



ELEGANCE OPTICAL INTERNATIONAL HOLDINGS LIMITED

高雅光學國際集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代碼: 907

ANNUAL REPORT **2019/2020** 年報



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Chung Yuk Lun
Mr. Chan Chung Yin, Victor

Independent Non-Executive Directors

Mr. Man Wai Lun
Mr. Cheng Chun Man
Mr. Hui Man Ho, Ivan

AUDIT COMMITTEE

Mr. Cheng Chun Man (*Chairman*)
Mr. Man Wai Lun
Mr. Hui Man Ho, Ivan

NOMINATION COMMITTEE

Mr. Man Wai Lun (*Chairman*)
Mr. Cheng Chun Man
Mr. Hui Man Ho, Ivan

REMUNERATION COMMITTEE

Mr. Man Wai Lun (*Chairman*)
Mr. Cheng Chun Man
Mr. Hui Man Ho, Ivan

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Chong Hing Bank Limited

AUDITORS

CCTH CPA Limited

COMPANY SECRETARY

Mr. Chung Yuk Lun

HONG KONG SHARE REGISTRAR

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

董事會

執行董事

鍾育麟先生
陳仲然先生

獨立非執行董事

文偉麟先生
鄭振民先生
許文浩先生

審核委員會

鄭振民先生 (*主席*)
文偉麟先生
許文浩先生

提名委員會

文偉麟先生 (*主席*)
鄭振民先生
許文浩先生

薪酬委員會

文偉麟先生 (*主席*)
鄭振民先生
許文浩先生

主要往來銀行

星展銀行(香港)有限公司
創興銀行有限公司

核數師

中正天恆會計師有限公司

公司秘書

鍾育麟先生

香港股份過戶登記處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心54樓

Corporate Information 公司資料

PRINCIPAL SHARE REGISTRAR

Conyers Corporate Services (Bermuda) Limited
Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

REGISTERED OFFICE

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Central,
Hong Kong

WEBSITE

<http://www.irasia.com/listco/hk/eleganceoptical>

STOCK CODE

The Stock Exchange of Hong Kong Limited: 907

CORPORATE COMMUNICATIONS

This annual report (in both English and Chinese versions) is available to any shareholder of the Company ("Shareholders") either in printed form and on the websites of The Stock Exchange of Hong Kong Limited (<https://www.hkexnews.hk>) and the Company. In order to protect the environment, the Company highly recommends the Shareholders to receive electronic copy of this annual report. Shareholders may have the right to change their choice of receipt of our future Corporate Communications at any time by reasonable notice in writing to the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, by post or by email at is-enquiries@hk.tricorglobal.com.

主要股份過戶登記處

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註冊辦事處

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總辦事處及主要營業地點

香港
中環
德輔道中19號
環球大廈
24樓2405室

網站

<http://www.irasia.com/listco/hk/eleganceoptical>

股份代號

香港聯合交易所有限公司：907

公司通訊

本年報(中、英文版本)可供本公司任何股東(「股東」)選擇以印刷本或於香港聯合交易所有限公司網站(<https://www.hkexnews.hk>)及本公司之網站收取。為支持環保，本公司極力推薦各股東選擇以電子版本收取本年報。股東有權隨時以郵寄或電郵方式(is-enquiries@hk.tricorglobal.com)向本公司於香港之股份過戶登記分處「卓佳登捷時有限公司」發出合理書面通知，更改所選擇收取日後公司通訊之方式。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

For the year ended 31 March 2020 ("Year"), Elegance Optical International Holdings Limited (the "Company" together with its subsidiaries are collectively referred to as the "Group") recorded a loss before tax of approximately HK\$102.4 million. The loss attributable to the owners of the Company for the Year was approximately HK\$98.4 million (2019: approximately HK\$99.1 million).

Total revenue for the Year was approximately HK\$66.2 million. Compared to approximately HK\$179.0 million recorded for the year ended 31 March 2019, it represents a decrease of approximately 63.0%. The Group's operations comprised of 4 segments, i.e. the manufacturing and trading of optical frames and sunglasses, property investment, debts and securities investment and film investment and distribution (2019: comprised of 5 segments, i.e. the manufacturing and trading of optical frames and sunglasses, property investment, debts and securities investment, film investment and distribution and money lending).

The largest part of total revenue came from the sales of optical frames and sunglasses. This decreased by approximately 63.0% or approximately HK\$106.7 million (2019: HK\$169.3 million). Eyewear sales noticeably decreased due to the Group's termination of cooperation with a business strategic partner which contributed a significant amount of revenue in the past year.

For property investment, rental income decreased slightly from approximately HK\$2.3 million in 2019 to approximately HK\$2.1 million in 2020. However, it remained relatively insignificant to the Group's operation.

For debts and securities investment segment, the Group has recorded a segment loss of approximately HK\$1.6 million (2019: HK\$0.7 million). The fair value of the Group's securities investment amounted to approximately HK\$5.7 million as at 31 March 2020. The management will continue to adopt prudent approach in investment and monitor the stock markets closely. The Group will cautiously search for investment opportunities.

For film investment and distribution segment, Filmko Culture Limited, the holding company of a major film distributor in the People's Republic of China ("PRC"), whose 25% interest was acquired by the Group in July 2018, showed good performance in its film distribution business in the PRC. That company issued five films this Year and recorded a profit after tax of approximately HK\$42.8 million, which had exceeded the profit guarantee.

業務回顧

於截至二零二零年三月三十一日止年度（「本年度」）內，高雅光學國際集團有限公司（「本公司」）連同其附屬公司統稱「本集團」錄得除稅前虧損約102,400,000港元。於本年度內，本公司擁有人應佔虧損約98,400,000港元（二零一九年：約99,100,000港元）。

於本年度內，總收益約為66,200,000港元，較截至二零一九年三月三十一日止年度錄得之約179,000,000港元減少約63.0%。本集團的業務包括4個分部，即眼鏡架及太陽眼鏡製造及貿易、物業投資、債務及證券投資以及電影投資及發行（二零一九年：包括5個分部，即眼鏡架及太陽眼鏡製造及貿易、物業投資、債務及證券投資、電影投資及發行以及放債）。

總收益之最大部分乃來自銷售眼鏡架及太陽眼鏡。該收益減少約63.0%或約106,700,000港元（二零一九年：169,300,000港元）。由於本集團終止與一名業務战略合作夥伴之合作，而該合作夥伴於上一年度貢獻大額收益，故眼鏡銷量顯著減少。

就物業投資而言，租金收入由二零一九年的約2,300,000港元輕微下降至二零二零年的約2,100,000港元，但對本集團的運營而言仍然屬相對不重大。

就債務及證券投資分部而言，本集團已錄得分部虧損約1,600,000港元（二零一九年：700,000港元）。於二零二零年三月三十一日，本集團證券投資之公允值為約5,700,000港元。管理層將繼續採取審慎的投資方式，密切關注股市。本集團將謹慎尋找投資機會。

就電影投資及發行分部而言，本集團於二零一八年七月收購星皓文化有限公司（一家於中華人民共和國（「中國」）主要電影發行商之控股公司）25%的權益，該公司於中國境內的電影發行業務表現良好。該公司於本年度發行五部影片，錄得稅後利潤約42,800,000港元，已超額完成利潤保證。

Management Discussion and Analysis

管理層討論及分析

PROSPECT

The Group is of the view that the manufacturing and trading of optical frames and sunglasses business for the coming financial year would be challenging. The unprecedented economic disruption from COVID-19 (“COVID-19”) has brought about volatility and challenges on a global scale. Even though the COVID-19 epidemic of certain regions seems under control, the board of directors of the Company (the “Board” or “Directors”) believed that due to the economic shutdown is substantial and long-lasting, it is unable to estimate the impact. The Group will consider whether to increase outsourcing the manufacturing and production of the products instead of utilising its own production capabilities, so as to achieve an optimal business model with reference to current and future market conditions.

However, on the other hand, the Group is of the view that the film market in the PRC is facing crisis as well as opportunities. The film market in the PRC maintained the momentum of continuous growth in 2019 and the box office of films in the PRC was RMB64,266 million, representing an increase of 5.4% over the corresponding period of 2018 and remaining the world’s second largest film market after the North America. The total number of overall screens in the PRC has increased by 9,708 to 69,787, ranking first in the world in movie screens for years and consolidating its leading position in the world. The cinema admission reached 1,727 million, representing an increase of 11 million as compared to 2018.

Due to the outbreak of the novel coronavirus epidemic in 2020, the film market was significantly affected with a loss of over RMB10 billion in the box office of films. However, as the epidemic in Mainland China was under control and the PRC has issued various favourable policies, including the “Announcement on Temporary Exemption on National Special Funds on Films”*, the “Announcement on Supporting Policies on Taxes and Fees on the Films”* and “Other Industries and the Notice on Supporting Cinemas in Fighting against the Epidemic with Special Discounted Interest on Films”*, to support the development of the film industry, the film market in the PRC is gradually recovering.

The Group will stably operate its current film business and further enhance management on its current film investment, TV drama investment, script and film and television copyright trading and artiste management to enhance the business quality. Meanwhile, it will pay prudent attention to investment opportunities in the upstream and downstream industry chain of the film business and the cultural and entertainment industry. The Group will maintain a prudent attitude in the sound development of the film investments and distribution business.

* The English translation of the Chinese name(s), where indicated (*) is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).

展望

本集團認為於下一財政年度眼鏡架及太陽眼鏡之製造及貿易業務將充滿挑戰。新型冠狀病毒（或稱COVID-19）（「COVID-19」）造成的前所未有的經濟中斷給全球帶來了動蕩及挑戰。儘管若干地區的COVID-19疫情似乎已得到控制，本公司董事會（「董事會」或「董事」）認為，由於經濟停擺造成的影響是嚴重性及長期性，尚無法估計其影響。本集團將考慮是否增加產品製造及生產的外包，以替代利用其自有生產能力，根據當前及未來市況來實現最佳營商模式。

然而，另一方面，本集團認為，中國電影市場危險與機遇並存。中國電影市場二零一九年依然保持不斷增長之勢頭，全國電影票房人民幣642.66億元，較二零一八年同期增長5.4%，依然為僅次於北美的全球第二大電影市場；全國新增銀幕9,708塊，銀幕總數達69,787塊，已連續多年穩居世界電影銀幕數量首位，全球領先的地位更加鞏固；全國觀影人次達17.27億，亦較二零一八年增長0.11億人次。

進入二零二零年以來，由於新冠病毒疫情爆發的影響，使電影市場受到巨大衝擊，電影票房損失達人民幣百億元以上。但隨著中國大陸地區的疫情得到控制，國家也相繼出台《關於暫免徵收國家電影事業專項資金政策的公告》、《關於電影等行業稅費支持政策的公告》、《關於做好電影專項貼息支持影院應對疫情有關工作的通知》等一系列優惠政策支持電影行業發展，中國電影市場正在逐漸復蘇。

本集團將穩步運營既有的電影業務，在已開展的電影投資、電視劇投資、劇本及影視版權買賣、藝人經紀等方面進一步加強管理，提升業務質素。與此同時，本集團審慎關注電影業務上下游產業鏈及文化娛樂行業的投資機會。本集團將抱持審慎的態度穩步發展電影投資及發行業務。

Management Discussion and Analysis

管理層討論及分析

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2020, the Company had no capital commitments, which were contracted but not provided for, in respect of acquisition of property, plant and equipment (2019: Nil). As at 31 March 2020, the Company had no contingent liabilities (2019: Nil) in respect of corporate guarantees given to banks for the general banking facilities granted to its subsidiaries.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position with cash and cash equivalents of approximately HK\$28.4 million (2019: HK\$13.9 million), short-term borrowings of approximately HK\$30.5 million (2019: HK\$20.7 million) and the debt to equity ratio (expressed as a percentage of non-current liabilities over equity attributable to owners of the Company) is approximately 12.1% as at 31 March 2020 (2019: 0.9%). The non-current liabilities of the Company mainly comprised of deferred tax liabilities, deposit received, obligation under finance leases, interest bearing other borrowings and lease liabilities amounting to approximately HK\$2.4 million, HK\$0.1 million, HK\$Nil, HK\$8.3 million and HK\$17.0 million respectively (2019: HK\$2.2 million, HK\$0.2 million, HK\$0.3 million, HK\$Nil and HK\$Nil) which came up a total amount of approximately HK\$27.7 million as at 31 March 2020 (2019: HK\$2.7 million). The Group's equity attributable to owners of the Company as at 31 March 2020 amounted to approximately HK\$229.4 million (2019: HK\$303.4 million).

EVENT AFTER THE REPORTING PERIOD

On 19 May 2020, Elegance Optical Investments Limited (an indirect wholly-owned subsidiary of the Company) (the "Vendor") and Healthmark Medical Supply Co., Limited (the "Purchaser"), entered into a provisional sale and purchase agreement, pursuant to which the Vendor had agreed to dispose of and the Purchaser had agreed to purchase the property situated at Factory B7, 3/F, Block B, Mai Hing Industrial Building (of Hing Yip Industrial Centre, Phase I, Blocks A & B), Nos. 16-18 Hing Yip Street, Kowloon, Hong Kong ("Property") at the consideration of approximately HK\$10,260,000. completion for the disposal of the Property shall take place on or before 17 July 2020 or after completion of quarantine condition, whichever is later. Please refer to the announcement of the Company titled "Discloseable Transaction – Disposal of Property" published on 20 May 2020 for details.

資本承擔及或然負債

於二零二零年三月三十一日，本公司就購買物業、廠房及設備並無已訂約但未撥備之資本承擔（二零一九年：無）。於二零二零年三月三十一日，本公司並無有關就其附屬公司獲授一般銀行融資向銀行提供企業擔保的或然負債（二零一九年：無）。

流動資金及財務資源

於二零二零年三月三十一日，本集團的財務狀況為現金及現金等值物約28,400,000港元（二零一九年：13,900,000港元）、短期借貸約30,500,000港元（二零一九年：20,700,000港元），以及負債與權益比率（以非流動負債佔本公司擁有人應佔權益的百分比表示）約12.1%（二零一九年：0.9%）。於二零二零年三月三十一日，本公司的非流動負債主要由遞延稅項負債、已收按金、融資租賃下之責任、計息其他借貸及租賃負債組成，分別約2,400,000港元、100,000港元、零港元、8,300,000港元及17,000,000港元（二零一九年：2,200,000港元、200,000港元、300,000港元、零港元及零港元），合共約為27,700,000港元（二零一九年：2,700,000港元）。於二零二零年三月三十一日，本公司擁有人應佔本集團權益約為229,400,000港元（二零一九年：303,400,000港元）。

報告期後事件

於二零二零年五月十九日，高雅眼鏡投資有限公司（本公司一間間接全資附屬公司）（「賣方」）與康栢醫療用品有限公司（「買方」）訂立臨時買賣協議，據此，賣方已同意出售及買方已同意購買位於香港九龍觀塘興業街16-18號興業工業中心1期A座及B座美興工業大廈B座3樓B7工廠之物業（「該物業」），代價約為10,260,000港元。出售該物業將於二零二零年七月十七日或之前或於隔離條件完畢後（以較後者為準）方會完成。有關詳情請參閱本公司於二零二零年五月二十日刊發標題為「須予披露交易—出售物業」之公告。

Management Discussion and Analysis 管理層討論及分析

FULFILLMENT OF PROFIT GUARANTEE OF FILMKO CULTURE GROUP

The acquisition of 25% of Filmko Culture Limited was completed on 11 July 2018. Pursuant to the terms of the acquisition, Alex Film Limited (the vendor and a company beneficially owned as to 72% by Mr. Wong Hoi Fung) shall give a profit guarantee in favour of the Filmko Culture Limited and its subsidiaries (collectively "Filmko Culture Group") in the amount of HK\$40 million for each of the years ending/ended 31 March 2019, 31 March 2020 and 31 March 2021. Mr. Wong Hoi Fung, as a guarantor, shall guarantee by way of continuing guarantee to the Group the due and punctual performance by Alex Film Limited of its obligations under the profit guarantee. For further details of the terms of the acquisition, please refer to the Company's announcements dated 22 January 2018, 11 April 2018 and 21 June 2018.

The Board confirmed that based on the audited financial information of the Filmko Culture Group for the year ended 31 March 2020, the Filmko Culture Group recorded a profit after taxation of approximately HK\$42.8 million. Therefore, the profit guarantee requirement for the year end 31 March 2020 has been met.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2020, the Group employed 271 (2019: 384) full time employees in Mainland China and Hong Kong. Salaries, bonuses and benefits are determined with reference to market terms and performance, qualifications and experience of each individual employee, and are subject to review from time to time.

BUSINESS MODEL AND STRATEGY

Being one of the major manufacturers and exporters of optical frames, the Group has put its emphasis on product quality and production technology development. Putting the customers' needs on the highest priority, the Group always strives to provide customers with first class service and full satisfaction.

The Group is also actively identifying and exploring other investments and business opportunities to broaden its assets and revenue base. Potential acquisitions or mergers will be assessed by the Board for expansion of the business segments of the Group. The Board believes diversified investments are beneficial to the interests of the Group and the shareholders as a whole.

達致星皓文化集團之溢利保證

收購星皓文化有限公司之25%已於二零一八年七月十一日完成。根據收購條款，Alex Film Limited（賣方及由王海峰先生實益擁有72%之公司）應於截至二零一九年三月三十一日、二零二零年三月三十一日及二零二一年三月三十一日止年度各年向星皓文化有限公司及其附屬公司（統稱「星皓集團」）提供40,000,000港元之溢利保證。王海峰先生作為擔保人，應向本集團提供持續擔保的方式，擔保Alex Film Limited妥當及依時履行其於溢利保證項下的義務。有關收購條款的進一步詳情，請參閱本公司日期為二零一八年一月二十二日、二零一八年四月十一日及二零一八年六月二十一日之公告。

董事會確認，根據星皓文化集團於截至二零二零年三月三十一日止年度之經審核財務資料，星皓文化集團錄得除稅後溢利約42,800,000港元。因此，已達致截至二零二零年三月三十一日止年度之溢利保證要求。

僱員及薪酬政策

於二零二零年三月三十一日，本集團於中國內地及香港聘用271名（二零一九年：384名）全職僱員。本集團參考市場條件以及個別僱員之表現、資歷及經驗釐定薪金、花紅及福利，並不時進行檢討。

業務模式及策略

本集團是主要眼鏡架製造商及出口商之一，一直著重產品質素及生產技術發展。本集團一直將客戶需要放在第一位，致力為客戶提供稱心滿意的一流服務。

本集團亦正積極物色及探索其他投資及業務機會，以拓展其資產及收入基礎。董事會將評估潛在收購或合併事項，以供擴充本集團的業務分部。董事會相信，投資多元化有利於本集團及股東的整體利益。

Management Discussion and Analysis

管理層討論及分析

PRINCIPAL RISKS AND UNCERTAINTIES

Following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and are in addition to the matters referred to the Management Discussion and Analysis.

In the normal course of business, the Group's operations, business performance, financial position and prospects may be exposed to the following risks and uncertainties:

1. Economic Conditions and Market Risk

The impact of economic conditions on consumer confidence and buying habits will affect the sales, revenue and results of the Group. The economic growth or decline in respective geographical markets that affected consumer spending on our products will also affect the Group's business. The Group continues to implement its strategies to develop and strengthen penetration of different geographical markets thereby reducing its dependence on specific markets.

2. Credit Risk and Liquidity Risk

The Group's major financial instruments include trade and other receivables, loan and interest receivables, equity investments, amount due from a joint venture, bank balances and cash, trade and other payables, deposits received, deferred income, obligation under finance leases and interest-bearing bank and other borrowings. The management will closely monitor the risks attributable to those assets should there be any significant exposure arise in the future. Details of the Group's credit and liquidity risks are set out in note 43 to the consolidated financial statements.

主要風險及不明朗因素

以下為根據香港法例第622章公司條例須予披露之本公司所面臨主要風險及不明朗因素及為管理層討論及分析所述事宜之外的事宜。

於正常業務過程中，本集團業務營運、業務表現、財務狀況及前景或會面對下列風險及不明朗因素：

1. 經濟狀況及市場風險

經濟狀況對消費者信心及購買習慣之影響會影響本集團的銷售、收益及業績。各地區市場的經濟增長或衰退對消費者產品消費造成的影響亦影響本集團的業務。本集團繼續實施其各項策略，以發展及加強不同地區市場的滲透，從而減少對特定市場的依賴。

2. 信貸風險及流動資金風險

本集團的主要金融工具包括貿易及其他應收款項、應收貸款及應收利息、股權投資、應收一間合營公司款項、銀行結餘及現金、貿易及其他應付款項、已收按金、遞延收入、融資租賃負債及計息銀行及其他借貸。倘日後出現任何重大風險，管理層將密切監察存在於該等資產的風險。有關本集團信貸及流動資金風險的詳情載於綜合財務報表附註43。

Management Discussion and Analysis

管理層討論及分析

PRINCIPAL RISKS AND UNCERTAINTIES

(Continued)

3. Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing financial assets and liabilities, mainly loan and interest receivables, interest bearing bank and other borrowings and bank balances at prevailing market interest rates. The Group's interest rate risk relates primarily to its interest-bearing bank and other borrowings subject to negotiations on expiry/renewal date. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate risk should the need arise.

4. Commodities Risk

The Group is exposed to fluctuations in the prices of commodities used as raw materials in the manufacturing process, primarily cellulose acetate and potassium gold cyanide. While the Group may be able to partially offset these fluctuations with a flexible pricing policy, the Group bears the risks of fluctuation in the costs of these materials. Accordingly, rising prices for commodities have affected and are expected to continue to affect the Group's cost of goods sold in the form of higher raw materials prices. On the other hand, decreases in prices for commodities may affect the value of the Group's inventories. The Group currently does not use any derivative contracts to hedge its exposure to commodities risk. However, the management will consider hedging significant commodities risk should the need arise.

5. Foreign Currency Risk

The Group conducts its business transactions mainly in Hong Kong dollar, Renminbi ("RMB") and United States dollar ("USD"). As the Hong Kong dollar is pegged to the USD, the Group does not foresee any material exchange risk in this respect. The management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

主要風險及不明朗因素 (續)

3. 利率風險

本集團因利率變動對計息金融資產及負債（主要為應收貸款及應收利息、計息銀行及其他借貸以及按現行市場利率計息的銀行結餘）的影響而面臨利率風險。本集團的利率風險主要與其計息銀行及其他借貸（有待於到期／重續日期磋商）有關。本集團目前並未使用任何衍生工具合約，以對沖其面臨的利率風險。然而，管理層將在必要時考慮對沖重大利率風險。

4. 商品風險

本集團面臨用於生產工序作原材料的商品（主要為醋酸纖維素及氰化金鉀）之價格波動風險。雖然本集團或能夠以彈性定價政策抵銷部分該等波動，但本集團仍須承受該等物料成本波動的風險。因此，商品價格上升已經並預期會繼續以更高原材料價格的方式影響本集團的銷貨成本。另一方面，商品價格下跌或會影響本集團的存貨價值。本集團目前並未使用任何衍生工具合約，以對沖其面對的商品風險。然而，管理層將在必要時考慮對沖重大商品風險。

5. 外匯風險

本集團主要以港元、人民幣（「人民幣」）及美元（「美元」）進行業務交易。由於港元與美元掛鈎，本集團預期不會就此面對任何重大匯兌風險。管理層密切監察外匯風險，並會於需要時考慮對沖重大外匯風險。

Management Discussion and Analysis

管理層討論及分析

EQUITY FUND RAISING ACTIVITIES AND USE OF PROCEEDS

Rights Issue of 202,184,561 shares

On 18 February 2020, the Company completed its rights issue and issued 202,184,561 rights shares on the basis of one rights share for every two existing shares, at the subscription price of HK\$0.14 per rights share (the "Rights Issue"). The net cash proceeds received from the Rights Issue amounted to approximately HK\$26,012,000 after share issue expenses. Details of the Rights Issue were set out in the Company's prospectus dated 23 January 2020.

According to the said prospectus, the net proceeds from the Rights Issue was estimated to be approximately HK\$26.3 million and were intended to be used as (i) approximately HK\$23.0 million for repayment of the Group's indebtedness; and (ii) approximately HK\$3.3 million for the general working capital of the Group.

On completion of the Rights Issue, the actual net proceeds were approximately HK\$26,012,000. As at 31 March 2020, HK\$9.8 million had been used for repayment of the Group's indebtedness and HK\$1.8 million had been utilized as general working capital.

SIGNIFICANT INVESTMENTS HELD

As at 31 March 2020, the Group had securities investments with a market value of approximately HK\$5.7 million (2019: HK\$6.7 million), representing an investment of 1 listed securities in Hong Kong. The Group recorded an unrealised fair value gains of approximately HK\$1.8 million (2019: HK\$2.1 million) in respect of the securities investments at the end of financial year. The details of the securities investments as at 31 March 2020 are as follows:

| Company name | Stock code | Number of shares held | % of shareholdings | Unrealised gain/(loss) on fair value change for the year | Cost of acquisition/fair value brought forward from 31 March 2019 | Fair value as at 31 March 2020 | % of net asset of the Group as at 31 March 2020 | Principal activities |
|---|------------|-----------------------|--------------------|--|---|--------------------------------------|---|---|
| 公司名稱 | 股份代號 | 所持股份數目 | 佔股權百分比 | 年度公允價值變動之未變現收益/(虧損) HK\$'000 千港元 | 結轉自二零一九年三月三十一日之收購成本/公允價值 HK\$'000 千港元 | 於二零二零年三月三十一日之公允價值 HK\$'000 千港元 | 佔本集團於二零二零年三月三十一日資產淨值百分比 | 主要業務 |
| 金匯教育集團有限公司 Goldway Education Group Limited | 8160 | 10,008,000 | - | - | 6,705 | - | - | Provision of tutoring services to secondary school students and primary school students in Hong Kong. 為香港中小學生提供輔導服務。 |
| 香港潮商集團有限公司 Hong Kong Chaoshang Group Limited | 2322 | 6,872,000 | 8.34% | 1,821 | - | 5,704 | 2.59% | Provision of vessel chartering, trading, money lending, factoring and finance leasing service. 從事船舶租賃、貿易、借貸、保理及融資租賃。 |
| | | | | 1,821 | 6,705 | 5,704 | | |

股本集資活動及所得款項用途

202,184,561股股份之供股

於二零二零年二月十八日，本公司按每持有兩股現有股份獲發一股供股股份之基準完成其供股及發行202,184,561股供股股份，認購價為每股供股股份0.14港元（「供股」）。經扣除股份發行開支後，自供股收取的現金所得款項淨額約26,012,000港元。供股之詳情載於本公司日期為二零二零年一月二十三日之招股章程。

根據該招股章程，供股之所得款項淨額估計約為26,300,000港元，(i)其中約23,000,000港元擬用於償還本集團之債務；及(ii)其中約3,300,000港元擬用作本集團之一般營運資金。

於完成供股時，實際所得款項淨額約為26,012,000港元。於二零二零年三月三十一日，9,800,000港元已用於償還本集團之債務及1,800,000港元已動用作一般營運資金。

持有重大投資

於二零二零年三月三十一日，本集團之證券投資市值約為5,700,000港元（二零一九年：6,700,000港元），為於香港1份上市證券之投資。本集團於財政年度末就證券投資錄得未變現公允價值收益約1,800,000港元（二零一九年：2,100,000港元）。於二零二零年三月三十一日之證券投資詳情如下：

Environmental, Social and Governance Report

環境、社會及管治報告

SCOPE AND REPORTING PERIOD

This report highlights its Environmental, Social, and Governance (the “ESG”) performance by the Group, with disclosure reference made to the ESG Reporting Guide as described in Appendix 27 of the Rules Governing the Listing of Securities (“Listing Rules”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

This ESG report covers the Group’s overall performance in two areas, namely, environmental and social areas of the business operations in the PRC and Hong Kong including the offices, 2 factories in the PRC, retail shops in the PRC and Hong Kong.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

In order to identify the most significant aspects for the Group to report in this ESG report, key stakeholders including investors, shareholders and employees have been involved in regular engagement sessions to discuss and to review areas of attention which will help the Group meets its potential growth and be prepared for future challenges.

SUSTAINABILITY VISION

Our vision and aspiration are:

1. To be a pioneer and a leader in the industry with a portfolio of transformative and innovative products for our customers;
2. To ensure that our business is sustainable and profitable providing healthy and long-term returns to our shareholders; and
3. To build a high-performance team with good business culture and robust engagement of internal and external stakeholders.

Our commitments are:

1. To do business in environmentally-friendly way to conserve resources;
2. To create a positive impact and contribute to our communities; and
3. To be an effective organization that enhances integrity and high operational standards.

範圍及報告期間

此報告強調本集團於環境、社會及管治（「環境、社會及管治」）方面之表現，乃參考香港聯合交易所有限公司（「聯交所」）頒佈的證券上市規則（「上市規則」）附錄27所規定環境、社會及管治報告指引而披露。

本環境、社會及管治報告涵蓋本集團於中國及香港的經營業務，包括辦事處、中國兩間廠房、中國及香港的零售店於環境及社會兩個範疇之整體表現。

持份者之參與及重要性

為確定本集團於本環境、社會及管治報告中所匯報之最重要方向，主要持份者（包括投資者、股東及僱員）已定期參與討論及審閱有助本集團發揮潛在增長及裝備應付未來挑戰的注意事項。

可持續發展願景

我們的願景及抱負為：

1. 成為行業之先驅及翹楚，為客戶提供一系列蛻變及創新的產品；
2. 確保業務能持續發展及有利可圖，為我們的股東提供穩健長遠之回報；及
3. 建立具備良好企業文化及內部和外部持份者積極參與之高效團隊。

我們的承諾為：

1. 奉行環保原則經營業務以節約資源；
2. 為我們的社區帶來正面影響及貢獻；及
3. 成為一家有效提高誠信及具備高營運標準之機構。

Environmental, Social and Governance Report

環境、社會及管治報告

A. ENVIRONMENTAL

Type of emissions the Group has involved in the reporting period was mainly electricity, gasoline, water, paper and waste.

The business does not involve in production related air and land pollutions which are regulated under the laws in Hong Kong and in the PRC.

Total floor area coverage for the Group was 479,722 sq.ft. (2019: 479,722 sq.ft.) and the Group accounts for 100% of emissions from its operations in the PRC and Hong Kong.

Greenhouse Gas Emission

| Scope of Greenhouse Gas Emissions 溫室氣體排放範圍 | Emission Sources 排放來源 | Emission (in tonnes of CO ₂ e) 排放量 (以噸二氧化碳當量計) | | Change in Emission (in percentage) 排放量變化 (百分比) |
|---|---|--|------------------------------|---|
| | | 31 March 2020 二零二零年三月三十一日 | 31 March 2019 二零一九年三月三十一日 | 2020 vs. 2019 二零二零年與二零一九年比較 |
| Scope 1 範圍1 | | | | |
| Direct Emission 直接排放 | Unleaded Petroleum Consumed by Company owned fleet 本公司車隊所消耗之無鉛汽油 | 60.8 | 83.3 | (27.0%) |
| Scope 2 範圍2 | | | | |
| Indirect Emission 間接排放 | Purchased Electricity 購入電力 | 2,802.4 | 4,750.5 | (41.0%) |
| | Water Consumption 用水量 | 31.62 | 46 | (31.3%) |
| | Sewage Consumption 污水消耗 | 29.18 | 42.4 | (31.2%) |
| Scope 3 範圍3 | | | | |
| Other Indirect Emission 其他間接排放 | Paper Consumption 紙張消耗 | 35 | 27.40 | 27.7% |
| Total 總計 | | 2,989 | 4,950 | |

A. 環境

本集團於報告期間主要涉及電力、汽油、水、紙張、廢棄物等排放類別。

該業務並無涉及空氣及土地污染相關的生產，有關污染受香港及中國法律所規管。

本集團之所覆蓋總建築面積為479,722平方英尺(二零一九年: 479,722平方英尺)，而本集團於中國及香港之業務佔其排放量之100%。

溫室氣體排放

Environmental, Social and Governance Report

環境、社會及管治報告

Removal of Greenhouse Gas Emissions

減除溫室氣體排放量

| | Unit 單位 | 2020 二零二零年 | 2019 二零一九年 | Changes 變化 |
|--|--|----------------|---------------|---------------|
| Total Greenhouse Gas Emitted (a) 溫室氣體排放總量(a) | tCO ₂ e 噸二氧化碳當量 | 2,952.3 | 4,950 | (40.4%) |
| Total Floor Area Coverage (b) 所覆蓋之總建築面積(b) | ft ² 平方英尺 | 479,722 | 479,722 | 0% |
| Annual Emission Intensity (c) = (a)/(b) 年度排放密度(c) = (a)/(b) | tCO ₂ e/ft ² 噸二氧化碳當量 /平方英尺 | 0.01 | 0.01 | 0% |

There was 2,952.3 tonnes of carbon dioxide equivalent greenhouse gases (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation in the reporting period. The annual emission intensity was 0.01 tCO₂e/ft² (2019: 0.01).

本集團業務於報告期間之溫室氣體（主要為二氧化碳、甲烷及氧化亞氮）排放量為2,952.3噸二氧化碳當量，年度排放密度為每平方英尺0.01噸二氧化碳當量（二零一九年：0.01）。

Water

Water consumption by the Group was 103,429 m³ (2019: 72,085 m³), with water intensity of 0.22 m³/m² (2019: 0.15 m³/m²). The Group actively promotes water efficient practices so as to reduce water wastage caused by human error and unintentional switching mistake.

用水

本集團之用水量為103,429立方米（二零一九年：72,085立方米），用水密度為每平方米0.22立方米（二零一九年：每平方米0.15立方米）。本集團積極提倡節約用水措施，以減少因人為錯誤及無意的開關失誤而造成浪費水源。

Electricity

The electricity consumption by the Group was 3,991,005 kWh (2019: 6,766,479 kWh), with an energy intensity of 8.3 kWh/m² dropped from last year (2019: 14.1 kWh/m²) despite positive business growth. The Group continues its commitment in installing and switching to energy-saving lighting fixtures and sourcing energy efficient equipment to ensure functioning in optimal conditions and efficiency.

電力

儘管業務正面增長，本集團之耗電量為3,991,005千瓦時（二零一九年：6,766,479千瓦時），耗能密度每平方米8.3千瓦時（二零一九年：每平方米14.1千瓦時），較去年減少。本集團繼續致力安裝及轉換省電照明裝置及購買高能效設備，以確保有關設施保持最佳狀況及發揮最大效能。

Gasoline

A total of 36,219 liters of gasoline (2019: 49,616 liters) was used for motor vehicles and production equipment in the reporting period, contributing to 60.8 tonnes of carbon dioxide equivalent (2019: 83.3 tonnes).

汽油

本集團之汽車及生產設備於報告期間所使用之汽油合共為36,219公升（二零一九年：49,616公升），產生60.8噸二氧化碳當量碳排放（二零一九年：83.3噸）。

Environmental, Social and Governance Report

環境、社會及管治報告

Paper

The Group continues to practise paper saving initiatives, such as default double-sided printing, reminder for staff to have environmentally friendly photocopying habit, and separated collection of waste paper for effective recycling. A total of 7.89 tonnes of paper (2019: 6.18 tonnes) has been used for daily office operations and advertising materials such as leaflet, catalogue, sales kit.

Non-Hazardous Wastes

Wastes from the Group's operation includes cellulose acetate sheets, packaging materials, scrap metal, scrap equipment and scrap papers for production and office use for sales and marketing purposes.

All of the aforesaid wastes have been collected by licensed recycling companies. Packaging materials such as paper boxes and carton containers used for packaging were also collected by licensed recycling companies.

紙張

本集團繼續實施節約用紙措施，例如預設雙面列印、提醒員工培養減少浪費影印的習慣及分開收集廢紙以方便回收。日常辦公室營運及廣告物料（如傳單、產品目錄及銷售簡報）所用紙張合共為7.89噸（二零一九年：6.18噸）。

無害廢棄物

本集團業務所產生之廢棄物為用作生產及銷售及營銷辦公用途的醋酸纖維膠板、包裝物料、廢棄金屬、廢棄設備及廢紙。

所有上述廢棄物已由持牌回收公司收集。包裝所用的包裝物料（如紙箱及紙板盒）亦由持牌回收公司收集。

B. SOCIAL

Employment and Labour Practices

Employment

The Group had a total number of 271 employees as of 31 March 2019 (2019: 384), in which 100% was working as full time staff.

Employee's Age Distribution

| | | 18-25 18-25歲 | 26-35 26-35歲 | 36-45 36-45歲 | 46-55 46-55歲 | 56 and above 56歲及以上 |
|-------------|--------------|-----------------|-----------------|-----------------|-----------------|---------------------------|
| 2020 | 二零二零年 | 15% | 21% | 32% | 24% | 8% |
| 2019 | 二零一九年 | 1% | 9% | 36% | 37% | 17% |

The Group offers competitive remuneration, promotional opportunity, compensation and benefit packages to attract and retains talents. Salaries are reviewed and adjusted on a yearly basis based on performance appraisals and the market trend. Employees are entitled to year-end bonus, mandatory provident fund, medical insurance, various types of paid leave in addition to annual leave and sick leave.

B. 社會

僱傭及勞工常規

僱傭

於二零一九年三月三十一日，本集團合共有271名（二零一九年：384名）僱員，當中100%為全職員工。

僱員年齡分佈

本集團提供具競爭力之薪酬、晉升機會、補償及福利待遇，以吸引及挽留人才。員工薪酬乃按績效評估及市場趨勢而每年檢討及調整。僱員可享有年終花紅、強制性公積金、醫療保險以及年假及病假以外之多種有薪假期。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group regularly reviews employee handbook which outlines the Group's key messages, policies, procedures, promotion channel, compensation and benefits, occupational health and safety, complaint and whistleblowing channels.

本集團定期檢討員工手冊，當中載列有關本公司之重要訊息、政策、程序、晉升渠道、補償及福利、職業健康與安全、投訴及舉報渠道。

Annual Turnover Rate

年度流失率

| | | 18-25 18-25歲 | 26-35 26-35歲 | 36-45 36-45歲 | 46-55 46-55歲 | 56 and above 56歲及以上 |
|-------------|--------------|-----------------|-----------------|-----------------|-----------------|---------------------------|
| 2020 | 二零二零年 | 16% | 30% | 13% | 19% | 22% |
| 2019 | 二零一九年 | 47% | 35% | 39% | 20% | 4% |

Occupational Health and Safety Data

職業健康與安全數據

| | | 2020 二零二零年 | 2019 二零一九年 |
|--|-------------|---------------|---------------|
| Work related fatality | 因工作關係死亡 | 0 | 0 |
| Work injury cases > 3 days | 工傷個案 (多於3日) | 0 | 0 |
| Work injury < 3 days | 工傷 (少於3日) | 0 | 0 |
| The total days lost due to work injury | 因工傷損失總工作日數 | 0 | 0 |

Employee Health and Safety

The Group commits to ensure safe and healthy working environment for employees and to inspire and strengthen workforce regardless of their age, gender and ethnical backgrounds. With the aging population being a long-term demographic trend in Hong Kong, the Group has a sustainable workforce in this perspective.

