per share. For the year ended 31 March 2019, the potential ordinary shares arising from convertible notes were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted earnings per share for the year ended 31 March 2019 is same as basic earnings per share.

12 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃透過調整流動在外的普通股加權平均數以假設所有潛在攤薄普通股已獲轉換而計算。於截至2018年3月31日止年度，本公司並無潛在攤薄普通股，故此每股攤薄盈利相等於每股基本盈利。截至2019年3月31日止年度，源於可換股票據的潛在普通股並無計入每股攤薄虧損的計算，因為有關計入屬反攤薄。據此，截至2019年3月31日止年度的每股攤薄盈利相等於每股基本盈利。

13 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS)

13 僱員福利開支(包括董事及高級管理層酬金)

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries, wages and bonuses	薪金、工資及花紅	28,484	22,019
Pension, medical insurance and other social insurances	退休金、醫療保險及其他社會保險	1,987	857
Staff welfare and other benefits (Note (i))	員工福利及其他利益(附註(i))	1,420	1,235
		31,891	24,111

Note:

- (i) The other benefits mainly comprise premium paid for key management insurance contracts which the director will be entitled to receive the benefits upon maturity of the insurance contracts, which is after 12 months from 31 March 2019 (Note 25).

附註：

- (i) 其他利益主要包括為主要管理層保險合約所支付的保費，當中董事將有權於保險合約到期時收取利益，即自2019年3月31日起12個月後(附註25)。



13 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS) (Continued)

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include five (2018: one) directors for the year ended 31 March 2019, and their emoluments are reflected in the analysis shown in Note 34(a). The emoluments paid and payable to the remaining four individuals during the year ended 31 March 2018 are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries, wages and bonuses	薪金、工資及花紅	—	4,710
Pension, medical insurance and other social insurances	退休金、醫療保險及其他社會保險	—	376
		—	5,086

The emoluments of these individuals fell within the following bands:

該等人士的薪酬介乎以下範圍：

		Number of individuals 人數	
		2019 2019年	2018 2018年
Emoluments banks:	薪酬範圍：		
Below HK\$1,000,000	1,000,000港元以下	—	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	—	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至 2,000,000港元	—	1
		—	4

13 僱員福利開支(包括董事及高級管理層酬金)(續)

(a) 五名最高薪人士

截至2019年3月31日止年度，本集團五名最高薪人士包括五名(2018年：一名)董事，其薪酬於附註34(a)所示分析中反映。於截至2018年3月31日止年度，已付及應付餘下四名人士之薪酬如下：



13 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS) (Continued)

(a) Five highest paid individuals (Continued)

During the year ended 31 March 2019, neither the director nor other members of the five highest paid individuals received any emoluments from the Group as an inducement to join, upon joining the Group, to leave the Group or as compensation for loss of office.

14 DIVIDEND

No dividend has been paid or declared by the Company or companies now comprising the Group during the year ended 31 March 2019 (2018: Nil).

On 27 June 2019, the directors have proposed a final dividend of HK2.0 cents per ordinary share in respect of the year ended 31 March 2019 (2018: Nil), amounting to approximately HK\$10,000,000 (2018: Nil), which is subject to approval by the shareholders of the Company at the forthcoming annual general meeting of the Company.

This proposed dividend is not reflected as a dividend payable in the financial statements, but will be reflected as an appropriation of retained earnings for the year ended 31 March 2019.

13 僱員福利開支(包括董事及高級管理層酬金)(續)

(a) 五名最高薪人士(續)

於截至2019年3月31日止年度，董事或其他五名最高薪人士的成員概無收取本集團任何薪酬作為加入本集團、於加入本集團後、離開本集團的獎勵或離職補償。

14 股息

於截至2019年3月31日止年度，本公司或現時本集團的旗下公司並無派付或宣派股息(2018年：無)。

於2019年6月27日，董事建議截至2019年3月31日止年度的末期股息每股普通股2.0港仙(2018年：無)，金額約為10,000,000港元(2018年：無)，須待本公司股東於本公司應屆股東週年大會批准後方告作實。

建議股息並無於財務報表反映為應付股息，但將反映為截至2019年3月31日止年度轉撥保留盈利。



15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Freehold land	Buildings	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
		永久業權土地	樓宇	租賃物業裝修	傢私、固定裝置及辦公設備	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
As at 1 April 2017	於2017年4月1日							
Cost	成本	500	4,756	4,161	1,768	2,487	1,200	14,872
Accumulated depreciation	累計折舊	—	(231)	(3,796)	(565)	(738)	—	(5,330)
Net book amount	賬面淨值	500	4,525	365	1,203	1,749	1,200	9,542
Year ended 31 March 2018	截至2018年3月31日止年度							
Opening net book amount	年初賬面淨值	500	4,525	365	1,203	1,749	1,200	9,542
Additions	添置	—	171	4,596	215	—	359	5,341
Transfer	轉讓	—	1,070	508	—	—	(1,578)	—
Disposals	出售	—	(109)	—	—	—	—	(109)
Depreciation (Note 9)	折舊(附註9)	—	(308)	(848)	(237)	(503)	—	(1,896)
Exchange difference	匯兌差額	29	301	58	60	55	19	522
Closing net book amount	年末賬面淨值	529	5,650	4,679	1,241	1,301	—	13,400
As at 31 March 2018	於2018年3月31日							
Cost	成本	529	6,210	9,565	2,081	2,587	—	20,972
Accumulated depreciation	累計折舊	—	(560)	(4,886)	(840)	(1,286)	—	(7,572)
Net book amount	賬面淨值	529	5,650	4,679	1,241	1,301	—	13,400

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

15 物業、廠房及設備 (續)

		Freehold land	Buildings	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Total
		永久業權土地	樓宇	租賃物業裝修	傢俬、固定裝置及辦公設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
As at 1 April 2018	於2018年4月1日						
Cost	成本	529	6,210	9,565	2,081	2,587	20,972
Accumulated depreciation	累計折舊	—	(560)	(4,886)	(840)	(1,286)	(7,572)
Net book amount	賬面淨值	529	5,650	4,679	1,241	1,301	13,400
Year ended 31 March 2019	截至2019年3月31日止年度						
Opening net book amount	年初賬面淨值	529	5,650	4,679	1,241	1,301	13,400
Additions	添置	—	—	278	300	—	578
Disposals	出售	—	—	(85)	(13)	—	(98)
Depreciation (Note 9)	折舊(附註9)	—	(315)	(1,659)	(250)	(503)	(2,727)
Exchange difference	匯兌差額	(10)	(121)	(32)	(22)	(26)	(211)
Closing net book amount	年末賬面淨值	519	5,214	3,181	1,256	772	10,942
As at 31 March 2019	於2019年3月31日						
Cost	成本	519	6,085	8,503	2,283	2,549	19,939
Accumulated depreciation	累計折舊	—	(871)	(5,322)	(1,027)	(1,777)	(8,997)
Net book amount	賬面淨值	519	5,214	3,181	1,256	772	10,942

Motor vehicles includes the following amount where the Group is a lessee under a finance lease (Note 24):

倘本集團為融資租賃(附註24)承租人，汽車包括下列款項：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Cost — capitalised finance lease	成本 — 資本化融資租賃	1,959	2,587
Accumulated depreciation	累計折舊	(1,196)	(1,286)
		763	1,301

Note:

All depreciation expenses have been charged to administrative expenses for the years ended 31 March 2019 and 2018.