僱員健康與安全

本集團致力確保為僱員提供安全及健康的工作環境，並激勵及鞏固勞動力，不論彼等的年齡、性別及種族背景。在香港人口老齡化成為長期趨勢的背景，本集團於此方面已有可持續的勞動力。

The Group regularly reviews the employees' health and safety procedure to safeguard employees' well-being. Briefing, training, news and tips are provided to employees to raise their awareness on safety production process.

本集團定期檢討僱員健康及安全程序以保障僱員健康。本集團為僱員提供簡報、培訓、資訊及提示，以提升彼等有關安全生產程序的意識。

There was no lost day due to work injury in this reporting period. The management will continue its effort in strengthening the Group's occupational health and safety performance.

於本報告期間概無因工傷而損失之日數。管理層將繼續致力加強集團之職業健康及安全成效。

Environmental, Social and Governance Report

環境、社會及管治報告

Labour Standard

Neither child nor forced labour was in the Group's operations in the reporting period. It is in compliance with the Employment Ordinances, both in Hong Kong and the PRC in terms of employment management.

The recruitment process is strictly abided by the guidelines of the Group's Human Resource Department. Every job applicant is required to fill in their information in a recruitment questionnaire, which is checked by Human Resource Department to ensure information's accuracy. This also allows the Group to hire suitable candidate in accordance with the job requirements and candidates' expectations.

Employment Communication

The Group actively engages and motivates employees through various communication channels. The regular update on website keeps employees updated on corporate news and activities. The Group also organized annual dinner, festival-related celebration, sport and volunteer works, etc. to nourish a greater sense of belonging and to provide enhanced communication channels between senior management and general staff. The Group believes having better transparent governance and investing efforts and hours on our best asset, employees, is the key to success of a sustainable business.

Development and Training

Comprehensive professional training is provided to employees to deliver top services to our customers.

Equal Opportunity

Equal opportunities are given to employees in respect of recruitment, training and development, job advancement, and compensation and benefits. The employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable law. The Group also appreciates the importance of cultural diversity in the development of the business, and employs employees in a wide range of ages, genders, and ethnicities.

勞工準則

於報告期間，本集團業務營運中並不存在使用童工或強迫勞工的情況。在僱傭管理方面，在香港及中國均已遵守僱傭條例的規定。

本集團嚴格遵守人力資源部之指引進行招聘。每名應徵者須於招聘問卷上填寫彼等之資料，並由人力資源部檢查以確保資料準確，從而令本集團可按照工作要求及求職人士之期望，聘用合適之人士。

員工交流

本集團透過不同溝通渠道積極聯繫及激勵僱員。本集團定期更新網站為僱員提供最新之公司訊息及活動動態之資訊。本集團亦舉辦年度晚宴、節慶活動、運動及義工活動等，以增加員工歸屬感，並為高級管理層與一般員工之間提供有效的溝通渠道。本集團相信，較高透明度之管治及對我們的最寶貴資產（僱員）所投放之資源及時間乃可持續發展業務之成功關鍵。

發展及培訓

本集團為僱員提供全面專業培訓，以為客戶提供優質服務。

平等機會

本集團在招聘、培訓及發展、晉升以及補償及福利等方面為員工提供平等機會。僱員並不會基於性別、種族背景、宗教、膚色、性傾向、年齡、婚姻狀況、家庭狀況、退休、殘障、懷孕或適用法律所禁止之任何其他歧視因素，而遭受歧視或被剝奪平等機會。本集團亦了解文化多元性在業務發展中的重要性，並僱用不同年齡、性別及種族的員工。

Environmental, Social and Governance Report

環境、社會及管治報告

Operating Practices

Supply Chain Management

A strict tendering process is also in place to provide a fair and transparent platform for securing the best supplier for procurement of all equipment, products and services.

Supplier

Suppliers for products, semi-products, spare parts, raw, treatment and packaging materials range from France, United Kingdom, Germany, Italy, Japan, Taiwan, the PRC and Hong Kong. They are selected based upon rational and clear criteria, such as production process, quality management system, regulatory requirement compliance, operating capacity, sample availability for testing, packaging, management's commitment, training policy and procedure, price, delivery assurance, and product recall policy, so as to procure superior goods and services from the most competitive sources. Additional information such as observation results after suppliers' production plant visits is used to evaluate the suppliers in order to have the best selected providers. The Group also monitors the overall performance of selected suppliers by conducting vendor audits with documented reports to substantiate the selection and on-going cooperation.

Product

To provide top quality services to customers, the Group carefully sourced its raw materials and equipment with standardized procurement procedure and policies. The Group's procurement policy and its comprehensive procurement management systems help screening out undesirable products in the aspects of raw materials and ingredients selection, product formulation, product packaging, quality management system in factories, transportation, etc.

Product Responsibility: Product recall policy

The Group maintains a good record of zero product recall this year, nevertheless the Group continues its commitment to consumer safety and protection by having product recall procedures and policy in place.

營運慣例

供應鏈管理

本集團設有嚴格之招標過程為所有設備、產品及服務之採購取得最佳供應商提供一個公平及具透明度之平台。

供應商

本集團產品、半製品、零部件、原材料、處理及包裝材料之供應商來自法國、英國、德國、意大利、日本、台灣、中國及香港。本集團根據合理清晰之準則挑選供應商，例如生產過程、品質管理系統、監管要求之合規、營運能力、可否提供測試樣本、包裝、管理層之承諾、培訓政策及程序、價格、交付保證及產品召回政策，務求以最具競爭力之資源採購最上乘之貨品及服務。本集團透過探訪供應商生產工場後之視察結果等額外資料來評估供應商，以從中挑選最佳供應商。本集團亦透過進行供應商審核及制定記錄報告，監控所選定供應商之整體表現，以支持其選擇及持續合作關係。

產品

為向客戶提供優質服務，本集團審慎購買符合標準採購程序及政策之原材料及設備。本集團之採購政策及全面之採購管理制度，有助剔除在原材料及成份選擇、產品配方、產品包裝、工廠品質管理系統及運輸等方面之不良產品。

產品責任：產品召回政策

本年度，本集團維持產品零召回的良好記錄，儘管如此，本集團透過設有產品召回程序及政策，繼續於消費者安全及保障方面作出貢獻。

Environmental, Social and Governance Report

環境、社會及管治報告

Consumer Data Protection and Privacy Policy

The Group's Information Technology Department has devised a comprehensive data protection policy to provide adequate protection and confidentiality of all corporate data and proprietary information. To comply with the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong and to protect the rights of employees, customers, and business partners, access control protocol is clearly defined to limiting the access to a system or to physical or virtual resources. The Group employs a comprehensive enterprise resources planning system for its finance-related operations to ensure privacy and maintain information confidentiality. The Group strictly abides with the regulation in the collection, usage, handling, and storage of data to ensure data integrity and safety.

Anti-corruption

The Group commits to manage all business without undue influence and has regarded honesty, integrity, and fairness as its core values. All directors and employees are required to strictly follow the Code of Conduct and Group's policy to prevent potential bribery, extortion, fraud and money laundering.

DIRECTIONS FROM THE GROUP

The Group will continue actively sourcing energy-saving appliances, equipment and materials with careful selection and review of suppliers and their origins. Opportunities to work with other charity partners and more training and development in terms of raising staff's awareness on environmental and social impacts from the business will also be considered. The Group also recognises the trend and possibilities with applying digital technologies in daily office operations and marketing strategy, therefore resource use and promotional tools in the future will be adapted to make the businesses more transformative, sustainable, as well as having greater capability to attractive future talents.

APPRECIATION

I would like to take this opportunity to express my deepest gratitude to all of our staff and fellow directors for their contributions, support and dedication. I would also like to thank our customers, shareholders, bankers, suppliers and other business partners for their continuous support.

Chung Yuk Lun

Executive Director

Hong Kong
29 June 2020

客戶資料保障及私隱政策

本集團資訊科技部已制定全面資料保障政策，以為所有公司數據及專有資料提供足夠保障及保密。為符合香港法例第486章個人資料（私隱）條例之規定及保障員工、客戶及業務夥伴之權利，本集團已清楚界定存取控制規程，以限制對系統或對實物或虛擬資源之存取。本集團就其財務相關業務採用一套全面企業資源計劃系統，以保障私隱及維持資料保密。本集團嚴格遵守有關資料收集、使用、處理及保存之規則，以確保資料之完整性及安全性。

反貪污

本集團承諾所進行之一切業務均不會受到過度影響，並視誠實、誠信及公平為其核心價值，而所有董事及員工均須嚴格遵守操守準則及本集團之政策以防止可能賄賂、勒索、欺詐及洗黑錢。

本集團之路向

本集團將繼續積極購買節能電器、設備及材料，並審慎選擇及檢討供應商及彼等之來源。本集團亦將考慮與其他慈善夥伴合作以及更多培訓及發展的機會，以提高員工對來自業務的環境及社會影響的意識。本集團亦知悉於日常辦公室營運及營銷策略方面應用數碼技術之趨勢及可行性，因此，於未來將調整資源運用及促銷工具，令業務更革新及可持續，以及增加日後吸引人才之能力。

致意

本人謹藉此機會衷心感謝本集團全體員工及董事同寅之貢獻、支持及竭誠服務；亦就本集團各客戶、股東、銀行、供應商及其他業務夥伴之不懈支持衷心致謝。

執行董事

鍾育麟

香港
二零二零年六月二十九日

Profiles of Directors

董事簡介

EXECUTIVE DIRECTORS

CHUNG YUK LUN, aged 59, had been an executive director of the Company from 29 September 2018 to 11 January 2019 and was reappointed on 15 July 2019. He is also the company secretary, an authorised representative and a consultant of the Company. Mr. Chung is a fellow member of the Association of Chartered Certified Accountants, an associate member of The Hong Kong Institute of Certified Public Accountants, a fellow member of The Institute of Chartered Accountants in England and Wales and an ICAEW Business and Finance Professional. He has approximately 30 years' management experience at board level in a number of listed companies in Hong Kong.

Currently, Mr. Chung is also the company secretary and authorized representative of Life Healthcare Group Limited (Stock Code: 928) and the company secretary of QPL International Holdings Limited (Stock Code: 243), both are listed companies in Hong Kong.

CHAN CHUNG YIN VICTOR, aged 59, had been an independent non-executive director of the Company from 29 September 2018 to 11 January 2019 and was reappointed as an executive director of the Company on 15 July 2019. He is also an authorised representative of the Company. Mr. Chan obtained his Bachelor of Arts degree from The University of Hong Kong in 1984 and has been admitted as a Solicitor of the High Court of Hong Kong since 1991. He has over 28 years of experience in commercial law, and civil and criminal litigations and is now the principal of his own solicitors firm, Messrs. Victor Chan & Co.

Currently, Mr. Chan is also an independent non-executive director of KNK Holdings Limited (Stock Code: 8039), and was a non-executive director of On Real International Holdings Limited (Stock Code: 8245) until 31 March 2020, both are listed companies in Hong Kong.

執行董事

鍾育麟，59歲，自二零一八年九月二十九日至二零一九年一月十一日期間曾為本公司的執行董事，並於二零一九年七月十五日獲重新委任。彼亦為本公司之公司秘書、授權代表及顧問。鍾先生為英國特許公認會計師公會資深會員、香港會計師公會會員、英格蘭及威爾士特許會計師公會資深會員及ICAEW商業與財務專業人員。彼於多家香港上市公司的董事會擁有約30年的管理經驗。

目前，鍾先生亦為蓮和醫療健康集團有限公司（股份代號：928）之公司秘書兼授權代表及QPL International Holdings Limited（股份代號：243）之公司秘書，兩間公司均為香港上市公司。

陳仲然，59歲，自二零一八年九月二十九日至二零一九年一月十一日期間曾為本公司的獨立非執行董事，並於二零一九年七月十五日獲重新委任為本公司的執行董事。彼亦為本公司的授權代表。陳先生於一九八四年取得香港大學文學士學位，並自一九九一年起獲認可為香港高等法院律師。彼於商業法以及民事及刑事訴訟方面擁有逾28年的經驗，現為其獨資經營律師行陳仲然律師行之主事人。

目前，陳先生亦為中國卓銀國際控股有限公司（股份代號：8039）之獨立非執行董事，亦曾為安悅國際控股有限公司（股份代號：8245）之非執行董事直至二零二零年三月三十一日，兩間公司均為香港上市公司。

Profiles of Directors 董事簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

MAN WAI LUN, aged 47, has been appointed as an independent non-executive director of the Company since 11 January 2019. He is the chairman of both of the Nomination Committee and the Remuneration Committee and a member of the Audit Committee. Mr. Man obtained his diploma in Business Management from the School of Continuing Education, Hong Kong Baptist University in April 2003 and obtained a bachelor degree of accountancy from the University of South Australia in March 2007. Mr. Man has over 16 years of experience in accounting.

Currently, Mr. Man is also an independent non-executive director of China Trustful Group Limited (Stock Code: 8265) and an executive director of Life Healthcare Group Limited (Stock Code: 928). He was previously an independent non-executive director of Roma Group Limited (Stock Code: 8072) until 1 March 2020 and an executive director and compliance officer of Glory Flame Holdings Limited (Stock Code: 8059) until 19 September 2018. The above companies are all listed companies in Hong Kong. He is one of the directors of HF Financial Holdings (H.K.) Limited which was founded by him.

CHENG CHUN MAN, aged 58, has been appointed as an independent non-executive director of the Company since 15 July 2019. He is the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee. Mr. Cheng is a fellow member of the Association of Chartered Certified Accountants and a fellow member of The Hong Kong Institute of Certified Public Accountants. He has over 30 years' experience in accounting, auditing, consulting and management. Currently, Mr. Cheng is also an independent non-executive director of Life Healthcare Group Limited (Stock Code: 928), a listed company in Hong Kong.

HUI MAN HO, IVAN, aged 41, has been appointed as an independent non-executive director of the Company since 31 March 2020. He is a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee. Mr. Hui holds master degree in Practising Accounting, master degree in Applied Finance and a bachelor degree in Business (Banking & Finance) from Monash University, Australia. He is also a member of CPA Australia. Mr. Hui has over 14 years of working experience in auditing, accounting, financial management and corporate finance.

Currently, Mr. Hui is also an independent non-executive director of Prime Intelligence Solutions Group Limited (Stock Code: 8379) and Upbest Group Limited (Stock Code: 335), both are listed companies in Hong Kong.

獨立非執行董事

文偉麟，47歲，自二零一九年一月十一日獲委任為本公司的獨立非執行董事。彼亦為提名委員會及薪酬委員會主席以及審核委員會成員。文先生於二零零三年四月取得香港浸會大學持續教育學院工商管理文憑及於二零零七年三月取得南澳大學會計學學士學位。文先生擁有逾16年的會計經驗。

目前，文先生亦為中國之信集團有限公司（股份代號：8265）的獨立非執行董事及蓮和醫療健康集團有限公司（股份代號：928）的執行董事。他亦曾為羅馬集團有限公司（股份代號：8072）的獨立非執行董事，直至二零二零年三月一日及為朝威控股有限公司（股份代號：8059）的執行董事及合規主任，直至二零一八年九月十九日。以上所有公司均為香港上市公司。彼為其創立之滙福長華金融控股（香港）有限公司的董事之一。

鄭振民，58歲，自二零一九年七月十五日獲委任為本公司的獨立非執行董事。彼為審核委員會主席以及提名委員會和薪酬委員會各自之成員。鄭先生為英國特許公認會計師公會資深會員及香港會計師公會資深會員。彼於會計、審計、顧問及管理方面擁有逾30年的經驗。目前，鄭先生亦為香港上市公司蓮和醫療健康集團有限公司（股份代號：928）之獨立非執行董事。

許文浩，41歲，自二零二零年三月三十一日獲委任為本公司的獨立非執行董事。彼亦為審核委員會、提名委員會和薪酬委員會各委員會之成員。許先生持有澳洲Monash University頒發的實務會計學碩士學位、應用金融學碩士學位及商業（銀行及金融）學士學位。許先生亦為澳洲會計師公會會員。許先生在審計、會計、財務管理及企業融資方面擁有超過14年之工作經驗。

目前，許先生亦為匯安智能科技集團有限公司（股份代號：8379）及美建集團有限公司（股份代號：335）之獨立非執行董事，兩間公司均為香港上市公司。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The statement of corporate governance practices set out below and information incorporated by reference constitutes the Corporate Governance Report of the Company.

The Board is committed to ensuring and maintaining high standard of corporate governance practices and procedures in fulfilling its responsibilities. It is the belief of the Board that shareholders can maximize their benefits from good corporate governance. The Company has always recognised the importance of transparency and accountability. The Group has adopted the code provisions as set out in the Corporate Governance Code (the "Code") contained in Appendix 14 of the Listing Rules as its own code of corporate governance practices. The Directors of the Company consider that the Company has complied with the Code throughout the year ended 31 March 2020 ("Year"), except for the following deviations:

Code provision A.2

Code provision A.2 stipulates that there should be a clear division of responsibilities between management of the Board and the day-to-day management of business. During the Year, the Board did not appoint any Director as its Chairman. The Board will review the present situation in the coming regular meetings as appropriate.

Code provision A.4.1

Code provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. Other than Mr. Hui Man Ho, Ivan who has been appointed for an initial term of two years which is renewed automatically for successive terms of one year, the other existing independent non-executive Directors of the Company do not have any specific term of appointment. All of them are subject to retirement by rotation and re-election at the annual general meetings pursuant to the Bye-laws of the Company. The Bye-laws require that every Director will retire from office no later than the third annual general meeting of the Company after he was last elected or re-elected. Further, any person appointed by the Board to fill a casual vacancy or as an additional director (including non-executive Director) will hold office only until the next general meeting and will then be eligible for re-election. As such, the Board considers that such requirements are sufficient to meet the underlying objectives of the relevant code provision.

Code provision A.5.1

Owing to the resignation of Directors during the Year and the causal vacancies did not fill in timely, the nomination committee of the Company did not have any members at the material time which constitutes a deviation from Code provision A.5.1. Upon the appointment of new Directors, such deviation from Code provision A.5.1 had been rectified.

企業管治常規

下文載列之企業管治常規聲明及以提述方式收錄之資料，乃構成本公司之企業管治報告。

董事會致力確保及維持高水平之企業管治常規及程序以履行其責任。董事會相信，良好企業管治可讓股東獲得最大利益。本公司一直瞭解透明度及問責性之重要性。本集團已採納上市規則附錄14所載企業管治守則（「守則」）之守則條文，作為自身之企業管治常規守則。本公司董事認為，本公司於截至二零二零年三月三十一日止年度（「本年度」）一直遵守守則，惟下列偏離情況除外：

守則條文第A.2條

守則條文第A.2條訂明管理董事會與日常管理業務之間應有明確的職責劃分。於本年度，董事會並未委任任何董事擔任主席。董事會將酌情在即將舉行的例會上審閱目前的狀況。

守則條文第A.4.1條

守則條文第A.4.1條訂明非執行董事須按特定年期委任並須接受重選。除許文浩先生（其最初任期為兩年並可按年重續）外，本公司其他現有獨立非執行董事並無特定委任年期。所有該等獨立非執行董事須根據本公司之公司章程細則於股東週年大會上輪值告退及接受重選。公司章程細則規定每名董事須於上屆獲選或重選後不遲於本公司隨後舉行之第三屆股東週年大會上退任。此外，任何獲董事會委任以填補臨時空缺或出任額外董事（包括非執行董事）之人士須在該委任隨後舉行之股東大會上告退，惟可膺選連任。因此，董事會認為該等規定足以達至有關守則條文之相關目標。

守則條文第A.5.1條

由於董事於本年度內辭任及並無適時填補臨時空缺，本公司提名委員會於大部分時間並無任何成員，從而偏離守則條文第A.5.1條。於委任新董事後，對守則條文第A.5.1條之有關偏離已獲更正。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

(Continued)

Code provisions C.2.3 (e) and F

- (a) There were delays in release and publication of the results announcement and the annual report of the Company for the year ended 31 March 2019 by 30 June 2019 and 31 July 2019 respectively in accordance with the relevant Listing Rules 13.49(1) and 13.46(2)(a). Besides, there was delay in convening the annual general meeting of the Company before 30 September 2019 in accordance with the relevant Listing Rule 13.46(2)(b). Such non-compliance leads to deviation from Code provision C.2.3 (e). The aforesaid delays were caused by the change in auditor of the Company. The previous auditor resigned on 31 May 2019 whereas the existing auditor could only be appointed on 9 August 2019. The Company had kept the shareholders and potential investors informed of the progress of the aforesaid matters by announcements. Eventually, the results announcement and the annual report were released and published on the websites of the Stock Exchange and the Company and the annual general meeting of the Company was convened. The Board is of the view that the aforesaid delays are one-off incidents and that the aforesaid matters had been rectified eventually and the Company had complied with the Listing Rules in keeping the shareholders and investors informed of the progress of the aforesaid matters.
- (b) Owing to the resignation of Directors during the Year, the casual vacancies did not fill in timely and that the Board consisted of only one independent non-executive Director at the material time. This constitutes non-compliance with relevant Listing Rules 3.10(1) and (2), 3.10(A), 3.21, 3.25 and 3.27. Such non-compliance leads to deviation from Code provision C.2.3 (e). Following the appointment of new Directors to the Board, the aforesaid non-compliance with relevant Listing Rules had been rectified.
- (c) Following the resignation of the then company secretary of the Company during the Year and the causal vacancy did not fill in timely, the Company did not have a company secretary at the material time. This constitutes non-compliance with Listing Rule 3.28. Such non-compliance is a deviation from Code provisions C.2.3 (e) and F. Upon the appointment of a new company secretary subsequently, the aforesaid non-compliance with the Listing Rules had been rectified.

企業管治常規 (續)

守則條文第C.2.3(e)及F條

- (a) 本公司截至二零一九年三月三十一日止年度之業績公告及年報根據相關上市規則第13.49(1)及13.46(2)(a)條分別須於二零一九年六月三十日及二零一九年七月三十一日前發佈及刊發出現延遲。此外，本公司根據相關上市規則第13.46(2)(b)條須於二零一九年九月三十日前召開股東週年大會出現延遲。該等違規事宜引致偏離守則條文第C.2.3(e)條。上述延遲乃因本公司核數師變動所致。前任核數師於二零一九年五月三十一日辭任，而現任核數師只可於二零一九年八月九日獲委任。本公司已透過公告將上述事項的進展告知股東及潛在投資者。最終，業績公告及年報已於聯交所及本公司網站公佈及刊發，而本公司股東週年大會亦已召開。董事會認為，上述延遲乃屬一次性事件，上述事項最終得到整改且本公司已遵守上市規則之規定，將上述事項之進展告知股東及投資者。
- (b) 由於董事於本年度內辭任及並無適時填補臨時空缺，故董事會於大部分時間僅由一名獨立非執行董事組成，從而違反上市規則第3.10(1)與(2)、3.10(A)、3.21、3.25及3.27條。該等違規事宜引致偏離守則條文第C.2.3(e)條。於董事會委任新董事後，上述上市規則違規事宜已獲更正。
- (c) 於本公司當時的公司秘書於本年度內辭任及並無適時填補臨時空缺後，本公司於大部分時間並無公司秘書，從而違反上市規則第3.28條。該違規偏離守則條文第C.2.3(e)及F條。於隨後委任一名新公司秘書後，上述上市規則的違規事宜已獲更正。

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企業管治報告

CORPORATE GOVERNANCE PRACTICES

(Continued)

Code provisions C.2.3 (e) and F (Continued)

(d) Following the resignation of the Authorised Representatives during the Year and the causal vacancies did not fill in timely, the Company did not have any Authorised Representative at the material time. This constitutes non-compliance with Listing Rule 3.05. Such non-compliance leads to deviation from Code provision C.2.3 (e). Upon the appointment of new Authorised Representatives subsequently, the aforesaid non-compliance with Listing Rules had been rectified.

Code provision C.2.5

Code provision C.2.5 stipulates that a listed company should have an internal audit function. In the past, the Company has outsourced the internal audit function on analysis and independent appraisal of the adequacy and effectiveness of its risk management and internal control systems to independent professional firm(s).

For the Year, the Audit Committee has performed such function itself by carrying out walk through tests on the Company's risk management and internal control systems with reference to the policy and procedures manuals of the Company, interviewed and discussed with the management on their effectiveness and followed up on the rectifications of any findings from their work. The Board considers that compliance with Code provision C.2.5 has been fulfilled by the Audit Committee for the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors of the Company, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Year.

BOARD OF DIRECTORS

Board Composition

The Board currently comprises a total of five Directors, including two executive Directors, namely Mr. Chung Yuk Lun and Mr. Chan Chung Yin, Victor and three independent non-executive Directors ("INEDs"), namely Mr. Man Wai Lun, Mr. Cheng Chun Man and Mr. Hui Man Ho, Ivan. As least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise as prescribed by Rule 3.10 of the Listing Rules.

企業管治常規 (續)

守則條文第C.2.3(e)及F條 (續)

(d) 於授權代表於本年度內辭任及並無適時填補臨時空缺後，本公司於大部分時間並無任何授權代表，從而構成對上市規則第3.05條之違反。該違規事宜引致偏離守則條文第C.2.3(e)條。於隨後委任一名新授權代表後，上述對上市規則的違反已獲更正。

守則條文第C.2.5條

守則條文第C.2.5條訂明上市公司應設立內部審核功能。本公司於過往將分析及獨立評估其風險管理及內部控制制度充足性及有效性的內部審核功能外包予獨立專業公司。

於本年度，審核委員會已根據本公司的政策及程序手冊對本公司的風險管理及內部控制制度進行穿行測試、約見管理層並與管理層討論該等制度的有效性以及對彼等工作中所發現的問題之整改進行跟進，從而履行其職能。董事會認為，於本年度，審核委員會已遵守守則條文第C.2.5條。

董事進行證券交易之標準守則

本公司已採納有關董事進行證券交易之操守準則，其條款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所載規定標準。經向本公司各董事作出特定查詢後，彼等已確認於本年度一直遵守標準守則所載有關交易規定標準。

董事會

董事會成員

董事會目前一共由五名董事組成，包括兩名執行董事，即鍾育麟先生及陳仲然先生及三名獨立非執行董事（「獨立非執行董事」），即文偉麟先生、鄭振民先生及許文浩先生。當中至少一名獨立非執行董事具備上市規則第3.10條所規定之合適專業資格或有關會計或相關財務管理之專業知識。

Corporate Governance Report

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BOARD OF DIRECTORS (Continued)

Board Composition (Continued)

The Company has received annual confirmation of independence from Mr. Man Wai Lun, Mr. Cheng Chun Man and Mr. Hui Man Ho, Ivan as at the date of this report pursuant to Rule 3.13 of the Listing Rules.

The composition of the Board will be reviewed regularly to ensure that it has a balance of skills and experience appropriate for the requirements of the business of the Group. The Directors' biographical details are set out in the section "Profiles of Directors" of this annual report.

Appointment and re-election

According to the Bye-Laws of the Company, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation. In addition, every Director shall retire from office no later than the third annual general meeting after he/she was last elected or re-elected or ceased to be a Director and been re-elected by a general meeting at or since either such annual general meeting. Further, any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

The Company has published the procedures on its website for shareholders to propose a person for election as a Director.

Duties of the Board

The Board formulates the overall policies and strategies, monitors the financial performance, oversees the management, and implements good corporate governance practices of the Group. The Board is collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs.

The Directors meet regularly to review the financial and operational performance of the Group by discussing and formulating the Group's development plans. Daily operations and administration are delegated to the executive Directors and the Group's management. The members of the Board are mostly professionally qualified and widely experienced personnel who bring in valuable contribution providing different professional advices and consultation for the development of the Group. They provide strong support towards the effective discharge of the duties and responsibilities of the Board.

董事會 (續)

董事會成員 (續)

本公司於本報告日期已接獲文偉麟先生、鄭振民先生及許文浩先生根據上市規則第3.13條之獨立性年度確認。

本公司將定期檢討董事會之組成，確保其具備符合本集團業務所需之技能及相關經驗。董事履歷詳情載於本年報「董事簡介」一節。

委任及重選

根據本公司之公司細則，在每屆股東週年大會上，屆時三分之一之董事（倘人數並非三之倍數，則以最接近但不少於三分之一之人數為準）須輪值告退。此外，每位董事均須在其上次於股東週年大會上當選或重選或不再出任董事而於股東大會上獲重選後不超過三屆之股東週年大會上退任。此外，董事會委任以填補臨時空缺或作為董事會額外董事，僅任職至本公司下屆股東大會為止，並有資格再獲重選。

本公司已於其網站登載有關股東提名人士候選董事之程序。

董事會之職責

董事會制定整體政策及策略、監察財務表現、監督管理事務，以及於本集團實施良好企業管治常規。董事會通過指導及監督本集團之事務而共同負責推動本集團成功發展。

董事定期會面，以檢討本集團財務及營運表現，並討論及制定本集團發展計劃。日常營運及行政工作授權執行董事及本集團管理層處理。大部分董事會成員為具有專業資格兼經驗豐富之人士，彼等為本集團發展作出寶貴貢獻，亦能提供不同專業意見及建議。彼等就有效履行董事會職務及職責提供強而有力的支援。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (Continued) Functions of the Board

During the financial year ended 31 March 2020, 33 Board meetings were held. The attendance records of each Director at the meetings of the Board, Audit Committee, Nomination Committee, Remuneration Committee and general meeting of the Company during the year ended 31 March 2020 are set out as follows:

董事會 (續) 董事會之職能

截至二零二零年三月三十一日止財政年度內，董事會曾舉行33次董事會會議。各董事於截至二零二零年三月三十一日止年度內的董事會、審核委員會、提名委員會、薪酬委員會會議以及本公司股東大會之出席記錄載列如下：

| Name of directors 董事姓名 | Number of meetings attended/held 出席/舉行會議次數 | | | | |
|--|---|-----------------------------|----------------------------------|------------------------------------|----------------------------|
| | Board 董事會 | Audit Committee 審核委員會 | Nomination Committee 提名委員會 | Remuneration Committee 薪酬委員會 | General Meeting 股東大會 |
| Executive Directors 執行董事 | | | | | |
| Ms. Liu Shufeng (resigned on 14 June 2019) 劉書風女士 (於二零一九年六月十四日辭任) | 5/8 | | | | |
| Mr. Chung Yuk Lun (re-appointed on 15 July 2019) 鍾育麟先生 (於二零一九年七月十五日 獲重新委任) | 20/20 | | | | 2/2 |
| Mr. Chan Kam Wah (resigned on 18 April 2019) 陳錦華先生 (於二零一九年四月十八日辭任) | 0/0 | | | | |
| Mr. Chan Chung Yin, Victor (appointed on 15 July 2019) 陳仲然先生 (於二零一九年七月十五日獲委任) | 7/20 | | | | 1/2 |
| Mr. Wong Hoi Ping (re-designated as non-executive director on 27 May 2019) 王海平先生 (於二零一九年五月二十七日調任為 非執行董事) | 5/5 | | | | |
| Non-Executive Directors 非執行董事 | | | | | |
| Mr. Wong Hoi Fung (resigned on 9 May 2019) 王海峰先生 (於二零一九年五月九日辭任) | 0/4 | | | | |
| Mr. Wong Hoi Ping (resigned on 25 June 2019) 王海平先生 (於二零一九年六月二十五日辭任) | 8/8 | | | | 1/1 |
| Independent Non-Executive Directors 獨立非執行董事 | | | | | |
| Mr. Wan Kin Man, Tony (resigned on 18 June 2019) 尹健民先生 (於二零一九年六月十八日辭任) | 5/10 | | | 1/1 | |
| Mr. Chan Ming Kei (resigned on 18 June 2019) 陳銘基先生 (於二零一九年六月十八日辭任) | 3/10 | | | 1/1 | |
| Mr. Chen Youchun (resigned on 25 April 2019) 陳友春先生 (於二零一九年四月二十五日辭任) | 0/1 | | | | |
| Mr. Man Wai Lun 文偉麟先生 33/33 | | 3/3 | 2/2 | 2/2 | 2/4 |
| Mr. Cheng Chun Man (appointed on 15 July 2019) 鄭振民先生 (於二零一九年七月十五日獲委任) | 19/20 | 3/3 | 2/2 | 2/2 | 1/2 |
| Mr. Tang, Warren Louis (appointed on 15 July 2019 and resigned on 31 December 2019) 唐偉倫先生 (別名唐俊誌) (於二零一九年七月十五日獲委任及 於二零一九年十二月三十一日辭任) | 5/18 | 0/3 | 0/1 | 0/1 | 0/1 |
| Mr. Hui Man Ho, Ivan (appointed on 31 March 2020) 許文浩先生 (於二零二零年三月三十一日獲委任) | 0/0 | | | | |

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (Continued) Functions of the Board (Continued)

All the regular Board meetings are scheduled in advance, and at least 14 days' notice is given to all Directors to give them an opportunity to attend. Agenda and accompanying Board papers are normally sent to all Directors in advance of every Board meeting to enable the Directors to make informed decisions on matters placed at the Board meetings. All Directors have been consulted about any matters proposed for inclusion in the agenda. With the support of the company secretary, all Directors are properly briefed on issues arising at Board meetings, so that Directors receive adequate, complete and reliable information in a timely manner.

Detailed minutes of Board meetings are kept by the company secretary and are open for inspection by any Director. All Directors have access to independent professional advice whenever deemed necessary by the Directors.

Directors' continuous professional development

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills for discharging their duties and responsibilities as directors of the Company.

In addition, each newly appointed Director would be provided with an induction package covering the duties and responsibilities of directors under the Listing Rules, the Companies Ordinance and other related regulatory requirements.

The Company provided updates and reading material ("CPD") to keep the Directors informed on a timely basis about the latest major developments of the Listing Rules and other applicable regulatory requirements affecting the Group or their duties and responsibilities as the Directors as well as the macro economics and general business environment in which the Group's major operations are operated. The Company, through CPD, enhances Directors' awareness and keeps them abreast of the essences and key areas of such updates and information. Such CPD is an efficient and effective way which offers flexibility to the Directors by allowing them to access the information at a time suitable to them. All Directors are required to provide the Company with their training records on an annual basis. A summary of their training records during the year ended 31 March 2020 is as follows:

董事會 (續) 董事會之職能 (續)

所有定期董事會會議均為預先安排，而所有董事在召開董事會會議至少14日前接獲會議通知以便董事抽空出席。會議議程及隨附董事會文件於每次舉行董事會會議前預先送交予全體董事，使董事可就將於董事會會議提呈之事項作出知情決定。所有董事均被詢問是否有任何需要納入會議議程的事項。於公司秘書協助下，全體董事獲悉董事會會議事項之概述，使董事適時收取充足、完備及可靠的資料。

詳細之董事會會議記錄由公司秘書備存，並可供任何董事查閱。全體董事均可於其認為有需要時取得獨立專業意見。

董事之持續專業發展

本公司鼓勵董事參與持續專業發展，以發展及更新其知識及技能以履行身為本公司董事之職責及責任。

此外，每名新委任的董事將獲提供一份就任資料，內容涵蓋上市規則、公司條例及其他相關監管規定下董事之職責及責任。

本公司提供更新資料及閱讀材料（「持續專業發展」）讓董事適時得悉影響本集團的上市規則及其他適用監管規定的最新發展情況，彼等作為董事的職責與責任，以及本集團主體營運所處的宏觀經濟體系及整體營商環境。本公司通過持續專業發展提高董事警覺意識，確保彼等掌握有關更新及資料的重點及核心內容。該等持續專業發展兼具效率及有效性，可讓董事靈活挑選合適時間查閱資料。全體董事均需向本公司提供本身的年度培訓記錄。下列乃彼等於截至二零二零年三月三十一日止年度內的培訓記錄概要：

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (Continued) Directors' continuous professional development (Continued)

董事會 (續) 董事之持續專業發展 (續)

| Name of directors | 董事姓名 | Type of training activities 培訓活動類別 |
|---|--|--|
| Executive Directors | 執行董事 | |
| Mr. Chung Yuk Lun <i>(re-appointed on 15 July 2019)</i> | 鍾育麟先生 <i>(於二零一九年七月十五日獲重新委任)</i> | A: In-house training and/or seminars. 內部培訓及/或研討會。 |
| Mr. Chan Chung Yin, Victor <i>(appointed on 15 July 2019)</i> | 陳仲然先生 <i>(於二零一九年七月十五日獲委任)</i> | B: Reading newspapers and journals relating to directors' duties and responsibilities as well as updates on the Listing Rules and other applicable regulatory requirements. 閱讀有關董事職責及責任以及關乎上市規則及其他適用監管規定的最新報章及期刊。 |
| Independent Non-Executive Directors | 獨立非執行董事 | |
| Mr. Man Wai Lun | 文偉麟先生 | |
| Mr. Cheng Chun Man <i>(appointed on 15 July 2019)</i> | 鄭振民先生 <i>(於二零一九年七月十五日獲委任)</i> | |
| Mr. Tang, Warren Louis <i>(appointed on 15 July 2019 and resigned on 31 December 2019)</i> | 唐偉倫先生 (別名唐俊懿) <i>(於二零一九年七月十五日獲委任及於二零一九年十二月三十一日辭任)</i> | |

RESPONSIBILITY OF DIRECTORS AND AUDITORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group. The Board is responsible for presenting a balanced, clear and understandable assessment in annual and interim reports and other financial disclosures required by the Listing Rules and other regulatory requirements. With the assistance of Finance Department, the Directors prepare the consolidated financial statements in accordance with statutory requirements and prevailing accounting standards. The Directors are responsible for timely publication of the consolidated financial statements of the Group. The Directors confirm that, to the best of their knowledge, having made all reasonable enquiries, they 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.

The statement of the Auditors of the Company about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 50 to 61 of the annual report.

董事及核數師對綜合財務報表之責任

董事明白彼等於編製本集團綜合財務報表之責任。董事會負責公正、清晰及明白地評審年度及中期報告以及根據上市規則及其他監管規條規定披露其他財務資料。在財務部協助下，董事根據法定規例及適用會計準則編製綜合財務報表。董事負責適時刊發本集團綜合財務報表。董事確認，據彼等作出一切合理查詢後所深知，彼等並不知悉任何可能會對本公司持續經營之能力構成重大疑慮之事件或情況之重大不明朗因素。

本公司核數師就彼等對本集團綜合財務報表之申報責任聲明載於年報第50至61頁之獨立核數師報告。

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REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) was established in June 2005 and its terms of reference were amended on 29 March 2012. The Remuneration Committee currently comprises three independent non-executive directors, Mr. Man Wai Lun (*Chairman*), Mr. Cheng Chun Man and Mr. Hui Man Ho, Ivan. The major duties and functions of the Remuneration Committee include but not limited to making recommendations to the Board on the remuneration packages of individual directors and senior management of the Company. It is also mandated to review and approve compensation payable to the directors and senior management for any loss or termination of office to ensure that it is consistent with the contractual terms and is otherwise fair and not excessive.

The Remuneration Committee held 3 meetings during the reporting year and the attendance of each member is set out in the section headed “Functions of the Board” of this report.

The major roles and functions of the Remuneration Committee are summarized as follows:

1. to make recommendations to the Board on the Company’s policy and structure for all directors’ and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
2. to review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
3. to make recommendations to the Board on the remuneration packages of individual executive directors and senior management;
4. to make recommendations to the Board on the remuneration of non-executive directors;
5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
6. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

薪酬委員會

本公司薪酬委員會（「薪酬委員會」）於二零零五年六月成立及其職權範圍於二零一二年三月二十九日修訂。薪酬委員會現時由三名獨立非執行董事組成，即文偉麟先生（主席）、鄭振民先生及許文浩先生。薪酬委員會之主要職責及功能包括但不限於就本公司個別董事及高級管理人員的薪酬待遇向本公司提供推薦建議。其亦被授權審閱及批准就董事及高級管理人員任何喪失或終止職務而應向其支付的賠償，以確保相關賠償與合約條款一致，若未能與合約條款一致，賠償亦須公平而不致過多。

薪酬委員會於報告年度曾舉行3次會議，各成員之出席情況載於本報告「董事會之職能」一節。

薪酬委員會之主要角色及功能概述如下：

1. 就本公司全體董事及高級管理人員薪酬的政策及架構，以及就制訂薪酬政策設立正式而具透明度的程序向董事會提出建議；
2. 參考董事會的企業宗旨及目標來檢討及批准管理層之薪酬建議；
3. 向董事會建議個別執行董事及高級管理人員之薪酬待遇；
4. 就非執行董事之薪酬向董事會提出建議；
5. 考慮同類公司支付之薪酬、須付出之時間及職責以及本集團內其他職位之僱傭條件；
6. 檢討及批准向執行董事及高級管理人員就喪失或終止職務而須支付之賠償，以確保該等賠償與合約條款一致，若未能與合約條款一致，賠償亦須公平而不致過多；

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企業管治報告

REMUNERATION COMMITTEE (Continued)

7. to review and approve compensation arrangement relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
8. to ensure that no Director or any of his associates is involved in deciding his own remuneration.

During the reporting year, the Remuneration Committee has, among others things, reviewed the remuneration packages of all directors and senior management (including two newly appointed Directors) with reference to market terms, their duties and responsibilities and performance as assessed by the Remuneration Committee, and has made recommendation to the Board accordingly. Pursuant to B.1.5 of the Code, details of the annual remuneration of the members of senior management by band for the year ended 31 March 2020 are as follows:

| | | Number of employees 僱員人數 |
|--------------------------------|-------------------------|-----------------------------|
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 15 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | 0 |
| Total | 總數 | 15 |

Details of the emoluments of Directors are set out in Note 10 to the consolidated financial statements.

The Company had adopted a specific terms of reference of the Remuneration Committee as of 29 March 2012 in accordance with Rules 3.25 to 3.27 of the Listing Rules which has been posted on the websites of the Stock Exchange and the Company.

薪酬委員會 (續)

7. 檢討及批准因董事行為失當而被解僱或罷免有關董事所涉及之賠償安排，以確保該等賠償與合約條款一致，若未能與合約條款一致，有關賠償須合理適當；及
8. 確保並無董事或彼之任何聯繫人士參與釐定本身之薪酬。

於報告年度，薪酬委員會已（其中包括）參考市場條款、全體董事及高級管理人員之職務、職責及表現（經薪酬委員會評估）對彼等之薪酬方案（包括兩位新委任董事）進行審閱，並據此向董事會提出建議。根據守則第B.1.5條，截至二零二零年三月三十一日止年度按範圍劃分之高級管理人員之年度薪酬詳情如下：

董事酬金詳情載於綜合財務報表附註10。

本公司於二零一二年三月二十九日根據上市規則第3.25至3.27條採納薪酬委員會之具體職權範圍，並已於聯交所及本公司網站登載。

Corporate Governance Report

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NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was established in June 2005 and its terms of reference were amended on 6 September 2013. The Nomination Committee currently comprises three independent non-executive directors, Mr. Man Wai Lun (*Chairman*), Mr. Cheng Chun Man and Mr. Hui Man Ho, Ivan. Its main duties and functions include but not limited to review of the structure, size, composition and the diversity policy of the Board and the selection or recommendations to the Board for nomination on directors and senior management.

The Nomination Committee held 2 meetings during the reporting year and the attendance of each member is set out in the section headed "Function of the Board" of this report:

1. review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. assess the independence of independent non-executive Directors;
4. review on directors' contribution in performing their responsibilities;
5. make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive of the Company;
6. review the board diversity policy of the Board or this Nomination Committee, as appropriate, considering factors including but not limited to gender, age, cultural and educational background and professional experience of Board members, and review the measurable objectives that the Board has set for implementing the board diversity policy, and the progress on achieving the objectives; and
7. conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation, where appropriate.

提名委員會

本公司之提名委員會（「提名委員會」）於二零零五年六月成立，其職權範圍於二零一三年九月六日修訂。提名委員會現時由三名獨立非執行董事組成，即文偉麟先生（主席）、鄭振民先生及許文浩先生。其主要職責及職能包括但不限於審查董事會的結構、規模、組成及多元化政策，以及選擇董事及高級管理層或就董事及高級管理層的提名向董事會提供建議。

提名委員會於報告年度曾舉行2次會議，各成員之出席情況載於本報告「董事會之職能」一節：

1. 檢討董事會之架構、人數及組成（包括技能、知識及經驗方面），並就任何為配合本公司之企業策略而擬對董事會作出之變動提出建議；
2. 物色具備合適資格可擔任董事之人士，並挑選提名有關人士出任董事或就此向董事會提供建議；
3. 評核獨立非執行董事之獨立性；
4. 檢討各董事對履行其職責之貢獻；
5. 就董事委任或重新委任以及董事（尤其是董事會主席及本公司行政總裁）繼任計劃之有關事宜向董事會提出建議；
6. 檢討董事會或本提名委員會（如適用）之多元化政策，考慮包括（但不限於）董事會成員之性別、年齡、文化及教育背景以及專業經驗等因素，並檢討董事會為執行董事會多元化政策而制定之可計量目標以及實現目標之進度；及
7. 遵守董事會可能不時規定或本公司組織章程文件所載或法例（如適用）所施加之任何規定、指令及規例。

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE (Continued)

A board diversity policy had been formulated and adopted by the Board in 2013. The Company recognises the importance and values the benefits of having a diverse Board to enhance the quality of its performance. Appointments to the Board will largely be based on meritocracy with due regard for the benefits of diversity on the Board. Selection of candidates will generally be based on factors considered applicable and adopted by the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Company had adopted a revised specific terms of reference of the Nomination Committee as of 6 September 2013 in compliance with the Code Provision A.5 and it has been posted on the websites of the Stock Exchange and the Company.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established in 1999 and its terms of reference were amended by the Board and became effective on 23 February 2016 and 1 March 2016 respectively. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Cheng Chun Man (Chairman), Mr. Man Wai Lun and Mr. Hui Man Ho, Ivan. Mr. Cheng Chun Man possesses appropriate professional qualifications or accounting or related financial management expertise as prescribed by the Listing Rules. None of them is employed by or otherwise affiliated with former or existing auditors of the company.

The main duties and functions of the Audit Committee include but not limited to review of the relationship between the Company and its external auditors, review of the Group's financial information, oversight of the Group's financial reporting system, risk management and internal control systems, assessment on any potential special risks to be encountered by the Company and review on the effectiveness of the risk management and internal control systems.

The Audit Committee held 3 meetings during the reporting year. Minutes of the Audit Committee are kept by the secretary of the Audit Committee and the copies of the minutes are sent to all members of the Audit Committee. The outcomes of the Audit Committee meetings were submitted to the Board for consideration and action where appropriate.

提名委員會 (續)

董事會已於二零一三年制訂並採納董事會多元化政策。本公司深明具備多元化董事會對提升其表現之重要性，且重視其裨益。董事會委任均以用人唯才為原則，並充分顧及董事會之多元化的裨益。甄選候選人將按董事會所採納的適用因素，包括不限於性別、年齡、文化及教育背景以至種族、專業經驗、技能及知識，最終按候選人的優點及可為董事會帶來的貢獻決定。

本公司已於二零一三年九月六日根據守則條文第A.5條採納提名委員會之經修訂具體職權範圍，並已於聯交所及本公司網站登載。

審核委員會

本公司審核委員會（「審核委員會」）成立於一九九九年，其職權範圍已由董事會修訂並於二零一六年二月二十三日及二零一六年三月一日分別生效。審核委員會現時由三名獨立非執行董事組成，即鄭振民先生（主席）、文偉麟先生及許文浩先生。鄭振民先生擁有上市規則所規定的適當專業資格或會計或相關財務管理專業知識。彼等並非由本公司前任或現任核數師所僱用，與彼等亦無聯繫。

審核委員會之主要職責及職能包括但不限於檢討本公司及其外聘核數師之間的關係，審閱本集團之財務資料，監察本集團財務報告制度、風險管理及內部監控系統，評估本公司可能遭受的任何潛在特殊風險並審閱風險管理及內部監控系統之有效性。

審核委員會於報告年度曾舉行3次會議。審核委員會之會議記錄由經審核委員會之秘書存置，而會議記錄副本送交審核委員會全體成員。審核委員會會議之結果已提交董事會審閱並於適當時採取相關行動。

Corporate Governance Report 企業管治報告

AUDIT COMMITTEE (Continued)

The accounting principles and practices adopted by the Group and the annual results for the year ended 31 March 2020 have been reviewed by the Audit Committee.

During the meetings held in the Year, the Audit Committee had performed the following work:

1. reviewed the Group's consolidated financial statements for the year ended 31 March 2019 ("Previous Year") and the related annual results announcement with a recommendation to the Board for approval.
2. reviewed the relevant disclosures made in the Directors' Report of the Annual Report in the Previous Year.
3. met with the external auditors in the Previous Year and discussed the audit findings reported by external auditors.
4. assessed broadly any special risks faced by the Group and reviewed the effectiveness of the risk management and internal control systems of the Group for the Previous Year and concluded that the Group operated at a manageable risk level and kept on improving the management system.
5. reviewed the reports including the 2019 audit planning report and the management letters (if any) submitted by the external auditor.
6. reviewed the Group's unaudited consolidated financial statements for the six months ended 30 September 2019 and the interim results announcement with recommendation to the Board for approval.
7. considered those topics, which were requested by the Board and reviewed those relevant documents.

The terms of reference of the Audit Committee were amended and took effect by the Board on 23 February 2016 and 1 March 2016 respectively. Such amendments in compliance with the Corporate Governance Code under the Listing Rules have been posted on the websites of the Stock Exchange and the Company.

審核委員會 (續)

本集團採納之會計原則及慣例及截至二零二零年三月三十一日止年度之年度業績已由審核委員會審閱。

於年內舉行之會議上，審核委員會曾進行下列工作：

1. 審閱及建議董事會批准本集團截至二零一九年三月三十一日止年度(「上年度」)之綜合財務報表及相關年度業績公佈。
2. 審閱上年度年報內載於董事會報告書上所作出之有關披露。
3. 於上年度與外聘核數師會面，並討論外聘會計師匯報的審核結果。
4. 於上年度對本集團面對的任何特殊風險作出廣泛式評估，並審閱本集團風險管理及內部監控系統之有效性，且總結認為本集團營運風險可控且管理系統持續優化。
5. 審閱外聘核數師呈交之報告(包括二零一九年度之審核計劃報告及審核情況說明函件(倘有))。
6. 審閱及建議董事會批准本集團截至二零一九年九月三十日止六個月之未經審核綜合財務報表及中期業績公佈。
7. 討論董事會要求的議題及審閱該等有關文件。

審核委員會之職權範圍已於二零一六年二月二十三日由董事會修訂，自二零一六年三月一日起生效。該等修訂已遵守上市規則下之企業管治守則並已於聯交所及本公司網站刊載。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE (Continued)

The Audit Committee recommended the re-appointment of CCTH CPA Limited as the external auditors of the Group for 2020/2021 and that the relevant resolution shall be put forth for consideration by the shareholders of the Company and their approval at the forthcoming annual general meeting (“AGM”).

CORPORATE GOVERNANCE FUNCTION

The Board performs the following corporate governance functions during the Year:

- (a) to develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company’s policies and practices in compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conducts and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company’s compliance with the Code and the disclosure in the Corporate Governance Report.

All committees established under the Board are required to report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

COMPANY SECRETARY

Mr. Chung Yuk Lun is the current company secretary of the Company. The company secretary, whose appointment was approved by the Board, complied with all the required qualifications, experience and training requirements under the Listing Rules. All Directors are entitled to have access to the advice and services of the company secretary, who is responsible for providing Board papers and related materials to Directors in order to ensure that Board procedures and all applicable law, rules and regulations are followed.

審核委員會 (續)

審核委員會建議續聘中正天恆會計師有限公司為本集團二零二零年／二零二一年的外聘核數師，相關決議案將提交至應屆股東週年大會（「股東週年大會」）以供本公司股東審議及批准。

企業管治職能

董事會於本年度履行以下企業管治職能：

- (a) 制定及檢討本公司有關企業管治之政策及慣例，並向董事會提出建議；
- (b) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及慣例；
- (d) 制定、檢討及監察本公司有關適用於僱員及董事之操守準則及合規手冊（如有）；及
- (e) 檢討本公司遵守守則及在企業管治報告作出披露之情況。

董事會轄下所有委員會均須向董事會匯報其所作決定或建議，除非法律或監管規定限制其如此行事（例如基於監管規定而限制作出披露）。

公司秘書

鍾育麟先生為本公司現時之公司秘書。經董事會批准委任之公司秘書已遵守上市規則項下所有規定資格、經驗及培訓要求。所有董事均可獲公司秘書（彼負責向董事提供董事會文件及相關資料）提供意見和服務，以確保董事會程序及所有適用法律、規則及規例均獲得遵守。

Corporate Governance Report

企業管治報告

AUDITORS' INDEPENDENCE AND REMUNERATION

The Audit Committee is mandated to review and monitor the independence of the auditors to ensure objectivity and the effectiveness of the audit process of the financial statements in accordance with applicable standards. Members of the Audit Committee were of the view that the Company's auditors, CCTH CPA Limited, are independent and has recommended the Board to re-appoint them as the Company's auditors at the AGM.

For the year ended 31 March 2020, the remuneration paid or payable to the Company's auditors, CCTH CPA Limited is set out as follows:

| Services rendered | 所提供服務 | CCTH CPA Limited 中正天恆會計師 有限公司 HK\$'000 千港元 |
|--------------------|-------|--|
| Audit services | 審核服務 | 1,225 |
| Non-audit services | 非審核服務 | 50 |
| Total | 總計 | 1,275 |

SHAREHOLDERS' RIGHTS

Set out below is a summary of certain rights of the shareholders as required to be disclosed pursuant to the Code.

(1) Procedures for shareholders to convene a special general meeting

Pursuant to the Bermuda Companies Act 1981, the Board shall, on a requisition in writing by any shareholder made in compliance with the applicable law to the Board or the Company Secretary of the Company holding not less than one-tenth (10%) of the paid up capital of the Company carrying the right of voting at general meetings of the Company, forthwith proceed to convene a special general meeting ("SGM") in accordance with the Bye-Laws of the Company.

If within twenty-one days of such deposit the Board fails to proceed to convene the SGM for a day not later than two months after the date of deposit of a proper requisition, the requisitioner(s), or any of them representing more than one half of the total voting rights of all of them, may themselves do so but any meeting so convened shall not be held after the expiration of three months from the said date.

核數師之獨立性及薪酬

審核委員會獲授權根據適用的準則審閱及監督核數師之獨立性，以確保財務報表審核過程的客觀性及有效性。審核委員會成員認為本公司核數師中正天恆會計師有限公司屬獨立，並建議董事會於股東週年大會上續聘彼為本公司之核數師。

截至二零二零年三月三十一日止年度，已付或應付予本公司核數師中正天恆會計師有限公司的薪酬載列如下：

股東權利

根據守則須予披露之若干股東權利概要載列如下。

(1) 股東召開股東特別大會之程序

根據百慕達1981年公司法，若任何持有不少於附帶於本公司股東大會上投票權利之本公司繳足股本十分之一(10%)之股東遵照適用法律以書面方式向董事會或本公司公司秘書提出要求，則董事會須根據本公司之公司細則隨即召開股東特別大會（「股東特別大會」）。

倘若董事會未能於遞呈後二十一日內於遞交有效請求日期後不超過兩個月之日期內舉行股東特別大會，則請求人（或當中佔全部請求人總投票權超過一半之任何人士）可自行召開大會，惟於此情況下所召開之任何大會不得在上述日期起計的三個月後舉行。

Corporate Governance Report

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SHAREHOLDERS' RIGHTS (Continued)

(2) Procedures for putting forward proposals at general meeting

Pursuant to the Bermuda Companies Act 1981, shareholders can submit a written requisition to move a resolution at general meeting of the Company. The number of shareholders shall represent not less than one-twentieth (5%) of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the general meeting, or shall not be less than one hundred shareholders.

The written requisition must state the resolution, accompanied by a statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at the general meeting. It must also be signed by all of the shareholders concerned and be deposited at the principal place of business of the Company in Hong Kong at Unit 2405, 24/F, World Wide House, 19 Des Voeux Road Central, Central, Hong Kong for the attention of the company secretary not less than six weeks before the general meeting. In case of a requisition requiring a notice of the resolution, the requisition must be served to the Board not less than one week before the general meeting.

The shareholders concerned must deposit a sum of money reasonably sufficient to meet the Company's expenses in giving the notice of the resolution and circulating the statement submitted by the shareholders concerned under applicable laws and rules.

(3) Shareholders' enquiries

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. Shareholders and the investment community may during office hours make a request for the Company's information to the extent that such information is publicly available. Shareholders may also send their enquiries and concerns to the Board by addressing to the Company Secretary at the principal place of business of the Company.

股東權利 (續)

(2) 在股東大會上提呈建議之程序

根據百慕達1981年公司法，股東可以提出書面要求以在本公司股東大會上動議一項決議案。股東人數須不少於提出要求當日有權在股東大會上投票之全體股東的總投票權之二十分之一(5%)，或不得少於一百名股東。

有關書面要求必須註明有關決議案，連同有關任何擬議決議案所述事宜或將於股東大會上處理之事務的不超過一千字陳述書。該要求亦須由全體相關股東簽署及在股東大會前不少於六星期送交本公司於香港之主要營業地點(地址為香港中環德輔道中19號環球大廈24樓2405室)，請註明公司秘書收。倘屬須發出決議案通告之要求，則該要求須在股東大會前不少於一星期送達董事會。

有關股東須存放一筆足夠的合理金額款項以支付本公司根據適用法律及規則發出決議案通告及分發股東所提交聲明的相關開支。

(3) 股東查詢

股東應向本公司之香港股份過戶登記分處卓佳登捷時有限公司(地址為香港皇后大道東183號合和中心54樓)提出有關本身股權之查詢。股東及投資界人士可於辦公時間內索取本公司的公開資料。股東亦可將擬向董事會提出之查詢及關注事項送交上述之本公司主要營業地點，請註明公司秘書收。

Corporate Governance Report

企業管治報告

CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2020, there was no significant change in the Company's constitutional documents.

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communication with all shareholders. The Company establishes different communication channels with shareholders and investors: (i) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (ii) updated key information of the Group are available on the websites of the Stock Exchange and the Company; and (iii) the Company's website offers communication channel between the Company and its shareholders and investors.

The annual general meeting is a channel for the Board of Directors and the sub-committees of the Board to address concern of shareholders. Shareholders are encouraged to attend the annual general meeting. Notice of the annual general meeting and related papers are sent to shareholders at least 20 clear business days before the meeting and the said notice is also published on the websites of the Stock Exchange and the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

A. Objectives

The Board is responsible to ensure that adequate systems of internal control and risk management ("Control Systems") are maintained within the Group, and to review their effectiveness through the Audit Committee. The Control Systems are designed to meet the Group's particular needs and the risks to which it is exposed, and by their nature can only provide reasonable, but not absolute assurance against misstatement or loss and to manage, but not to eliminate, risks of failure in achieving the Group's objectives. Practicable and effective internal control systems and procedures and risk management systems have been implemented by the Group to enhance internal control and risk management on an ongoing basis.

章程文件

截至二零二零年三月三十一日止年度，本公司之章程文件並無顯著變動。

與股東之溝通

董事會深明與全體股東維持良好溝通之重要性。本公司設立多個與股東及投資者進行溝通的渠道：(i)股東可於股東週年大會上發表建議及與董事會交流意見；(ii)聯交所及本公司網站載有本集團之最新重要資料可供查閱；及(iii)本公司網站為本公司與其股東及投資者提供溝通渠道。

股東週年大會乃董事會與董事會小組委員會處理股東關注問題之渠道。本公司鼓勵股東出席股東週年大會。股東週年大會通告及相關文件會在有關會議召開前不少於20個完整營業日內發送給各股東，而上述通告亦會在聯交所網站及本公司網站刊登。

風險管理及內部監控

A. 目標

董事會負責確保本集團維持足夠之內部監控及風險管理系統（「監控系統」），並透過審核委員會檢討其成效。監控系統乃專為應付本集團之特定需要及所須承受風險而設，惟其性質使然，僅能就避免有關錯誤陳述或損失提供合理而非絕對之保證，並管理而非消除無法達致本集團目標之風險。本集團已實施實際可行及有效之內部監控系統及程序及風險管理系統，以持續加強內部監控及風險管理。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

B. Internal control

- The Board**
- ensure the maintenance of appropriate and effective Control Systems in order to safeguard the shareholders' investment and assets of the Group;
 - define management structure with clear lines of responsibility and limit of authority; and
 - determine the nature and extent of significant risk that the Company is willing to take in achieving the strategic objectives and formulate the Group's risk management strategies.

- Audit Committee**
- oversee the Systems of the Group;
 - review and discuss with the management annually to ensure that the management has performed its duty to have effective Control Systems; and
 - consider major findings on internal control matters and make recommendations to the Board.

- The management**
- Design, implement and monitor the Control Systems properly and ensure the Control Systems are executed effectively;
 - monitor risks and take measures to mitigate risks in day-to-day operations;
 - give prompt responses to, and follow up the findings on internal control matters; and
 - provide confirmation to the Control Board on the effectiveness of the Systems.

- Internal Audit Function**
- carry out the analysis and independent appraisal of the adequacy and effectiveness of the Control Systems, and the details are set out in the section headed "Internal Audit Function" of this report.

風險管理及內部監控 (續)

B. 內部監控

- 董事會**
- 確保維持合適及有效的監控系統，以保障股東投資及本集團資產；
 - 制定有明確責任及權限的管理架構；及
 - 釐定本公司就達致戰略目標所願承擔之重大風險之性質及程度，並制定本集團之風險管理策略。

- 審核委員會**
- 監察本集團之該等系統；
 - 每年與管理層檢討並討論，以確保管理層履行其職責以維持監控系統之有效性；及
 - 考慮有關內部監控事宜的重要調查結果並向董事會提出建議。

- 管理層**
- 妥善設計、實施及監督監控系統，並確保監控系統得以有效執行；
 - 監督風險並採取措施降低日常營運風險；
 - 對有關內部監控事宜之調查結果作出及時的回應及跟進；及
 - 向董事會確認監控系統之有效性。

- 內部審核功能**
- 對監控系統之充足性及有效性進行分析及獨立評核，其詳情載於本報告「內部審核功能」一節。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

C. Risk management

The risk management process includes risk identification, risk evaluation, risk management measures and risk control and review.

The management conducted interviews with relevant staff members, reviewing relevant documentation of the internal control system, identifying and evaluating findings of any deficiencies in the design of the Group's internal control system, providing recommendations for improvement and following up on the effectiveness of implementation of such recommendations, where appropriate. The scope and findings of review on the risk management and internal control are reported to and reviewed by the Audit Committee annually.

Certain significant risks have been identified through the process of risk identification and assessment. Such significant risks of the Group and their respective key strategies/control measures are set out on pages 8 to 9 of the Management Discussion and Analysis of this report.

D. Control approach

The scope and findings of review on the risk management and internal control are reported to and reviewed by the Audit Committee annually. Procedure manuals and operational guidelines are in place to safeguard the assets against unauthorised use or disposition, ensuring maintenance of proper accounting records in compliance with the applicable laws, rules and regulations for the provision of reliable financial information for internal use and/or external publication.

E. Management confirmation

The Board had received a written confirmation from the management on the effectiveness of the Systems of the Group. The Audit Committee and the Board, upon reviewing the Systems, were not aware of any significant issues that would have an adverse impact on the effectiveness and adequacy of the Group's operational, financial and compliance areas of the Control Systems.

風險管理及內部監控 (續)

C. 風險管理

風險管理過程包括風險識別、風險評估、風險管理措施及風險控制及複核。

管理層與相關員工進行面談、審閱內部監控系統相關文件、識別及評估本集團內部監控系統設計中所發現之任何不足、就改善措施提供建議及跟進實施有關建議之有效性(倘適用)。風險管理及內部監控審閱的範圍及結果會每年呈報審核委員會並經其審核。

本集團已透過風險識別及評估程序識別若干重大風險。本集團所面臨的該等重大風險及彼等各自的主要策略/控制措施載於本報告管理層討論及分析第8至9頁。

D. 監控方法

風險管理及內部監控審閱的範圍及結果會每年呈報審核委員會並經其審核。制定程序手冊及運作指引以保障資產，以免未經授權使用或處置，確保遵照適用法律、規則及法規維持適當會計記錄，以提供可靠財務資料供內部使用及/或對外刊發。

E. 管理層確認

董事會已接獲管理層關於本集團該等系統有效性的書面確認。審核委員會及董事會於檢視該等系統後，並不知悉任何可對本集團監控系統於營運、財務及合規方面之有效性及充足性產生不利影響之重大問題。

Corporate Governance Report

企業管治報告

INTERNAL AUDIT FUNCTION

The Audit Committee has reviewed the Control Systems for the year ended 31 March 2020. The review identified the findings in internal control system of the Company, the risks associated with operating units of the Company and the recommendations to rectify the findings in internal control systems and to lower the risks identified. Most of the recommendations have been adopted and implemented with the remaining ones to be implemented in due course.

During the year ended 31 March 2020, the Board, through the Audit Committee, has reviewed the effectiveness of the Control Systems in respect of financial, operational and compliance aspect annually and considers that the Control Systems are adequate and effective.

The Board, through the Audit Committee, has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting functions, and consider that they are adequate.

DIVIDEND POLICY

The Company has adopted a dividend policy where the Company would, where the situation allows, declare dividends to shareholders taking into consideration the Group's distributable profits generated during the Year, the financial situation and liquidity of the Group, the funding needs for future investment and development purposes. The payment of dividend is also subject to any restrictions under the laws of Bermuda and Hong Kong as well as the Bye-Laws of the Company.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of the Securities and Futures Ordinance ("SFO") and the Listing Rules in relation to the handling and dissemination of inside information. The Group discloses inside information to the public as soon as reasonably practicable. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public.

內部審核功能

審核委員會已於截至二零二零年三月三十一日止年度審閱監控系統。該審閱識別出本公司內部監控系統之有關發現、與本公司營運單位相關之風險以及糾正內部監控系統有關發現和減低所識別風險之推薦建議。大部分建議已獲採納並予以執行，而餘下建議將於適當時候予以實施。

董事會於截至二零二零年三月三十一日止年度已透過審核委員會每年檢討監控系統於財務、營運及合規方面之成效，並認為監控系統屬完備及有效。

董事會亦已透過審核委員會檢討本集團的會計及財務匯報職能之資源、員工資歷及經驗、培訓課程及預算之充足性，並認為其屬充足。

股息政策

本公司已採納股息政策，如情況允許，本公司可在考慮本集團於本年度產生之可分派溢利、本集團之財務狀況及流動資金、未來投資及作發展用途所需資金後向股東宣派股息。股息支付亦受百慕達及香港法例及本公司之公司細則項下之任何限制規限。

處理及發佈內幕消息的程序及內部監控

本集團遵守證券及期貨條例（「證券及期貨條例」）以及上市規則有關處理及發佈內幕消息之規定。本集團必須在合理地切實可行的範圍內盡快向公眾披露內幕消息。本集團在向公眾全面披露有關消息前，會確保該消息嚴格保密。若本集團認為無法保持必要的機密程度，或保密性已遭違背，則本集團將即時向公眾披露該消息。

Report of the Directors

董事會報告

The Directors present their report and the audited consolidated financial statements of the Group for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the Year, the Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and trading of optical frames and sunglasses, property investment, debts and securities investment, money lending business and film distribution.

Further discussion and analysis of the activities as required by schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing by the Group and an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis set out on pages 8 to 9 of this annual report. The discussion forms part of this Directors' report.

RESULTS AND DIVIDEND

The Group's loss for the year ended 31 March 2020 and its financial position at that date are set out in the consolidated financial statements on pages 62 to 194.

The Board does not recommend payment of any dividend for the year ended 31 March 2020 (2019: Nil).

董事會謹此提呈其截至二零二零年三月三十一日止年度之報告及本集團的經審核綜合財務報表。

主要活動及業務回顧

於本年度，本公司為投資控股公司及其附屬公司主要從事眼鏡架及太陽眼鏡之製造及買賣、物業投資、債務及證券投資、放債業務以及電影發行。

香港公司條例附表5所規定之有關業務之進一步討論及分析（包括本集團面臨之主要風險及不確定性之說明及本集團業務之可能未來發展之跡象）載於本年報第8至9頁所載之管理層討論及分析。該等討論構成本董事會報告之一部分。

業績及股息

本集團截至二零二零年三月三十一日止年度之虧損及其於該日之財務狀況，載於綜合財務報表第62至194頁。

董事會概無建議派付截至二零二零年三月三十一日止年度之任何股息（二零一九年：無）。

Report of the Directors 董事會報告

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements and restated as appropriate, is set out below. This summary does not form part of the audited consolidated financial statements.

Results

財務資料概要

本集團摘錄自經審核綜合財務報表及經重列(如適用)之過去五個財政年度之已刊發業績以及資產、負債及非控股權益概要載於下文。此概要並非經審核綜合財務報表的組成部分。

業績

Year ended 31 March 截至三月三十一日止年度

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 (Restated) (經重列) |
|----------------------------|------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---|
| REVENUE | 收益 | 66,246 | 178,951 | 111,790 | 136,248 | 211,527 |
| PROFIT/(LOSS) FOR THE YEAR | 本年度溢利/(虧損) | (101,685) | (102,841) | (17,057) | 5,646 | (90,129) |
| Attributable to: | 下列人士應佔: | | | | | |
| Owners of the Company | 本公司擁有人 | (98,399) | (99,090) | (14,117) | 8,038 | (86,729) |
| Non-controlling interests | 非控股權益 | (3,286) | (3,751) | (2,940) | (2,392) | (3,400) |
| | | (101,685) | (102,841) | (17,057) | 5,646 | (90,129) |

Assets, liabilities and non-controlling interests

資產、負債及非控股權益

As at 31 March 於三月三十一日

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 (Restated) (經重列) |
|---------------------------|-------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---|
| TOTAL ASSETS | 資產總額 | 379,664 | 427,737 | 450,019 | 381,003 | 379,966 |
| TOTAL LIABILITIES | 負債總額 | (159,106) | (129,289) | (88,741) | (114,304) | (112,825) |
| NON-CONTROLLING INTERESTS | 非控股權益 | 8,837 | 4,971 | 768 | (984) | (4,509) |
| | | 229,395 | 303,419 | 362,046 | 265,715 | 262,632 |

Report of the Directors 董事會報告

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group during the reporting year are set out in note 13 to the consolidated financial statements, respectively.

SHARE CAPITAL

Details of the Company's share capital are set out in note 34 to the consolidated financial statements.

SHARE OPTIONS

The Company has adopted a share option scheme ("Share Option Scheme") on 16 March 2020 to provide incentive or rewards to participants including the Directors and eligible employees of the Group. Particulars of the Share Option Scheme are set out in note 35 to the financial statements. No options were granted under the Share Option Scheme since its adoption.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

RESERVES

Details of movements in the reserves of the Company and the Group during the reporting year are set out in note 36 to the consolidated financial statements and in the consolidated statement of changes in equity set out on page 66 of this annual report, respectively.

DISTRIBUTABLE RESERVES

Under the Companies Act 1981 of Bermuda, the reserve of the Company amounting to approximately HK\$106,923,000 (2018: HK\$126,062,000) is available for distribution or paying dividends to the Company's shareholders subject to the provisions of its Bye-Laws and provided that immediately following the distribution or dividend, the Company is able to pay its debts as they fall due in the ordinary course of business.

物業、廠房及設備以及投資物業

於報告年度，本集團物業、廠房及設備以及投資物業之變動詳情分別載於綜合財務報表附註13。

股本

本公司股本詳情載於綜合財務報表附註34。

購股權

本公司已於二零二零年三月十六日採納一項購股權計劃（「購股權計劃」），旨在鼓勵或嘉獎參與者（包括董事及本集團合資格僱員）。購股權計劃之詳情載於財務報表附註35。自採納購股權計劃後，並無根據購股權計劃授出任何購股權。

優先購股權

本公司之公司細則或百慕達法例均無有關本公司須按比例向現有股東提呈發售新股份之優先購股權條文。

儲備

於報告年度，本公司及本集團之儲備變動詳情分別載於綜合財務報表附註36及本年報第66頁所載之綜合權益變動表內。

可供分派儲備

根據百慕達一九八一年公司法，本公司之儲備約106,923,000港元（二零一八年：126,062,000港元）可用作向本公司股東分派或派付股息，惟在遵守其公司細則之條文的前提下，並在緊隨作出分派或股息後，本公司能夠償還其於一般業務過程中到期之債務。

Report of the Directors

董事會報告

DIRECTORS

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

Executive Directors

Ms. Liu Shufeng (*resigned on 14 June 2019*)
Mr. Chung Yuk Lun (*re-appointed on 15 July 2019*)

Mr. Chan Kam Wah (*resigned on 18 April 2019*)
Mr. Chan Chung Yin, Victor (*appointed on 15 July 2019*)

Mr. Wong Hoi Ping (*re-designated as non-executive director on 27 May 2019*)

Non-Executive Directors

Mr. Wong Hoi Fung (*resigned on 9 May 2019*)
Mr. Wong Hoi Ping (*resigned on 25 June 2019*)

Independent Non-executive Directors

Mr. Wan Kin Man, Tony (*resigned on 18 June 2019*)
Mr. Chan Ming Kei (*resigned on 18 June 2019*)
Mr. Chen Youchun (*resigned on 25 April 2019*)
Mr. Man Wai Lun
Mr. Cheng Chun Man (*appointed on 15 July 2019*)
Mr. Tang, Warren Louis
(*appointed on 15 July 2019 and resigned on 31 December 2019*)
Mr. Hui Man Ho, Ivan (*appointed on 31 March 2020*)

According to the Bye-laws of the Company, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation. In addition, every Director shall retire from office no later than the third annual general meeting after he/she was last elected or re-elected or ceased to be a Director and been re-elected by a general meeting at or since either such annual general meeting.

In accordance with the Bye-laws of the Company, any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. Accordingly, Mr. Chan Chung Yin, Victor and Mr. Hui Man Ho, Ivan will retire by rotation at the AGM in accordance with the Bye-laws of the Company. All of the abovementioned directors, being eligible, will offer themselves for re-election at the said meeting.

董事

於報告年度及截至本報告日期止，本公司之董事如下：

執行董事

劉書風女士 (於二零一九年六月十四日辭任)
鍾育麟先生 (於二零一九年七月十五日獲重新委任)
陳錦華先生 (於二零一九年四月十八日辭任)
陳仲然先生 (於二零一九年七月十五日獲委任)
王海平先生 (於二零一九年五月二十七日調任為非執行董事)

非執行董事

王海峰先生 (於二零一九年五月九日辭任)
王海平先生 (於二零一九年六月二十五日辭任)

獨立非執行董事

尹健民先生 (於二零一九年六月十八日辭任)
陳銘基先生 (於二零一九年六月十八日辭任)
陳友春先生 (於二零一九年四月二十五日辭任)
文偉麟先生
鄭振民先生 (於二零一九年七月十五日獲委任)
唐偉倫先生 (別名唐俊懿)
(於二零一九年七月十五日獲委任及於二零一九年十二月三十一日辭任)
許文浩先生 (於二零二零年三月三十一日獲委任)

根據本公司之公司細則，在每屆股東週年大會上，屆時三分之一之董事（倘人數並非三之倍數，則以最接近但不少於三分之一之人數為準）須輪值告退。此外，每位董事均須在其上次於股東週年大會上當選或重選或不再出任董事而於股東大會上獲重選後不超過三屆之股東週年大會上退任。

根據本公司之公司細則，任何獲董事會委任以填補臨時空缺或成為董事會新增成員之董事，任期僅至本公司下屆股東大會為止，並符合資格膺選連任。因此，陳仲然先生及許文浩先生將根據本公司之公司細則於股東週年大會上輪值退任。所有上述董事符合資格且願意於該會議上重選連任。

Report of the Directors

董事會報告

The Company has received annual confirmation of independence from all the independent non-executive Directors, namely Mr. Man Wai Lun, Mr. Cheng Chun Man and Mr. Hui Man Ho, Ivan. The Board considers them to be independent.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors of the Company are set out on pages 19 to 20 of the annual report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

MANAGEMENT CONTRACTS

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

EMOLUMENT POLICY

The emoluments of the Directors shall be decided by the Board as recommended by the Remuneration Committee having regard to a written remuneration policy (which ensures a clear link of business strategy and a close alignment with the Shareholders' interest and current market best practice). Remuneration should be paid with reference to the Board's corporate goals and objectives, the salaries paid by comparable companies, time commitment and responsibilities of the executive and non-executive Directors, internal equity of employment conditions across the Group and applicability of performance-based remuneration. The Directors' fees are paid in line with market practice, subject to the shareholders' approval at general meetings. No individual should determine his or her own remuneration.

Employee's remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level. Remuneration package includes, as the case may be, basic salaries, Directors' fees, contribution to pension schemes, discretionary bonus relating to financial performance of the Group and individual performance and other competitive fringe benefits such as medical and life insurances. Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 10 to the financial statements.

本公司已收到所有獨立非執行董事，即文偉麟先生、鄭振民先生及許文浩先生年度獨立確認書。董事會認為彼等獨立。

董事履歷

本公司各董事之履歷詳情載於年報第19至20頁。

董事之服務合約

董事概無與本公司訂立任何不可由本公司於一年內免付賠償（法定賠償除外）予以終止之服務合約。

管理合約

於本年度內，概無訂立或存續有關管理及經營本集團全部或任何重大部分之業務之合約。

薪酬政策

董事之薪酬須由董事會根據薪酬委員會參照一套書面薪酬政策（以確保與業務策略有清晰聯繫，並密切符合股東之權益及現行市場最佳常規）向其提供的推薦意見而釐定。薪酬乃參考董事會企業目標及目的、同類公司支付的薪金、執行及非執行董事的時間投入及職責、本集團內部一貫的僱傭條件及與表現掛鈎的薪酬之適用性予以支付。董事袍金則根據市場常規予以支付，惟須獲股東於股東大會批准。並無個別人士可釐定其本身之薪酬。

僱員薪酬乃根據個人責任、能力及技術、經驗及表現以及市場薪酬水平釐定。薪酬待遇包括（視情況而定）基本薪金、董事袍金、退休金計劃供款、與本集團財務表現及個人表現掛鈎之酌情花紅及其他具有競爭力之額外福利（如醫療及人壽保險）。有關本集團董事及五名最高薪酬人士的薪酬詳情載於財務報表附註10。

Report of the Directors 董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2020, the interests and short positions of the Directors and chief executive of the Company in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

Long positions in ordinary shares of the Company

| Name of director | Capacity/ Nature of Interests | Number of ordinary shares interested | Percentage of issued voting shares 佔已發行 有投票權股份 百分比 |
|----------------------------|----------------------------------|--|---|
| 董事姓名 | 身份／權益性質 | 擁有權益之 普通股股份數目 | |
| Mr. Wong Hoi Fung 王海峰先生 | Beneficial Owner 實益擁有人 | 49,020,000 | 8.08% |

Note: Mr. Wong Hoi Fung resigned as director of the Company with effect from 9 May 2019.