附註：

截至2019年及2018年3月31日止年度，所有折舊開支已於行政開支內扣除。



16 SUBSIDIARIES

The Group's principal subsidiaries as at 31 March 2019 are set out below.

16 附屬公司

於2019年3月31日，本集團的主要附屬公司載列如下：

Name	Place of incorporation/ establishment (Note (i))	Principal activities	Particulars of issued share capital/registered capital	Interest held by The Company		
				directly	indirectly	
名稱	註冊成立/成立地點(附註(i))	主要業務	已發行股本/註冊資本詳情	本公司持有之權益	直接	間接
Tokyo Chuo Auction Co., Ltd.	Japan	Provision of auction related services and artwork sales	Paid-in capital of JPY50,000,000	92%	—	
株式會社東京中央オークション	日本	提供拍賣相關服務及藝術品銷售	實繳資本50,000,000日圓			
Tokyo Chuo Auction Hongkong Company Limited	Hong Kong	Provision of auction related services and artwork sales	Paid-in capital of HK\$1	100%	—	
東京中央拍賣香港有限公司	香港	提供拍賣相關服務及藝術品銷售	實繳資本1港元			
Shanghai Shengjia Culture Development Co., Ltd (Note (ii))	The PRC	Promotion and related activities	Paid-in capital of RMB361,680	—	92%	
上海晟嘉文化發展有限公司(附註(ii))	中國	推廣及相關活動	實繳資本人民幣361,680元			

Notes:

- (i) These subsidiaries principally operate in their places of incorporation/establishment.
- (ii) This subsidiary is a wholly foreign-owned enterprise.

附註：

- (i) 該等附屬公司主要在其註冊成立/成立地點經營業務。
- (ii) 該附屬公司為外商獨資企業。



17 DEFERRED INCOME TAX ASSETS AND LIABILITIES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax recoverable against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The offset amounts are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Deferred income tax assets	遞延所得稅資產	1	876
Deferred income tax liabilities	遞延所得稅負債	(2,575)	(2,591)
		(2,574)	(1,715)

Movements in net deferred income tax (liabilities)/assets are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Beginning of the year	年初	(1,715)	(129)
Credited/(charged) to income statement (Note 11)	於損益表計入/(扣除) (附註11)	(875)	(1,515)
Exchange differences	匯兌差額	16	(71)
End of the year	年末	(2,574)	(1,715)

Movement in deferred income tax assets and liabilities during the year ended 31 March 2019, without taking into consideration the offsetting of balance within the same tax jurisdiction, is as follows:

17 遞延所得稅資產及負債

當有法定可執行權利將可收回之當期所得稅與當期所得稅負債抵銷，以及當遞延所得稅資產和負債與同一稅務機關就該應課稅實體或不同應課稅實體徵收之所得稅有關，而有意按淨額基準結算結餘時，遞延所得稅資產與負債將會抵銷。抵銷金額如下：

遞延所得稅(負債)/資產淨額的變動如下：

遞延所得稅資產及負債於截至2019年3月31日止年度的變動(不考慮在同一稅務司法權區內抵銷結餘)如下：



17 DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

Deferred income tax assets

		Property, plant and equipment 物業、廠房及設備 HK\$'000 千港元	Inventories 存貨 HK\$'000 千港元	Other payables and accruals 其他應付款項及應計費用 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 April 2017	於2017年4月1日	391	335	1,772	1,106	3,604
Credited/(charged) to income statement	於損益表計入/ (扣除)	132	676	(1,566)	82	(676)
Exchange differences	匯兌差額	28	48	38	69	183
As at 31 March 2018 and 1 April 2018	於2018年3月31日及2018年4月1日	551	1,059	244	1,257	3,111
Credited/(charged) to income statement	於損益表計入/ (扣除)	(450)	(404)	65	(739)	(1,528)
Exchange differences	匯兌差額	(20)	(30)	(5)	(40)	(95)
As at 31 March 2019	於2019年3月31日	81	625	304	478	1,488

17 遞延所得稅資產及負債 (續)

遞延所得稅資產

Deferred income tax liabilities

遞延所得稅負債

		Key management life insurance contracts 主要管理層人壽保險合約 HK\$'000 千港元	Withholding tax on unremitted earnings 未匯出盈利之預扣稅 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 April 2017	於2017年4月1日	1,396	2,187	150	3,733
Charged to income statement	於損益表扣除	268	265	306	839
Exchange differences	匯兌差額	92	139	23	254
As at 31 March 2018 and 1 April 2018	於2018年3月31日及2018年4月1日	1,756	2,591	479	4,826
Charged to income statement	於損益表扣除	(1,452)	16	784	(652)
Exchange differences	匯兌差額	(66)	(52)	6	(112)
As at 31 March 2019	於2019年3月31日	238	2,555	1,269	4,062

17 DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

Deferred income tax liabilities (Continued)

The Directors do not have an intention to distribute the retained earnings of certain subsidiary of the Group such that deferred income tax liabilities of HK\$1.1 million (2018: HK\$1.1 million) have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of the subsidiary. Unremitted earnings totaled HK\$21.9 million as at 31 March 2019 (2018: HK\$22.2 million).

The Group did not recognise deferred income tax assets in respect of losses of approximately HK\$1,154,000 as at 31 March 2019 (2018: HK\$1,119,000). Unrecognised tax losses amounting to approximately HK\$1,154,000 as at 31 March 2019 (2018: HK\$619,000) will be subject to expiry from 2023 to 2024 (2018: 2022 to 2023), while the remaining balance as at 31 March 2018 can be carried forward indefinitely.

18 INVENTORIES

The cost of inventories recognised as expenses and included in "costs of sales of goods" amounted to approximately HK\$5,242,000 for the year ended 31 March 2019 (2018: HK\$8,150,000).

17 遞延所得稅資產及負債(續)

遞延所得稅負債(續)

董事無意分派本集團若干附屬公司的保留盈利，因此並無就預扣稅及附屬公司未匯出盈利應付的其他稅項確認遞延所得稅負債1.1百萬港元(2018年：1.1百萬港元)。於2019年3月31日，未匯出盈利合共為21.9百萬港元(2018年：22.2百萬港元)。

於2019年3月31日，本集團並無就虧損約1,154,000港元(2018年：1,119,000港元)確認遞延所得稅資產。於2019年3月31日的未確認稅項虧損約1,154,000港元(2018年：619,000港元)將於2023年至2024年到期(2018年：2022年至2023年)，而於2018年3月31日的餘下結餘可無限期結轉。

18 存貨

	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Artwork 藝術品	20,898	23,050

截至2019年3月31日止年度，確認為開支並計入「貨品銷售成本」之存貨成本約為5,242,000港元(2018年：8,150,000港元)。



19 TRADE AND OTHER RECEIVABLES

19 貿易及其他應收款項

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Trade receivables	貿易應收款項	47,574	45,979
Less: loss allowances	減：虧損撥備	(540)	(202)
Trade receivables — net	貿易應收款項淨額	47,034	45,777
Other receivables	其他應收款項		
— Receivables from buyers in respect of auction and related business (Note (i))	— 應收買家拍賣及相關業務款項(附註(i))	150,187	338,395
— Consignor advance (Note (ii))	— 委託人預付款項(附註(ii))	23,917	15,151
— Input value-added tax recoverable	— 可收回進項增值稅	2,877	23,257
— Others	— 其他	1,352	1,081
Trade and other receivables	貿易及其他應收款項	225,367	423,661

As at 31 March 2019 and 2018, the fair value of trade and other receivables of the Group approximated their carrying amounts.