Save as disclosed above, as at 31 March 2020, none of the Directors or their respective associates and the chief executive of the Company had any interests or short positions in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At the end of the Year and at no time during the Year was the Company, any of its holding companies, subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective spouses 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 body corporate.

董事及行政總裁於股份及相關股份之權益及淡倉

於二零二零年三月三十一日，本公司董事及行政總裁於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份及相關股份中，擁有記錄於本公司根據證券及期貨條例第352條規定存置之登記冊內之權益及淡倉，或根據上市規則所載的標準守則已知會聯交所之權益及淡倉如下：

於本公司普通股之好倉

| Number of ordinary shares interested | Percentage of issued voting shares 佔已發行 有投票權股份 百分比 |
|--|---|
| 擁有權益之 普通股股份數目 | |
| 49,020,000 | 8.08% |

附註：王海峰先生於二零一九年五月九日辭任本公司董事。

除上文所披露者外，於二零二零年三月三十一日，概無董事或彼等各自之聯繫人及本公司行政總裁於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份及相關股份中，擁有記錄於本公司根據證券及期貨條例第352條規定存置之登記冊內之權益及淡倉，或根據標準守則已知會聯交所之權益及淡倉。

董事購買股份或債券之權利

於本年度末及本年度內任何時間，本公司、其任何控股公司、附屬公司或同系附屬公司概無訂立任何安排，致使本公司董事或主要行政人員、彼等各自之配偶或18歲以下子女，可藉購入本公司或任何其他法人團體之股份或債券而獲益。

Report of the Directors 董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 31 March 2020, none of the Directors nor their respective close associates was interested in any business which was considered to compete or was likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTION

Save as disclosed in the Related Party Transactions disclosures set out in note 40 to the consolidated financial statements, none of the Directors or his connected entity had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the reporting year.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2020, the following interests of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions

| Name | Capacity/ Nature of Interest | Number of ordinary shares interested | Percentage of issued voting shares 佔已發行 有投票權股份 百分比 |
|--------------------|---------------------------------|--|---|
| 姓名／名稱 | 身份／權益性質 | 擁有權益之 普通股股份數目 | |
| Osman Bin Kitchell | Beneficial Owner 實益擁有人 | 142,297,719 | 23.46% |

Save as disclosed above, as at 31 March 2020, no person, other than the Directors of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

董事於競爭業務中的權益

於二零二零年三月三十一日，概無董事或彼等各自之緊密聯繫人士於被視為直接或間接與本集團業務構成競爭或可能構成競爭，且根據上市規則須予披露之任何業務中擁有權益。

董事於重大交易、安排或合約之權益及關連交易

除綜合財務報表附註40所載關連人士交易披露所披露者外，於報告年度，概無董事或其關連實體在本公司或其任何控股公司、附屬公司或同系公司所訂立有關本集團業務且屬重大之任何交易、安排或合約中直接或間接擁有重大權益。

主要股東及其他人士於股份及相關股份之權益

於二零二零年三月三十一日，據本公司根據證券及期貨條例第336條須予以存置之權益登記冊所記錄，以下佔本公司已發行股本及購股權的5%或以上之權益：

好倉

除上文披露者外，於二零二零年三月三十一日，除擁有上文「董事及行政總裁於股份及相關股份之權益及淡倉」一節所載權益的本公司董事外，概無人士於本公司股份及相關股份中，擁有須根據證券及期貨條例第336條予以記錄的權益或淡倉。

Report of the Directors 董事會報告

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the year ended 31 March 2020.

MAJOR CUSTOMERS AND SUPPLIERS

During the reporting year, the Group's largest customer and the Group's five largest customers accounted for 46% and 74.9% of the Group's total sales, respectively.

During the reporting year, the Group's largest supplier and the Group's five largest suppliers accounted for 16.6% and 55.7% of the Group's total purchases, respectively.

Save as disclosed above, none of the directors of the Company or any of their associates or any shareholders, which to the best knowledge of the directors, own more than 5% of the Company's issued share capital had any beneficial interest in any of the Group's five largest customers or suppliers during the reporting year.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the reporting year, the Company and the Group had the following connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

During the year, included in other payables was an amount due to the spouse of Mr. Hui Leung Wah (ex-director of the Company) of HK\$14,453,000, which is unsecured, non-interest bearing and repayable on demand.

購買、出售或贖回本公司之上市股份

本公司及其任何附屬公司於截至二零二零年三月三十一日止年度內概無購買、出售或贖回本公司之任何上市股份。

主要客戶及供應商

於報告年度，本集團最大客戶及本集團五大客戶分別佔本集團銷售總額的46%及74.9%。

於報告年度，本集團最大供應商及本集團五大供應商分別佔本集團採購總額的16.6%及55.7%。

除上文披露者外，概無本公司董事或彼等任何聯繫人士或就董事會所知擁有本公司已發行股本5%以上之任何股東，於報告年度於本集團的任何五大客戶或供應商中擁有任何實益權益。

關連交易及持續關連交易

於報告年度，本公司及本集團曾進行下列關連交易，部分詳情已按上市規則第14A章之規定作出披露。

年內，其他應付款項包括應付許亮華先生(本公司前董事)配偶之款項14,453,000港元，該款項為無抵押、免息及按要求償還。

Report of the Directors 董事會報告

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (Continued)

Gold Strong Industrial Limited ("Gold Strong"), a non-wholly-owned subsidiary of the Group, in their usual and ordinary course of business, had amounts due (to)/from the Company's several wholly-owned subsidiaries. The amounts due are unsecured and interest-bearing at the same interest rate charged by the Company's bank which is the same as the rate applied to the Company's wholly-owned subsidiaries, they are repayable on demand and the outstanding amounts are details below at the end of the balance sheet date:

| | | 31 March 2020 二零二零年 三月三十一日 HK\$'000 千港元 | 31 March 2019 二零一九年 三月三十一日 HK\$'000 千港元 |
|--|--------------------|--|--|
| Gold Strong | 金利康 | (29,209) | (29,574) |
| – amount due to Gold Strong by the Company's wholly-owned subsidiaries | – 本公司全資附屬公司應付金利康款項 | – | 141 |
| – amount due by Gold Strong to the Company's wholly-owned subsidiaries | – 本公司全資附屬公司應收金利康款項 | (29,209) | (29,715) |

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, none of the Related Party Transactions as disclosed in note 40 to the consolidated financial statements contained in this annual report is a connected transaction or/and continuing connected transaction.

PERMITTED INDEMNITY PROVISION

Pursuant to Bye-law 189 of the Company, Directors of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they may incur or sustain by or about the execution of their duty in their offices or in relation thereto.

The Company has arranged appropriate directors' liability insurance coverage for the Directors and the officers of the Group throughout the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public during the reporting year and up to the date of this report.

關連交易及持續關連交易 (續)

本集團一間非全資附屬公司金利康工業有限公司(「金利康」)於一般日常業務中擁有(應付)/應收本公司若干全資附屬公司款項。該等欠款均為無抵押且按本公司銀行收取之相同利率計息,其與應用於本公司全資附屬公司的利率相同。其須按要求償還,而截至結算日之尚未償還款項詳情如下:

就董事於作出一切合理查詢後所深知、盡悉及確信,除上文所披露者外,於本年報所載綜合財務報表附註40披露之關連人士交易並非關連交易或/及持續關連交易。

獲准許的彌償條文

根據本公司細則第189條,本公司董事基於本身職位履行職責時可能招致或蒙受的所有訴訟、費用、收費、損失、損害及開支,均可自本公司的資產獲得彌償,確保免就此受損。

本公司已為本集團董事及職員安排本年度全年的適當董事責任險。

充足公眾持股量

根據本公司所掌握之公開資料及據董事所知,於報告年度及直至本報告日期,本公司已發行股本總額中最少25%由公眾人士持有。

Report of the Directors 董事會報告

CHANGE OF AUDITOR

Ernst & Young (“EY”) resigned as the auditor of the Group with effect from 31 May 2019 as the Company could not reach an agreement with EY on the audit fee for the financial year ended 31 March 2019. With the recommendation of the Audit Committee and passing the resolution at the special general meeting held on 9 August 2019, CCTH CPA Limited has been appointed as the new auditor of the Group on the 9 August 2019 to fill the casual vacancy.

AUDITORS

CCTH CPA Limited will retire at AGM and a resolution for the re-appointment of CCTH CPA Limited as auditor of the Company will be proposed thereat.

On Behalf of the Board

Chung Yuk Lun
Executive Director

Hong Kong
29 June 2020

更換核數師

由於本公司與安永會計師事務所（「安永」）無法就截至二零一九年三月三十一日止財政年度的核數師費用達成一致，安永已辭任本集團核數師，自二零一九年五月三十一日起生效。經審核委員會建議，並於在二零一九年八月九日舉行的股東特別大會上通過決議案，中正天恆會計師有限公司已於二零一九年八月九日獲委任為本集團之新核數師，以填補臨時空缺。

核數師

中正天恆會計師有限公司將於股東週年大會上退任，本公司將於會上提呈一項決議案，以續聘中正天恆會計師有限公司為本公司核數師。

代表董事會

執行董事
鍾育麟

香港
二零二零年六月二十九日

Independent Auditor's Report

獨立核數師報告



To the shareholders of Elegance Optical International Holdings Limited

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Elegance Optical International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 62 to 194, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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.

致高雅光學國際集團有限公司全體股東

(於百慕達註冊成立之有限公司)

意見

我們已審計列載於第62至第194頁的高雅光學國際集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二零年三月三十一日的綜合財務狀況表及截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於二零二零年三月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告核數師就審計綜合財務報表承擔的責任一節中作進一步闡述，而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職業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

根據我們的專業判斷，關鍵審計事項為對本期綜合財務報表的審計最為重要的事項。這些事項是我們在審計整體綜合財務報表，及出具意見時進行處理的，而我們不會對這些事項提供單獨的意見。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key audit matter 關鍵審計事項

Impairment of trade and other receivables and loan and interest receivables

貿易及其他應收款項及應收貸款及應收利息減值

Refer to notes 4, 22, 23 and 24 to the consolidated financial statements.

請參閱綜合財務報表附註4、22、23及24。

As at 31 March 2020, the Group recorded gross trade receivables of HK\$10,671,000 before impairment of HK\$2,333,000, other receivables of HK\$5,380,000 before impairment loss of HK\$127,000, and loan and interest receivables of HK\$21,249,000 before impairment of HK\$10,120,000.

於二零二零年三月三十一日，貴集團錄得除減值2,333,000港元前之總應收賬款10,671,000港元、除減值虧損127,000港元前之其他應收款項5,380,000港元及除減值10,120,000港元前之應收貸款及應收利息21,249,000港元。

Estimations of the impairment for the Group's trade and other receivables and loan and interest receivables are dependent on certain key assumptions that require significant management judgment, including the historical default rates, past due status, general economic conditions and an assessment of both the current conditions as well as forward-looking information specific to the trade and other receivables and loan and interest receivables.

貴集團貿易及其他應收款項及應收貸款及應收利息之減值估計取決於若干需作出重大管理層判斷之重大假設，包括歷史違約率、逾期狀況、一般經濟狀況及對當前狀況之評估以及貿易及其他應收款項及應收貸款及應收利息之特定前瞻性資料。

關鍵審計事項 (續)

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

We obtained an understanding of the design, implementation and operating effectiveness of management's internal controls relating to credit control, debt collection and making provisions for doubtful debts.

我們已了解管理層就信貸監控、收回債務及計提呆賬撥備所作出的內部監控的設計、執行及營運效率。

We reviewed the agreements and other relevant documents relating to the loans made by the Group.

我們審閱與貴集團作出的貸款有關的協議及其他有關文件。

We assessed the classification and accuracy of individual balances in trade and other receivables and loan and interest receivables ageing report by testing the underlying invoices and loan agreements on a sample basis.

我們已通過抽樣測試相關發票及貸款協議評估貿易及其他應收款項及應收貸款及應收利息賬齡報告中個別結餘之分類及準確性。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter 關鍵審計事項

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Impairment of trade and other receivables and loan and interest receivables (Continued)

貿易及其他應收款項及應收貸款及應收利息減值 (續)

We have identified impairment of trade and other receivables and loan and interest receivables as a key audit matter due to the magnitude of the receivables and the estimation and judgments involved the determination of the recoverable amounts of these receivables.

我們已將貿易及其他應收款項及應收貸款及應收利息減值識別為關鍵審計事項，此乃由於應收款項數額重大及在釐定此等應收款項的可收回金額時涉及估計及判斷。

We assessed subsequent settlement of receivable balances. Where settlement had not been received subsequent to the year end date, we obtained an understanding of the basis of management's judgments about the recoverability of the outstanding receivables and evaluated the allowance for doubtful debts made by management for these individual balances.

我們評估期後應收款項結餘結算。倘於年結日後仍未收取應收款項，我們已瞭解管理層對未收回應收款項的可收回性作出判斷的基準，並已評估管理層就該等個別結餘計提之呆賬撥備。

We assessed the historical accuracy of the estimates made by the management for the allowance for doubtful debts.

我們評估管理層過往就呆賬撥備作出之估計的準確性。

We assessed the appropriateness of the expected credit loss positioning methodology, by examining the key data inputs on a sample basis, to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit loss.

我們透過抽樣基準檢測關鍵輸入數據以評估其準確性及完整性以及質疑有關假設（包括過往及前瞻性資料）評估預期信貸虧損定位方法的適當性，以釐定預期信貸虧損。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key audit matter 關鍵審計事項

Provision for obsolete and slow moving inventories 過時及滯銷存貨撥備

Refer to notes 4 and 21 to the consolidated financial statements.
請參閱綜合財務報表附註4及21。

As at 31 March 2020, the Group recorded gross inventories of HK\$29,174,000 before provision for impairment of HK\$20,372,000. Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. The write down of obsolete and slow-moving items of inventories to their net realisable value is estimated by management through the application of judgement and use of highly subjective assumptions such as management's expectations for future sales and product promotion plans in identifying the obsolete and slow-moving inventory items, and estimating the allowance for inventories.

於二零二零年三月三十一日，貴集團錄得除減值撥備20,372,000港元前之總存貨29,174,000港元。存貨按成本與可變現淨值之較低者列賬。成本按加權平均基準釐定。可變現淨值乃按估計售價減任何估計完成及出售產生之成本計算。過時及滯銷存貨項目撇減至其可變現淨值乃由管理層透過運用判斷及使用高度主觀假設估計，如管理層於識別過時及滯銷存貨項目及估計存貨撥備時對未來銷售及產品推廣計劃的期望。

We have identified provision for obsolete and slow moving inventories as a key audit matter due to the magnitude of gross inventories and the estimation and judgments involved the determination of the obsolete and slow-moving items of inventories.

我們已將過時及滯銷存貨撥備識別為關鍵審計事項，原因為存貨總額數量重大及在釐定過時及滯銷存貨項目時涉及估計及判斷。

關鍵審計事項 (續)

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

We assessed management's controls over identifying and valuing obsolete, damaged, slow-moving, excess and other inventory items for which their costs may not be fully recoverable, and evaluated the Group's inventory provision policy with reference to historical sales transactions. We tested the inventories ageing analysis as at 31 March 2020 on a sampling basis. We also assessed the inventory provision by taking into account the subsequent usage of raw materials and work-in-progress and subsequent sales transactions of the inventories.

我們評估管理層對識別及評估過時、損壞、滯銷、過剩及其他存貨項目的控制，由於該等項目的成本可能未能悉數收回，並參考歷史銷售交易，以評估貴集團的存貨撥備政策。我們按抽樣基準測試於二零二零年三月三十一日的存貨賬齡分析。考慮到原材料的其後用途、在製品及存貨其後銷售交易等因素，我們亦評估存貨撥備。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key audit matter 關鍵審計事項

Impairment of property, plant and equipment and right-of-use assets

物業、廠房及設備以及使用權資產減值

Refer to notes 4, 13 and 14 to the consolidated financial statements.

請參閱綜合財務報表附註4、13及14。

The Group recorded a loss for the year ended 31 March 2020 of HK\$101,685,000. Management of the Group determined that indicators of impairment on the Group's property, plant and equipment and right-of-use assets existed and performed an impairment assessment. The management assessment involved subjective judgements and assumptions, such as estimated market price of comparable asset items in determining the recoverable amounts of such assets. To support management's determination of the fair value, the Group has engaged independent professionally qualified valuers to perform valuation of the related property, plant and equipment and right-of-use assets.

截至二零二零年三月三十一日止年度，貴集團錄得虧損101,685,000港元。貴集團管理層釐定顯示存在貴集團物業、廠房及設備以及使用權資產減值，並進行減值評估。管理層評估涉及主觀判斷及假設，如於釐定可比較資產可收回金額時相關資產項目的估計市價。為支持管理層釐定的公允值，貴集團已委聘獨立專業合資格估值師對相關物業、廠房及設備以及使用權資產進行估值。

Based on the valuations, management is of the view that impairment loss on property, plant and equipment and right-of-use assets is not required to be made as the recoverable amounts of such assets, with reference to their respective fair values less costs of disposal, are not less than their carrying amounts.

根據估值，管理層認為由於有關資產之可收回金額（經參考彼等各自公允值減出售成本）不低於其賬面值，故無須就物業、廠房及設備以及使用權資產減值虧損作出撥備。

關鍵審計事項（續）

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

We assessed the recoverable amounts and evaluated the inputs and assumptions included in management's impairment assessment by evaluating the data used as input for valuation, which included reference to the market price of comparable land and buildings and other relevant assets. We also assessed the objectivity, independence and expertise of the valuers in evaluating the assumptions and methodologies.

我們評估可收回金額，並評估包括管理層的減值評估的輸入數據及假設，此乃透過評估作為估值輸入所用的數據，其包括參考可比土地及樓宇以及其他相關資產的市價。我們亦評估估值師的客觀性、獨立性及專業知識以評估假設及方法。

We assessed the valuation methodologies used by the external valuer for the fair value valuation of the property, plant and equipment and right-of-use assets;

我們評估外部估值師就物業、廠房及設備以及使用權資產之公允值估值所使用的估值方法；

We evaluated the independence, competence, capabilities and objectivity of the external valuer;

我們評估外部估值師的獨立性、權限、能力和客觀性；

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter 關鍵審計事項

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Impairment of property, plant and equipment and right-of-use assets (Continued)

物業、廠房及設備以及使用權資產減值 (續)

We focused on the impairment assessment of the Group's property, plant and equipment and right-of-use assets as the estimation of the fair value less costs of disposal of such assets involved judgments and assumptions used in the determination of sale prices of these assets and management assessment of the value in use of the CGUs involves judgments and estimates about the future results of the business, key assumptions including revenue growth rate and gross profit margin, long-term growth rate and the discount rates applied to future cash flow forecast.

我們專注於貴集團的物業、廠房及設備及使用權資產的減值評估，因為估計有關資產的公允值減其出售成本涉及到釐定該等資產的售價時所作出的判斷及假設，且管理層對現金產生單位的使用價值評估涉及有關業務未來業績的判斷及估計，包括收益增長率及毛利率、長期增長率及應用於未來現金流量預測之貼現率的主要假設。

We checked, on a sample basis, the accuracy and relevance of the data and information provided by management to the external valuer; and 我們以抽樣方式檢查管理層向外部估值師提供的數據及資料的準確性和相關性；及

We considered the potential impact of reasonably possible downside changes in these key assumptions.

我們考慮該等關鍵假設中合理可能的下行變化的潛在影響。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter 關鍵審計事項

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Impairment assessment of investment in an associate 一間聯營公司投資之減值評估

Refer to notes 4 and 18 to the consolidated financial statements.
請參閱綜合財務報表附註4及18。

As at 31 March 2020, the carrying amount of the Group's investment in an associate, Filmko Culture Limited, amounted to HK\$91,000,000 (after impairment loss recognised of HK\$39,543,000).
於二零二零年三月三十一日，除已確認減值虧損39,543,000港元後，貴集團於一間聯營公司（星皓文化有限公司）投資之賬面值為91,000,000港元。

To support management's determination of the fair value used for impairment assessment purposes, the Group has engaged external independent qualified valuers to perform fair value valuation on the associate.
為支持管理層釐定用於減值評估的公允值，貴集團已委聘外部獨立合資格估值師對聯營公司進行公允值估值。

We focused on impairment assessment of the Group's investment in an associate as the magnitude of the investment in an associate is significant and management assessment of the fair value involves judgments and estimates, key assumptions including the basis of selection for the comparable entities and their respective fair values as well as the discount rates applied to the lack of marketability factor.
我們專注於貴集團於一間聯營公司投資之減值評估，原因為於一間聯營公司投資之數額重大，且管理層對公允值的評估涉及判斷及估計以及包括選擇同類實體之基準及其各自的公允值以及適用於缺乏市場流動性因素之貼現率的關鍵假設。

We evaluated and challenged the composition of the associate's fair value and the process by which they were drawn up, including testing the underlying fair value less cost of disposal calculation.

我們評估並質疑聯營公司公允值的組成以及編製程序，包括測試相關的公允值減出售成本的計算。

We challenged the key assumptions including the basis of selection for the comparable entities for fair value valuation and the discount rates applied to the lack of marketability factor. We considered the appropriateness of the discount rates adopted by management.

我們質疑選擇同類實體進行公允值估值之基準及適用於缺乏市場流動性因素之貼現率等關鍵假設。我們考慮管理層採納的貼現率的合適性。

We checked the accuracy and relevance of the input data on sample basis; and
我們以抽樣方式檢查輸入數據的準確性及相關性；及

We evaluated the independent external valuer's competence, capabilities and objectivity.
我們評估獨立外部估值師的權限、能力及客觀性。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter 關鍵審計事項

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Fair value measurement of investments in film production 電影製作投資之公允值計量

Refer to notes 4 and 25 to the consolidated financial statements.
請參閱綜合財務報表附註4及25。

As at 31 March 2020, the Group had investments in film production with the carrying amount of HK\$45,318,000.
於二零二零年三月三十一日，貴集團電影製作投資的賬面值為45,318,000港元。

The investments in film production mainly represent investments in certain films that the Group is not considered to be involved in the production process or as the distributor.
電影製作投資主要指投資若干電影（貴集團被視為不參與製作過程或不被視為發行商）。

The investments in film production were recorded as financial assets at fair value through profit or loss and are subject to fair value measurement at the end of each reporting period. The Group used discounted cash flows under income approach to evaluate the fair value of the investments in film production as at 31 March 2020, and recognised a loss of fair value of HK\$13,647,000 in profit or loss in respect of the year ended 31 March 2020.

電影製作投資入賬列作按公允值計入損益之金融資產，及須於各報告期間結束時進行公允值計量。貴集團根據收入法使用貼現現金流量來評估電影製作投資於二零二零年三月三十一日的公允值，及就截至二零二零年三月三十一日止年度於損益確認公允值虧損13,647,000港元。

We evaluated the independent external valuer's competence, capabilities and objectivity;
我們評估獨立外部估值師的權限、能力及客觀性；

We challenged the key assumptions including the basis of selection for the comparable entities for fair value valuation and the discount rates applied to the lack of marketability factor. We considered the appropriateness of the discount rates adopted by management; and
我們質疑選擇同類實體進行公允值估值之基準及適用於缺乏市場流動性因素之貼現率等關鍵假設。我們考慮管理層採納的貼現率的合適性；及

We checked the accuracy and relevance of the input data on sample basis.
我們以抽樣方式檢查輸入數據的準確性及相關性。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter 關鍵審計事項

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Fair value measurement of investments in film production (Continued) 電影製作投資之公允值計量 (續)

These conclusions required the significant management's judgment, with respect to the discount rate and the underlying cash flows, in particular future revenue of the films.

該等結論需要管理層對貼現率及相關現金流量 (尤其是電影日後的收益) 作出重大判斷。

To support management's determination of the fair value used for impairment assessment purposes, the Group has engaged external independent qualified valuers to perform fair value valuation on investments in film production.

為支持管理層釐定用於減值評估的公允值，貴集團已委聘外部獨立合資格估值師對電影製作投資進行公允值估值。

We focused on fair value measurement of investments in film production as the magnitude of the investments in film is significant and management assessment of the fair value involves judgments and estimates, key assumptions including the basis of selection for the comparable companies, discount rate and the underlying cash flows, in particular future revenue of the films.

我們專注於電影製作之公允值計量，原因為於電影投資之數額重大，且管理層對公允值的評估涉及判斷及估計以及包括選擇同類公司之基準、貼現率及相關現金流量 (特別是未來電影收益) 的關鍵假設。

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

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

綜合財務報表及核數師報告以外的資料

董事需對其他資料負責。其他資料包括刊載於年報內的資料，但不包括綜合財務報表及我們的核數師報告。

Independent Auditor's Report 獨立核數師報告

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

(Continued)

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

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

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

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

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

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

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

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

綜合財務報表及核數師報告以外的 資料 (續)

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

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

董事及負責管治人員就綜合財務 報表承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則和香港公司條例的披露規定編製真實而中肯的綜合財務報表，並進行董事認為需要之內部控制，以使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

負責管治人員須履行監督 貴集團的財務報告程序的責任。

核數師就審計綜合財務報表承擔 的責任

我們的目標是對綜合財務報表整體是否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，並出具包括我們根據我們的協定委聘條款僅向全體股東報告我們意見的核數師報告，除此以外，並不作其他用途。我們不會就核數師報告的內容向任何其他人士負上或承擔任何責任。

Independent Auditor's Report 獨立核數師報告

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審計綜合財務報表承擔 的責任 (續)

合理保證是高層次的保證，但不能保證按照香港審計準則進行的審計，能發現所存在的重大錯誤陳述。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匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定時，則有關的錯誤陳述會被視作重大。

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綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭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。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當修訂我們的意見。我們的結論是基於核數師報告日期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無法持續經營。

Independent Auditor's Report 獨立核數師報告

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters 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.

CCTH CPA Limited

Certified Public Accountants
Hong Kong

29 June 2020

Kwong Tin Lap

Practising certificate number: P01953

Unit 1510-1517, 15/F, Tower 2, Kowloon Commerce Centre,
No. 51 Kwai Cheong Road, Kwai Chung,
New Territories, Hong Kong

核數師就審計綜合財務報表承擔 的責任 (續)

- 評估綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與負責管治人員溝通了審計計劃範圍、時間安排及重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向負責管治人員提交聲明，說明我們已符合有關獨立性的相關職業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與負責管治人員溝通的事項中，我們釐定對本期綜合財務報表的審計最為重要之事項，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極為罕見的情況下，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出產生的公眾利益，則我們決定不應在報告中溝通該事項。

中正天恆會計師有限公司

執業會計師
香港

二零二零年六月二十九日

鄭天立

執業證書編號：P01953

香港新界
葵涌葵昌路51號
九龍貿易中心2座15樓1510-1517室

Consolidated Statement of Comprehensive Income

綜合全面收益表

Year ended 31 March 2020

截至二零二零年三月三十一日止年度

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|--------------------|-------------|----------------------------------|----------------------------------|
| LOSS FOR THE YEAR | 本年度虧損 | | (101,685) | (102,841) |
| OTHER COMPREHENSIVE (EXPENSE)/INCOME | 其他全面(開支)/收入 | | | |
| Items that may be reclassified to profit or loss in subsequent periods: | 於其後期間可重新分類至損益之項目: | | | |
| Share of exchange differences on translation of a joint venture | 分佔換算一間合營公司之匯兌差額 | 19 | 73 | 13 |
| Share of exchange differences on translation of an associate | 分佔換算一間聯營公司之匯兌差額 | 18 | (1,154) | (540) |
| Exchange differences on translation of foreign operations | 換算海外業務之匯兌差額 | | (2,148) | 463 |
| | | | (3,229) | (64) |
| Items that may not be reclassified to profit or loss in subsequent periods: | 於其後期間不會重新分類至損益之項目: | | | |
| Gain on property revaluation, net of tax | 物業重估收益，扣除稅項 | 13 | 1,012 | – |
| OTHER COMPREHENSIVE EXPENSE FOR THE YEAR | 本年度其他全面開支 | | (2,217) | (64) |
| TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR | 本年度全面開支總額 | | (103,902) | (102,905) |
| Total comprehensive expense for the year attributable to: | 下列人士應佔本年度全面開支總額: | | | |
| Owners of the Company | 本公司擁有人 | | (100,036) | (98,702) |
| Non-controlling interests | 非控股權益 | | (3,866) | (4,203) |
| | | | (103,902) | (102,905) |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2020

於二零二零年三月三十一日

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------------|-------------|----------------------------------|----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 13 | 44,027 | 58,141 |
| Right-of-use assets | 使用權資產 | 14 | 20,387 | – |
| Investment properties | 投資物業 | 15 | 69,382 | 77,457 |
| Intangible assets | 無形資產 | 16 | 10,250 | – |
| Prepaid land lease payments | 預付土地租賃款項 | 17 | – | 4,163 |
| Investment in an associate | 於一間聯營公司之投資 | 18 | 91,000 | 99,985 |
| Investment in a joint venture | 於一間合營公司之投資 | 19 | – | – |
| Financial assets at fair value through other comprehensive income | 按公允值計入其他全面收入之金融資產 | 20 | – | 290 |
| Prepayments and deposits | 預付款項及按金 | 24 | 230 | 1,880 |
| | | | 235,276 | 241,916 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | 21 | 8,802 | 7,784 |
| Trade receivables | 應收賬款 | 22 | 8,338 | 25,623 |
| Loan and interest receivables | 應收貸款及應收利息 | 23 | 11,129 | 20,022 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 24 | 36,656 | 111,750 |
| Financial assets at fair value through profit or loss | 按公允值計入損益之金融資產 | 25 | 51,022 | 6,705 |
| Cash and cash equivalents | 現金及現金等值物 | 26 | 28,441 | 13,937 |
| | | | 144,388 | 185,821 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade payables | 應付賬款 | 27 | 5,113 | 7,707 |
| Contract liabilities | 合約負債 | 28 | 7,279 | 12,639 |
| Other payables, accruals and deposits received | 其他應付款項、應計款項及已收按金 | 29 | 72,918 | 67,924 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | 31 | 30,513 | 20,749 |
| Obligations under finance leases | 融資租賃承擔 | 30 | – | 1,255 |
| Lease liabilities | 租賃負債 | 33 | 90 | – |
| Income tax payable | 應付所得稅 | | 15,528 | 16,340 |
| | | | 131,441 | 126,614 |
| NET CURRENT ASSETS | 流動資產淨值 | | 12,947 | 59,207 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總值減流動負債 | | 248,223 | 301,123 |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2020
於二零二零年三月三十一日

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|----------------|-------------|----------------------------------|----------------------------------|
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Deposits received | 已收按金 | 29 | 67 | 159 |
| Deferred tax liabilities | 遞延稅項負債 | 32 | 2,351 | 2,225 |
| Obligations under finance leases | 融資租賃承擔 | 30 | - | 291 |
| Interest-bearing other borrowings | 計息其他借貸 | 31 | 8,262 | - |
| Lease liabilities | 租賃負債 | 33 | 16,985 | - |
| | | | 27,665 | 2,675 |
| Net assets | 資產淨值 | | 220,558 | 298,448 |
| EQUITY | 權益 | | | |
| Share capital | 股本 | 34 | 60,655 | 40,437 |
| Reserves | 儲備 | 36 | 168,740 | 262,982 |
| Equity attributable to owners of the Company | 本公司擁有人應佔 權益 | | 229,395 | 303,419 |
| Non-controlling interests | 非控股權益 | 37 | (8,837) | (4,971) |
| Total equity | 權益總額 | | 220,558 | 298,448 |

Chung Yuk Lun
鍾育麟
Director
董事

Chan Chung Yin, Victor
陳仲然
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 March 2020

截至二零二零年三月三十一日止年度

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | | |
|---|------------------------|---|-----------------------|-----------------|--|--------------------------------------|------------------------------|---------------------------------------|-----------------|---------------------------|-----------------|
| | | Share capital | Share premium account | Capital reserve | Asset revaluation reserve [#] | Goodwill eliminated against reserves | Exchange fluctuation reserve | Retained profits/(accumulated losses) | Total | Non-controlling interests | Total equity |
| | | 股本 | 股份溢價賬 | 資本儲備 | 資產重估儲備 [#] | 與儲備對銷之商譽 | 匯率波動儲備 | 保留溢利/(累計虧損) | 總計 | 非控股權益 | 權益總額 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1 April 2018 | 於二零一八年四月一日 | 38,837 | 150,675 | 41,925 | 21,974 | (152) | 2,311 | 106,476 | 362,046 | (768) | 361,278 |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | (99,090) | (99,090) | (3,751) | (102,841) |
| Other comprehensive income/(expenses) for the year: | 本年度之其他全面收入/(開支): | | | | | | | | | | |
| Share of exchange differences on translation of a joint venture | 分佔換算一間合營公司之匯兌差額 | - | - | - | - | - | 13 | - | 13 | - | 13 |
| Share of exchange differences on translation of an associate | 分佔換算一間聯營公司之匯兌差額 | - | - | - | - | - | (540) | - | (540) | - | (540) |
| Exchange differences on translation of foreign operations | 換算海外業務之匯兌差額 | - | - | - | - | - | 990 | - | 990 | (452) | 538 |
| Total comprehensive income/(expenses) for the year | 本年度之全面收入/(開支)總額 | - | - | - | - | - | 463 | (99,090) | (98,627) | (4,203) | (102,830) |
| Issue of shares | 發行股份 | 1,600 | 38,400 | - | - | - | - | - | 40,000 | - | 40,000 |
| At 31 March 2019 and 1 April 2019 | 於二零一九年三月三十一日及二零一九年四月一日 | 40,437 | 189,075* | 41,925* | 21,974* | (152)* | 2,774* | 7,386* | 303,419 | (4,971) | 298,448 |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | (98,399) | (98,399) | (3,286) | (101,685) |
| Other comprehensive income/(expenses) for the year: | 本年度之其他全面收入/(開支): | | | | | | | | | | |
| Share of exchange differences on translation of a joint venture | 分佔換算一間合營公司之匯兌差額 | - | - | - | - | - | 73 | - | 73 | - | 73 |
| Share of exchange differences on translation of an associate | 分佔換算一間聯營公司之匯兌差額 | - | - | - | - | - | (1,154) | - | (1,154) | - | (1,154) |
| Exchange differences on translation of foreign operations | 換算海外業務之匯兌差額 | - | - | - | - | - | (1,568) | - | (1,568) | (580) | (2,148) |
| Gain on property revaluation | 物業重估收益 | - | - | - | 1,012 | - | - | - | 1,012 | - | 1,012 |
| Total comprehensive income/(expenses) for the year | 本年度之全面收入/(開支)總額 | - | - | - | 1,012 | - | (2,649) | (98,399) | (100,036) | (3,866) | (103,902) |
| Issue of shares | 發行股份 | 20,218 | 8,087 | - | - | - | - | - | 28,305 | - | 28,305 |
| Shares issue expenses | 股份發行開支 | - | (2,293) | - | - | - | - | - | (2,293) | - | (2,293) |
| At 31 March 2020 | 於二零二零年三月三十一日 | 60,655 | 194,869* | 41,925* | 22,986* | (152)* | 125* | (91,013)* | 229,395 | (8,837) | 220,558 |

* These reserve accounts comprise the consolidated reserves of HK\$168,740,000 (2019: HK\$262,982,000) in the consolidated statement of financial position.

* 該等儲備賬目包括於綜合財務狀況表之綜合儲備168,740,000港元(二零一九年:262,982,000港元)。

The asset revaluation reserve arose from changes in use from owner-occupied properties to investment properties carried at fair value.

資產重估儲備產生自業主自用物業更改用途為按公允值計值之投資物業。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 March 2020

截至二零二零年三月三十一日止年度

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|------------------------------------|-------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營業務產生之現金流量 | | | |
| Loss before tax | 除稅前虧損 | | (102,393) | (103,361) |
| Adjustments for: | 經下列各項調整： | | | |
| Finance costs | 財務費用 | 8 | 5,111 | 2,231 |
| Share of profit of a joint venture | 分佔一間合營公司之溢利 | 19 | (103) | (350) |
| Share of profit of an associate | 分佔一間聯營公司之溢利 | 18 | (10,712) | (11,525) |
| Bank interest income | 銀行利息收入 | 6 | (23) | (13) |
| Write-back of other payables | 其他應付款項撥回 | 6 | (692) | (363) |
| Gain on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目之收益 | 6 | (177) | (27) |
| Loss/(gain) on changes in fair values of investment properties | 投資物業公允值變動之虧損／(收益) | 6, 7 | 2,088 | (2,100) |
| Fair value loss/(gain) on financial assets at fair value through profit or loss, net | 按公允值計入損益之金融資產之公允值虧損／(收益)淨額 | | | |
| – equity investments at fair value through profit or loss | – 按公允值計入損益之股權投資 | 6 | (2,306) | (1,300) |
| – investment in film production | – 電影製作投資 | 7 | 13,647 | – |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 9 | 6,077 | 10,364 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 9 | 1,411 | – |
| Amortisation of prepaid land lease payments | 預付土地租賃款項之攤銷 | 9 | – | 116 |
| Amortisation of intangible assets | 無形資產之攤銷 | 9 | 1,750 | – |
| Impairment of trade receivables | 應收賬款減值 | 7 | 2,013 | 11 |
| Impairment of other receivables | 其他應收款項減值 | 7 | 127 | – |
| Impairment of property, plant and equipment | 物業、廠房及設備減值 | | 2,706 | – |
| Provision for/(reversal of provision) inventory obsolescence | 滯銷存貨撥備／(撥備撥回) | 9 | 66 | (1,070) |
| (Reversal of impairment loss)/impairment loss on investment in and loan to a joint venture | 於一間合營公司之投資及向一間合營公司貸款之(減值虧損撥回)／減值虧損 | 6, 7 | (98) | 162 |
| Impairment loss on investment in an associate | 於一間聯營公司之投資之減值虧損 | 7 | 18,543 | 21,000 |
| Impairment loss on loan and interest receivables | 應收貸款及應收利息之減值虧損 | 7 | 9,480 | 28,844 |

Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 March 2020

截至二零二零年三月三十一日止年度

| | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| Operating cash flows before movements in working capital | 營運資金變動前之經營現金流量 | (53,485) | (57,381) |
| (Increase)/decrease in inventories | 存貨(增加)/減少 | (1,084) | 6,461 |
| Decrease/(increase) in trade receivables | 應收賬款減少/(增加) | 15,272 | (11,517) |
| Increase in loan and interest receivables | 應收貸款及應收利息增加 | (587) | (12,104) |
| Decrease/(increase) in prepayments, deposits and other receivables | 預付款項、按金及其他應收款項減少/(增加) | 76,501 | (19,325) |
| (Increase)/decrease in financial assets at fair value through profit or loss | 按公允值計入損益之金融資產(增加)/減少 | | |
| – equity investments at fair value through profit or loss | – 按公允值計入損益之股權投資 | 3,307 | 5,488 |
| – investments in film production | – 電影製作投資 | (58,965) | – |
| (Decrease)/increase in trade payables | 應付賬款(減少)/增加 | (2,594) | 577 |
| (Decrease)/increase in other payables, accruals and deposits received | 其他應付款項、應計款項及已收按金(減少)/增加 | (6,406) | 26,434 |
| (Decrease)/increase in contract liabilities | 合約負債(減少)/增加 | (5,360) | 5,218 |
| Exchange realignment | 匯兌調整 | 2,775 | – |
| Cash used in operations | 經營業務所耗之現金 | (30,626) | (56,149) |
| Interest paid | 已付利息 | (4,506) | (2,219) |
| Interest element of finance lease payments | 融資租賃付款之利息部分 | (30) | (12) |
| Interest element of lease liabilities payments | 租賃負債付款之利息部分 | (575) | – |
| Hong Kong profits tax paid | 已付香港利得稅 | (33) | (268) |
| PRC profits tax paid | 已付中國利得稅 | (1) | – |
| Net cash used in operating activities | 經營業務所耗之現金淨額 | (35,771) | (58,648) |

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 March 2020

截至二零二零年三月三十一日止年度

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|--------------------------|-------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動產生之現金流量 | | | |
| Bank interest received | 已收銀行利息 | | 23 | 13 |
| Purchases of items of property, plant and equipment | 購買物業、廠房及設備項目 | | (1,366) | (7,530) |
| Proceeds from disposal of items of property, plant and equipment | 出售物業、廠房及設備項目所得款項 | | 2,650 | 90 |
| Proceeds from disposal of investment properties | 出售投資物業所得款項 | | 7,037 | - |
| Repayment from a joint venture | 來自一間合營公司之還款 | | - | 201 |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 出售按公允值計入其他全面收入之金融資產所得款項 | | 290 | - |
| Acquisition of an associate | 收購一間聯營公司 | | - | (70,000) |
| Net cash generated from/(used in) investing activities | 投資活動所得/(所耗)之現金淨額 | | 8,634 | (77,226) |
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動產生之現金流量 | | | |
| Proceeds from issue of shares upon rights issue | 於供股時發行股份所得款項 | | 28,305 | - |
| Share issue expenses | 股份發行開支 | | (2,293) | - |
| New bank loans | 新增銀行貸款 | | - | 525 |
| New other loan | 新增其他貸款 | | 18,551 | 10,000 |
| Repayment of bank loans | 償還銀行貸款 | | (525) | (839) |
| Capital element of finance lease payments | 融資租賃付款之資本部分 | | (1,133) | (1,261) |
| Capital element of lease liabilities payments | 租賃負債付款之資本部分 | | (847) | - |
| Net cash generated from financing activities | 融資活動產生之現金淨額 | | 42,058 | 8,425 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等值物增加/(減少)淨額 | | 14,921 | (127,449) |
| Cash and cash equivalents at beginning of year | 年初之現金及現金等值物 | | 13,937 | 138,782 |
| Effect of foreign exchange rate changes, net | 匯率變動影響淨額 | | (417) | 2,604 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年末之現金及現金等值物 | 26 | 28,441 | 13,937 |

Notes to Consolidated Financial Statements

綜合財務報表附註

31 March 2020

二零二零年三月三十一日

1. CORPORATE AND GROUP INFORMATION

Elegance Optical International Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

During the year, the Group, comprising the Company and its subsidiaries, was engaged in the manufacture and trading of optical frames and sunglasses, property investment, investment in debts and securities, money lending business and film distribution business.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/註冊及 營業地點 | Issued ordinary/ registered paid-in capital 已發行普通股/ 已註冊繳足股本 | Percentage of equity attributable to the Company 本公司應佔 股權百分比 | | Principal activities 主要業務 |
|--|---|--|--|----------------|--|
| | | | Direct 直接 | Indirect 間接 | |
| Elegance Optical Investments Limited 高雅眼鏡投資有限公司 | Hong Kong 香港 | Ordinary HK\$200 Non-voting deferred HK\$20,000,000* 普通股200港元 無投票權遞延股 20,000,000港元* | - | 100 | Investment holding and property investment 投資控股及物業投資 |
| Elegance Optical Manufactory Limited 高雅眼鏡製造廠有限公司 | Hong Kong 香港 | Ordinary HK\$2 普通股2港元 | - | 100 | Investment holding and trading of optical frames 投資控股及眼鏡架之貿易 |
| Fortune Optical Limited ("Fortune Optical")** 東莞創富眼鏡有限公司 ("東莞創富")** | The People's Republic of China ("PRC") 中華人民共和國 ("中國") | Registered HK\$43,700,000 已註冊 43,700,000港元 | - | 55 | Trading and manufacture of optical frames 眼鏡架之貿易及製造 |
| Gold Strong Industrial Limited 金利康工業有限公司 | Hong Kong 香港 | Ordinary HK\$100 普通股100港元 | - | 55 | Investment holding and trading of optical frames 投資控股及眼鏡架之貿易 |

1. 公司及集團資料

高雅光學國際集團有限公司(「本公司」)為於百慕達註冊成立之有限公司。本公司之註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

年內，本集團(包括本公司及其附屬公司)從事眼鏡架及太陽眼鏡之製造及買賣、物業投資、債務及證券投資、放債業務及電影發行業務。

有關附屬公司之資料

本公司主要附屬公司之詳情如下：

Notes to Consolidated Financial Statements

綜合財務報表附註

31 March 2020

二零二零年三月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued) Information about subsidiaries (Continued)

1. 公司及集團資料 (續) 有關附屬公司之資料 (續)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/註冊及 營業地點 | Issued ordinary/ registered paid-in capital 已發行普通股/ 已註冊繳足股本 | Percentage of equity attributable to the Company 本公司應佔 股權百分比 | | Principal activities 主要業務 |
|--|--|---|--|----------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| People by People Group Limited 香港 | Hong Kong 香港 | Ordinary HK\$200 普通股200港元 | - | 100 | Trading of optical frames and bags in Hong Kong and Southeast Asia 於香港及東南亞進行 眼鏡架及手袋之貿易 |
| 高雅光學(深圳)有限公司 (「高雅深圳」)** | PRC 中國 | Registered RMB33,000,000 已註冊 人民幣33,000,000元 | - | 100 | Trading and manufacture of optical frames 眼鏡架之貿易及製造 |
| Brilliant Plan Global Limited 高見環球有限公司 | British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」) | Ordinary US\$1 普通股1美元 | 100 | - | Securities investment 證券投資 |
| Capital Real Estate Development Limited 首都置業發展有限公司 | Hong Kong 香港 | Ordinary HK\$10,000 普通股10,000港元 | - | 100 | Money lending 放債 |
| Filmko Pictures (Hong Kong) Co. Limited 星皓影業(香港)有限公司 | Hong Kong 香港 | Ordinary HK\$10,000,000 普通股10,000,000港元 | - | 100 | Film distribution 發行電影 |

None of the subsidiaries had issued any debt securities during the year and at the end of the year.

於年內及年末，概無附屬公司已發行任何債務證券。

Notes to Consolidated Financial Statements

綜合財務報表附註

31 March 2020

二零二零年三月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

* The first HK\$1,000,000,000,000 of the profits which the subsidiary may determine to distribute in any financial year must be distributed among the holders of ordinary shares where one half of the balance of the said profits is distributed among the holders of the non-voting deferred shares and the other half of such balance among the holders of ordinary shares. Moreover, the holders of the non-voting deferred shares have no other rights to dividends. The holders of the non-voting deferred shares have no right to attend or vote at general meetings, except for general meetings convened for the purpose of reducing the capital of the Company or altering their class rights. The non-voting deferred shares carry the right to receive one half of the balance of any surplus in a return of capital in a winding-up after the holders of the ordinary shares have received a total return of HK\$5,000,000,000.

** Fortune Optical and 高雅深圳 are registered as wholly-foreign-owned enterprises under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

* 倘該附屬公司擬於任何財政年度分派溢利，須將其中首筆1,000,000,000,000港元分派予普通股持有人，而上述溢利餘款之一半分派予無投票權遞延股持有人，另一半餘款則分派予普通股持有人。此外，無投票權遞延股持有人並無其他權利收取股息。無投票權遞延股持有人無權出席股東大會或於會上表決，惟就因削減本公司股本或更改彼等類別權利而召開之股東大會除外。無投票權遞延股附帶權利，可於清盤時在普通股持有人獲發合共5,000,000,000港元後，獲發所剩餘資本之一半。

** 東莞創富及高雅深圳乃根據中國法律註冊為全外資企業。

上表所列為董事認為主要影響本集團本年度業績或構成本集團資產淨值重大部分之本公司附屬公司。董事認為，詳列其他附屬公司詳情將令篇幅過於冗長。

倘商譽被分配至某現金產生單位（或現金產生單位組別），而該單位內的部分業務被出售，與被出售業務有關的商譽將於釐定出售該業務的收益或虧損時計入該業務賬面值。在此情況下被出售的商譽按被出售業務的相對價值及保留的現金產生單位部分計量。

Notes to Consolidated Financial Statements

綜合財務報表附註

31 March 2020
二零二零年三月三十一日

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

New and revised HKFRSs applied in the current year

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

| | |
|-----------------------|--|
| HKFRS 16 | Leases |
| HKFRIC-Int 23 | Uncertainty over Income Tax Treatments |
| Amendments to HKFRS 9 | Prepayment Features with Negative Compensation |
| Amendments to HKAS 19 | Plan Amendment, Curtailment or Settlement |
| Amendments to HKAS 28 | Long-term Interests in Associates and Joint Ventures |
| Amendment to HKFRSs | Annual Improvements 2015-2017 cycle |

Other than as explained below regarding the impact of HKFRS 16 “Leases”, the application of other new and amended standards effective in respect of the current year had no material impact on the Group’s financial position and financial performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 “Leases” (“HKAS 17”) and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application. For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease. The application of new definition of a lease had no material impact on the Group’s financial position on 1 April 2019.

2. 應用香港財務報告準則（「香港財務報告準則」）

於本年度採用的新訂及經修訂香港財務報告準則

於本年度，本集團採用下列香港會計師公會（「香港會計師公會」）頒佈的新訂及經修訂香港財務報告準則。

| | |
|--------------------|--------------------|
| 香港財務報告準則第16號 | 租賃 |
| 香港財務報告詮釋委員會—詮釋第23號 | 所得稅處理的不確定性 |
| 香港財務報告準則第9號之修訂本 | 具有負補償的提早付款特性 |
| 香港會計準則第19號之修訂本 | 計劃修訂、縮減或結清 |
| 香港會計準則第28號之修訂本 | 於聯營公司及合營公司之長期權益 |
| 香港財務報告準則之修訂本 | 二零一五年至二零一七年週期之年度改進 |

除下文有關香港財務報告準則第16號「租賃」的影響所作出的解釋外，就本年度應用其他已生效新訂及經修訂準則對本集團於本年度及過往年度的財務狀況及財務表現及／或載列於該等綜合財務報表的披露並無重大影響。

香港財務報告準則第16號租賃

本集團於本年度已首次應用香港財務報告準則第16號。香港財務報告準則第16號已取代香港會計準則第17號「租賃」（「香港會計準則第17號」）及相關詮釋。

租賃的定義

本集團已選擇可行權宜方法，就先前應用香港會計準則第17號識別為租賃的合約應用香港財務報告準則第16號，惟不就先前並未識別為包括租賃的合約應用是項準則。因此，本集團並無重新評估於首次應用日期前已存在的合約。就於二零一九年四月一日或之後簽訂或修訂的合約而言，本集團根據香港財務報告準則第16號的規定應用租賃定義評估合約是否包括租賃。應用租賃的新定義於二零一九年四月一日對本集團的財務狀況並無重大影響。

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

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019.

As at 1 April 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities. Comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- (i) relied on the assessment of whether leases are onerous by applying HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” as an alternative of impairment review;
- (ii) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- (iii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- (iv) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in Hong Kong was determined on a portfolio basis; and
- (v) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options.

2. 應用香港財務報告準則（「香港財務報告準則」）（續）

作為承租人

本集團已追溯應用香港財務報告準則第16號，而累計影響於二零一九年四月一日首次應用當日確認。

於二零一九年四月一日，本集團已按相當於相關租賃負債的款項確認額外租賃負債及使用權資產。比較資料不予重列。

於過渡期間應用香港財務報告準則第16號項下的經修訂追溯法時，本集團按逐項租賃基準就先前根據香港會計準則第17號分類為經營租賃且與各租賃合約相關的租賃應用以下可行權宜方法：

- (i) 依賴應用香港會計準則第37號「撥備、或然負債及或然資產」所作出的租賃是否繁重的評估，作為減值審閱的替代方法；
- (ii) 選擇不確認租賃期於首次應用日期起12個月內完結的租賃之使用權資產及租賃負債；
- (iii) 於首次應用日期計量使用權資產時撇除初始直接成本；
- (iv) 對在相似經濟環境下屬相似類別相關資產且剩餘期限相近的租賃組合採用單一貼現率。特別是，有關於香港的物業的若干租賃貼現率乃按組合基準釐定；及
- (v) 於釐定本集團具延長及終止選擇權之租賃的租期時，根據首次應用日期的事實及情況進行事後確認。

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

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied by the relevant group entities ranged from 3.0% to 9.0% per annum.

2. 應用香港財務報告準則（「香港財務報告準則」）（續）

作為承租人（續）

於就先前分類為經營租賃的租賃確認租賃負債時，本集團已應用首次應用日期相關集團實體的增量借貸率。相關集團實體已應用的加權平均增量借貸率介乎每年3.0%至9.0%。

| | | At 1 April 2019 於二零一九年 四月一日 HK\$'000 千港元 |
|---|--------------------------------|--|
| Operating lease commitments disclosed as at 31 March 2019 | 於二零一九年三月三十一日所披露的經營租賃承擔 | 32,361 |
| Lease liabilities discounted at relevant incremental borrowing rates | 按相關增量借貸率貼現的租賃負債 | 20,440 |
| Less: Practical expedient – leases with lease term ending within 12 months from the date of initial application | 減：可行權宜方法－租賃期自首次應用日期起12個月內完結的租賃 | (79) |
| Add: Obligations under finance leases recognised at 31 March 2019 | 加：於二零一九年三月三十一日確認的融資租賃承擔 | 413 |
| Lease liabilities as at 1 April 2019 | 於二零一九年四月一日的租賃負債 | 20,774 |
| Analysed as | 分析為 | |
| Current | 流動 | 2,160 |
| Non-current | 非流動 | 18,614 |
| | | 20,774 |

The carrying amount of right-of-use assets as at 1 April 2019 comprises the following:

於二零一九年四月一日使用權資產的賬面值包括下列各項：

| | | Right-of-use assets 使用權資產 HK\$'000 千港元 |
|--|---------------------------------|--|
| Right-of-use assets relating to operating leases recognised upon application of HKFRS 16 | 於應用香港財務報告準則第16號後確認的經營租賃相關之使用權資產 | 20,361 |
| Reclassified from prepaid lease payments | 自預付租賃付款重新分類 | 4,279 |
| Amounts included in property, plant and equipment under HKAS 17 | 根據香港會計準則第17號計入物業、廠房及設備的金額 | |
| – Assets previously classified under finance leases | – 過往分類為融資租賃的資產 | 466 |
| | | 25,106 |

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2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

As a lessee (Continued)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included:

2. 應用香港財務報告準則（「香港財務報告準則」）（續）

作為承租人（續）

於二零一九年四月一日綜合財務狀況表確認的款項已作出以下調整。未受變動影響的項目並未列入：

| | | Carrying amounts previously reported at 31 March 2019 先前於 二零一九年 三月三十一日 報告的賬面值 HK\$'000 千港元 | Adjustments 調整 HK\$'000 千港元 | Carrying amounts under HKFRS 16 at 1 April 2019 於二零一九年 四月一日香港財務 報告準則第16號 項下的賬面值 HK\$'000 千港元 |
|--|----------------|---|--------------------------------------|---|
| Non-current Assets | 非流動資產 | 241,916 | | 262,393 |
| Right-of-use assets | 使用權資產 | – | 25,106 | 25,106 |
| Prepaid land lease payments | 預付土地租賃款項 | 4,163 | (4,163) | – |
| Property, plant and equipment | 物業、廠房及設備 | 58,141 | (466) | 57,675 |
| Current assets | 流動資產 | 185,821 | (116) | 185,705 |
| Prepayment, deposits and other receivables | 預付款項、按金及其他應收款項 | 111,750 | (116) | 111,634 |
| Current Liabilities | 流動負債 | 126,614 | 2,038 | 128,652 |
| Lease liabilities | 租賃負債 | – | 2,160 | 2,160 |
| Obligations under finance leases | 融資租賃承擔 | 1,255 | (122) | 1,133 |
| Non-current Liabilities | 非流動負債 | 2,675 | 18,323 | 20,998 |
| Lease liabilities | 租賃負債 | – | 18,614 | 18,614 |
| Obligations under finance leases | 融資租賃承擔 | 291 | (291) | – |

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2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

| | |
|--|--|
| HKFRS 17 | Insurance Contracts ¹ |
| Amendments to HKFRS 3 | Definition of a Business ² |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ |
| Amendments to HKAS 1 and HKAS 8 | Definition of Material ⁴ |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7 | Interest Rate Benchmark Reform ⁴ |

¹ Effective for annual periods beginning on or after 1 April 2021.

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 April 2020.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 April 2020.

The directors of the Company anticipate that the application of the new and amendments to HKFRSs that are not yet effective will have no material impact on the consolidated financial statements in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. 應用香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂本

本集團並無提前應用下列已頒佈但尚未生效之新訂香港財務報告準則及其修訂本：

| | |
|--|---------------------------------------|
| 香港財務報告準則第17號 | 保險合約 ¹ |
| 香港財務報告準則第3號之修訂本 | 業務的定義 ² |
| 香港財務報告準則第10號及香港會計準則第28號之修訂本 | 投資者與其聯營公司或合營公司之間的資產出售或注資 ³ |
| 香港會計準則第1號及香港會計準則第8號之修訂本 | 重大之定義 ⁴ |
| 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂本 | 利率基準改革 ⁴ |

¹ 於二零二一年四月一日或之後開始之年度期間生效。

² 對收購日期於二零二零年四月一日或之後開始的首個年度期間開始或其後之業務合併及資產收購生效。

³ 於待定期或之後開始之年度期間生效。

⁴ 於二零二零年四月一日或之後開始之年度期間生效。

本公司董事預期，應用尚未生效的新訂及經修訂香港財務報告準則於可預見未來將不會對綜合財務報表造成重大影響。

3. 主要會計政策概要

合規聲明

此等綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」，當中包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例之披露規定而編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則之適用披露規定。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, financial asset at fair value through other comprehensive income ("FVTOCI") and financial assets at fair value through profit or loss ("FVTPL"), which have been measured at fair value.

Fair value measurement

The Group's investment properties, financial asset at fair value through other comprehensive income ("FVTOCI"), financial assets at fair value through profit or loss ("FVTPL") are carried at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKFRS 16 (since 1 April 2019), or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories", or value in use in HKAS 36 "Impairment of Assets".

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. 主要會計政策概要 (續)

編製基準

該等綜合財務報表乃按歷史成本慣例編製，惟投資物業、按公允值計入其他全面收入（「按公允值計入其他全面收入」）之金融資產及按公允值計入損益（「按公允值計入損益」）之金融資產除外，彼等按公允值計量。

公允值計量

本集團之投資物業、按公允值計入其他全面收入（「按公允值計入其他全面收入」）之金融資產、按公允值計入損益（「按公允值計入損益」）之金融資產於各報告期末均以公允值列賬。公允值指於計量日市場參與者之間的有序交易中，就出售資產所收取之價格或轉讓負債所支付之價格。計量公允值時假設出售資產或轉讓負債之交易於資產或負債之主要市場或（在未有主要市場的情況下）於資產或負債之最有利市場進行。主要或最有利市場須為本集團能參與的市場。假設市場參與者基於最佳經濟利益行事，資產或負債之公允值使用市場參與者為資產或負債定價所用假設計量。

在該等綜合財務報表中計量及／或披露的公允值均在此基礎上予以確定，惟香港財務報告準則第2號「以股份為基礎之付款」範圍內之股份付款交易、香港財務報告準則第16號（自二零一九年四月一日起）或香港會計準則第17號（於應用香港財務報告準則第16號前）範圍內之租賃交易以及與公允值類似但並非公允值的計量（例如，香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

非金融資產之公允值計量會計及市場參與者將資產用於最高增值及最佳用途或售予會將資產用於最高增值及最佳用途之另一名市場參與者而創造經濟利益之能力。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The principal accounting policies are set out below:

Basis of consolidation

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

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

3. 主要會計政策概要 (續)

公允值計量 (續)

本集團針對不同情況使用不同估值方法，確保有足夠數據計量公允值，並盡量利用相關可觀察輸入數據，減少使用不可觀察輸入數據。

公允值於綜合財務報表計量或披露之所有資產及負債，均基於對計量公允值整體而言屬重要之最低級別輸入數據按下述公允值層級分類：

- 第一級 – 按同等資產或負債於活躍市場之報價（未經調整）
- 第二級 – 按公允值計量而言屬重大的可觀察（直接或間接）最低級別輸入數據的估值方法
- 第三級 – 按公允值計量而言屬重大的不可觀察最低級別輸入數據的估值方法

就按經常性基準於綜合財務報表確認之資產及負債而言，本集團透過於各報告期末重新評估分類（根據對計量公允值整體而言屬重大的最低級別輸入數據），釐定公允值層級之間是否出現轉移。

主要會計政策載列如下：

綜合基準

綜合財務報表包括本公司及受本公司控制的實體（包括結構化實體）及其附屬公司之財務報表。當本公司符合下列條件時，本公司即擁有控制權：

- 對投資對象擁有權力；
- 承擔或擁有自其參與投資對象產生之可變回報之風險或權利；及
- 有能力透過行使權力以影響其回報。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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

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

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the equity holders of the Company.

3. 主要會計政策概要 (續)

綜合基準 (續)

倘有事實及情況顯示上述三項控制因素之一項或多項出現變化，則本集團將重新評估其是否控制投資對象。

附屬公司於本集團取得該附屬公司的控制權時綜合入賬，並於本集團失去對該附屬公司的控制權時終止綜合入賬。具體而言，自本集團取得控制權當日起直至本集團不再控制附屬公司當日，於年內收購或出售的附屬公司的收入及開支計入綜合損益表。

損益及其他全面收益各項目歸屬於本公司股權持有人及非控股權益。附屬公司之全面收益總額歸屬於本公司股權持有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

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

所有集團內部與本集團成員公司間交易相關的資產及負債、股本、收入、開支及現金流量已於綜合賬目時全數對銷。

本集團於現有附屬公司的擁有權權益變動

並不引致本集團失去對附屬公司控制權的本集團於現有附屬公司的擁有權權益變動入賬計為股權交易。本集團權益及非控股權益的賬面值予以調整，以反映彼等於附屬公司相關權益的變動。非控股權益被調整的金額與已付或已收代價的公允值之間的差額直接於權益內確認並歸屬於本公司股權持有人。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. 主要會計政策概要 (續)

綜合基準 (續)

本集團於現有附屬公司的擁有權益變動 (續)

當本集團失去附屬公司的控制權時，收益或虧損將於損益內確認，並按(i)已收代價之公允值及任何保留權益之公允值總額與(ii)附屬公司之資產(包括商譽)及負債以及任何非控股權益之先前賬面值之差額計算。所有先前於其他全面收益確認之有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則之規定/許可條文重新分類至損益或轉撥至另一類權益)。於失去控制權日期於原先附屬公司保留的任何投資的公允值視為根據香港財務報告準則第9號的其後會計處理初步確認的公允值，(如適用)初步確認於聯營公司或合營公司投資的成本。

業務合併

收購業務採用收購法入賬。業務合併所轉撥之代價按公允值計量，而公允值為本集團所轉讓之資產、本集團向被收購方原股東產生之負債及本集團為換取被收購方之控制權發行之權益於收購日之公允值之總額。有關收購之成本通常於產生時於損益中確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3. 主要會計政策概要 (續)

業務合併 (續)

於收購日期，所收購之可識別資產及所承擔之負債按收購日的公允值確認，惟不包括以下情況：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份付款安排或本集團所訂立以取代被收購方以股份付款安排的以股份付款安排有關的負債或權益工具，於收購日期根據香港財務報告準則第2號「以股份為基礎之付款」計量（請參閱下文會計政策）；及
- 根據香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」分類為持作出售的資產（或出售組合）根據該項準則計量。

商譽乃以所轉讓的代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權公允值（倘有）的總和超出所收購可識別資產及所承擔負債於收購日期的淨值的部分計量。倘經過重新評估後，所收購可識別資產及所承擔負債於收購日期的淨值超出所轉讓代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權公允值（倘有）的總和，則超出部分即時於損益賬內確認為議價購買收益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another HKFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

3. 主要會計政策概要 (續)

業務合併 (續)

屬現時所有權權益且於清盤時讓持有人有權按比例分佔實體資產淨值的非控股權益，可初步按非控股權益應佔被收購方可識別資產淨值的已確認金額比例或按公允值計量。計量基準視乎每項交易而作出選擇。其他類別的非控股權益乃按其公允值或（如適用）另一項香港財務報告準則規定的基準計量。

倘本集團於業務合併中轉讓的代價包括或然代價安排產生的資產或負債，則或然代價按其於收購日期的公允值計量，並計入於業務合併轉讓的代價的一部分。符合資格為計量期間調整的或然代價公允值變動將予追溯調整，並對商譽作出相應調整。計量期間調整為於「計量期間」（不可超過自收購日期起計一年）取得有關於收購日期已存在的事實及情況的額外資料所作出的調整。

不合資格為計量期間調整的或然代價公允值變動之後續會計處理取決於或然代價如何分類。分類為權益的或然代價不會於後續報告日期重新計量，其後續結算亦於權益內入賬。其他或然代價於後續報告日期按公允值重新計量，有關公允值變動於損益內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to principal assets and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

3. 主要會計政策概要 (續)

收購一間附屬公司不構成一項業務

當本集團收購一組資產及負債不構成一項業務時，本集團首先透過按主要資產及金融資產／金融負債各自之公允值分配購買價格，以識別及確認所收購之個別可識別資產及所承擔之負債，餘下購買價結餘其後按各自於購買日期之相對公允值分配予其他個別可識別資產及負債。該等交易並不會產生商譽或議價購買收益。

商譽

收購業務產生之商譽按收購業務日期之成本減累計減值虧損（倘有）列賬。

為進行減值測試，商譽乃分配至預期將從合併所帶來的協同效益中受惠的本集團各現金產生單位（或現金產生單位組合）。

獲得商譽分配的現金產生單位每年進行減值測試或每當有跡象顯示該單位可能出現減值時更為頻繁地進行減值測試。倘現金產生單位的可收回金額低於該單位的賬面值，則首先分配減值虧損以減低分配至該單位的任何商譽的賬面值，然後按該單位內各項資產的賬面值所佔比例分配至該單位的其他資產。任何商譽減值虧損均直接於損益內確認。商譽之已確認減值虧損不會於往後期間撥回。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in associate and joint venture

An associate is an entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 主要會計政策概要 (續)

於聯營公司及合營公司之投資

聯營公司指本集團對其持有一般不低於20%表決權之長期權益，並對其有重大影響之實體。重大影響力指參與投資對象財政及經營決策之權力，但非控制或聯合控制該等政策。

合營公司為一項合營安排，據此，擁有安排之共同控制權的人士均有權享有合營公司之資產淨值。共同控制乃以合約協定分佔一項安排之控制權，其僅在相關活動決策必須獲分佔控制權人士一致同意時方存在。

聯營公司及合營公司之業績及資產與負債乃按權益會計法納入該等綜合財務報表內。根據權益法，於聯營公司或合營公司之投資首先按成本於綜合財務狀況表確認，其後經調整以確認本集團應佔聯營公司或合營公司損益及其他全面收益。當本集團攤佔聯營公司或合營公司之虧損超過其於該聯營公司或合營公司之權益（包括實質上構成本集團於聯營公司或合營公司之投資淨額之一部份之任何長期權益），本集團不再確認其攤佔之進一步虧損。額外虧損會予以確認，惟僅以本集團已承擔之法定及推定責任或代該聯營公司或合營公司支付之款項為限。

於聯營公司或合營公司之投資乃自投資對象成為聯營公司或合營公司當日起按權益法入賬。收購於聯營公司或合營公司之投資時，投資成本超出本集團應佔該投資對象之可識別資產及負債之公允值淨額之任何數額確認為商譽，並計入該投資之賬面值。

本集團所佔之可識別資產及負債之公允值淨額超出投資成本之部分，在重新評估後，即時於取得投資期間於損益內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) Investment in associate and joint venture (Continued)

The Group assesses whether there is an objective evidence that the interests in associates or joint ventures may be impaired. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part of interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

3. 主要會計政策概要 (續)

於聯營公司及合營公司之投資 (續)

本集團評估是否有客觀證據證明於聯營公司或合營公司的權益可能減值。於需要時，該項投資之全部賬面值（包括商譽）會根據香港會計準則第36號「資產減值」以單一資產的方式進行減值測試，方法是比較其可收回金額（即使用價值與公允值減出售成本的較高者）與其賬面值。任何已確認的減值虧損構成該項投資的賬面值之一部分。如隨後該投資的可收回金額增加，則按照香港會計準則第36號確認撥回該減值虧損。

本集團於投資不再為聯營公司或合營公司當日起，或投資被分類為持作出售時，終止使用權益法。當本集團保留於前聯營公司或合營公司之權益及該保留權益為金融資產，則本集團按於該日之公允值計量該保留權益，而公允值乃視為根據香港財務報告準則第9號初步確認時之公允值。聯營公司或合營公司於終止採用權益法當日的賬面值與任何保留權益之公允值及出售聯營公司或合營公司部分權益之任何所得款項之間之差額，乃計入釐定出售聯營公司或合營公司之收益或虧損。此外，本集團就該聯營公司或合營公司先前於其他全面收益確認之所有數額（按相同基準），猶如直接出售該聯營公司或合營公司之相關資產或負債予以入賬。因此，倘該聯營公司或合營公司先前確認於其他全面收益之收益或虧損會在相關資產或負債出售時重新分類至損益中，則本集團會在終止使用權益法時將此收益或虧損由權益重新分類至損益（作為重新分類調整）。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in associate and joint venture (Continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

When an investment in an associate or joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

3. 主要會計政策概要 (續)

於聯營公司及合營公司之投資 (續)

當於一間聯營公司之投資變成於一間合營公司之投資或於一間合營公司之投資變成於一間聯營公司之投資時，本集團將繼續採用權益法。擁有權益出現上述變動時，公允值不會重新計量。

倘本集團削減其於聯營公司或合營公司之所有權益但本集團繼續採用權益法，而有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前就削減所有權益而於其他全面收益確認之收益或虧損按比例重新分類至損益。

倘集團實體與本集團聯營公司或合營公司交易，與該聯營公司或合營公司交易所產生之損益僅會在有關聯營公司或合營公司的權益與本集團無關的情況下，才會於本集團之綜合財務報表確認。

當於聯營公司或合營公司之投資歸類為持作出售時，則按香港財務報告準則第5號持作出售之非流動資產及終止經營業務入賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

3. 主要會計政策概要 (續)

非金融資產減值

本集團於報告期末審閱其有形及無形資產之賬面值，藉以決定是否有跡象顯示該等資產出現減值虧損。倘有任何出現減值虧損的跡象，則會估計該資產之可收回金額，以釐定減值虧損（如有）之程度。倘不可估計個別資產之可收回金額，則本集團估計該資產歸屬之現金產生單位之可收回金額。倘可確定進行合理持續分配之基準，公司資產亦須分配予個別現金產生單位，或分配予可確定進行合理持續分配之基準的現金產生單位最小組別。

可收回金額為公允值減去出售成本及使用價值兩者之較高者。評估使用價值時，會採用反映現時市場對貨幣時間價值及針對該資產的風險（並未調整對未來現金流量的估計）評值的稅前貼現率，將估計未來現金流量貼現至其現值。

倘若一項資產（或現金產生單位）之可收回金額預計低於其賬面值，則該資產（或現金產生單位）之賬面值將減至其可收回金額。減值虧損即時於損益中確認。

倘其後撥回減值虧損時，資產（或現金產生單位）之賬面值可調高至重新估計之可收回金額，惟因此而增加之賬面值不可高於該資產於過往年度未確認減值虧損前之賬面值。撥回之減值虧損即時於損益中確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates used for this purpose are as follows:

| | |
|--|---|
| Land and buildings | Shorter of the lease terms and 2% |
| Leasehold improvements | Shorter of the lease terms and the rates of 5% to 10% |
| Plant and machinery | 10% to 20% |
| Furniture, fixtures and office equipment | 10% to 20% |
| Motor vehicles | 20% |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

3. 主要會計政策概要 (續)

物業、廠房及設備以及折舊

物業、廠房及設備乃按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目之成本包括其購買價及任何使其達至營運狀況及地點作擬定用途之直接應佔成本。

物業、廠房及設備項目投入運作後所產生之維修保養等支出，一般於產生期間自損益表扣除。在確認標準達成之情況下，主要檢測所產生之開支在該資產賬面值中資本化為重置。倘大部分物業、廠房及設備須不時重置，則本集團會將有關部分確認為具特定使用年期之個別資產，並相應計提折舊。

折舊乃以直線法按其估計可使用年期將物業、廠房及設備各個項目之成本撇銷至其餘值計算。於每個報告期末審閱估計使用年期、殘值及折舊法，按預期基準入賬估計變動的影響。用以計算折舊之主要年率如下：

| | |
|-------------|---------------|
| 土地及樓宇 | 租期及2%之較短者 |
| 租賃物業裝修 | 租期及5%至10%之較短者 |
| 廠房及機器 | 10%至20% |
| 傢俬、裝置及辦公室設備 | 10%至20% |
| 汽車 | 20% |

倘物業、廠房及設備項目各部分之可使用年期不同，則該項目之成本將合理分配至各部分，而各部分將個別計提折舊。餘值、可使用年期及折舊方法至少於各財政年度結算日檢討，並於適當時作出調整。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land under HKFRS 16 or prepaid lease payments under HKAS 17) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss in the year in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

3. 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

倘一項物業因業主自用結束後證明其用途已發生改變而成為一項投資物業，則該項目（包括香港財務報告準則第16號項下的相關租賃土地或香港會計準則第17號項下的預付租賃款項）於轉變用途當日的賬面值與公允值之任何差額於其他全面收益中確認，並於物業重估儲備中累計。於隨後出售或報廢該物業時，相關重估儲備將直接轉至保留溢利。

物業、廠房及設備項目（包括已初步確認之任何重要部分）於出售時或預期日後使用或出售該項目不會產生經濟利益時終止確認。於資產終止確認之年度在綜合損益表確認之任何出售或廢棄收益或虧損，按出售所得款項淨額與有關資產賬面值之差額計算。

投資物業

投資物業指就賺取租金收入及／或資本增值持有之土地及樓宇權益，包括符合投資物業定義之物業經營租約項下之租賃權益，而非就生產或供應貨品或服務或就行政目的；或就於日常業務中銷售而持有。有關物業初步按成本計量，包括交易成本。於初步確認後，投資物業按公允值列賬，以反映於報告期間結算日之市況。

投資物業公允值變動產生之收益或虧損，於產生年度計入綜合損益表。

在建中投資物業所產生的建設成本已資本化為在建中投資物業賬面值的一部分。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

For a transfer to investment properties from owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserve.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Distribution rights

Distribution rights are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 4 years.

3. 主要會計政策概要 (續)

投資物業 (續)

對於由業主自有物業轉至投資物業而言，物業其後會計之視作成本是其於用途變動日期之公允值。倘本集團所佔用一項物業作為業主自用物業轉為投資物業，本集團會根據「物業、廠房及設備以及折舊」項下所載政策將有關物業入賬，直至更改用途日期為止，而物業於當日之賬面值及公允值之間差額乃根據上述「物業、廠房及設備以及折舊」項下所載政策以重估項目入賬。於出售一項重估資產時，就以往之估值而於資產重估儲備賬內變現之有關部分會列作儲備變動轉撥至保留溢利。

投資物業於出售時或該投資物業永久失去其用途及預期自出售起不會產生經濟利益時終止確認。因終止確認物業所產生之任何收益或虧損（按出售所得款項淨額及該資產賬面值之差額計量）於該物業被終止確認時列入該期間之損益內。

無形資產 (不包括商譽)

單獨收購的無形資產於初次確認時按成本計量。業務合併中收購的無形資產之成本為收購日期之公允值。無形資產被評估為有限或無限的可使用年期。有限年期的無形資產隨後按其可使用經濟年期予以攤銷，並於無形資產出現減值跡象時評估減值。有限年期無形資產的攤銷期及攤銷方法至少須於每個財政年度終結日進行檢討。

分銷權

分銷權按成本減任何減值虧損列賬，並以直線法於彼等4年的預計使用年內攤銷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2)

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

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

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of property, plant and equipment, and land that have a lease term of twelve months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

3. 主要會計政策概要 (續)

租約

租賃的定義 (根據附註2的過渡條文應用香港財務報告準則第16號後)

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利。則該合約屬於租賃或包含租賃。

就於首次應用日期或之後訂立或修改或產生自業務合併的合約而言，本集團根據香港財務報告準則第16號的定義於收購日期 (如適用) 開始時或修改日期評估該合約是否屬於或包含租賃。除非合約的條款及條件隨後出現變動，否則有關合約將不予重新評估。

本集團作為承租人 (根據附註2的過渡條文應用香港財務報告準則第16號後)

將代價分配至合約組成部分

就包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分的合約而言，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的合計獨立價格基準將合約代價分配至各項租賃組成部分。

作為可行權宜方法，具有類似特徵的租賃於本集團合理預期其對綜合財務報表的影響將不會重大不同於組合內個別租賃時按組合基準入賬。

短期租賃及低價值資產租賃

本集團對自開始日期起計租期為十二個月或以下且不包含購買權的物業、廠房及設備及土地的租賃應用短期租賃確認豁免。其亦就低價值資產租賃應用租賃確認豁免。短期租賃及低價值資產租賃的租賃付款乃於租期內按直線法或其他有系統基準確認為開支。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

Refundable rental deposits

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

3. 主要會計政策概要 (續)

租約 (續)

本集團作為承租人(根據附註2的過渡條文應用香港財務報告準則第16號後)(續)

使用權資產

使用權資產的成本包括:

- 租賃負債的初始計量金額;
- 於開始日期或之前所作的任何租賃付款,減去所得的任何租賃獎勵;
- 本集團產生的任何初始直接成本;及
- 本集團拆除及移除相關資產、修復相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態而將產生的估計成本。

使用權資產按成本減任何累計折舊及減值虧損計量,並就租賃負債的任何重新計量作出調整。

倘本集團合理確信在租期屆滿時取得相關租賃資產的擁有權,則使用權資產自開始日期起至可使用年期屆滿期間折舊。否則,使用權資產按其估計可使用年期及租期的較短者以直線法折舊。

本集團在綜合財務狀況表中將使用權資產呈列為單獨項目。

可退還租金按金

已付可退還租金按金乃根據香港財務報告準則第9號入賬並初始按公允值計量。初步確認時對公允值所作調整已視為額外租賃付款並計入使用權資產的成本。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments includes:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

3. 主要會計政策概要 (續)

租約 (續)

本集團作為承租人 (根據附註2的過渡條文應用香港財務報告準則第16號後) (續)

租賃負債

於租賃開始日期, 本集團按該日尚未支付的租賃付款現值確認及計量租賃負債。在計算租賃付款的現值時, 倘租賃中所隱含的利率不易確定, 則本集團在租賃開始日期會採用增量借貸率。

租賃付款包括:

- 固定付款 (包括實質固定付款) 減任何應收租賃獎勵;
- 基於指數或利率的可變租賃付款 (於開始日期首次利用指數或利率計量);
- 本集團於剩餘價值擔保項下的預期應付款項;
- 倘本集團合理確信將行使購買權, 則為購買權的行使價格; 及
- 支付終止租賃的罰款 (倘租賃條款反映本集團行使權利終止租賃)。

於開始日期後, 租賃負債以應計利息及租賃付款調整。

倘出現以下情況, 則本集團重新計量租賃負債 (並對相關使用權資產作出相應調整):

- 租期有變或有關行使購買權的評估有變, 於此情況下, 相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款重新計量。
- 於市場租金調查後的市場租金有變導致租賃付款出現變動, 於此情況下, 相關租賃負債使用初始貼現率貼現經修訂租賃付款重新計量。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Lease liabilities (Continued)

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

Lease modifications

The Group accounts for a lease modification as a separate lease if:

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. 主要會計政策概要 (續)

租約 (續)

本集團作為承租人(根據附註2的過渡條文應用香港財務報告準則第16號後)(續)

租賃負債(續)

本集團在綜合財務狀況表中將租賃負債呈列為單獨項目。

租賃修改

倘出現以下情況，則本集團將租賃修改作為一項單獨租賃入賬：

- 該項修改透過增加一項或多項相關資產的使用權而擴大租賃範圍；及
- 租賃的代價增加，而所增金額與擴大範圍所需的獨立價格相符，加上為反映特定合約情況而對獨立價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修改而言，本集團按經修改租賃的租期透過使用修改生效日期的經修訂貼現率貼現經修訂租賃付款重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，重新計量租賃負債。當經修改合約包含租約組成部分以及一個或多個額外租約或非租約組成部分時，本集團根據租約組成部分的相對獨立價格及非租約組成部分的總獨立價格，將經修改合約中的代價分配至每個租約組成部分。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (prior to 1 April 2019)

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

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives relating to operating leases are considered as integral part of lease payments, the aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

The Group as a lessor (upon application of HKFRS 16 in accordance with transition in note 2)

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the leases transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured using fair value model.