於2019年及2018年3月31日，本集團貿易及其他應收款項的公平值與其賬面值相若。

Note:

附註：

- (i) Other receivables from buyers in respect of auction and related business represent the purchase price of the auction articles receivable on behalf of sellers.
- (ii) Included in other receivables are advances of HK\$23,917,000 made to certain sellers as at 31 March 2019 (2018: HK\$15,151,000) upon consignment of auction articles to the Group. These advances are interest free (2018: 1% per annum).

- (i) 其他應收買家拍賣及相關業務款項指代表賣家應收的拍賣品購買價。
- (ii) 於2019年3月31日計入其他應收款項的預付款項23,917,000港元(2018年：15,151,000港元)，為向本集團委託拍賣品後向若干賣家作出的預付款項。該等預付款項免息(2018年：年利率1%)。



19 TRADE AND OTHER RECEIVABLES (Continued)

As at 31 March 2019, the carrying amounts of trade and other receivables are denominated in the following currencies:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
HK\$	港元	119,226	217,597
JPY	日圓	106,086	206,064
Other	其他	55	—
		225,367	423,661

The Group grants credit period of 7 days for commission receivables and 30 days for receivables from artwork sales. The ageing analysis of trade receivables based on invoice date, before provision for impairment, as at 31 March 2019 and 2018, was as follows:

19 貿易及其他應收款項(續)

於2019年3月31日，貿易及其他應收款項的賬面值以下列貨幣為單位：

本集團就應收佣金而授出7天的信貸期，並就應收藝術品銷售款項而授出30天的信貸期。於2019年及2018年3月31日，貿易應收款項基於發票日期(減值撥備前)的賬齡分析如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
— Within 30 days	— 30天內	23,828	21,597
— 1 to 3 months	— 1至3個月	12,500	—
— 3 to 6 months	— 3至6個月	6,920	20,243
— 6 to 12 months	— 6至12個月	4,301	2,667
— Over 1 year	— 1年以上	25	1,472
		47,574	45,979

The Group does not hold any collateral as security over these debtors as at 31 March 2019 and 2018.

於2019年及2018年3月31日，本集團並無持有任何抵押品作為該等債務人的抵押。



19 TRADE AND OTHER RECEIVABLES (Continued)

Movements of the Group's provision for impairment of trade receivables are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At beginning of the year	年初	202	198
Provision for doubtful debts (Note 9)	呆賬撥備(附註9)	—	527
Increase in loss allowance recognised	已確認虧損撥備增加	1,194	—
Write-off	撇銷	(859)	(512)
Exchange differences	匯兌差額	3	(11)
At end of the year	年末	540	202

19 貿易及其他應收款項(續)

本集團貿易應收款項減值撥備之變動如下：

20 DEPOSITS AND PREPAYMENTS

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Current portion:	流動部分：		
— Deposits and prepayments	— 按金及預付款項	14,841	7,187
Non-current portion:	非流動部分：		
— Rental and other deposits	— 租金及其他按金	4,380	4,236
— Key management life insurance contracts (Note (i))	— 主要管理層人壽保險合約 (附註(i))	6,563	12,270
		10,943	16,506
		25,784	23,693

20 按金及預付款項

As at 31 March 2019 and 2018, the fair value of deposits of the Group approximated their carrying amounts.

於2019年及2018年3月31日，本集團按金的公平值與其賬面值相若。



20 DEPOSITS AND PREPAYMENTS (Continued)

As at 31 March 2019 and 2018, the carrying amounts of deposits and prepayments are denominated in the following currencies:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
HK\$	港元	14,930	13,833
JPY	日圓	10,599	9,476
RMB	人民幣	165	295
Others	其他	90	89
		25,784	23,693

Note:

(i) Key management life insurance contracts

Movements of the Group's investment in key management life insurance contracts are as follows:

20 按金及預付款項(續)

於2019年及2018年3月31日，本集團按金及預付款項的賬面值以下列貨幣為單位：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
HK\$	港元	14,930	13,833
JPY	日圓	10,599	9,476
RMB	人民幣	165	295
Others	其他	90	89
		25,784	23,693

附註：

(i) 主要管理層人壽保險合約

本集團於主要管理層人壽保險合約投資的變動如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At beginning of the year	年初	12,270	9,858
Addition	添置	814	1,836
Receipts upon termination of key management life insurance contracts	終止主要管理層人壽保險合約時所收款項	(6,187)	—
Changes in cash surrender value of key management life insurance contracts	主要管理層人壽保險合約現金退保價值變動	24	(76)
Exchange differences	匯兌差額	(358)	652
At end of the year	年末	6,563	12,270



21 PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

Pledge bank deposits represent deposits pledged to a bank to secure general banking facilities granted to the Group. Deposits amounting to HK\$20,300,000 (2018: Nil) have been pledged to secure short-term bank borrowings, and are therefore classified as current assets (Note 29).

Cash and cash equivalents represent cash and short-term bank deposits with an original maturity of three months or less.

21 已抵押銀行存款及現金及現金等價物

已抵押銀行存款指抵押予銀行以取得授予本集團一般銀行融資的存款。20,300,000港元(2018年：無)的存款已分別抵押作短期銀行借款的擔保，因而被分類為流動資產(附註29)。

現金及現金等價物指現金及原到期日為三個月或更短時間的短期銀行存款。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Cash at banks and on hand	銀行及手頭現金	235,079	68,909
Deposits with maturity less than 3 months	3個月內到期的存款	1,443	1,473
Total cash and cash equivalents	現金及現金等價物總額	236,522	70,382

The carrying amounts of the pledged bank deposits and cash and cash equivalents are denominated in the following currencies:

已抵押銀行存款及現金及現金等價物的賬面值以下列貨幣作單位：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
HK\$	港元	163,729	33,233
JPY	日圓	81,346	36,749
USD	美元	10,914	—
RMB	人民幣	827	309
Others	其他	6	91
		256,822	70,382



21 PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (Continued)

As at 31 March 2019, the Group's bank balances of approximately HK\$273,000 (2018: HK\$2,000) were deposited with a bank in the PRC. The remittance of these funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

22 SHARE CAPITAL

21 已抵押銀行存款及現金及現金等價物(續)

於2019年3月31日，本集團的銀行結餘約273,000港元(2018年：2,000港元)已存於中國一間銀行。將該等資金匯出中國須遵守中國政府頒佈之外匯管制規則及法規。

22 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Ordinary shares	普通股		
Issued and fully paid: As 1 April 2018	已發行及繳足： 於2018年4月1日	100	—
Bonus issue (Note (i))	紅股發行(附註(i))	374,967,178	—
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs (Note (ii))	就首次公開發售發行普通股，扣除包銷佣金及其他發行成本(附註(ii))	96,520,000	127,004
Conversion of convertible notes to ordinary shares (Note (iii))	轉換可換股票據為普通股(附註(iii))	28,512,722	42,726
At 31 March 2019	於2019年3月31日	500,000,000	169,730

Note:

- (i) On 11 October 2018, a bonus issue of 374,967,178 shares were allotted to Mr. Ando Shokei upon successful listing of the Company.