Rental income which is derived from the Group's ordinary course of business is presented as revenue or other income, where appropriate.

3. 主要會計政策概要 (續)

租約 (續)

本集團作為承租人 (於二零一九年四月一日前)

當租賃條款將擁有權絕大部分風險及回報轉移至承租人時，該等租賃分類為融資租賃。所有其他租賃均分類為經營租賃。

經營租賃付款 (包括收購根據經營租賃所持土地的成本) 於租期以直線法確認為開支。經營租賃下的或然租金於產生期間確認為開支。

有關經營租賃的租賃優惠已視作租賃付款的一部分，優惠的利益總額乃以直線法確認為租金支出減少。

本集團作為出租人 (根據附註2的過渡條文應用香港財務報告準則第16號後)

租賃之分類及計量

本集團作為出租人的租賃已分類為融資租賃或經營租賃。倘租賃的條款將相關資產擁有權所附的絕大部份風險及回報轉移至承租人，該租約則分類為融資租賃，而所有其他租賃均分類為經營租賃。

來自經營租賃的租金收入已於相關租賃期內以直線法在損益確認。協商及安排經營租賃所產生的初步直接成本已加至租賃資產的賬面值，而有關成本已在租期內以直線法確認為開支，惟使用公允值模式計量的投資物業除外。

來自本集團一般日常業務過程的租金收入已呈列為收益或其他收入 (倘適用)。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessor (upon application of HKFRS 16 in accordance with transition in note 2) (Continued)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3. 主要會計政策概要 (續)

租約 (續)

本集團作為出租人 (根據附註2的過渡條文應用香港財務報告準則第16號後) (續)

將代價分配至合約組成部分

當合約包括租賃及非租賃組成部分時，本集團應用香港財務報告準則第15號將合約的代價分配至租賃及非租賃組成部分。非租賃組成部分根據其相對獨立售價而與租賃組成部分分開。

可退回租賃按金

已收取可退回租賃按金根據香港財務報告準則第9號入賬，並初步按公允值計量。於首次確認時對公允值作出的調整被視為來自承租人的額外租賃付款。

分租

當本集團為中間出租人時，其將主租賃及分租入賬為兩份獨立合約。分租乃參考主租賃之使用權資產 (非參考相關資產) 分類為融資或經營租賃。

租賃修改

本集團自修改生效日期起將經營租賃修改作為新租賃入賬，並將有關原租賃的任何預付或應計租賃付款視為新租賃的租賃付款一部分。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

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

Interest income which is derived from the Group's ordinary course of business is included in other income.

3. 主要會計政策概要 (續)

金融工具

金融資產及金融負債於集團實體成為該工具合約條文的訂約方時確認。所有以常規方式購入或出售之金融資產均按交易日期基準確認及終止確認。以常規方式購入或出售指須於市場規例或慣例所訂時限內交付資產之金融資產的購入或出售。

金融資產及金融負債起初按公允值計量，惟客戶合約產生的應收賬款根據香港財務報告準則第15號初步計量。收購或發行金融資產及金融負債（按公允值計入損益之金融資產或金融負債除外）直接產生之交易成本於初步確認時加入金融資產或金融負債之公允值或從中扣除（如適用）。自收購按公允值計入損益之金融資產或金融負債直接產生之交易成本即時於損益確認。

實際利率法乃計算金融資產或金融負債之攤銷成本及於有關期間分配利息收入及利息開支之方法。實際利率指確切地在金融資產或金融負債的預計年期內或更短時期內（如適用），將估計未來現金收入及付款（包括所有構成實際利率組成部分的已付或已收費用、交易成本及其他溢價或折讓）貼現至初步確認時賬面淨值的利率。

來自本集團日常業務過程的利息收入計入其他收入。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset, the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 主要會計政策概要 (續)

金融資產

金融資產之分類及其後計量

符合以下條件的金融資產其後按攤銷成本計量：

- 於目標為收取合約現金流量的業務模式持有的金融資產；及
- 合約條款於指定日期產生現金流量，純粹作為本金及尚未清償本金的利息的付款。

符合以下條件的金融資產其後按公允值計入其他全面收入計量：

- 於藉收取合約現金流量及出售達到目標的業務模式內持有的金融資產；及
- 合約條款於指定日期產生現金流量，純粹作為本金及尚未清償本金的利息的付款。

所有其他金融資產其後按公允值計入損益（「按公允值計入損益」）計量，惟於初始應用日期／初始確認金融資產之日，倘股權投資並非持作買賣或收購方於香港財務報告準則第3號「業務合併」所適用的業務合併中確認的或然代價，則本集團可不可撤銷地選擇於其他全面收入呈列股權投資公允值的其後變動。

此外，倘可消除或大幅減少會計錯配，本集團可不可撤銷地指定須按攤銷成本計量或按公允值計入其他全面收入的金融資產為按公允值計入損益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the investment revaluation reserve.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

3. 主要會計政策概要 (續)

金融資產 (續)

金融資產之分類及其後計量 (續)

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產之利息收入使用實際利率法確認。利息收入乃對金融資產的賬面總值應用實際利率計算，除非金融資產其後出現信貸減值（見下文）。其後出現信貸減值的金融資產自下個報告期起透過應用實際利率於金融資產的攤銷成本確認利息收入。倘出現信貸減值的金融工具之信貸風險下降以致金融資產不再出現信貸減值，則於釐定資產不再出現信貸減值後的報告期初起透過應用實際利率於金融資產的賬面總值確認利息收入。

(ii) 指定為按公允值計入其他全面收入的權益工具

按公允值計入其他全面收入的權益工具投資其後按公允值計量，公允值變動產生的收益及虧損則於其他全面收入確認及累計於投資重估儲備，且毋須進行減值評估。累計收益或虧損將不會於出售股本投資後重新分類至損益，並將繼續於投資重估儲備持有。

當本集團確認收取股息的權利時，除非能清晰顯示股息乃用作填補一部分投資成本，該等權益工具投資的股息於損益內確認。

(iii) 按公允值計入損益之金融資產

金融資產如不符合按攤銷成本或按公允值計入其他全面收入或指定為按公允值計入其他全面收入計量的條件，則按公允值計入損益計量。

於各報告期末，按公允值計入損益之金融資產按公允值計量，而任何公允值收益或虧損於損益內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit loss ("ECL") on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, loan and interest receivables, deposits and other receivables and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 主要會計政策概要 (續)

金融資產 (續)

金融資產之減值

本集團就須根據香港財務報告準則第9號進行減值的金融資產(包括應收賬款、應收貸款及應收利息、按金及其他應收款項以及銀行結餘)確認預期信貸虧損(「預期信貸虧損」)之虧損撥備。預期信貸虧損金額於各報告日期更新,以反映自初始確認以來之信貸風險變動。

全期預期信貸虧損指於相關工具的預期年期內所有可能違約事件將產生的預期信貸虧損。反之,12個月預期信貸虧損(「12個月預期信貸虧損」)指預期於報告日期後12個月內可能違約事件將產生的全期預期信貸虧損的一部分。評估乃按本集團過往信貸虧損的經驗進行,並就債務人、整體經濟情況及於報告日期的當前情況評估以及對未來情況的預測的特定因素作出調整。

本集團經常就應收賬款確認全期預期信貸虧損。該等資產的預期信貸虧損乃就具有巨額結餘的債務人個別及使用具有合適分組的撥備矩陣集體予以評估。

就所有其他工具而言,本集團計量的虧損撥備相等於12個月預期信貸虧損,除非當信貸風險自初始確認起出現重大增加,則本集團會確認全期預期信貸虧損。就應否確認全期預期信貸虧損的評估乃按自初始確認起發生違約的可能性或風險大幅增加而進行。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

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

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligation;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. 主要會計政策概要 (續)

金融資產 (續)

金融資產之減值 (續)

(i) 信貸風險大幅增加

於評估信貸風險自初始確認以來是否大幅增加時，本集團比較於報告日期就金融工具發生違約的風險與於初始確認日期就金融工具發生違約的風險。於作出此評估時，本集團考慮屬合理可靠的定量及定質資料，包括過往經驗及在並無繁重成本或工作下可得的前瞻性資料。

尤其是，於評估信貸風險是否已大幅增加時已計入下列資料：

- 金融工具的外部（如有）或內部信貸評級的實際或預期嚴重轉差；
- 信貸風險的外部市場指標嚴重轉差（如債務人的信貸息差及信貸違約掉期價格大幅增加）；
- 預期導致債務人滿足其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人的經營業績實際或預期嚴重轉差；
- 債務人所在的監管、經濟或科技環境的實際或預期重大不利變動，導致債務人滿足其債務責任的能力大幅下降。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 主要會計政策概要 (續)

金融資產 (續)

金融資產之減值 (續)

(i) 信貸風險大幅增加 (續)

不論上述評估的結果如何，當合約付款已逾期超過90日，本集團會假定信貸風險自初始確認起大幅增加，除非本集團具有合理可靠資料展示相反情況。

本集團定期監察用以確定信貸風險曾否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

(ii) 違約之定義

就內部信貸風險管理而言，本集團認為倘內部生成之或自外部資源獲得之資料顯示債務人不太可能向其債權人（包括本集團）悉數付款（不計及本集團持有之任何抵押品），則發生違約事件。

儘管上文所述，本集團認為，倘金融資產逾期超過365天，則發生違約事件，除非本集團擁有能說明更寬鬆的違約標準更為合適的合理可靠資料，則作別論。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

3. 主要會計政策概要 (續)

金融資產 (續)

金融資產之減值 (續)

(iii) 信貸減值之金融資產

當發生一項或多項對金融資產估計未來現金流量有不利影響之違約事件時，金融資產出現信貸減值。金融資產信貸減值之證據包括以下可觀察事件：

- (a) 發行人或借款人陷入重大財務困難；
- (b) 違反合約，如違約或逾期事件；
- (c) 借款人之放款人因與借款人出現財務困難有關之經濟或合約理由而給予借款人在一般情況下放款人不予考慮之優惠條件；
- (d) 借款人可能會破產或進行其他財務重組；或
- (e) 因財務困難而導致該金融資產失去活躍市場。

(iv) 撇銷政策

本集團在有資料顯示交易對方陷入嚴重財務困難，且無實際收回前景之時（例如交易對方遭受清盤或已進入破產程序，或應收賬款之金額逾期超過兩年（以較早發生者為準））撇銷金融資產。在考慮法律意見（如適當）後，已撇銷之金融資產仍可根據本集團之收回程序實施強制執行。撇銷構成終止確認事件。任何其後收款項於損益內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the below basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables are each assessed as a separate group. Amounts due from related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

3. 主要會計政策概要 (續)

金融資產 (續)

金融資產之減值 (續)

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量乃指違約概率、違約損失率程度(即倘違約損失的程度)及違約風險的函數。評估違約概率及違約損失率程度根據歷史數據作出,並根據前瞻性資料調整。預期信貸虧損之估計反映無偏頗及概率加權之數額,其乃根據加權之相應違約風險而確定。

一般而言,預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預計收取之現金流量(按初步確認時釐定之實際利率貼現)間之差額。

預期信貸虧損乃按整體基準進行計量,或為應對可能未能獲取個別工具層面的預期信貸虧損的證據的情況,金融工具乃按以下基準分類:

- 金融工具的性質(即本集團的貿易及其他應收款項均按單獨組別進行評估。對應收關連人士款項分別進行預期信貸虧損評估);
- 逾期狀況;
- 債務人的性質、規模及行業;及
- 外部信貸評級(如有)。

管理層定期審查分組以確保每個分組下的組成部分持續具有相似的信貸風險特徵。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in FVTOCI revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

3. 主要會計政策概要 (續)

金融資產 (續)

金融資產之減值 (續)

(v) 預期信貸虧損的計量及確認 (續)

利息收入以金融資產的賬面總值計算，但在金融資產發生信貸減值的情況下，以金融資產的攤銷成本計算利息收入。

本集團通過調整金融工具的賬面值在損益中確認減值收益或損失，但相應調整通過虧損撥備賬確認的應收賬款除外。

終止確認金融資產

本集團僅於資產收取現金流量的合約權利屆滿時，或向另一實體轉讓金融資產及資產擁有權絕大部分風險及回報時終止確認金融資產。

終止確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收總代價之間的差額於損益確認。

當終止確認本集團選擇於初步確認時以按公允值計入其他全面收入計量的股權工具投資時，先前於按公允值計入其他全面收入重估儲備內積存的累計收益或虧損不會重新分類至損益，而是轉撥至保留溢利。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities and equity instruments

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

Equity instruments

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

Financial liabilities

Financial liabilities, including trade payables, other payables, accruals and deposits received, interest-bearing bank and other borrowings, and lease liabilities, are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

3. 主要會計政策概要 (續)

金融負債及權益工具

由集團實體發行的金融負債及權益工具乃按訂立的合約安排性質，以及金融負債及權益工具的定義而分類為金融負債或股權。

權益工具

股權工具為證明本集團經扣除所有負債之後資產的剩餘權益的任何合約。由集團實體所發行的權益工具乃按已收所得款項（扣除直接發行成本）確認。

金融負債

金融負債，包括應付賬款、其他應付款項、應計款項及已收按金、計息銀行及其他借貸以及租賃負債，其後以實際利率法按攤銷成本計量。

實際利率法

實際利率法為計算金融負債的攤銷成本以及在有關期間內分配利息開支的方法。實際利率是將估計未來現金付款（包括所有構成實際利率組成部分之已付或已收費用及基點、交易成本以及其他溢價或折讓）透過金融負債的預計年期或（倘適用）更短期間準確折現至初步確認時的賬面淨值的利率。

利息開支按實際利息基準確認。

財務擔保合約

本集團作出之財務擔保合約即要求發行人作出特定付款以償付持有人因特定債務人未能根據債務工具之條款償還到期款項而招致損失之合約。財務擔保合約初步按其公允值確認為一項負債，並就作出該擔保直接產生之交易成本作出調整。於初步確認後，本集團按(i)履行報告期末之現有責任所須開支之最佳估計金額；及(ii)初步確認之金額減（如適用）累計攤銷（以較高者為準）計量財務擔保合約。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) Financial liabilities and equity instruments (Continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when, and only when the Group currently has a legally enforceable legal right to set off the recognised amounts and intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

3. 主要會計政策概要 (續)

金融負債及權益工具 (續)

終止確認金融負債

金融負債於負債項下責任獲履行、取消或屆滿時終止確認。終止確認的金融負債賬面值與已付及應付代價之間的差額會於損益表確認。

倘一項現有金融負債以同一放款方按極為不同條款作出之負債取代，或現有負債條款經大幅修訂，則有關交換或修訂按終止確認原有負債及確認新負債處理，而相關賬面值之差額則於損益表確認。

抵銷金融工具

當且僅當本集團目前有可依法強制執行之法律權利以抵銷確認金額及有意按淨額基準償付，或同時變現資產與清還負債，則抵銷金融資產及金融負債並且於綜合財務狀況表內呈報淨金額。

存貨

存貨按成本與可變現淨值之較低者列賬。成本按加權平均基準釐定，而倘為在製品及製成品，則包括直接材料、直接勞工及間接成本之適當部分。可變現淨值乃按估計售價減任何估計完成及出售產生之成本計算。

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括手頭現金及活期存款以及可隨時轉換為已知數額現金之高度流通短期投資，有關投資所承受價值變動風險不大，到期日一般為購入後三個月內，另扣除須應要求償還及構成本集團現金管理其中部分之銀行透支。

就綜合財務狀況表而言，現金及現金等值物包括手頭及銀行現金，當中包括不限用途之定期存款。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax

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

Current tax

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

Deferred tax

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

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

3. 主要會計政策概要 (續)

所得稅

所得稅開支指現時應付稅項及遞延稅項之和。

即期稅項

現時應付稅項按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表所報除稅前溢利不同，此乃由於其不包括在其他年度應課稅或可扣減之收入或支出項目，亦不包括永不課稅或扣減之項目。本集團之即期稅項負債乃按報告期末已生效或實際上已生效之稅率計算。

遞延稅項

遞延稅項乃按綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者間之暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認，而遞延稅項資產通常就所有可扣減暫時差額確認，惟以有應課稅溢利可用以抵銷該等可扣減暫時差額為限。倘該暫時差額乃源自一項交易（業務合併除外）中首次確認的資產及負債，且並不影響應課稅溢利或會計溢利，則該等遞延稅項資產及負債不予確認。此外，倘該暫時差額乃源自商譽的首次確認，則該遞延稅項負債不予確認。

除非本集團可控制暫時差額撥回及暫時差額不大可能於可見將來撥回，否則會就有關於附屬公司的投資的應課稅暫時差額確認遞延稅項負債。僅當很可能取得足夠的應課稅溢利以抵扣暫時差額的收益，並且暫時差額預期在可預見的未來將撥回時，才確認有關投資相關的可抵扣暫時差額所產生的遞延稅項資產。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax (Continued)

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sales.

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

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

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

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

3. 主要會計政策概要 (續)

所得稅 (續)

遞延稅項 (續)

遞延稅項資產之賬面值於各報告期末審閱，並於不再可能有足夠應課稅溢利以收回全部或部分資產時予以削減。

就計量使用公允值模式計量的投資物業的遞延稅項負債及遞延稅項資產而言，該等物業的賬面值乃假定為可透過銷售悉數收回，除非此假定被推翻則作別論。倘投資物業為可予折舊，且持有的商業模式乃旨在隨時間而非透過銷售消耗該投資物業內嵌的絕大部分經濟利益，則此項假定即被推翻。

就稅項扣減歸因於租賃負債之租賃交易而言，本集團對租賃交易整體應用香港會計準則第12號所得稅之規定。與使用權資產及租賃負債相關之暫時差額乃按淨額基準評估。使用權資產折舊超出租賃負債之本金部分租賃付款導致出現可扣減暫時差額淨額。

即期及遞延稅項於損益確認，惟與其他全面收益內或直接於權益中確認的項目有關者除外，在此情況下，即期及遞延稅項亦分別計入其他全面收益內或直接計入權益。

遞延稅項資產及負債乃按預期於償還負債或變現資產期間適用之稅率計算。所根據的稅率（及稅法）乃於報告期末已生效或已實際生效者。

遞延稅項負債及資產的計量反映本集團於報告期末，預期收回或償還其資產及負債賬面值的方式可能帶來的稅務後果。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents goods or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

3. 主要會計政策概要 (續)

政府補貼

政府補貼在合理確定將會收取補貼及將會符合一切所附條件時，按其公允價值確認。如補貼與開支項目有關，則會於計劃作出補償的成本支銷期間按系統基準確認為收入。

收益確認

來自客戶合約之收益

本集團於（或當）完成履約責任時（即於與特定履約責任相關的貨品或服務的「控制權」轉移予客戶時）確認收益。

履約責任指一項明確貨品及服務（或一批貨品或服務）或一系列大致相同的明確貨品或服務。

倘符合以下其中一項條件，則控制權為隨時間轉移，而收益則參考完全履行相關履約責任的進度隨時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供的利益；
- 本集團的履約創建及增強客戶於本集團履約時控制的資產；或
- 本集團的履約未創建對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。

否則，收益於客戶獲得明確商品或服務控制權時確認。

合約資產指本集團就向客戶換取本集團已轉讓的商品或服務收取代價的權利（尚未成為無條件）。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即只需待時間過去代價即須到期支付。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Based on the historical pattern, revenue from film distribution agency service is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Revenue from sales of goods is recognised at a point in time when the goods are served.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis, except for the allocation of discounts.

The stand-alone selling price of the distinct goods or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell promised goods or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

3. 主要會計政策概要 (續)

收益確認 (續)

來自客戶合約之收益 (續)

合約負債指本集團因已自客戶收取代價 (或到期收取的代價)，而須向客戶轉讓商品或服務之責任。

根據過往模式，電影發行代理服務收益確認會按完全履行相關履約責任的進度隨時間進行，原因為客戶於本集團履約時同時收取及消耗本集團履約所提供的利益。

貨品銷售收益於貨品售出之時間點確認。

包含多項履約責任 (包括分配交易價格) 的合約

就載有多項履約責任的合約而言，本集團以相對獨立的售價對各項履約責任分配交易價格，惟分配折扣除外。

與各履約責任相關的個別貨品或服務之單獨售價於合約訂立初期釐定，指本集團單獨向客戶出售允諾貨品或服務的價格。倘單獨售價不能直接觀察，則本集團會使用合適的技巧估計該價格，以使分配至任何履約責任之交易價格反映本集團預期就轉移允諾貨品或服務至客戶而有權取得之代價。

隨時間確認收益：計量完全履行履約責任的進度

輸出法

完全履行履約責任的進度乃根據輸出法計量，即透過直接計量截至本日日已轉讓予客戶之商品或服務之價值，相對合約下承諾提供的餘下商品或服務之價值確認收益，有關方法最能反映本集團於轉讓商品或服務控制權方面的履約情況。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants (including directors of the Company and employees of the Group) who contribute to the success of the Group's operations, under which such participants receive remuneration in the form of share-based payment transactions, whereby participants render services as consideration for equity instruments.

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss. When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium.

When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

No share options have been grant under the share option scheme since its adoption.

Other employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on an annual basis. Under certain circumstances, such leave which remains untaken as at the end of the reporting period is permitted to be carried forward and utilised by the respective employees in the following financial year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward.

3. 主要會計政策概要 (續)

股份付款交易

本公司設有購股權計劃，旨在向對本集團業務成功有所貢獻之合資格參與人士（包括本公司董事及本集團僱員）提供獎勵及獎賞，據此，有關參與人士按股份付款交易之形式收取薪酬，而參與人士則提供服務作為權益工具之代價。

授出購股權須以滿足指定的歸屬條件為條件，已接收服務的公允值參照授出日期授出的購股權的公允值釐定及在歸屬期以直線法支銷，並引致股權（購股權儲備）的相應增加。

於報告期末，本集團修訂其預期最終歸屬的購股權數目的估計。修訂原有估計的影響（如有）於損益賬確認，以致累計開支反映經修訂估計，對購股權儲備相應調整。

就於授出日期即時歸屬的購股權而言，授出的購股權的公允值即時在損益賬支銷。當購股權獲行使時，先前於購股權儲備內確認的金額將會轉撥至股份溢價。

當購股權在歸屬期後遭沒收時或於屆滿日期仍未獲行使，先前於購股權儲備內確認的金額將會轉撥至保留溢利。

自購股權計劃採納以來並無據此授出購股權。

其他僱員福利

結轉有薪假期

本集團根據僱傭合約每年向僱員提供有薪年假。於若干情況下，於報告期末未提取之假期可予結轉，並由有關僱員於下個財政年度使用。於報告期末會累計僱員於年內所獲取有薪假期之預計未來成本並作結轉。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other employee benefits (Continued)

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred.

3. 主要會計政策概要 (續)

其他僱員福利 (續)

退休金計劃

本集團根據強制性公積金計劃條例，為合資格參與強制性公積金退休福利計劃（「強積金計劃」）之僱員設立一項定額供款強積金計劃。按照強積金計劃之規則，供款乃按僱員基本薪金之百分比作出，並於應付時自損益表扣除。強積金計劃的資產以獨立管理基金與本集團資產分開持有。本集團作出之僱主供款於繳入強積金計劃後即全數歸屬僱員所有。

本集團旗下於中國內地經營業務之附屬公司之僱員必須參與由當地市政府設立之中央退休金計劃。該等附屬公司須按其涉及工資成本額若干百分比向中央退休金計劃作出供款。供款於根據中央退休金計劃規則應付時自損益表扣除。

借貸成本

與收購、興建或生產合資格資產（需要頗長時間方可達致其預期用途或進行銷售之資產）直接有關之借貸成本將撥作資本，作為該等資產的部分成本。借貸成本撥作資本須於該等資產大概可達致其預期用途或進行銷售時終止。而將指定借貸用於合資格資產開支前作短期投資所得之投資收入將自己撥作資本之借貸成本中扣除。所有其他借貸成本於其產生期間支銷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

These consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries, the joint venture and the associate are currencies other than Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. 主要會計政策概要 (續)

外幣

此等綜合財務報表以本公司之功能貨幣港元呈列。本集團內各實體自行決定其本身之功能貨幣，而列入各實體綜合財務報表之項目乃按該功能貨幣計量。本集團內實體所記錄之外幣交易初步按交易日期彼等各自之功能貨幣之匯率換算入賬。以外幣列值之貨幣資產及負債按報告期末適用之功能貨幣匯率換算。因結算或兌換貨幣項目而產生之差額於損益表確認。

按外幣歷史成本計量之非貨幣項目乃按初步交易日期之匯率換算。以外幣按公允值計量之非貨幣項目則按計量公允值當日之匯率換算。換算某項按公允值計量之非貨幣項目所產生盈虧按與確認該項目公允值變動所產生盈虧相若之方式處理，即就其公允值盈虧乃於其他全面收入或損益確認之項目而言，其匯兌差額亦分別於其他全面收入或損益中確認。

若干海外附屬公司、合營公司及一間聯營公司以港元以外貨幣為功能貨幣。於報告期末，此等實體之資產及負債按報告期末之匯率換算為港元，損益表則按年內加權平均匯率換算為港元。

所產生匯兌差額於其他全面收入確認，並於匯兌波動儲備累計。於出售海外業務時，該特定海外業務相關之其他全面收入部分於損益表確認。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之現行匯率換算為港元。海外附屬公司於年內產生之經常性現金流量則按年內之加權平均匯率換算為港元。

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4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgment. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

4. 重要會計判斷及估計

管理層於編製本集團之綜合財務報表時，須作出影響所呈報收益、開支、資產及負債之金額以及相關披露及或然負債之披露之判斷、估計及假設。該等假設及估計存在不明朗因素，故可能導致需要於將來對資產或負債之賬面值作出重大調整。

判斷

於應用本集團會計政策時，除涉及估計者外，管理層已作出下列對綜合財務報表內確認之金額具有非常重大影響之判斷：

投資物業與業主自用物業間之分類

本集團釐定一項物業是否符合投資物業之資格，並已就作出該判斷制定標準。投資物業乃就賺取租金或資本增值或上述兩者而持有之物業。因此，本集團會考慮物業會否產生很大程度上獨立於本集團所持其他資產之現金流量。若干物業包括就賺取租金或資本增值而持有之部分及持作生產或供應貨品或服務或作行政用途之另一部分。倘此等部分可獨立出售或根據融資租賃獨立出租，本集團會將該等部分個別列賬。倘該等部分無法獨立出售，則僅於非重大部分乃持作生產或供應貨品或服務或作行政用途之情況下，該項物業方分類為投資物業。本集團對各項物業作判斷，決定配套服務是否重要以使物業並不符合投資物業的資格。

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4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

Judgments (Continued)

Impairment of assets

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgment in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

Estimation uncertainty

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

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. 重要會計判斷及估計 (續)

判斷 (續)

資產減值

釐定資產是否減值或過往導致減值之事件是否不再存在時，本集團須就資產減值作出判斷，尤其需要評估：(1) 有否發生可影響資產價值之事件，或影響資產價值之事件是否仍然存在；(2) 資產之賬面值能否以根據持續使用資產或終止確認估計之未來現金流量現值淨額支持；及(3)編製現金流量預測所採用合適主要假設，包括此等現金流量預測是否以適用比率貼現。倘管理層用以釐定減值程度之假設（包括現金流量預測中採用之貼現率或增長率假設）有變，或會對減值測試所用現值淨額構成重大影響。

估計之不確定因素

有關日後及於報告期末其他主要估計不確定因素來源而具有導致下一個財政年度之資產與負債賬面值須作出重大調整之重大風險之主要假設論述如下：

非金融資產減值

本集團於各報告期末評估是否有任何跡象顯示所有非金融資產出現減值。其他非金融資產於有跡象顯示可能無法收回賬面值時進行減值測試。當一項資產或現金產生單位的賬面值超過其可收回金額時則存在減值，有關減值為其公允值減出售成本及其使用價值的較高者。公允值減出售成本乃根據來自類似資產或觀察市場價減出售資產的增量成本的公平交易的有約束力銷售交易的可用數據計算。當計算使用價值時，管理層須估計資產或現金產生單位的預期未來現金流量，並選用合適的折現率，以計算此等現金流量的現值。

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4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Impairment of investment in an associate

The Group assesses whether there are any indications of impairment of associate at the end of each reporting period. Investment in an associate are tested for impairment when there are indications that the carrying amount may not be recoverable. An impairment exists when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on comparable market prices less incremental costs for disposing of the asset. The value in use is assessed by reference to estimated future cash flows from the asset and the discount rate applied to calculate the present value. Changes in business circumstances of the associate may significantly affect the recoverable amount of the investment which would result in additional impairment loss to be made or reversal of impairment loss previously made. Details of the impairment loss recognised on investment in associate are set out in note 18.

Provision for obsolete inventories

Management of the Group reviews the usage of the inventories at the end of each reporting period, and makes provision for obsolete and slow-moving items where events or changes in circumstances indicates that the net realisable value of such inventories are expected to be less than their carrying amount. In addition, physical counts on all inventories are carried out on a periodical basis in order to determine whether provision is needed to be made in respect of any obsolete inventories identified. The directors of the Company are satisfied that adequate provision for obsolete inventories has been made in the consolidated financial statements. As at 31 March 2020, the carrying amount of inventories was HK\$8,802,000, net of provision for obsolete inventories of HK\$20,372,000 (2019: HK\$7,784,000, net of provision for obsolete inventories of HK\$58,853,000).

4. 重要會計判斷及估計 (續)

估計之不確定因素 (續)

於聯營公司之投資減值

本集團於各報告期末評估聯營公司是否存在任何減值跡象。於聯營公司之投資於其賬面值可能無法收回時進行減值測試。當一項資產的賬面值超過其可收回金額時則存在減值，有關減值為其公允值減出售成本及其使用價值的較高者。公允值減出售成本乃根據同類市場價減出售資產的增量成本計算。使用價值乃根據自資產產生之估計未來現金流量及計算現值所用貼現率評估。聯營公司業務狀況變動或會嚴重影響投資之可收回金額，從而產生額外減值虧損或過往減值虧損撥回。就於聯營公司之投資確認之減值虧損詳情載於附註18。

滯銷存貨撥備

本集團管理層於各報告期末檢討存貨用量，並於出現有關存貨之可變現淨值預計低於其賬面值之事件或情況變動時就過時及滯銷項目作出撥備。此外，本集團定期就所有存貨進行實物點算，以決定是否須就任何已識別滯銷存貨作出撥備。本公司董事信納，已於綜合財務報表就滯銷存貨作出充足撥備。於二零二零年三月三十一日，扣除滯銷存貨撥備20,372,000港元之存貨賬面值為8,802,000港元（二零一九年：扣除滯銷存貨撥備58,853,000港元之存貨賬面值為7,784,000港元）。

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4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Impairment of trade and other receivables

The policy for impairment of trade receivables of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement at the end of each reporting period whether there is any objective evidence that the trade receivables are impaired. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer and the assessment of the expected credit loss. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. As at 31 March 2020, the carrying amount of trade receivables was HK\$8,338,000, net of impairment of trade receivables of HK\$2,333,000 (2019: HK\$25,623,000, net of impairment of trade receivables of HK\$320,000).

The Group uses four categories for expected credit loss assessment of deposits and other receivables which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings, where possible.

The information about the expected credit loss assessment of the Group's receivables are disclosed in note 43.

Impairment of loan and interest receivables

When there is objective evidence of an impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. Further details of loan and interest receivables are included in note 23.

4. 重要會計判斷及估計 (續)

估計之不確定因素 (續)

貿易及其他應收款項減值

本集團之應收賬款減值政策，乃以賬款可收回程度及賬齡分析評估以及管理層對於各報告期末就有否客觀證據證明應收賬款出現減值之判斷為基礎。評估此等應收款項之最終變現情況時須作出相當判斷，包括各客戶現行信譽及過往收款記錄及評估預期信貸虧損。倘本集團客戶之財務狀況轉壞以致付款能力減弱，則或須作出額外撥備。於二零二零年三月三十一日，扣除應收賬款減值2,333,000港元之應收賬款賬面值為8,338,000港元（二零一九年：扣除應收賬款減值320,000港元之應收賬款賬面值為25,623,000港元）。

本集團就按金及其他應收款項的預期信貸虧損評估採用四個類別，反映彼等之信貸風險及如何就各該等類別釐定虧損撥備。於可能的情況下，該等內部信貸風險評級乃與外部信貸評級一致。

有關本集團應收款項預期信貸虧損評估的資料披露於附註43。

應收貸款及應收利息減值

倘出現減值虧損之客觀證據，本集團將考慮估計未來現金流量。減值虧損金額乃按該資產之賬面值與按該財務資產之原始實際利率（即按初步確認計算之實際利率）折現之估計未來現金流量（不包括尚未產生之未來信貸損失）現值之間差額予以計量。倘實際的未來現金流量低於預期，則可能會出現重大減值虧損。應收貸款及應收利息之進一步詳情載於附註23。

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4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Impairment of property, plant and equipment and right-of-use assets

Management of the Group determines on a regular basis whether there are any indications that the property, plant and equipment and right-of-use assets/prepaid land lease payments are impaired. Impairment loss for property, plant and equipment and prepaid land lease payments are impaired when the carrying amounts of each of the assets exceed their respective recoverable amounts, which are determined based on the higher of fair value less costs of disposal and value in use. The fair values of property, plant and equipment and right-of-use assets/prepaid land lease payments are estimated by reference to their expected selling prices which are affected by various factors, including market conditions and the technological occurrence. The value in use calculation requires the use of estimates such as the future revenue and discount rates. If the recoverable amount of an item of property, plant and equipment and right-of-use assets/prepaid land lease payments is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss in respect of the period. For the current year, no impairment loss was recognised on the Group's property, plant and equipment and right-of-use assets/prepaid land lease payments (2019: Nil).

Useful lives and residual values of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimates. Useful lives and residual values are reviewed at each financial year end date based on changes in circumstances.

4. 重要會計判斷及估計 (續)

估計之不確定因素 (續)

物業、廠房及設備以及使用權資產減值

本集團管理層定期釐定是否有任何跡象顯示物業、廠房及設備以及使用權資產／預付土地租賃款項減值。當各項資產的賬面值超逾彼等各自的可收回金額(根據公允價值減出售成本與使用價值兩者之較高者釐定)時,釐定物業、廠房及設備以及預付土地租賃款項出現減值虧損。物業、廠房及設備以及使用權資產／預付土地租賃款項的公允值乃經參考彼等的預計銷售價格而進行估計,而銷售價格受市場狀況及新興技術等各方面影響。計算使用價值要求使用日後收益及貼現率等估計。倘物業、廠房及設備以及使用權資產／預付土地租賃款項項目的可收回金額估計低於其賬面值,資產的賬面值減少至可收回金額及於該期間即時在損益內確認減值虧損。於本年度,概無就本集團物業、廠房及設備以及使用權資產／預付土地租賃款項確認減值虧損(二零一九年:無)。

物業、廠房及設備之可使用年期及餘值

於釐定物業、廠房及設備之可使用年期及餘值時,本集團必須考慮不同因素,例如資產之預計用途、資產之預計耗損、護理及保養,以及使用資產所受到之法律或類似限制。資產之可使用年期乃根據本集團在以類似方式使用同類資產所得經驗作出估計。倘物業、廠房及設備之估計可使用年期及/或餘值有別於以往之估計,則須作出額外折舊。可使用年期及餘值於每個財政年度結算日按情況轉變加以檢討。

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4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Estimation of fair value of investments in film production

As at 31 March 2020, investments in film production are measured at fair value, estimated to be HK\$45,318,000 (2019: Nil), with fair value being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Details of the investments in film productions are set out in note 25(a).

Estimation of fair value of investment properties

Investment properties are carried in the consolidated financial statements at their fair value. The best evidence of fair value of the Group's investment properties are current prices in an active market for similar properties in the same location and condition and subject to similar leases and other contracts. In the absence of such information, management determines the amount within a range of reasonable fair value estimates. In making its judgement, management considers information from: (i) independent valuations; and (ii) external evidence such as current market rates for similar properties in the same location and condition. Details regarding the fair value of the Group's investment properties as at 31 March 2020 are set out in note 15.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses at 31 March 2020 was approximately HK\$181,771,000 (2019: HK\$216,119,000). Further details are disclosed in note 32.

4. 重要會計判斷及估計 (續)

估計之不確定因素 (續)

電影製作投資公允價值估計

於二零二零年三月三十一日，電影製作投資乃按公允價值計量，估計為45,318,000港元（二零一九年：零）且公允價值基於重大不可觀察輸入數據使用估值技術釐定。因此確定相關估值技術及其相關輸入數據時需要作出判斷及估計。與該等因素有關的假設變化可能會導致該等工具公允價值有重大調整。電影製作投資詳情載於附註25(a)。

投資物業公允價值估計

投資物業按其公允價值在綜合財務報表內列賬。本集團投資物業公允價值之最佳證明為相同地區及情況下訂有同類租約及其他合約之同類物業於活躍市場之現行價格。倘欠缺有關資料，管理層會根據合理公允價值估計範圍釐定有關數額。在作出有關判斷時，管理層會考慮不同來源之資料：(i)獨立估值；及(ii)外在證據（如相同地區及情況下同類物業之現行市場租值）。本集團投資物業於二零二零年三月三十一日的公允價值詳情載於附註15。

遞延稅項資產

遞延稅項資產就所有未動用稅項虧損，於有可能動用應課稅溢利抵銷稅項虧損之情況下確認。於釐定可確認遞延稅項資產之金額時，管理層須根據未來應課稅溢利之可能發生時間及水平，以及日後稅務計劃策略作出重大判斷。於二零二零年三月三十一日之未確認稅項虧損金額約為181,771,000港元（二零一九年：216,119,000港元）。進一步詳情於附註32披露。

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5. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments (2019: five reportable operating segments) as follows:

- (a) the manufacturing and trading segment engaged in manufacture and trading of optical frames and sunglasses;
- (b) the property investment segment engaged in leasing of properties for rental income;
- (c) the debts and securities investment segment engaged in investments in financial instruments and quoted shares;
- (d) the film investment and distribution segment engaged in film right and movie investments and distributions; and
- (e) the money lending business segment engaged in provision of loan financing in Hong Kong.

The management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank and other interest income, finance costs and unallocated gains as well as corporate and other unallocated expenses are excluded from such measurement.

In the current year, the Group reorganised its internal reporting structure which resulted in changes to the composition of its reportable segments. In view of downsizing of money lending business, the Group managed the resource previously under money lending business on a group basis for the current year. As a result, no separate segment information is presented for money lending business.

Segment assets exclude other unallocated head office and corporate assets, including cash and cash equivalents, investments in and balances with a joint venture, property, plant and equipment and loan and interest receivables, as these assets are managed on a group basis.

5. 分部資料

就管理而言，本集團根據其產品及服務由業務單位組成，以及有以下四個可申報經營分部（二零一九年：五個可申報經營分部）：

- (a) 從事製造及買賣眼鏡架及太陽眼鏡之製造及買賣分部；
- (b) 從事租賃物業以賺取租金收入之物業投資分部；
- (c) 從事金融工具及有價股份投資之債務及證券投資分部；
- (d) 從事電影版權及電影投資及發行之電影投資及發行分部；及
- (e) 於香港從事提供貸款融資之放債業務分部。

管理層監察本集團各經營分部之業績，以決定資源分配及評估表現。分部表現乃根據可申報分部的溢利／虧損（即計量經調整除稅前溢利／虧損）評估。經調整除稅前溢利／虧損乃與本集團除稅前溢利／虧損貫徹計量，惟有關計量並不包括銀行及其他利息收入、財務費用及未分配收益以及企業及其他未分配開支。

於本年度，本集團重新調整其內部呈報架構，導致其可呈報分部的組成發生變動。鑒於縮減放債業務，本年度，本集團按集團基準管理先前於放債業務項下的資源。因此，放債業務概無呈列獨立分部資料。

分部資產不包括其他未分配總辦事處及企業資產，其中包括現金及現金等值物、於一間合營公司之投資及與該合營公司之結餘、物業、廠房及設備以及應收貸款及應收利息，此乃由於該等資產按集團基準管理。

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5. SEGMENT INFORMATION (Continued)

Segment liabilities exclude other unallocated head office and corporate liabilities, including interest-bearing bank and other borrowings, tax payable, deferred tax liabilities and other payables, accruals and deposits received, as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

5. 分部資料 (續)

分部負債不包括其他未分配總辦事處及企業負債，其中包括計息銀行及其他借貸、應付稅項、遞延稅項負債及其他應付款項、應計款項及已收按金，此乃由於該等負債按集團基準管理。

分部間銷售及轉讓乃參考以當時市價向第三方銷售之售價而進行。

| | | Manufacturing and trading 製造及買賣 HK\$'000 千港元 | Property investment 物業投資 HK\$'000 千港元 | Debts and securities investment 債務及證券投資 HK\$'000 千港元 | Film investment and distribution 電影投資及發行 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|----------------------------|---|--|---|--|--------------------------------|
| In respect of the year ended 31 March 2020 | 就截至二零二零年三月三十一日止年度而言 | | | | | |
| Segment revenue | 分部收益 | 62,609 | 2,768 | - | 1,529 | 66,906 |
| Inter-segment revenue | 分部間收益 | - | (660) | - | - | (660) |
| Revenue from external customers | 來自外部客戶之收益 | 62,609 | 2,108 | - | 1,529 | 66,246 |
| Segment (loss)/profit | 分部(虧損)/溢利 | (35,360) | (5,006) | (1,558) | (53,108) | (95,062) |
| Bank interest income | 銀行利息收入 | | | | | 23 |
| Interest income from loan receivables | 應收貸款利息收入 | | | | | 2,187 |
| Corporate and other unallocated expenses | 企業及其他未分配開支 | | | | | (15,245) |
| Finance costs | 財務費用 | | | | | (5,111) |
| Share of profit of a joint venture | 分佔一間合營公司之溢利 | 103 | - | - | - | 103 |
| Share of profit of an associate | 分佔一間聯營公司之溢利 | - | - | - | 10,712 | 10,712 |
| Loss before tax | 除稅前虧損 | | | | | (102,393) |
| Segment assets | 分部資產 | 109,925 | 69,865 | 5,967 | 154,316 | 340,073 |
| Corporate and other unallocated assets | 企業及其他未分配資產 | | | | | 39,591 |
| Total assets | 資產總額 | | | | | 379,664 |
| Segment liabilities | 分部負債 | 74,233 | 795 | 35 | 24,625 | 99,688 |
| Corporate and other unallocated liabilities | 企業及其他未分配負債 | | | | | 59,418 |
| Total liabilities | 負債總額 | | | | | 159,106 |

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5. SEGMENT INFORMATION (Continued)

5. 分部資料 (續)

| | | Manufacturing and trading | Property investment | Debts and securities investment | Film investment and distribution | Total |
|--|---------------------------------|------------------------------|------------------------|---------------------------------------|--|----------------|
| | | 製造及買賣 | 物業投資 | 債務及 證券投資 | 電影投資及 發行 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Other segment information: | 其他分部資料: | | | | | |
| Share of profit of a joint venture | 分佔一間合營公司之溢利 | 103 | - | - | - | 103 |
| Share of profit of an associate | 分佔一間聯營公司之溢利 | - | - | - | 10,712 | 10,712 |
| Depreciation and amortisation | 折舊及攤銷 | | | | | |
| Segment expenses | 分部開支 | (5,480) | (309) | - | (3,150) | (8,939) |
| Unallocated | 未分配 | | | | | (299) |
| Total | 總計 | | | | | (9,238) |
| Impairment loss on investment in an associate | 於一間聯營公司之投資減值虧損 | - | - | - | (18,543) | (18,543) |
| Provision for inventory obsolescence | 滯銷存貨撥備 | (66) | - | - | - | (66) |
| Impairment of trade receivables | 應收賬款減值 | (2,013) | - | - | - | (2,013) |
| Impairment of loan and interest receivables | 應收貸款及應收利息減值 | | | | | |
| Segment expense | 分部開支 | - | - | - | - | - |
| Unallocated | 未分配 | | | | | (9,480) |
| Total | 總計 | | | | | (9,480) |
| Reversal of impairment loss on investment in and loan to a joint venture | 撥回於一間合營公司之投資及 向一間合營公司貸款之減值虧損 | 98 | - | - | - | 98 |
| Additions to items of property, plant and equipment | 添置物業、廠房及設備項目 | 1,087 | - | - | 279 | 1,366 |

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5. SEGMENT INFORMATION (Continued)

5. 分部資料 (續)

| | | Manufacturing and trading 製造及買賣 HK\$'000 千港元 | Property investment 物業投資 HK\$'000 千港元 | Debts and securities investment 債務及 證券投資 HK\$'000 千港元 | Film investment and distribution 電影投資及 發行 HK\$'000 千港元 | Money lending 放款 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-----------------------------------|--|---|---|---|---|--------------------------------|
| In respect of the year ended 31 March 2019 | 就截至二零一九年 三月三十一日止年度而言 | | | | | | |
| Segment revenue | 分部收益 | 169,287 | 2,644 | 1,300 | 1,102 | 4,948 | 179,281 |
| Inter-segment revenue | 分部間收益 | - | (330) | - | - | - | (330) |
| Revenue from external customers | 來自外部客戶之收益 | 169,287 | 2,314 | 1,300 | 1,102 | 4,948 | 178,951 |
| Segment (loss)/profit | 分部 (虧損)/溢利 | (45,611) | 1,663 | (686) | (27,830) | (24,328) | (96,792) |
| Bank interest income | 銀行利息收入 | | | | | | 13 |
| Corporate and other unallocated expenses | 企業及其他未分配開支 | | | | | | (16,226) |
| Finance costs | 財務費用 | | | | | | (2,231) |
| Share of profit of a joint venture | 分佔一間合營公司之溢利 | 350 | - | - | - | - | 350 |
| Share of profit of an associate | 分佔一間聯營公司之溢利 | - | - | - | 11,525 | - | 11,525 |
| Loss before tax | 除稅前虧損 | | | | | | (103,361) |
| Segment assets | 分部資產 | 124,127 | 77,457 | 6,705 | 184,809 | 20,702 | 413,800 |
| Corporate and other unallocated assets | 企業及其他未分配資產 | | | | | | 13,937 |
| Total assets | 資產總額 | | | | | | 427,737 |
| Segment liabilities | 分部負債 | 72,046 | 354 | - | 17,575 | - | 89,975 |
| Corporate and other unallocated liabilities | 企業及其他未分配負債 | | | | | | 39,314 |
| Total liabilities | 負債總額 | | | | | | 129,289 |
| Other segment information: | 其他分部資料: | | | | | | |
| Share of profit of a joint venture | 分佔一間合營公司之溢利 | 350 | - | - | - | - | 350 |
| Share of profit of an associate | 分佔一間聯營公司之溢利 | - | - | - | 11,525 | - | 11,525 |
| Depreciation and amortisation | 折舊及攤銷 | (8,996) | (69) | (182) | (1,233) | - | (10,480) |
| Impairment loss on investment in an associate | 於一間聯營公司投資之 減值虧損 | - | - | - | (21,000) | - | (21,000) |
| Reversal of provision for inventory obsolescence | 滯銷存貨撥備撥回 | 1,070 | - | - | - | - | 1,070 |
| Impairment of trade receivables | 應收賬款減值 | (11) | - | - | - | - | (11) |
| Impairment of loan and interest receivables | 應收貸款及應收利息減值 | - | - | - | - | (28,844) | (28,844) |
| Impairment loss on investment in and loan to a joint venture | 於一間合營公司之投資 及向一間合營公司 貸款之減值虧損 | (162) | - | - | - | - | (162) |
| Additions to items of property, plant and equipment | 添置物業、廠房及設備項目 | 5,341 | 236 | - | 3,789 | - | 9,366 |

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5. SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenue from external customers

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| Europe | 歐洲 | 14,485 | 23,733 |
| America | 美洲 | 40,586 | 53,859 |
| The People's Republic of China ("PRC") (including Hong Kong) | 中華人民共和國 (「中國」) (包括香港) | 8,884 | 96,908 |
| Other Asian countries | 其他亞洲國家 | 2,091 | 3,674 |
| Others | 其他 | 200 | 777 |
| | | 66,246 | 178,951 |

The revenue information above is based on the locations of the customers. The PRC (including Hong Kong) segment mainly represents rental income from lessees located in the PRC (including Hong Kong), the sales of eyewear products to agents located in Hong Kong including sales made to local retailers, fair value gains on listed equity investments and interest income from loans made in Hong Kong. The directors are of the opinion that the agents in Hong Kong export the Group's products mainly to ultimate customers located in Europe and America.

(b) Non-current assets

All significant operating assets of the Group are located in the PRC (including Hong Kong). Accordingly, no geographical information of segment assets is presented.

Information about major customers

Revenue from individual customers of the corresponding years contributing over 10% of total revenue of the Group is as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------|----------|----------------------------------|----------------------------------|
| Customer A – USA | 客戶A – 美國 | 28,911 | 30,174 |
| Customer B – PRC | 客戶B – 中國 | N/A不適用* | 82,220 |

* The revenue of Customer B did not contribute over 10% of the total revenue of the Group for the year ended 31 March 2020.

5. 分部資料 (續)

地域資料

(a) 來自外部客戶之收益

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Europe | 14,485 | 23,733 |
| America | 40,586 | 53,859 |
| The People's Republic of China ("PRC") (including Hong Kong) | 8,884 | 96,908 |
| Other Asian countries | 2,091 | 3,674 |
| Others | 200 | 777 |
| | 66,246 | 178,951 |

上述收益資料乃根據客戶所在地劃分。中國(包括香港)分部主要指從位於中國(包括香港)之承租人收取之租金收入、向位於香港的代理商及零售商銷售眼鏡產品、上市股權投資的公允值收益及來自香港的放債利息收入。董事認為香港之代理將本集團產品主要出口予位於歐洲及美洲的最終客戶。

(b) 非流動資產

本集團所有重大營運資產均位於中國(包括香港)。因此，並無呈列分部資產之地域資料。

有關主要客戶之資料

於相關年度來自為本集團貢獻總收益10%以上的個人客戶之收益如下：

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------|----------------------------------|----------------------------------|
| Customer A – USA | 28,911 | 30,174 |
| Customer B – PRC | N/A不適用* | 82,220 |

* 截至二零二零年三月三十一日止年度，來自客戶B之收益並未貢獻本集團總收益之10%以上。

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6. REVENUE AND OTHER INCOME

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, gross rental income and agency and commission income from film distribution.

An analysis of the Group's revenue and other income is as follows:

6. 收益及其他收入

收益指扣除退貨撥備及貿易折扣後售出貨品之發票淨值、總租金收入及電影發行代理及佣金收入。

本集團收益及其他收入之分析如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-----------------------------------|----------------------------------|----------------------------------|
| Revenue: | 收益： | | |
| Sale of goods | 銷售貨品 | 62,609 | 169,287 |
| Rental income from lease of investment properties | 租賃投資物業之租金收入 | 2,108 | 2,314 |
| Interest income on money lending business | 放債業務之利息收入 | - | 4,948 |
| Film distribution agency and commission income | 電影發行代理及佣金收入 | 1,529 | 1,102 |
| Fair value gains on equity investments at fair value through profit or loss, net | 按公允值計入損益之股權投資之公允值收益淨額 | - | 1,300 |
| | | 66,246 | 178,951 |
| Other income and gains: | 其他收入及收益： | | |
| Sale of scrap materials | 銷售廢料 | 323 | 68 |
| Accounting service fee | 會計服務費 | 1,080 | 1,260 |
| Bank interest income | 銀行利息收入 | 23 | 13 |
| Interest income from loan receivables | 應收貸款利息收入 | 2,187 | - |
| Rental income from lease of machineries | 租賃機器之租金收入 | 1,327 | - |
| Fair value gains on equity investments at fair value through profit or loss, net | 按公允值計入損益之股權投資之公允值收益淨額 | 2,306 | - |
| Gain on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目之收益 | 177 | 27 |
| Gain on changes in fair values of investment properties | 投資物業公允值變動之收益 | - | 2,100 |
| Write-back of other payables | 其他應付款項撥回 | 692 | 363 |
| Reversal of impairment loss on investment in and loan to joint venture (note 19) | 撥回於一間合營公司之投資及向一間合營公司貸款之減值虧損(附註19) | 98 | - |
| Others | 其他 | 783 | 905 |
| | | 8,996 | 4,736 |

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7. OTHER OPERATING EXPENSES

7. 其他經營開支

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------------------------------|----------------------------------|----------------------------------|
| Impairment of trade receivables (note 22) | 應收賬款減值(附註22) | 2,013 | 11 |
| Impairment of loan and interest receivables (note 23) | 應收貸款及應收利息減值(附註23) | 9,480 | 28,844 |
| Impairment of other receivables | 其他應收款項減值 | 127 | - |
| Impairment loss on investment in an associate (note 18) | 於一間聯營公司之投資之減值虧損(附註18) | 18,543 | 21,000 |
| Impairment loss on investment in and loan to a joint venture (note 19) | 於一間合營公司之投資及向一間合營公司貸款之減值虧損(附註19) | - | 162 |
| Impairment loss on property, plant and equipment | 物業、廠房及設備減值虧損 | 2,706 | - |
| Loss on changes in fair value of investment properties (note 15) | 投資物業公允值變動之虧損(附註15) | 2,088 | - |
| Fair value loss on financial assets at fair value through profit or loss – investments in film production | 按公允值計入損益之金融資產之公允值虧損 – 電影製作投資 | 13,647 | - |
| Others | 其他 | 66 | - |
| | | 48,670 | 50,017 |

8. FINANCE COSTS

8. 財務費用

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------------------------|------------|----------------------------------|----------------------------------|
| Interest on bank and other borrowings | 銀行及其他借貸的利息 | 4,506 | 2,219 |
| Interest on finance leases | 融資租賃利息 | 30 | 12 |
| Interest on lease liabilities | 租賃負債利息 | 575 | - |
| | | 5,111 | 2,231 |

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9. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

9. 除稅前虧損

本集團除稅前虧損於扣除／（計入）下列各項後達致：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|---------------------------------|----------------------------------|----------------------------------|
| Cost of inventories sold* | 已售存貨成本* | 56,592 | 161,832 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 6,077 | 10,364 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 1,411 | - |
| Amortisation of prepaid land lease payments | 預付土地租賃款項之攤銷 | - | 116 |
| Amortisation of intangible assets | 無形資產之攤銷 | 1,750 | - |
| Auditor's remuneration | 核數師酬金 | | |
| – audit service | – 審核服務 | 1,225 | 1,200 |
| – non-audit service | – 非審核服務 | 50 | - |
| Minimum lease payments under operating leases in respect of land and buildings | 土地及樓宇之最低經營租約租金 | - | 7,199 |
| Short-term leases expenses | 短期租賃開支 | 2,164 | - |
| Employee benefit expense (excluding directors' and chief executive's remuneration): | 僱員福利開支（不包括董事及行政總裁酬金）： | | |
| Wages, salaries and other benefits | 工資、薪金及其他福利 | 32,928 | 49,952 |
| Pension scheme contributions** | 退休金計劃供款** | 1,989 | 5,383 |
| | | 34,917 | 55,335 |
| Gross rental income | 租金收入總額 | (2,108) | (2,314) |
| Less: Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties* | 減：賺取租金之投資物業所產生之直接經營開支（包括維修及保養）* | 294 | 259 |
| Net rental income | 租金收入淨額 | (1,814) | (2,055) |
| Provision/(reversal) for inventory obsolescence* | 滯銷存貨撥備／（撥回）* | 66 | (1,070) |
| Foreign exchange losses, net | 匯兌虧損，淨額 | 4,569 | 2,285 |

* Included in "cost of sales and services" on the face of the consolidated statement of profit or loss.

** At the end of the reporting period, the Group had no forfeited pension scheme contributions available to reduce its contributions to the pension schemes in future years (2019: Nil).

* 列入綜合損益表中之「銷售及服務成本」。

** 於報告期末，本集團並無已沒收退休金計劃供款可供削減未來年度之退休金計劃供款（二零一九年：無）。

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10. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

Directors' and chief executive's remuneration

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------------------|---------|----------------------------------|----------------------------------|
| Fees | 袍金 | 268 | 426 |
| Other emoluments: | 其他酬金： | | |
| Basic salaries and bonuses | 基本薪金及花紅 | 630 | 3,077 |
| Pension scheme contributions | 退休金計劃供款 | 34 | 50 |
| | | 664 | 3,127 |
| Total | 總計 | 932 | 3,553 |

a. Independent non-executive directors

The fees paid to independent non-executive directors for the year were as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------------|-----|----------------------------------|----------------------------------|
| Wan Kin Man, Tony | 尹健民 | - | 120 |
| Chan Wei | 陳淮 | - | 5 |
| Chan Ming Kei | 陳銘基 | - | 120 |
| Chen Youchun | 陳友春 | 8 | 120 |
| Chan Chung Yin, Victor | 陳仲然 | - | 34 |
| Man Wai Lun | 文偉麟 | 120 | 27 |
| Cheung Chun Man | 鄭振民 | 85 | - |
| Tang, Warren Louis | 唐偉倫 | 55 | - |
| Hui Man Ho, Ivan | 許文浩 | - | - |
| | | 268 | 426 |

There were no other emoluments payable to the independent non-executive directors for the year (2019: Nil).

10. 董事、行政總裁及五名最高薪僱員之酬金

董事及行政總裁酬金

2020
二零二零年
HK\$'000
千港元

2019
二零一九年
HK\$'000
千港元

a. 獨立非執行董事

年內向獨立非執行董事支付之袍金如下：

年內概無應付獨立非執行董事之其他酬金（二零一九年：零）。

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10. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (Continued)

Directors' and chief executive's remuneration (Continued)

- b. Executive directors, non-executive directors and the chief executive

10. 董事、行政總裁及五名最高 薪僱員之酬金 (續)

董事及行政總裁酬金 (續)

- b. 執行董事、非執行董事及行政總裁

| | | Basic salaries and bonuses 基本薪金 及花紅 HK\$'000 千港元 | Pension scheme contributions 退休金 計劃供款 HK\$'000 千港元 | Total remuneration 酬金總額 HK\$'000 千港元 |
|------------------------------------|------------------|---|--|--|
| 2020 | 二零二零年 | | | |
| Executive directors: | 執行董事： | | | |
| Liu Shufeng ¹ | 劉書風 ¹ | 49 | 5 | 54 |
| Chan Kam Wah ² | 陳錦華 ² | 12 | 1 | 13 |
| Chung Yuk Lun | 鍾育麟 | 398 | 13 | 411 |
| Chan Chung Yin Victor ³ | 陳仲然 ³ | 171 | 9 | 180 |
| Non-executive directors: | 非執行董事： | | | |
| Wong Hoi Fung ⁴ | 王海峰 ⁴ | - | 1 | 1 |
| Wong Hoi Ping ⁵ | 王海平 ⁵ | - | 5 | 5 |
| | | 630 | 34 | 664 |

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10. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (Continued)

Directors' and chief executive's remuneration (Continued)

b. Executive directors, non-executive directors and the chief executive (Continued)

10. 董事、行政總裁及五名最高薪僱員之酬金 (續)

董事及行政總裁酬金 (續)

b. 執行董事、非執行董事及行政總裁 (續)

| | | Basic salaries and bonuses 基本薪金 及花紅 HK\$'000 千港元 | Pension scheme contributions 退休金 計劃供款 HK\$'000 千港元 | Total remuneration 酬金總額 HK\$'000 千港元 |
|-----------------------------|-------------------|---|--|--|
| 2019 | 二零一九年 | | | |
| Executive directors: | 執行董事： | | | |
| Chan Wai Kit ⁶ | 陳偉傑 ⁶ | 43 | 1 | 44 |
| Liu Shufeng | 劉書風 | 960 | 18 | 978 |
| Ma Yilin ⁷ | 麻伊琳 ⁷ | 356 | – | 356 |
| Wong Chi Yan ⁸ | 黃志恩 ⁸ | 537 | 10 | 547 |
| Chan Kam Wah | 陳錦華 | 53 | 2 | 55 |
| Chung Yuk Lun | 鍾育麟 | 171 | 4 | 175 |
| Liu Longkin ⁹ | 劉朗堅 ⁹ | 137 | – | 137 |
| Wong Hoi Ping | 王海平 | 622 | 10 | 632 |
| Non-executive directors: | 非執行董事： | | | |
| Wang Jijun ¹⁰ | 王季君 ¹⁰ | 81 | – | 81 |
| Wong Hoi Fung | 王海峰 | 117 | 5 | 122 |
| | | 3,077 | 50 | 3,127 |

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

年內概無董事或行政總裁放棄或同意放棄任何酬金之安排。

¹ Ms. Liu Shufeng resigned as an executive director with effect from 14 June 2019.

¹ 劉書風女士自二零一九年六月十四日起辭任執行董事。

² Mr. Chan Kam Wah resigned as an executive director with effect from 18 April 2019.

² 陳錦華先生自二零一九年四月十八日起辭任執行董事。

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10. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (Continued)

Directors' and chief executive's remuneration (Continued)

b. Executive directors, non-executive directors and the chief executive (Continued)

- ³ Mr. Chan Chung Yin Victor was appointed as an executive director with effect from 15 July 2019, and resigned as an independent executive director with effect from 11 January 2019.
- ⁴ Mr. Wong Hoi Fung resigned as non-executive director with effect from 9 May 2019.
- ⁵ Mr. Wong Hoi Ping was appointed as non-executive director and resigned as an executive director with effect from 27 May 2019.
- ⁶ Mr. Chan Wai Kit resigned as an executive director with effect from 17 April 2018.
- ⁷ Ms. Ma Yilin resigned as an executive director with effect from 14 April 2018.
- ⁸ Mr. Wong Chi Yan resigned as an executive director with effect from 22 October 2018.
- ⁹ Mr. Liu Longkin resigned as an executive director with effect from 28 September 2018.
- ¹⁰ Ms. Wong Jijun resigned as non-executive director with effect from 28 September 2018.

Five highest paid employees' emoluments

The five highest paid individuals during the year do not include any director (2019: one director, details of whose remuneration are disclosed above). Details of the remuneration of the five (2019: remaining four) non-director, highest paid individuals for the year are set out below:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------------------|---------|----------------------------------|----------------------------------|
| Basic salaries and bonuses | 基本薪金及花紅 | 4,154 | 3,701 |
| Housing benefits | 房屋福利 | 1,452 | 1,572 |
| Pension scheme contributions | 退休金計劃供款 | 109 | 98 |
| | | 5,715 | 5,371 |

10. 董事、行政總裁及五名最高薪僱員之酬金 (續)

董事及行政總裁酬金 (續)

b. 執行董事、非執行董事及行政總裁 (續)

- ³ 陳仲然先生自二零一九年七月十五日起獲委任為執行董事及自二零一九年一月十一日起辭任獨立非執行董事。
- ⁴ 王海峰先生自二零一九年五月九日起辭任非執行董事。
- ⁵ 王海平先生自二零一九年五月二十七日起獲委任為非執行董事及辭任執行董事。
- ⁶ 陳偉傑先生自二零一八年四月十七日起辭任執行董事。
- ⁷ 麻伊琳女士自二零一八年四月十四日起辭任執行董事。
- ⁸ 黃志恩先生自二零一八年十月二十二日起辭任執行董事。
- ⁹ 劉朗堅先生自二零一八年九月二十八日起辭任執行董事。
- ¹⁰ 王季君女士自二零一八年九月二十八日起辭任非執行董事。

五名最高薪僱員之酬金

年內，五名最高薪人士中不包括任何董事（二零一九年：一名董事，其酬金詳情已於上文披露）。年內，五名（二零一九年：餘下四名）非董事最高薪人士之酬金詳情如下：

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10. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (Continued)

Five highest paid employees' emoluments (Continued)

The number of non-director, highest paid individuals whose remuneration fell within the following bands is as follows:

| | | Number of non-director, highest paid individuals 非董事最高薪人士人數 | |
|--------------------------------|-------------------------|--|----------------------------------|
| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 3 | 1 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | 1 | 2 |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001港元至2,000,000港元 | 1 | – |
| HK\$2,000,001 to HK\$2,500,000 | 2,000,001港元至2,500,000港元 | – | 1 |
| | | 5 | 4 |

One of the non-director, highest paid individuals occupied one of the Group's properties rent free during the year. The estimated value of the accommodation provided to him was HK\$252,000 (2019: HK\$252,000) for the year ended 31 March 2020, which has been included in the amounts detailed above.

10. 董事、行政總裁及五名最高薪僱員之酬金 (續)

五名最高薪僱員之酬金 (續)

酬金介乎下列範圍之非董事最高薪人士之人數如下：

年內，其中一名非董事最高薪人士免租居住於本集團其中一項物業。截至二零二零年三月三十一日止年度，向彼提供住屋之估計租值為252,000港元（二零一九年：252,000港元），已計入上文詳述金額內。

11. INCOME TAX CREDIT

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------|-----------|----------------------------------|----------------------------------|
| Current – Hong Kong | 即期 – 香港 | | |
| Charge for the year | 本年度支出 | – | – |
| Current – Elsewhere | 即期 – 其他地區 | | |
| Charge for the year | 本年度支出 | (1) | (1) |
| Overprovision in prior years | 過往年度超額撥備 | 779 | 637 |
| Deferred tax charge | 遞延稅項支出 | (70) | (116) |
| Total tax credit for the year | 本年度稅項抵免總額 | 708 | 520 |

No provision for the Hong Kong profits tax has been made as the Group does not generate any assessable profits for the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

11. 所得稅抵免

由於本集團於本年度並無產生任何應課稅溢利，故並未計提香港利得稅撥備。其他地區之應課稅溢利之稅項乃根據本集團經營業務所在司法權區之現行稅率計算。

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11. INCOME TAX CREDIT (Continued)

The income tax credit/expense can be reconciled to the loss before tax per the consolidated statement of profit or loss as follows:

11. 所得稅抵免 (續)

所得稅抵免／開支可與綜合損益表之除稅前虧損對賬如下：

| | | Hong Kong 香港 | The PRC 中國 | Total 總計 |
|--|--------------|-----------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| 2020 | 二零二零年 | | | |
| Loss before tax | 除稅前虧損 | (78,191) | (24,202) | (102,393) |
| Tax at the statutory tax rate | 按法定稅率計算之稅項 | (12,901) | (6,050) | (18,951) |
| Expenses not deductible for tax | 不可扣稅之開支 | 10,373 | 6,051 | 16,424 |
| Profit attributable to a joint venture | 一間合營公司應佔溢利 | (17) | - | (17) |
| Profit attributable to an associate | 一間聯營公司應佔溢利 | (1,767) | - | (1,767) |
| Tax losses not recognised | 未確認稅項虧損 | 4,312 | - | 4,312 |
| Adjustments in respect of previous periods | 過往期間之調整 | - | (779) | (779) |
| Income tax expense/(credit) | 所得稅開支／(抵免) | 70 | (778) | (708) |
| 2019 | 二零一九年 | | | |
| Loss before tax | 除稅前虧損 | (72,131) | (31,230) | (103,361) |
| Tax at the statutory tax rate | 按法定稅率計算之稅項 | (11,902) | (7,808) | (19,710) |
| Expenses not deductible for tax | 不可扣稅之開支 | 3,465 | 7,809 | 11,274 |
| Profit attributable to a joint venture | 一間合營公司應佔溢利 | (58) | - | (58) |
| Profit attributable to an associate | 一間聯營公司應佔溢利 | (1,902) | - | (1,902) |
| Tax losses not recognised | 未確認稅項虧損 | 10,513 | - | 10,513 |
| Adjustments in respect of previous periods | 過往期間之調整 | (637) | - | (637) |
| Income tax (credit)/expense | 所得稅(抵免)／開支 | (521) | 1 | (520) |

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12. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amounts is based on the loss for the year attributable to owners of the Company amounted to HK\$98,399,000 (2019: HK\$99,090,000), and the weighted average of 442,398,000 (2019: 415,894,000) ordinary shares in issue during the year.

The weighted average number of ordinary shares adopted for the basic loss per share for the year ended 31 March 2019 has been adjusted to take account of the effect arising from the rights issue of shares by the Company on 18 February 2020.

No diluted loss per share is presented as the Group had no potential dilutive ordinary shares in issue during the years ended 31 March 2020 and 2019 or as at those dates.

12. 本公司擁有人應佔每股虧損

每股基本虧損乃按年內本公司擁有人應佔本年度虧損98,399,000港元(二零一九年: 99,090,000港元)及已發行普通股加權平均數442,398,000股(二零一九年: 415,894,000股)計算。

就計算截至二零一九年三月三十一日止年度的每股基本虧損所採納的普通股加權平均數已作調整,以計及本公司於二零二零年二月十八日進行供股產生的影響。

由於截至二零二零年及二零一九年三月三十一日止年度期間或於該等日期本集團並無已發行具攤薄潛力之普通股,故並無呈列每股攤薄虧損。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

| | | Land and buildings | Leasehold improvements | Plant and machinery | Furniture, fixtures and office equipment | Motor vehicles | Total |
|--|-------------------------------------|--------------------|------------------------|---------------------|--|----------------|----------|
| | | 土地及樓宇 | 租賃物業裝修 | 廠房及機器 | 傢俬、裝置及辦公室設備 | 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 |
| 31 March 2020 | 二零二零年三月三十一日 | | | | | | |
| At 31 March 2019 | 於二零一九年三月三十一日 | | | | | | |
| Cost | 成本 | 57,962 | 31,590 | 30,422 | 9,823 | 12,404 | 142,201 |
| Accumulated depreciation and impairment | 累計折舊及減值 | (17,868) | (24,355) | (27,111) | (5,713) | (9,013) | (84,060) |
| Carrying amount | 賬面值 | 40,094 | 7,235 | 3,311 | 4,110 | 3,391 | 58,141 |
| Carrying amount at 31 March 2019 | 於二零一九年三月三十一日之賬面值 | 40,094 | 7,235 | 3,311 | 4,110 | 3,391 | 58,141 |
| Assets reclassified to right-of-use assets upon adoption of HKFRS 16 (note 14) | 於採納香港財務報告準則第16號後重新分類至使用權資產之資產(附註14) | - | - | - | - | (466) | (466) |
| Carrying amount at 1 April 2019 | 於二零一九年四月一日之賬面值 | 40,094 | 7,235 | 3,311 | 4,110 | 2,925 | 57,675 |
| Additions, at cost | 添置, 按成本 | - | - | 8 | 488 | 870 | 1,366 |
| Disposals | 出售 | - | (1,252) | (687) | (529) | (5) | (2,473) |
| Depreciation provided for the year | 年內作出折舊撥備 | (1,833) | (792) | (988) | (1,666) | (798) | (6,077) |
| Gain on property revaluation | 物業重估收益 | 1,124 | - | - | - | - | 1,124 |
| Impairment recognised in profit or loss | 於損益確認之減值 | - | (1,868) | - | (222) | (616) | (2,706) |
| Transfer to investment property (note 15) | 轉至投資物業(附註15) | (1,865) | - | - | - | - | (1,865) |
| Exchange realignment | 匯兌調整 | (1,855) | (388) | (714) | (42) | (18) | (3,017) |
| Carrying amount at 31 March 2020 | 於二零二零年三月三十一日之賬面值 | 35,665 | 2,935 | 930 | 2,139 | 2,358 | 44,027 |
| At 31 March 2020 | 於二零二零年三月三十一日 | | | | | | |
| Cost | 成本 | 54,363 | 14,193 | 15,340 | 8,501 | 6,137 | 98,534 |
| Accumulated depreciation and impairment | 累計折舊及減值 | (18,698) | (11,258) | (14,410) | (6,362) | (3,779) | (54,507) |
| Carrying amount | 賬面值 | 35,665 | 2,935 | 930 | 2,139 | 2,358 | 44,027 |

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13. PROPERTY, PLANT AND EQUIPMENT (Continued)

13. 物業、廠房及設備 (續)

| | | Land and buildings | Leasehold improvements | Plant and machinery | Furniture, fixtures and office equipment | Motor vehicles | Total |
|---|----------------------|-----------------------|---------------------------|------------------------|---|-------------------|----------|
| | | 土地及樓宇 | 租賃物業 裝修 | 廠房及 機器 | 傢俬、裝置 及辦公室 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 |
| 31 March 2019 | 二零一九年三月三十一日 | | | | | | |
| At 1 April 2018: | 於二零一八年四月一日: | | | | | | |
| Cost | 成本 | 60,917 | 31,887 | 37,498 | 6,592 | 11,321 | 148,215 |
| Accumulated depreciation and impairment | 累計折舊及減值 | (17,997) | (21,305) | (32,314) | (4,743) | (9,978) | (86,337) |
| Carrying amount | 賬面值 | 42,920 | 10,582 | 5,184 | 1,849 | 1,343 | 61,878 |
| Carrying amount at 1 April 2018 | 於二零一八年四月一日之 賬面值 | 42,920 | 10,582 | 5,184 | 1,849 | 1,343 | 61,878 |
| Additions, at cost | 添置，按成本 | - | 601 | 1,760 | 4,136 | 2,869 | 9,366 |
| Disposals | 出售 | - | - | - | - | (63) | (63) |
| Depreciation provided for the year | 年內作出折舊撥備 | (1,328) | (2,148) | (4,421) | (1,749) | (834) | (10,480) |
| Exchange realignment | 匯兌調整 | (1,498) | (1,800) | 788 | (126) | 76 | (2,560) |
| Carrying amount at 31 March 2019 | 於二零一九年三月三十一日 之賬面值 | 40,094 | 7,235 | 3,311 | 4,110 | 3,391 | 58,141 |
| At 31 March 2019: | 於二零一九年三月三十一日: | | | | | | |
| Cost | 成本 | 57,962 | 31,590 | 30,422 | 9,823 | 12,404 | 142,201 |
| Accumulated depreciation and impairment | 累計折舊及減值 | (17,868) | (24,355) | (27,111) | (5,713) | (9,013) | (84,060) |
| Carrying amount | 賬面值 | 40,094 | 7,235 | 3,311 | 4,110 | 3,391 | 58,141 |

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13. PROPERTY, PLANT AND EQUIPMENT (Continued)

The land use rights of certain buildings included in land and buildings are separately presented in "Right-of-use assets" (since 1 April 2019) (note 14) or "Prepaid land lease payments" (note 17) (before 1 April 2019).

During the year ended 31 March 2020, certain land and building with the carrying amount of HK\$1,865,000 were transferred to the investment properties and the net gain on change in fair value of this property amounted to HK\$1,012,000 (comprising the gain on change in fair value of HK\$1,124,000 less attributable deferred tax liabilities of HK\$112,000) was included in asset revaluation reserve.

The carrying amounts of the Group's motor vehicles held under finance leases at 31 March 2020 amounted to HK\$nil (2019: HK\$2,468,000).

As at 31 March 2020, the Group had pledged part of its land and buildings with the carrying amount of approximately HK\$16,000,000 (2019: nil) to secure the Group's borrowings.