附註：

- (i) 於2018年10月11日，本公司成功上市後向安藤湘桂先生進行紅股發行，並配發374,967,178股股份。



22 SHARE CAPITAL (Continued)

Note: (Continued)

(ii) In October 2018, the Company issued 96,520,000 ordinary shares at HK\$1.50 per share, and raised gross proceeds of approximately HK\$144,780,000. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 11 October 2018. The gross proceeds, net of underwriting commissions and other issuance costs, are capitalised as share capital accordingly.

(iii) Pursuant to a written resolution of the sole director of the Company dated 24 April 2018, the Company entered into agreements with six independent investors in relation to their subscriptions of the Company's convertible notes totaling approximately HK\$38,800,000. The outstanding principal amount of these convertible notes shall be automatically and mandatorily converted into fully paid shares of the Company upon successful initial public offering in recognised stock exchange according to a formula prescribed in the subscription agreements. The convertible notes bear interest at 1% per annum. The convertible notes will mature upon 12 months from the date of the subscription, subject to mutual agreement between the independent investors and the Company to extend for a further 12-month period. If the initial public offering does not take place before the maturity date, the Company shall redeem the outstanding amount of the convertible notes with additional interest of 7% per annum. The Company may redeem all of the outstanding principal amount of the convertible notes with terms set out in the subscription agreements on or at any time after 31 December 2018 until the maturity date.

All of the convertible notes were converted into 28,512,722 ordinary shares on 11 October 2018. The principal amount of convertible notes and the cumulative changes in fair value are capitalised as share capital accordingly.

22 股本 (續)

附註：(續)

(ii) 於2018年10月，本公司按每股1.50港元發行96,520,000股普通股，籌集所得款項總額約144,780,000港元。本公司股份於2018年10月11日於香港聯合交易所有限公司主板上市。所得款項總額(已扣除包銷佣金及其他發行成本)據此撥充為股本。

(iii) 根據日期為2018年4月24日之本公司唯一董事的書面決議案，本公司與六名獨立投資者訂立協議，內容有關彼等認購本公司合共約38,800,000港元的可換股票據。該等可換股票據的未償還本金額將於認可證券交易所成功首次公開發售後，根據認購協議所指定公式自動及強制轉換為本公司繳足股份。可換股票據以年利率1%計息。可換股票據將自認購日期起12個月後到期，可由獨立投資者及本公司共同協定延長多12個月。倘首次公開發售並無於到期日前進行，本公司須贖回可換股票據的未償還金額，另加年利率為7%的利息。本公司可以在2018年12月31日當日或之後的任何時間直至到期日期間，按認購協議載列的條款贖回所有可換股票據的未償還本金額。

於2018年10月11日，所有可換股票據轉換為28,512,722股普通股。可換股票據的本金額及累計公平值變動據此撥充為股本。



23 RESERVES

23 儲備

		Other reserves 其他儲備				
		Merger reserves (Note (i)) 合併儲備 (附註(i)) HK\$'000 千港元	Currency translation differences 外幣 折算差額 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	於2017年4月1日	4,817	(10,681)	(5,864)	104,171	98,307
Profit for the year	年度溢利	—	—	—	44,063	44,063
Deemed distribution to shareholders (Note (ii))	視作向股東分派(附註(ii))	(43,175)	—	(43,175)	—	(43,175)
Transaction with non-controlling interests	與非控股權益交易	—	—	—	816	816
Currency translation differences	外幣折算差額	—	3,658	3,658	—	3,658
At 31 March 2018 and 1 April 2018	於2018年3月31日及 2018年4月1日	(38,358)	(7,023)	(45,381)	149,050	103,669
Profit for the year	年度溢利	—	—	—	8,632	8,632
Currency translation differences	外幣折算差額	—	(1,745)	(1,745)	—	(1,745)
At 31 March 2019	於2019年3月31日	(38,358)	(8,768)	(47,126)	157,682	110,556

Note:

- (i) The consolidation difference that arises under merger accounting is included as "merger reserve", and computed by comparing the considerations paid and the share capital of the subsidiaries that merged into the Group.
- (ii) Amount mainly represented the consideration of JPY604.8 million (equivalent to HK\$43.2 million) paid by the Company in acquiring TCA Japan during the year ended 31 March 2018, which was considered as deemed distribution to shareholders.

附註：

- (i) 「合併儲備」中包括在合併會計法下產生的合併差異，乃透過比較已付代價和併入本集團的附屬公司股本而計算。
- (ii) 金額主要指本公司於截至2018年3月31日止年度收購TCA日本所支付代價604.8百萬日圓(相當於43.2百萬港元)，其被視為視作向股東分派。



24 BORROWINGS AND FINANCE LEASE LIABILITIES

24 借款及融資租賃負債

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Non-current	非流動		
Bank borrowings (Note (a))	銀行借款(附註(a))	2,603	4,093
Finance lease liabilities (Note (b))	融資租賃負債(附註(b))	359	793
		2,962	4,886
Current	流動		
Bank borrowings (Note (a))	銀行借款(附註(a))	32,439	43,972
Finance lease liabilities (Note (b))	融資租賃負債(附註(b))	422	467
		32,861	44,439
Total borrowings	總借款	35,823	49,325

(a) Bank borrowings

As at 31 March 2019 and 2018, all the bank borrowings are denominated in JPY.

As at 31 March 2018, the Group's banking facilities are guaranteed by (i) personal guarantees from Mr. Ando, (ii) corporate guarantee from a related party, and (iii) third party corporate guarantee. The personal guarantees provided by the Group's director were released in April and May 2018. Corporate guarantee provided by a related company and third party corporate were released in May 2018, May 2018 and April 2018 respectively.

The effective interest rates of bank borrowings as at 31 March 2019 were 0.3% to 0.8% per annum (2018: 0.8% to 2.4% per annum).

These facilities are secured by certain bank deposits with an aggregate amount of HK\$20.3 million (2018: nil) (Note 30).

As at 31 March 2019 and 2018, the fair value of bank borrowings approximated their carrying amounts.

(a) 銀行借款

於2019年及2018年3月31日，所有銀行借款以日圓作單位。

於2018年3月31日，本集團的銀行融資由(i)安藤先生作出的個人擔保；(ii)關聯方作出的公司擔保；及(iii)第三方作出的公司擔保所擔保。由本集團董事提供的個人擔保於2018年4月及5月解除。公司擔保由關聯公司及第三方公司提供，已分別於2018年5月、2018年5月及2018年4月解除。

於2019年3月31日，銀行借款的實際年利率為0.3%至0.8%（2018年：每年0.8%至2.4%）。

該等融資由總額為20.3百萬港元（2018年：無）的若干銀行存款作抵押（附註30）。

於2019年及2018年3月31日，銀行借款的公平值與其賬面值相若。



24 BORROWINGS AND FINANCE LEASE LIABILITIES (Continued)

(a) Bank borrowings (Continued)

The Group's bank borrowings are repayable as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Within 1 year	一年內	32,439	43,972
Between 1 and 2 years	一年至兩年內	2,403	1,462
Between 2 and 5 years	兩年至五年內	200	2,631
		35,042	48,065

(b) Finance lease liabilities

Gross finance lease liabilities — minimum lease payments

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
No later than 1 year	一年內	435	492
Later than 1 year and no later than 5 years	一年後及五年內	363	811
		798	1,303
Future finance charges on finance leases	融資租賃之未來融資費用	(17)	(43)
Present value of financial lease liabilities	融資租賃負債之現值	781	1,260

24 借款及融資租賃負債(續)

(a) 銀行借款(續)

本集團應償還的銀行借款如下：

(b) 融資租賃負債

融資租賃負債總額 — 最低租賃付款



24 BORROWINGS AND FINANCE LEASE LIABILITIES (Continued)

(b) Finance lease liabilities (Continued)

The present value of finance lease liabilities are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
No later than 1 year	一年內	422	467
Later than 1 year and no later than 5 years	一年後及五年內	359	793
		781	1,260

As at 31 March 2019, the finance leases are secured by the Group's motor vehicles with carrying values of HK\$763,000 (2018: HK\$1,301,000) (Note 15). The rights to the leased asset are reverted to the lessors in the event of default of the lease liabilities by the Group.

24 借款及融資租賃負債(續)

(b) 融資租賃負債(續)

融資租賃負債現值如下：

於2019年3月31日，融資租賃由本集團賬面值為763,000港元(2018年：1,301,000港元)(附註15)的汽車抵押。倘本集團拖欠租賃負債，則租賃資產之權利會歸還予出租人。



25 TRADE AND OTHER PAYABLES AND ACCRUALS

25 貿易及其他應付款項及應計費用

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Trade payables	貿易應付款項	5,467	4,637
Payables to sellers in respect of auction and related business	應付賣家拍賣及相關業務款項	197,526	348,035
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	17,192	24,297
		220,185	376,969
Less: Non-current portion: — Other payable	減：非流動部分： — 其他應付款項	(6,884)	(6,149)
Current portion	流動部分	213,301	370,820

Payables to sellers in respect of auction and related business represent the purchase price of auction articles payable to sellers less seller commissions and other auction related receivable.

As at 31 March 2019 and 2018, all financial trade and other payables of the Group were non-interest bearing, and their fair value approximate to their carrying amounts due to their short maturities.

The non-current other payable represents the Group's obligation to pay for the employee benefits of a director of the Group, which will be settled after 12 months from the balance sheet date (Note 13).

應付賣家拍賣及相關業務款項指應付賣家拍賣品購買價減賣家佣金及其他拍賣相關應收款項。

於2019年及2018年3月31日，本集團所有金融貿易及其他應付款項均免息，而由於到期日較短，因此其公平值與賬面值相若。

非流動其他應付款項指本集團就本集團董事支付僱員福利的責任，其將於結算日起12個月後結付(附註13)。



25 TRADE AND OTHER PAYABLES AND ACCRUALS (Continued)

The Group's trade and other payables and accruals are denominated in the following currencies:

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	89,794	211,455
JPY	日圓	130,391	165,302
Others	其他	—	212
		220,185	376,969

As at 31 March 2019, the ageing analysis of the trade payables based on invoice date are as follows:

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Within 30 days	30天內	5,467	4,637

25 貿易及其他應付款項及應計費用 (續)

本集團貿易及其他應付款項及應計費用以下列貨幣作單位：

於2019年3月31日，基於發票日期的貿易應付款項的賬齡分析如下：



26 FINANCIAL INSTRUMENTS BY CATEGORY **26 按類別劃分的金融工具**

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets at amortised cost	按攤銷成本列賬的金融資產		
— Trade and other receivables	— 貿易及其他應收款項	225,367	423,661
— Deposits	— 按金	11,096	4,236
— Amount due from a related company	— 應收關聯公司款項	—	14,716
— Pledged bank deposits	— 已抵押銀行存款	20,300	—
— Cash and cash equivalents	— 現金及現金等價物	236,522	70,382
		493,285	512,995
Financial liabilities at amortised cost	按攤銷成本列賬的金融負債		
— Trade and other payables	— 貿易及其他應付款項	217,199	360,037
— Finance lease liabilities	— 融資租賃負債	781	1,260
— Borrowings	— 借款	35,042	48,065
— Amount due to the Controlling Shareholder	— 應付控股股東款項	—	11,686
— Amount due to a former director	— 應付前董事款項	—	1,000
		253,022	422,048



27 NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

27 合併現金流量表附註

(a) Reconciliation of profit before income tax to net cash generated from/(used in) operations.

(a) 除所得稅前溢利與經營業務所得／(所用)現金淨額之對賬。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	15,298	57,982
Adjustments for:	就以下各項調整：		
— Depreciation of property, plant and equipment	— 物業、廠房及設備折舊	2,727	1,896
— Amortisation of intangible assets	— 無形資產攤銷	62	49
— Changes in cash surrender values of key management life insurance contracts	— 主要管理層人壽保險合約現金退保價值變動	(24)	76
— Changes in fair value of convertible notes	— 可換股票據公平值變動	4,107	—
— Loss on disposal of property, plant and equipment (Note (b))	— 出售物業、廠房及設備虧損(附註(b))	98	109
— Interest income	— 利息收入	(582)	(10)
— Interest expenses	— 利息開支	272	249
— Provision for bad and doubtful debts	— 呆壞賬撥備	—	527
— Net impairment losses on financial assets	— 金融資產減值虧損淨額	1,194	—
Changes in working capital:	營運資金變動：		
— Inventories	— 存貨	2,152	(9,292)
— Trade and other receivables	— 貿易及其他應收款項	197,097	(318,065)
— Deposits and prepayments	按金及預付款項	(10,015)	(6,131)
— Trade and other payables and accruals	— 貿易及其他應付款項及應計費用	(169,470)	170,446
Cash generated from/(used in) operations	經營業務所得／(所用)現金	42,916	(102,164)



27 NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

- (b) In the consolidated statement of cash flows, proceeds from disposal of properties, plant and equipment comprise:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Net book amount	賬面淨值	98	109
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(98)	(109)
Proceeds from disposal	出售所得款項	—	—

(c) Debt reconciliation

This section sets out an analysis of the movements in total debt for the year ended 31 March 2019.

27 合併現金流量表附註(續)

- (b) 於合併現金流量表中，出售物業、廠房及設備的所得款項包括：

(c) 債務之對賬

本節載列截至2019年3月31日止年度的債務總額變動分析。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Borrowings — repayable within one year	借款 — 須於一年內償還	32,861	44,439
Borrowings — repayable after one year	借款 — 須於一年後償還	2,962	4,886
Total debt	債務總額	35,823	49,325
Gross debt — fixed interest rates	總債務 — 固定利率	781	34,727
Gross debt — variable interest rates	總債務 — 浮動利率	35,042	14,598
Total debt	債務總額	35,823	49,325



27 NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(c) Debt reconciliation (Continued)

27 合併現金流量表附註 (續)

(c) 債務之對賬 (續)

		Liabilities from financing activities 來自融資活動負債				
		Finance lease due within 1 year 於一年內到 期的融資 租賃 HK\$'000 千港元	Finance lease due after 1 year 於一年後到 期的融資 租賃 HK\$'000 千港元	Borrowings due within 1 year 於一年內 到期的借款 HK\$'000 千港元	Borrowings due after 1 year 於一年後 到期的借款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Total debt as at 1 April 2017	於2017年4月1日的 債務總額	507	1,191	21,708	6,304	29,710
Cash flows	現金流量	(493)	—	17,650	—	17,157
Reclassification	重新分類	436	(436)	2,498	(2,498)	—
Foreign exchange adjustments	外匯調整	17	38	2,116	287	2,458
Total debt as at 31 March 2018 and 1 April 2018	於2018年3月31日及 2018年4月1日的 債務總額	467	793	43,972	4,093	49,325
Cash flows	現金流量	(455)	—	(11,830)	24	(12,261)
Reclassification	重新分類	417	(417)	1,403	(1,403)	—
Foreign exchange adjustments	外匯調整	(7)	(17)	(1,106)	(111)	(1,241)
Total debt as at 31 March 2019	於2019年3月31日的 債務總額	422	359	32,439	2,603	35,823



28 FINANCIAL GUARANTEES

As at 31 March 2019, the Company had given guarantees totaling approximately HK\$20,300,000 (2018: Nil) to financial institutions in connection with the banking facilities granted to its subsidiary.

28 財務擔保

於2019年3月31日，本公司已就其附屬公司獲授的銀行融資提供合共約20,300,000港元(2018年：零)的擔保予金融機構。

29 COMMITMENTS

(a) Operating lease commitments — the Group as lessee

The Group leases various buildings under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

29 承擔

(a) 經營租賃承擔 — 本集團作為承租人

本集團根據不可撤銷經營租賃協議租用多幢樓宇。該等租賃具有不同年期、升級條款和重續權利。不可撤銷經營租賃項下的未來最低租賃付款總額如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
No later than 1 year	一年內	7,715	7,975
Later than 1 year and no later than 2 years	一年後及兩年內	5,377	7,104
Later than 2 years and no later than 5 years	兩年後及五年內	—	2,324
		13,092	17,403

One of the leased premises of the Group is guaranteed by a related party, Bai Sheng Co., Ltd., on joint and several basis for the year ended 2018. The guarantee was subsequently released in July 2018 with retrospective effect from April 2018.

截至2018年止年度，本集團的其中一個租賃物業乃由株式會社百勝(關聯方)以共同及各別基準擔保，該擔保其後已於2018年7月解除，並自2018年4月起追溯生效。



30 ASSETS PLEDGED AS SECURITY

At the end of the reporting period, the Group has pledged the following assets to secure certain borrowings granted to the Group:

		As at 31 March 於3月31日	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Pledged bank deposits	已抵押銀行存款	20,300	—
		20,300	—

30 已抵押為擔保的資產

於報告期末，本集團已抵押下列資產以擔保若干授予本集團的借款：

31 RELATED PARTY TRANSACTIONS

(a) Names and relationships with related parties

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control.

31 關聯方交易

(a) 關聯方名稱及關係

關聯方指有能力控制、共同控制或在對投資對象持有權力時能對對方施加重大影響力；因參與投資對象的業務而承擔可變回報的風險或權利；且有能力藉對投資對象行使其權力而影響投資者回報金額的人士。倘受限於同一控制或共同控制，亦被視為關聯方。



31 RELATED PARTY TRANSACTIONS

(Continued)

(a) Names and relationships with related parties

(Continued)

The following individuals and companies are related parties of the Group that had balances and/or transactions with the Group during the year ended 31 March 2019.

Name of related parties 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Mr. Ando Shokei 安藤湘桂先生	Controlling Shareholder 控股股東
Mrs. Ando Eri 安藤惠理女士	Controlling Shareholder 控股股東
Bai Sheng Co., Ltd. 株式會社百勝	Controlled by Mr. Ando Shokei 由安藤湘桂先生控制
Mr. Katsu Bunkai 葛文海先生	Executive director 執行董事
Mr. Sun Hongyue 孫鴻月先生	Executive director 執行董事
Mr. Feng Heqing (Note (i)) 馮和卿先生(附註(i))	Key management of the Company 本公司的主要管理層
Mr. Yau Chung Hang 邱仲珩先生	Executive director 執行董事
Mr. Yang Yi Chung (Note (ii)) 楊維聰先生(附註(ii))	Non-executive director 非執行董事
Mr. Chung Kwok Mo John 鍾國武先生	Independent non-executive director 獨立非執行董事
Ms. Lam Suk Ling Shirley 林淑玲女士	Independent non-executive director 獨立非執行董事
Mr. Chun Chi Man 秦治民先生	Independent non-executive director 獨立非執行董事

Note:

- (i) Mr. Feng Heqing ceased to be a related party of the Group since his resignation as executive director on 9 March 2018.
- (ii) Mr. Yang has resigned as the Company's non-executive director with effect from 14 May 2019.

以下人士及公司為本集團的關聯方，彼等於截至2019年3月31日止年度與本集團錄得結餘及／或進行交易。

31 關聯方交易 (續)

(a) 關聯方名稱及關係 (續)

附註：

- (i) 馮和卿先生自彼於2018年3月9日辭任執行董事起不再為本集團關聯方。
- (ii) 楊先生已辭任本公司非執行董事，由2019年5月14日起生效。



31 RELATED PARTY TRANSACTIONS (Continued)

(b) Balance with related parties

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Amount due from a related company	應收關聯公司款項		
— Bai sheng Co., Ltd.	— 株式會社百勝	—	14,716

As at 31 March 2018, balances due from a related company were unsecured, bore interest at 1% per annum, denominated in JPY, and repayable on demand.

The maximum outstanding balance due from the related company during the year ended 31 March 2018 and 2019 were HK\$14,716,000.

於2018年3月31日，應收關聯公司結餘為無抵押、按1%的年利率計息、以日圓計值及須按要求償還。

截至2018年及2019年3月31日止年度，應收關聯公司的最高未償還結餘為14,716,000港元。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Amount due to the Controlling Shareholder	應付控股股東款項		
— Mr. Ando	— 安藤先生	—	11,686
Amount due to a former director	應付前董事款項		
— Mr. Feng	— 馮先生	—	1,000

As at 31 March 2018, amount due to the Controlling Shareholder include loan balance of HK\$10,046,000 which was unsecured, bore interest at 1% per annum, denominated in HK\$, and repayable within 1 year. Remaining balances due to the Controlling Shareholder and a former director were unsecured, interest-free, denominated in HK\$, and repayable on demand.

於2018年3月31日，應付控股股東款項包括貸款結餘10,046,000港元，其為無抵押、按1%的年利率計息、以港元計值及須於一年內償還。餘下應付控股股東及前董事結餘為無抵押、免息、以港元計值及須按要求償還。

31 關聯方交易 (續)

(b) 與關聯方的結餘



31 RELATED PARTY TRANSACTIONS

(Continued)

(b) Balance with related parties (Continued)

The maximum outstanding balances due to the Controlling Shareholder during the year ended 31 March 2018 and 2019 were HK\$11,686,000.

The maximum outstanding balances due to the former director during the year ended 31 March 2018 and 2019 were HK\$1,000,000.

(c) Transactions with related parties

In addition to those disclosed elsewhere in the notes to the consolidated financial statement, the Group had the following transactions with related parties:

31 關聯方交易 (續)

(b) 與關聯方的結餘 (續)

截至2018年及2019年3月31日止年度，應付控股股東最高未償還結餘為11,686,000港元。

截至2018年及2019年3月31日止年度，應付一名前董事最高未償還結餘為1,000,000港元。

(c) 與關聯方的交易

除合併財務報表附註其他部分所披露者外，本集團與關聯方之交易如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Auction commissions from a related party	應收關聯方拍賣佣金		
— Bai Sheng Co., Ltd.	— 株式會社百勝	189	614
— Mr. Sun Hongyue	— 孫鴻月先生	134	—
Agency commissions charged by a related party	關聯方收取代理佣金		
— Bai Sheng Co., Ltd.	— 株式會社百勝	65	784
Rental expense to a related party	向關聯方支付租金開支		
— Bai Sheng Co., Ltd.	— 株式會社百勝	—	64

All the related party transactions were conducted in accordance with terms mutually agreed with related parties and in the ordinary course of business.

所有關聯方交易乃根據與關聯方相互協定的條款於日常業務過程中進行。



31 RELATED PARTY TRANSACTIONS

(Continued)

(d) Key management compensation

Key management includes directors and top management. The compensation paid or payable to key management for employee services is shown below:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Wages and salaries	工資及薪金	16,198	9,490
Bonus	花紅	605	212
Pensions	退休金	641	457
Staff welfare and other benefits	僱員福利及其他利益	845	843
		18,289	11,002

32 SHARE OPTION SCHEME

The Group has adopted the share option scheme on 13 September 2018 under which certain selected classes of participants (including, among others, full-time employees) may be granted options to subscribe for the new shares. As of the date of this report, no share options have been granted under the scheme.

33 EVENTS AFTER THE BALANCE SHEET DATE

On 1 April 2019, the Company entered into a non-legally binding memorandum of understanding with Mr. Chiu Hsin Chun (邱欣俊) in relation to the proposed acquisition by the Group in cash, 34% of the entire issued shares in Mu Chun Tang Auction Co., Ltd.* (沐春堂拍賣股份有限公司), a Taiwan-based auction house. The transaction has not been completed yet up to the date of this report.

On 1 June 2019, the Company entered into a share purchase agreement with Mr. Yodo Hiroaki, a non-controlling interest of Tokyo Chuo Auction Co., Ltd., ("TCA Japan") in relation to the acquisition by the Company of 30 shares of class A shares, represents 3% of the total number of shares of TCA Japan, which was purchased with an aggregate amount of JPY21,014,557.

Other than the aforesaid events, the Group had no other material subsequent events as at 31 March 2019.

31 關聯方交易 (續)

(d) 主要管理層薪酬

主要管理層包括董事及最高管理層。就僱員服務而已付或應付主要管理層的薪酬列示如下：

32 購股權計劃

本集團於2018年9月13日採納購股權計劃，據此，若干獲甄選類別的參與者(包括全職僱員等)可獲授予購股權以認購新股。於本報告日期，概無根據該計劃授出任何購股權。

33 結算日後事項

於2019年4月1日，本公司與邱欣俊先生訂立無法律約束力的諒解備忘錄，內容有關本集團擬以現金收購一間台灣拍賣行沐春堂拍賣股份有限公司的全部已發行股本的34%。該交易直至本報告日期仍未完成。

於2019年6月1日，本公司與養藤博昭先生(株式會社東京中央オークション(「TCA日本」)非控股權益)訂立股份收購協議，內容有關本公司以合共21,014,557日圓的購買價收購TCA日本30股A類股份，佔股份總數的3%。

除上述事項外，本集團於2019年3月31日並無其他重大其後事項。



34 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY 34 本公司資產負債表及儲備變動

Balance sheet of the Company

本公司資產負債表

		As at 31 March 於3月31日	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
	Note 附註		
ASSETS			
Non-current assets			
Investment in subsidiaries		45,344	45,344
Property, plant and equipment		2,673	4,042
Deposits and prepayments		1,073	1,073
		49,090	50,459
Current assets			
Inventories		1,600	3,100
Trade and other receivables		9,064	222,119
Deposits and prepayments		10,506	2,576
Amount due from a subsidiary		23,811	3,232
Pledged bank deposits		20,300	—
Cash and cash equivalents		126,156	33,824
		191,437	264,851
Total assets		240,527	315,310
EQUITY			
Equity attributable to owners of the Company			
Share capital		169,730	—
Reserves	34(a)	60,430	80,975
Total equity		230,160	80,975



34 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Balance sheet of the Company (Continued)

34 本公司資產負債表及儲備變動 (續)

本公司資產負債表(續)

		As at 31 March 於3月31日	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
	Note 附註		
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Finance lease liabilities	融資租賃負債	14	184
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	4,705	211,410
Amounts due to a subsidiary	應付附屬公司款項	5,391	4,357
Amount due to the controlling shareholder	應付控股股東款項	—	11,686
Amount due to a former director	應付前董事款項	—	1,000
Finance lease liabilities	融資租賃負債	170	163
Current income tax liabilities	當期所得稅負債	87	5,535
		10,353	234,151
Total liabilities	負債總額	10,367	234,335
Total equity and liabilities	權益及負債總額	240,527	315,310

The balance sheet of the Company was approved by the Board of Directors on 27 June 2019 and was signed on its behalf.

本公司資產負債表已由董事會於2019年6月27日批准並由下列董事代表簽署。

Ando Shokei
 安藤湘桂
 Director
 董事

Ando Eri
 安藤惠理
 Director
 董事

**34 BALANCE SHEET AND RESERVE MOVEMENT
 OF THE COMPANY (Continued)**

(a) Reserve movement of the Company

**34 本公司資產負債表及儲備變動
 (續)**

(a) 本公司儲備變動

		Retained earnings 保留盈利 HK\$'000 千港元
At 1 April 2017	於2017年4月1日	43,338
Profit for the year	年度溢利	37,637
At 31 March 2018	於2018年3月31日	80,975
Loss for the year	年度虧損	(20,545)
At 31 March 2019	於2019年3月31日	60,430



35 BENEFITS AND INTEREST OF DIRECTORS

(a) Directors and chief executive's emoluments

The remuneration of each director of the Company paid/payable by the Group for the year ended 31 March 2019 are set out as follows:

35 董事福利及利益

(a) 董事及最高行政人員薪酬

截至2019年3月31日止年度，本集團已付／應付本公司各董事的薪酬載列如下：

For the year ended		Director's fee	Salaries, wages and bonuses	Pension, medical insurance, other social insurances and other benefits	Total
截至以下日期止年度		董事袍金	薪金、工資及花紅	退休金、醫療保險、其他社會保險及其他福利	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
31 March 2019	2019年3月31日				
Executive directors	執行董事				
— Mr. Ando	— 安藤先生	—	7,879	946	8,825
— Mrs. Ando Eri	— 安藤惠理女士	—	2,748	117	2,865
— Mr. Katsu Bunkai	— 葛文海先生	—	998	108	1,106
— Mr. Sun Hongyue	— 孫鴻月先生	—	1,512	149	1,661
— Mr. Yau Chung Hang	— 邱仲珩先生	120	1,341	18	1,479
Non-executive directors	非執行董事				
— Mr. Yang Yi Chung (Note (ii))	— 楊維聰先生 (附註(ii))	120	—	—	120
— Mr. Chung Kwok Mo John	— 鍾國武先生	120	—	—	120
— Ms. Lam Suk Ling Shirley	— 林淑玲女士	120	—	—	120
— Mr. Chun Chi Man	— 秦治民先生	120	—	—	120
		600	14,478	1,338	16,416
31 March 2018	2018年3月31日				
Executive directors	執行董事				
— Mr. Ando	— 安藤先生	—	5,506	941	6,447
— Mr. Feng (Note (i))	— 馮先生 (附註(i))	—	—	—	—
		—	5,506	941	6,447



35 BENEFITS AND INTEREST OF DIRECTORS (Continued)

(a) Directors and chief executive's emoluments (Continued)

The remuneration shown above represents remuneration paid and payable by the Group for these directors in their capacity as employees to the Group and/or in their capacity as directors of the Company during the year ended 31 March 2019. No directors waived or agreed to waive any emoluments during the years ended 31 March 2019 and 2018.

Note:

- (i) Mr. Feng has resigned as the Company's director with effect from 9 March 2018.
- (ii) Mr. Yang has resigned as the Company's director with effect from 14 May 2019.

(b) Directors' retirement benefits

During the year ended 31 March 2019, no retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking (2018: Nil).

(c) Directors' termination benefits

No payment was made to directors as compensation for early termination of the appointment during the year ended 31 March 2019 (2018: Nil).

(d) Consideration provided to third parties for making available directors' services

No payment was made to third parties for making available directors' services during the year ended 31 March 2019 (2018: Nil).

35 董事福利及利益 (續)

(a) 董事及最高行政人員薪酬 (續)

上文所載薪酬指該等董事於截至2019年3月31日止年度以本集團僱員身份及／或本公司董事身份由本集團已付或應付的薪酬。概無董事於截至2019年及2018年3月31日止年度放棄或同意放棄任何酬金。

附註：

- (i) 馮先生已辭任本公司董事，於2018年3月9日生效。
- (ii) 楊先生已辭任本公司董事，由2019年5月14日起生效。

(b) 董事退休福利

截至2019年3月31日止年度，任何董事均未就管理本公司事務或其附屬公司業務所提供的其他服務而獲付或應收取任何退休福利(2018年：無)。

(c) 董事離職福利

截至2019年3月31日止年度，並無向董事支付作為提早終止委聘的補償(2018年：無)。

(d) 就提供董事服務向第三方撥付的代價

截至2019年3月31日止年度，並無就提供董事服務向第三方作出任何付款(2018年：無)。



35 BENEFITS AND INTEREST OF DIRECTORS (Continued)

(e) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

Save as disclosed in Note 30, there are no other loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors during the year ended 31 March 2019 (2018: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

There are no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2019 (2018: Nil).

35 董事福利及利益 (續)

(e) 關於以董事、有關董事的受控法團及與有關董事關連的實體為受益人的貸款、準貸款及其他交易的資料

除附註30所披露者外，截至2019年3月31日止年度，並無以董事、有關董事的受控法團及與有關董事關連的實體為受益人的其他貸款、準貸款及其他交易(2018年：無)。

(f) 董事於交易、安排或合約的重大權益

於年末或截至2019年3月31日止年度的任何時間內，本公司概無簽訂任何涉及本公司業務而本公司董事直接或間接在其中擁有重大權益之重要交易、安排及合約(2018年：無)。



FOUR-YEAR FINANCIAL SUMMARY

四年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last four financial years, as extracted from the published audited financial statements.

本集團於過去四個財政年度之業績以及資產、負債與非控股權益概要，摘錄自己刊發經審計財務報表。

The summary of the results of the Group of each of the three years ended 31 March 2016, 2017 and 2018 have been extracted from the Prospectus. No financial statements of the Group for the year ended 31 March 2015 have been published.

本集團截至2016年、2017年及2018年3月31日止三個年度各年的業績概要乃摘錄自招股章程。本集團並無刊發截至2015年3月31日止年度的財務報表。

FINANCIAL HIGHLIGHTS

財務摘要

		2016 2016年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Revenue	收益	138,613	148,048	173,266	166,091
Gross profit	毛利	97,296	107,168	132,319	126,181
Profit before income tax	除所得稅前溢利	30,223	41,004	57,982	15,298
Profit attributable to owners of the Company	本公司擁有人應佔溢利	18,497	30,780	44,063	8,632
Total assets	總資產	316,165	374,060	570,336	551,003
Total liabilities	負債總額	241,090	266,325	459,927	264,115
Net Assets	資產淨額	75,075	107,735	110,409	286,888
Equity attributable to:	以下人士應佔權益：				
— Equity shareholders of the Company	— 本公司權益股東	67,267	98,307	103,669	280,286
— Non-controlling interests	— 非控股權益	7,808	9,428	6,740	6,602
		75,075	107,735	110,409	286,888
Gross profit margin ¹	毛利率 ¹	70.2%	72.4%	76.4%	76.0%
Net profit margin ²	純利率 ²	13.3%	20.8%	25.4%	5.2%
Current ratio ³	流動比率 ³	1.28	1.39	1.21	2.10
Net debt to equity ratio ⁴	淨負債資本比率 ⁴	Net Cash 現金淨額	Net Cash 現金淨額	Net Cash 現金淨額	Net Cash 現金淨額



- | | | | |
|---|---|---|---------------------------------|
| 1 | Gross profit margin is calculated by dividing gross profit by revenue. | 1 | 毛利率以毛利除以收益計算得出。 |
| 2 | Net profit margin is calculated by dividing profit attributable to owners of the Company by revenue. | 2 | 純利率以本公司擁有人應佔溢利除以收益計算得出。 |
| 3 | Current ratio is calculated by dividing total current assets by total current liabilities. | 3 | 流動比率以流動資產總額除以流動負債總額計算得出。 |
| 4 | Net debt to equity ratio is calculated by dividing interest-bearing liabilities less cash and cash equivalents by total equity. | 4 | 淨負債資本比率以計息負債減現金及現金等價物除以總權益計算得出。 |





This annual report is printed on environmental paper
此年度報告以環保紙張印製