13. 物業、廠房及設備 (續)

計入土地及樓宇之若干樓宇之土地使用權單獨呈列於「使用權資產」(自二零一九年四月一日起)(附註14)或「預付土地租賃款項」(附註17)(於二零一九年四月一日前)。

截至二零二零年三月三十一日止年度，賬面值為1,865,000港元的若干土地及樓宇轉至投資物業，且該物業的公允價值變動收益淨額1,012,000港元(包括公允價值變動之收益1,124,000港元減應佔遞延稅項負債112,000港元)計入資產重估儲備。

於二零二零年三月三十一日，本集團以融資租賃所持汽車之賬面值為零港元(二零一九年：2,468,000港元)。

於二零二零年三月三十一日，本集團已抵押其賬面值約16,000,000港元(二零一九年：零)的部份土地及樓宇，以取得本集團的借款。

14. RIGHT-OF-USE ASSETS

14. 使用權資產

| | | Leasehold land 租賃土地 | Leased properties 租賃物業 | Leased motor vehicles 租賃汽車 | Total 總計 |
|---|---|--------------------------------------|--------------------------------------|--------------------------------------|-----------------|
| | | HK\$'000 千港元 (note a) (附註a) | HK\$'000 千港元 (note b) (附註b) | HK\$'000 千港元 (note b) (附註b) | HK\$'000 千港元 |
| Carrying amount at 1 April 2019 | 於二零一九年四月一日的賬面值 | 22,563 | 1,823 | 720 | 25,106 |
| Disposals | 出售 | - | (1,474) | (421) | (1,895) |
| Depreciation provided for the year ended 31 March 2020 | 截至二零二零年三月三十一日止年度的折舊撥備 | (784) | (328) | (299) | (1,411) |
| Exchange realignment | 匯兌調整 | (1,413) | - | - | (1,413) |
| Carrying amount at 31 March 2020 | 於二零二零年三月三十一日的賬面值 | 20,366 | 21 | - | 20,387 |
| Expense relating to short-term leases and other leases with lease terms end within twelve months of the date of initial application of HKFRS 16 | 有關短期租賃及租賃期於首次應用香港財務報告準則第16號日期起十二個月內完結的其他租賃的開支 | | | | 2,164 |
| Total cash outflow for leases | 租賃現金流出總額 | | | | 3,412 |

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14. RIGHT-OF-USE ASSETS (Continued)

Notes:

- (a) The Group owns various industrial buildings where its manufacturing facilities are primarily located in the PRC. The Group is the registered owner of the property interests, including the land in DaHou Village, XieGang Town of DongGuan, which previously recorded as prepaid land lease payments, and the land in Yin Hu industrial area, XieGang Town of DongGuan, which has 50 years fixed lease term with monthly payments by the Group. For the land in DaHou Village, lump sum payments were made upfront to acquire the property interests. The leasehold land components of the owned property are presented separately only if the payments made can be allocated reliably.
- (b) As at 31 March 2020, the Group leases a car park (1 April 2019: various office premise, car park and motor vehicles) for its operations. Lease contracts are entered into for fixed term of one year to five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. As at 31 March 2020, the Group has extension and/or termination options in a number of leases for offices.

The lease of assets are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options or not to exercise the termination options. There was no potential exposures to these future lease payments for (i) extension options in which the Group is not reasonably certain to exercise and (ii) termination options in which the Group is not reasonably certain not to exercise.

There was no additional lease liabilities recognised during the year ended 31 March 2020 as a result of (i) exercising extension option that the Group was not reasonably certain to exercise and (ii) not exercising termination option that the Group was not reasonably certain not to exercise.

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 31 March 2020, there is no such triggering event.

14. 使用權資產 (續)

附註:

- (a) 本集團擁有多種工業大樓，其製造設施主要位於中國。本集團為物業權益（包括先前錄為預付土地租賃款項之位於東莞謝崗鎮大厚村的一塊土地，及具50年固定租期且由本集團按月付租之位於東莞謝崗鎮銀湖工業區的一塊土地）的登記擁有人。就位於大厚村的土地而言，我們已預付一次性款項以獲取物業權益。所擁有物業的租賃土地組成部分僅會在以可靠地分配付款的情況下作獨立呈列。
- (b) 於二零二零年三月三十一日，本集團為其營運租賃一個停車場（二零一九年四月一日：多個辦公室、停車場及汽車）。租賃合約按固定一年至五年年期訂立。租賃條款按個別基準磋商，並且包括各種不同的條款及條件。在釐定租賃期及評估不可撤回之期限時，本集團應用合約的定義並釐定合約可強制執行的期間。於二零二零年三月三十一日，本集團於多項辦公室租賃中擁有延長及／或終止的選擇權。

租賃資產用於將就管理本集團營運所用資產方面的營運靈活性擴大至最高。大部分所持有的延長及終止選擇權僅可由本集團而非由各自的出租人行使。

本集團於租賃開始日期評估是否合理確定行使延長選擇權或不行使終止選擇權。該等未來租賃付款就(i)本集團並非合理確定行使的延長選擇權；及(ii)本集團並非合理確定不行的終止選擇權而言，概無潛在風險。

於截至二零二零年三月三十一日止年度，概無確認額外租賃負債，此乃由於(i)行使本集團並非合理確定行使的延長選擇權；及(ii)不行的本集團並非合理確定不行的終止選擇權。

此外，本集團會在發生可由承租人控制的重大事件或重大情況變動時，重新評估是否合理確定會行使延長選擇權或不行的終止選擇權。於截至二零二零年三月三十一日止年度，概無出現有關觸發事件。

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15. INVESTMENT PROPERTIES

15. 投資物業

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|--------------------------|-------------|----------------------------------|----------------------------------|
| Fair value at beginning of year | 於年初之公允值 | | 77,457 | 75,357 |
| Transferred from property, plant and equipment | 自物業、廠房及設備轉撥 | 13 | 1,865 | – |
| (Loss)/gain on change in fair value recognised in other income and gains | 於其他收入及收益確認之公允值變動之(虧損)/收益 | 7 | (2,088) | 2,100 |
| Disposal of investment properties | 出售投資物業 | | (7,037) | – |
| Exchange realignment | 匯兌調整 | | (815) | – |
| Fair value at end of year | 於年末之公允值 | | 69,382 | 77,457 |

The Group's investment properties consist of three (2019: three) industrial properties, one (2019: one) residential property in Hong Kong, one (2019: one) industrial property and one (2019: none) commercial property in the PRC. The directors of the Company determined that the investment properties consist of three classes of assets, i.e., industrial, commercial and residential, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 March 2020 based on valuations performed by Roma Appraisals Limited, independent professionally qualified valuers of approximately HK\$69,382,000 (2019: approximately HK\$77,457,000). Each year, the Group's financial controller decides, after approval from the audit committee, to appoint external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's financial controller has discussions with the valuer on the valuation assumptions and valuation result once a year when the valuation is performed for annual financial reporting.

本集團的投資物業包括於香港的三項(二零一九年:三項)工業物業及一項(二零一九年:一項)住宅物業以及於中國的一項(二零一九年:一項)工業物業及一項(二零一九年:無)商業物業。根據各項物業的性質、特徵及風險,本公司董事認為投資物業包括三級資產,即工業、商業及住宅。根據獨立專業合資格估值師羅馬國際評估有限公司進行的估值,本集團投資物業於二零二零年三月三十一日重新估值為約69,382,000港元(二零一九年:約77,457,000港元)。本集團財務總監每年於取得審核委員會批准後決定委任外部估值師以負責本集團物業的外部估值。選擇條件包括市場知識、信譽、獨立身份及是否維持專業標準。本集團財務總監每年於為全年財務申報進行估值時與估值師就估值假設及估值結果進行討論。

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15. INVESTMENT PROPERTIES (Continued)

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 39(a) to the consolidated financial statements.

Particulars of the Group's investment properties are included on pages 195 and 196 of the Company's 2019/2020 annual report.

Fair value hierarchy

All the Group's investment properties were classified under Level 3 in the fair value measurement hierarchy.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2019: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

15. 投資物業 (續)

投資物業根據經營租約出租予第三方，進一步詳情於綜合財務報表附註39(a)概述。

本集團投資物業之詳情載於本公司二零一九／二零二零年報第195至196頁。

公允價值層級

所有本集團投資物業分類至公允價值計量層級第3級。

年內，並無公允價值計量於第1級與第2級之間轉撥，亦無撥入或撥出第3級（二零一九年：無）。

分類至公允價值層級第3級之公允價值計量對賬：

| | | Commercial property 商業物業 HK\$'000 千港元 | Industrial properties 工業物業 HK\$'000 千港元 | Residential property 住宅物業 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|----------------------------|---|---|--|--------------------------------|
| Carrying amount at 1 April 2018 | 於二零一八年四月一日的賬面值 | - | 39,957 | 35,400 | 75,357 |
| Gains on change in fair value recognised in profit or loss | 於損益確認之公允價值變動之收益 | - | 2,100 | - | 2,100 |
| Carrying amount at 31 March 2019 and 1 April 2019 | 於二零一九年三月三十一日及二零一九年四月一日的賬面值 | - | 42,057 | 35,400 | 77,457 |
| Transferred from property, plant and equipment | 自物業、廠房及設備轉撥 | 1,865 | - | - | 1,865 |
| Loss on change in fair value recognised in profit or loss | 於損益確認之公允價值變動之虧損 | (78) | (710) | (1,300) | (2,088) |
| Disposal of investment properties | 出售投資物業 | - | (7,037) | - | (7,037) |
| Exchange realignment | 匯兌調整 | (117) | (698) | - | (815) |
| Carrying amount at 31 March 2020 | 於二零二零年三月三十一日的賬面值 | 1,670 | 33,612 | 34,100 | 69,382 |

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15. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

Below is a summary of the significant inputs to the valuation of investment properties:

15. 投資物業 (續)

公允值層級 (續)

投資物業估值之重要輸入數據概要如下：

| | Valuation techniques 估值技巧 | Significant unobservable inputs 重要不可觀察輸入數據 | Weighted average price per square foot/square metre 每平方呎/平方米 加權平均價格 | |
|--|-------------------------------------|---|---|------------------------|
| | | | 2020 二零二零年 | 2019 二零一九年 |
| Commercial properties in the PRC 中國商業物業 | Market comparison approach 市場比較法 | Price per square metre 每平方米價格 | HK\$42,125 42,125港元 | N/A 不適用 |
| Industrial properties in Hong Kong 香港工業物業 | Market comparison approach 市場比較法 | Price per square foot 每平方呎價格 | HK\$4,400 4,400港元 | HK\$4,066 4,066港元 |
| Industrial properties in the PRC 中國工業物業 | Market comparison approach 市場比較法 | Price per square metre 每平方米價格 | HK\$1,615 1,615港元 | HK\$2,210 2,210港元 |
| Residential property in Hong Kong 香港住宅物業 | Market comparison approach 市場比較法 | Price per square foot 每平方呎價格 | HK\$13,362 13,362港元 | HK\$12,887 12,887港元 |

Under market comparison approach, the properties are valued on the market basis assuming sales in their existing state with the benefit of vacant possession and by reference to comparable sales evidence as available in the relevant markets. Comparison is based on prices realised in actual transactions or asking prices of comparable properties. Appropriate adjustments are then made to account for the differences between such properties in terms of age, time, location, floor level and other relevant factors.

In estimating fair value of the properties, the highest and best use of the properties is their current use.

A significant increase/(decrease) in price per square foot and price per square metre would result in a significant increase/(decrease) in the fair value of the investment properties.

根據市場比較法，該等物業乃按市場基準估值，假設該等物業乃以現況交吉出售，並參考有關市場之可資比較銷售憑證。比較乃基於實際交易中變現之價格或可資比較物業之要價。之後，就該等物業之房齡、時間、地點、樓層高低及其他相關因素之差異作出適當調整。

於估計物業之公允值時，物業之最高及最佳用途為其目前用途。

每平方呎價格及每平方米價格顯著增加／（減少）可導致投資物業之公允值顯著增加／（減少）。

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16. INTANGIBLE ASSET

16. 無形資產

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|--------------|----------------------------------|----------------------------------|
| Film distribution rights | 電影發行權 | | |
| At beginning of the year | 於年初 | | |
| Cost | 成本 | 1,690 | 1,690 |
| Accumulated impairment | 累計減值 | (1,690) | (1,690) |
| Carrying amount | 賬面值 | - | - |
| Carrying amount at beginning of the year | 於年初之賬面值 | - | - |
| Additions, at cost | 增購·按成本值 | 12,000 | - |
| Amortisation for the year | 年內攤銷 | (1,750) | - |
| Carrying amount at end of the year | 於年末之賬面值 | 10,250 | - |
| At end of the year | 於年末 | | |
| Cost | 成本 | 13,690 | 1,690 |
| Accumulated impairment | 累計減值 | (1,690) | (1,690) |
| Accumulated amortisation | 累計攤銷 | (1,750) | - |
| Carrying amount | 賬面值 | 10,250 | - |

As at 31 March 2020, intangible asset with definite useful life amounted to HK\$10,250,000 are attributable to the Film investment and distribution.

於二零二零年三月三十一日，具有有限可使用年期的無形資產為10,250,000港元，乃歸因於電影投資及發行。

The following useful life was used in the calculation of amortisation:

以下可使用年期用於計算攤銷：

Film distribution right 4 years

電影發行權 4年

The above intangible assets are amortised on a straight line basis over the relevant periods.

上述無形資產於相關期間按直線法攤銷。

The carrying amount of film distribution rights at 31 March 2020 will be amortised over the remaining useful life of 3.4 years (2019: Nil).

於二零二零年三月三十一日電影發行權的賬面值將於剩餘可使用年期3.4年內攤銷(二零一九年：無)。

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17. PREPAID LAND LEASE PAYMENTS

17. 預付土地租賃款項

| | | Notes 附註 | HK\$'000 千港元 |
|--|----------------------------|-------------|-----------------|
| At 1 April 2018 | 於二零一八年四月一日 | | 4,584 |
| Amortisation for the year ended 31 March 2019 | 截至二零一九年三月三十一日 止年度攤銷 | | (116) |
| Exchange realignment | 匯兌調整 | | (189) |
| At 31 March 2019 | 於二零一九年三月三十一日 | | 4,279 |
| Transferred to right-of-use assets upon application of HKFRS 16 | 應用香港財務報告準則 第16號後轉至使用權資產 | 14 | (4,279) |
| At 31 March 2020 | 於二零二零年三月三十一日 | | - |

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|--------------------------------------|----------------------------------|----------------------------------|
| Analysed for reporting: | 就呈報分析： | | |
| Prepaid land lease payments classified under: | 預付土地租賃款項 分類為： | | |
| - Non-current assets | - 非流動資產 | - | 4,163 |
| - Current assets (included in prepayments, deposits and other receivables) | - 流動資產 (計入預付 款項、按金及 其他應收款項) | - | 116 |
| | | - | 4,279 |

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18. INVESTMENT IN AN ASSOCIATE

18. 於一間聯營公司之投資

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Unlisted associate | 非上市聯營公司 | | |
| Cost of investment | 投資成本 | 110,000 | 110,000 |
| Share of post-acquisition profit and other comprehensive income | 應佔收購後溢利及其他全面收入 | 20,543 | 10,985 |
| Impairment loss recognised | 已確認減值虧損 | (39,543) | (21,000) |
| | | 91,000 | 99,985 |

Movements during the year are as follows:

本年度變動如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| At beginning of the year | 於年初 | 99,985 | – |
| Acquisition of associate | 收購聯營公司 | – | 110,000 |
| Share of post-acquisition profit and other comprehensive income for the year | 本年度應佔收購後溢利及其他全面收入 | 9,558 | 10,985 |
| Impairment loss recognised for the year (note 7) | 本年度已確認減值虧損(附註7) | (18,543) | (21,000) |
| At end of the year | 於年末 | 91,000 | 99,985 |

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18. INVESTMENT IN AN ASSOCIATE (Continued)

The unlisted investment represents the Group's 25% (2019: 25%) equity interest in Filmko Culture Limited ("Filmko Culture").

Particulars of the associates of the Group (comprising Filmko Culture and its subsidiaries) are as follows:

18. 於一間聯營公司之投資 (續)

非上市投資指本集團於星皓文化有限公司(「星皓文化」)的25%(二零一九年:25%)的股權。

本集團聯營公司(包括星皓文化及其附屬公司)的詳情如下:

| Name | Place of incorporation | Principal place of business | Issued ordinary registered paid-in capital | Proportion equity interest attributable to the Group | Principal activities |
|---|--------------------------------|-----------------------------|--|--|---|
| 名稱 | 註冊成立地點 | 主要營業地點 | 已發行普通股已註冊繳足股本 | 本集團應佔股權比例 | 主要業務 |
| Filmko Culture | British Virgin Islands ("BVI") | PRC | Ordinary US\$10,000 | 25% | Films distribution and production in Hong Kong and Mainland China |
| 星皓文化 | 英屬處女群島 (「英屬處女群島」) | 中國 | 普通股 10,000美元 | | 香港及中國內地的電影發行及製作 |
| Filmko Entertainment Limited* | Hong Kong | Hong Kong | Ordinary HK\$10,000 | 25% | Films distribution and production and artiste product |
| 星皓娛樂有限公司* | 香港 | 香港 | 普通股 10,000港元 | | 電影發行及制作和廣告制作 |
| Nanjing Xinhao Film Culture Development Co., Limited* | PRC | PRC | Registered RMB23,000,000 | 25% | Investment holding |
| 南京星皓影視文化發展有限公司* | 中國 | 中國 | 已註冊人民幣 23,000,000元 | | 投資控股 |
| Jiangsu Anshi Yingna Film Distribution Co. Limited* | PRC | PRC | Registered RMB10,000,000 | 25% | Film distribution and agency service |
| 江蘇安石英納電影發行有限公司* | 中國 | 中國 | 已註冊人民幣 10,000,000元 | | 電影發行及代理服務 |
| Khorg as Anshi Yingna films* | PRC | PRC | Registered RMB10,000,000 | 25% | Film distribution and agency service |
| 霍爾果斯安石英納電影發行有限公司* | 中國 | 中國 | 已註冊人民幣 10,000,000元 | | 電影發行及代理服務 |

* These entities are wholly-owned by Filmko Culture.

* 該等實體由星皓文化全資擁有。

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18. INVESTMENT IN AN ASSOCIATE (Continued)

Note:

- (i) The above associates have been accounted for using the equity method in these consolidated financial statements.
- (ii) On 11 July 2018, the Group acquired 25% equity interest in an entity, Filmko Culture Limited (“Filmko Culture”), for a consideration of HK\$110,000,000 which was settled by the payment in cash of HK\$70,000,000 by the Group and the issue of 16,000,000 new ordinary shares of the Company. Filmko Culture is an investment holding company which was incorporated in the British Virgin Islands and the subsidiaries of Filmko Culture were established in the PRC and are engaged in film distribution in the PRC.

Pursuant to the terms of the acquisition, Alex Film Limited (the vendor and a company beneficially owned as to 72% by Mr. Wong Hoi Fung, a ex-director of the Company) and Mr. Wong Hoi Fung shall give guarantees to the Group that the consolidated profit of Filmko Culture and its subsidiaries for each of the three years ending 31 March 2021 shall not be less than HK\$40 million (the “Guaranteed Profit”) and that any shortfall between the actual profits for these years and the guaranteed profit shall be compensated by the vendor. The directors of the Company are of the view that as the recoverability of the shortfall compensation, if any which are ultimately materialised, is uncertain, the fair value of the profit guarantee given by the vendor is insignificant and such profit guarantee has not been recognised in the consolidated financial statements. Mr. Wong Hoi Fung, as a guarantor, shall guarantee by way of continuing guarantee to the Group the due and punctual performance by Alex Film Limited of its obligations under the profit guarantee.

- (iii) The recoverable amount of the investment in the associate, Filmko Culture, has been determined on the basis of fair value less cost of disposal. In view of the management expectation of continuous decline in the overall film industry performance, the directors consider it appropriate to recognise impairment loss for the year against the investment amounted to HK\$18,543,000 (2019: HK\$21,000,000), which was included in other operating expenses (note 7).

18. 於一間聯營公司之投資 (續)

附註：

- (i) 上述聯營公司均採用權益法於該等綜合財務報表內入賬。
- (ii) 於二零一八年七月十一日，本集團以110,000,000港元之代價收購一間實體（星皓文化有限公司（「星皓文化」））25%的股權，該代價由本集團以現金付款70,000,000港元及本公司發行16,000,000股新普通股結算。星皓文化為一間於英屬處女群島註冊成立之投資控股公司，星皓文化之附屬公司於中國成立，並在中國從事電影發行。

根據收購條款，Alex Film Limited（賣方及由本公司前董事王海峰先生實益擁有72%之公司）及王海峰先生須向本集團保證，星皓文化及其附屬公司於截至二零二一年三月三十一日止三個年度各年之綜合溢利不少於40,000,000港元（「保證溢利」），且該等年度實際溢利與保證溢利之間之差額由賣方補償。本公司董事認為，由於差額補償（如有任何補償最終獲落實）之可收回性不確定，故賣方作出之溢利保證之公允值不重大，且並未於綜合財務報表確認該溢利保證。王海峰先生作為擔保人，應向本集團提供持續擔保的方式，擔保Alex Film Limited妥當及依時履行其於溢利保證項下的義務。

- (iii) 於聯營公司星皓文化之投資的可收回金額已根據公允值減出售成本釐定。鑒於管理層預期電影行業表現整體持續下滑，董事認為確認年內投資減值虧損18,543,000港元（二零一九年：21,000,000港元）為合適之舉，有關金額計入其他經營開支（附註7）。

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18. INVESTMENT IN AN ASSOCIATE (Continued)

The following tables illustrate the summarised consolidated financial information in respect of the associate and its subsidiaries, reconciled to the carrying amount in the consolidated financial statements:

18. 於一間聯營公司之投資 (續)

下表載列該聯營公司及其附屬公司的綜合財務資料概要與綜合財務報表所列賬面值的對賬：

| | | 31 March 2020 二零二零年 三月三十一日 HK\$'000 千港元 | 31 March 2019 二零一九年 三月三十一日 HK\$'000 千港元 |
|---------------------|-------|--|---|
| Non-current assets | 非流動資產 | 24,559 | 18,537 |
| Current assets | 流動資產 | 77,225 | 93,041 |
| Current liabilities | 流動負債 | (62,906) | (110,933) |
| Net assets | 資產淨值 | 38,878 | 645 |

| | | 31 March 2020 二零二零年 三月三十一日 HK\$'000 千港元 | 31 March 2019 二零一九年 三月三十一日 HK\$'000 千港元 |
|---|-----------------------------|--|---|
| Revenue | 收益 | 118,834 | 210,033 |
| Profit before tax | 除稅前溢利 | 43,438 | 48,324 |
| Income tax expense | 所得稅開支 | (589) | (2,225) |
| Profit for the period | 期內溢利 | 42,849 | 46,099 |
| Other comprehensive loss | 其他全面虧損 | (4,616) | (2,158) |
| Total comprehensive income | 全面收入總額 | 38,233 | 43,941 |
| Reconciliation of the above summarised financial information to the carrying amount of the Group's investment in the associate: | 上述財務資料概要與本集團於聯營公司之投資的賬面值對賬： | | |
| Proportion of the Group's ownership | 本集團之擁有權比例 | 25% | 25% |
| Group's share of net asset of the associate excluding goodwill | 本集團應佔聯營公司資產淨值，不包括商譽 | 9,719 | 161 |
| Goodwill on acquisition | 收購商譽 | 120,824 | 120,824 |
| Impairment loss on investment in associate recognised | 已確認於聯營公司投資之減值虧損 | (39,543) | (21,000) |
| Carrying amount of the investment | 投資之賬面值 | 91,000 | 99,985 |

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19. INVESTMENT IN A JOINT VENTURE

19. 於一間合營公司之投資

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------------------|-----------|----------------------------------|----------------------------------|
| Share of net assets | 應佔資產淨值 | 1,173 | 997 |
| Loan to a joint venture | 向一間合營公司貸款 | 3,286 | 3,560 |
| | | 4,459 | 4,557 |
| Provision for impairment | 減值撥備 | (4,459) | (4,557) |
| | | - | - |

Movement during the year are as follows:

年內變動如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|----------------------------------|
| At beginning of the year | 於年初 | - | - |
| Share of post-acquisition profit and other comprehensive income for the year | 本年度應佔收購後溢利及其他全面收入 | 176 | 363 |
| Repayment from joint venture | 來自合營公司之還款 | (274) | (201) |
| Reversal of/(provision for) impairment loss on investment in and loan to a joint venture | 於一間合營公司之投資及向一間合營公司貸款之減值虧損撥回/(撥備) | 98 | (162) |
| At the end of the year | 於年末 | - | - |

The loan to a joint venture of HK\$3,286,000 (2019: HK\$3,560,000) is unsecured, interest-free and is not repayable within one year from the end of the reporting period. In the opinion of the directors, the loan is considered as part of the Group's net investment in the joint venture.

向一間合營公司貸款3,286,000港元(二零一九年:3,560,000港元)為無抵押、不計息及不需於自報告期末一年內償還。董事認為，貸款被視為本集團於合營公司投資淨額之一部分。

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19. INVESTMENT IN A JOINT VENTURE (Continued)

The directors had conducted impairment testing on the Group's investment in a joint venture and considered that the recoverable amount of the investment is insignificant as a result of the expected operating losses of the joint venture, accordingly, impairment loss was recognised in full on the investment in the joint venture. For the current year, a reversal of impairment previously overstated amounted to HK\$98,000 was credited to the consolidated statement of profit or loss (note 6). For the prior year ended 31 March 2019, impairment loss on the investment amounted to HK\$162,000 was charged to consolidated statement of profit or loss (note 7).

Particulars of the Group's joint venture are as follows:

19. 於一間合營公司之投資 (續)

董事已就本集團於一間合營公司之投資進行減值測試，且認為合營公司預期經營虧損導致投資的可收回金額不重大，因此，已就於合營公司之投資悉數確認減值虧損。於本年度，先前多計之減值撥回98,000港元計入綜合損益表（附註6）。於截至二零一九年三月三十一日止上一年度，投資之減值虧損162,000港元自綜合損益表扣除（附註7）。

本集團合營公司之詳情如下：

| Name 名稱 | Particulars of issued shares held 所持已發行 股份詳情 | Place of registration and business 註冊及 業務地點 | Percentage of 百分比 | | | Principal activities 主要業務 |
|------------------------------|---|---|--------------------------------|------------------------|---------------------------|---|
| | | | Ownership interest 擁有權權益 | Voting power 投票權 | Profit sharing 應佔溢利 | |
| 廣州佳視美光學 眼鏡有限公司 (「佳視美」) | Registered capital of RMB1,000,000 註冊股本 人民幣 1,000,000元 | The PRC 中國 | 27 (2019: 27) | 27 (2019: 27) | 27 (2019: 27) | Trading of optical frames 眼鏡架之貿易 |

The joint venture adopts 31 December as its financial year end date to comply with relevant regulations in the PRC. The consolidated financial statements are adjusted for the material transactions of the joint venture between 1 January 2020 and 31 March 2020.

The joint venture has been accounted for using the equity method in these consolidated financial statements.

The joint venture was registered as a Sino-foreign joint venture under the PRC law and is held through a wholly-owned subsidiary of the Company.

合營公司使用十二月三十一日作為其財政年度結算日以遵守中國相關規例。綜合財務報表乃就合營公司於二零二零年一月一日至二零二零年三月三十一日進行之重大交易作出調整。

合營公司按權益法於此等綜合財務報表列賬。

合營公司乃根據中國法律註冊為中外合資經營企業及透過本公司之全資附屬公司持有。

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19. INVESTMENT IN A JOINT VENTURE (Continued)

The following table illustrates the financial information of the Group's joint venture:

19. 於一間合營公司之投資 (續)

下表列示本集團合營公司之財務資料：

| | | 31 March 2020 二零二零年 三月三十一日 HK\$'000 千港元 | 31 March 2019 二零一九年 三月三十一日 HK\$'000 千港元 |
|-------------------------|-------------|--|---|
| Non current assets | 非流動資產 | 19,377 | 20,417 |
| Current assets | 流動資產 | 32 | 29 |
| Current liabilities | 流動負債 | (2,836) | (3,222) |
| Non-current liabilities | 非流動負債 | (12,229) | (13,531) |
| Net assets | 資產淨值 | 4,344 | 3,693 |

| | | 31 March 2020 二零二零年 三月三十一日 HK\$'000 千港元 | 31 March 2019 二零一九年 三月三十一日 HK\$'000 千港元 |
|---|-----------------------------|--|---|
| Revenue | 收益 | 9,474 | 10,749 |
| Profit before tax | 除稅前溢利 | 383 | 1,296 |
| Income tax expense | 所得稅開支 | - | - |
| Profit for the period | 期內溢利 | 383 | 1,296 |
| Other comprehensive loss | 其他全面虧損 | 270 | 48 |
| Total comprehensive income | 全面收入總額 | 653 | 1,344 |
| Reconciliation of the above summarised financial information to the carrying amount of the Group's investment in the joint venture: | 上述財務資料概要與本集團於合營公司之投資的賬面值對賬： | | |
| Proportion of the Group's ownership | 本集團之擁有權比例 | 27% | 27% |
| Group's share of net asset of the joint venture | 本集團應佔合營公司資產淨值 | 1,173 | 997 |
| Loan to a joint venture | 向一間合營公司貸款 | 3,286 | 3,560 |
| Impairment loss on investment in a joint venture recognised | 已確認於合營公司投資之減值虧損 | (4,459) | (4,557) |
| Carrying amount of the investments | 投資之賬面值 | - | - |

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20. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

20. 按公允值計入其他全面收入 (「按公允值計入其他全面收入」) 之金融資產

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|--------------|----------------------------------|----------------------------------|
| Unlisted debt investment, at fair value | 非上市債務投資，按公允值 | - | 290 |

Movements during the year:

本年度變動：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------------|------|----------------------------------|----------------------------------|
| At beginning of the year | 於年初 | 290 | 290 |
| Disposals during the year | 年內出售 | (290) | - |
| At end of the year | 於年末 | - | 290 |

During the year, the Group disposed of the unlisted debt investment (which represents club debenture) for a consideration of approximately HK\$290,000.

於本年度，本集團出售非上市債務投資（即會所債券），代價為約290,000港元。

21. INVENTORIES

21. 存貨

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------|----------------------------------|----------------------------------|
| Inventories, at gross amount | 存貨總額 | 29,174 | 66,637 |
| Impairment loss recognised | 已確認減值虧損 | (20,372) | (58,853) |
| | | 8,802 | 7,784 |
| An analysis of inventories is as follows: | 存貨分析如下： | | |
| Raw materials | 原材料 | 2,605 | 2,874 |
| Work in progress | 在製品 | 3,442 | 2,946 |
| Finished goods | 製成品 | 2,755 | 1,964 |
| | | 8,802 | 7,784 |

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22. TRADE RECEIVABLES

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|-----------|----------------------------------|----------------------------------|
| Trade receivables, gross amount | 應收賬款總額 | 10,671 | 25,943 |
| Less: impairment loss recognised | 減：已確認減值虧損 | (2,333) | (320) |
| | | 8,338 | 25,623 |

The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit period is generally ranging from 45 to 120 days (2019: 45 to 120 days). Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of each reporting period, based on the invoice date and net of provisions, is as follows:

22. 應收賬款

本集團與其客戶之交易條款乃主要以賒賬方式進行，惟新客戶一般須提前付款除外。信貸期一般介乎45至120日（二零一九年：45至120日）。各客戶擁有最大信貸上限。本集團尋求維持對其未償還應收款項之嚴格控制以盡量降低信貸風險。逾期結餘會由高級管理層定期檢討。鑒於上述者及本集團之應收賬款與多名不同客戶有關，故並不存在重大集中信貸風險。本集團並無就其應收賬款結餘持有任何抵押品或其他信用增級。應收賬款並不計息。

於各報告期末按發票日期呈列之應收賬款（扣除撥備）之賬齡分析如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-----------------|----------|----------------------------------|----------------------------------|
| Within 90 days | 90日內 | 8,146 | 17,734 |
| 91 to 180 days | 91至180日 | 39 | 7,851 |
| 181 to 360 days | 181至360日 | 153 | 38 |
| | | 8,338 | 25,623 |

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22. TRADE RECEIVABLES (Continued)

Movements the impairment loss recognised on trade receivables are as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------------------------|------------------|----------------------------------|----------------------------------|
| At beginning of year | 於年初 | 320 | 309 |
| Impairment losses recognised (note 7) | 已確認減值虧損 (附註7) | 2,013 | 11 |
| At end of year | 於年末 | 2,333 | 320 |

An aged analysis of the trade receivables that are not considered to be impaired is as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------|---------|----------------------------------|----------------------------------|
| Neither past due nor impaired | 並未逾期或減值 | 4,408 | 12,152 |
| Less than one month past due | 逾期少於一個月 | 3,017 | 5,239 |
| One to three months past due | 逾期一至三個月 | 876 | 343 |
| Over three months past due | 逾期超過三個月 | 37 | 7,889 |
| | | 8,338 | 25,623 |

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

22. 應收賬款 (續)

就應收賬款確認的減值虧損之變動如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------------------------|------------------|----------------------------------|----------------------------------|
| At beginning of year | 於年初 | 320 | 309 |
| Impairment losses recognised (note 7) | 已確認減值虧損 (附註7) | 2,013 | 11 |
| At end of year | 於年末 | 2,333 | 320 |

被視為未減值之應收賬款賬齡分析如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------|---------|----------------------------------|----------------------------------|
| Neither past due nor impaired | 並未逾期或減值 | 4,408 | 12,152 |
| Less than one month past due | 逾期少於一個月 | 3,017 | 5,239 |
| One to three months past due | 逾期一至三個月 | 876 | 343 |
| Over three months past due | 逾期超過三個月 | 37 | 7,889 |
| | | 8,338 | 25,623 |

未逾期或減值之應收款項與多名最近並無拖欠記錄之不同客戶有關。

已逾期但並未減值之應收款項與若干於本集團過往記錄良好之獨立客戶有關。按照過往經驗，本公司董事認為毋須就該等結餘作出減值撥備，原因為信貸質素並無重大轉變，有關結餘仍被視為可全數收回。

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23. LOAN AND INTEREST RECEIVABLES

23. 應收貸款及應收利息

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|--------------------|----------------------------------|----------------------------------|
| Unsecured loan and interest receivables, gross amount | 無抵押應收貸款及 應收利息總額 | 21,249 | 48,866 |
| Less: impairment loss recognised | 減：已確認減值虧損 | (10,120) | (28,844) |
| | | 11,129 | 20,022 |

These loan receivables are stated at amortised cost using effective interest rates ranging from 10% to 15%. Loan and interest receivables thereon will be settled by the borrowers at their respective maturity dates within one year. As these loan receivables relate to a number of different borrowers, the directors, of the Company are of the opinion that there is no concentration of credit risk over these loan receivables. The grants of these loans were approved and monitored by the Group's management. The Group does not hold any collateral or other credit enhancement over its loan receivable balances. The carrying amounts of these loan receivables approximate to their fair values.

Movements in the impairment loss of loan receivables are as follows:

該等應收貸款按10%至15%的實際利率按攤銷成本列賬。應收貸款及其應收利息將由借款人於一年內在其各自的到期日結清。由於該等應收貸款涉及多名不同借款人，故本公司董事認為，該等應收貸款並無信貸風險集中情況。該等貸款之授出乃由本集團管理層批准及監督。本集團並無就其應收貸款結餘持有任何抵押品或其他信用增級。該等應收貸款的賬面值與其公允值相若。

應收貸款減值虧損之變動如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| At beginning of the year | 於年初 | 28,844 | - |
| Impairment losses recognised for the year (note 7) | 本年度確認之減值虧損 (附註7) | 9,480 | 28,844 |
| Written off during the year | 年內撇銷 | (28,204) | - |
| At end of the year | 於年末 | 10,120 | 28,844 |

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23. LOAN AND INTEREST RECEIVABLES (Continued)

The loan and interest receivables amounting to HK\$28,204,000 relate to a number of different borrowers. The Group has taken up various actions, including litigation procedure for repayment, against long past due borrowers, and considered that the recoverability of these loans is remote. Accordingly, such loan and interest receivables were written off. However, continuous actions, where appropriate, will be taken by the Group for such loans repayments.

The Group uses four categories to reflect the credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings, where possible.

The information about the expected credit loss and the impairment loss recognised is disclosed in note 43.

An aged analysis of the loan and interest receivables that are not considered to be impaired is as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------|--------|----------------------------------|----------------------------------|
| Neither past due nor impaired | 未逾期或減值 | 11,129 | 20,022 |

Receivables that were neither past due nor impaired relate to a large number of diversified customers. Based on past experience, the directors are of the opinion that except for the impairment loss made based on the expected credit loss provision, no additional provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality.

23. 應收貸款及應收利息 (續)

應收貸款及應收利息28,204,000港元與多名不同借款人有關。本集團已採取多項行動(包括對長期逾期借款人就還款採取訴訟程序)，而認為收回該等貸款的可能性極低。因此，該等應收貸款及應收利息已撇銷。惟本集團將就該等貸款還款持續採取措施(倘適用)。

本集團採用四個類別以反映信貸風險及如何就各該等類別釐定虧損撥備。於可能的情况下，該等內部信貸風險評級乃與外部信貸評級一致。

有關預期信貸虧損及已確認減值虧損的資料披露於附註43。

被視為未減值之應收貸款及應收利息賬齡分析如下：

未逾期或減值之應收款項與多名不同客戶有關。基於過往經驗，董事認為，除根據預期信貸虧損撥備作出減值虧損外，毋須就該等結餘作出額外減值撥備，原因為信貸質素並無重大轉變。

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24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

24. 預付款項、按金及其他應收款項

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------------------------|-----------|----------------------------------|----------------------------------|
| Prepayments and other deposits | 預付款項及其他按金 | 3,241 | 14,319 |
| Disposal receivable | 應收出售款項 | 28,392 | 30,321 |
| Other receivables | 其他應收款項 | 5,253 | 68,990 |
| | | 36,886 | 113,630 |
| Less: Non-current portion | 減：非即期部分 | (230) | (1,880) |
| | | 36,656 | 111,750 |

Included in other receivables are advances to certain third parties amounted to HK\$1,680,000 (2019: HK\$49,950,000) for their settlements for film distribution and promotion expenses. The advances are unsecured, interest free and expected to be repayable within one year after the end of the reporting period and the recoverability of these advances is also guaranteed by an entity established in the PRC ("the PRC Entity") which is controlled by a parent of Mr. Wong Hoi Ping and Mr. Wong Hoi Fung, both are ex-directors of the Company. Subsequent to the end of the reporting period, these advances were partly settled.

Included in other receivables is the advance to a PRC Entity amounted to HK\$691,000 (2019: HK\$12,440,000) which is unsecured, interest free and repayable on demand. This advance was partly settled subsequent to the end of the reporting period.

The disposal receivable represents the balance of the consideration amounted to HK\$28,392,000 (2019: HK\$30,321,000) for disposal by the Group of a subsidiary in prior years. Such balance of the consideration was paid by the purchaser to another subsidiary of the Company amounted to RMB26,000,000 (2019: RMB26,000,000) which is included in deposit received (note 29). These disposal receivable and deposit received could not be offset until the foreign currency remittance procedures are completed.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

The information about the expected credit loss is disclosed in note 43.

其他應收款項包括就其結算電影發行及推廣開支而向若干第三方墊款1,680,000港元(二零一九年: 49,950,000港元)。該墊款為無抵押、免息及預期於報告期末後一年內償還，且該等墊款之可收回性亦由於中國成立之實體(「中國實體」)擔保，該實體由王海平先生及王海峰先生(彼等均為本公司前董事)之母公司控制。該墊款已於報告期末後部分清償。

其他應收款項包括向一間中國實體墊款691,000港元(二零一九年: 12,440,000港元)，其為無抵押、不計息及須按要求償還。該墊款已於報告期末後部分清償。

應收出售款項指與本集團於過往年度出售一間附屬公司有關的代價結餘28,392,000港元(二零一九年: 30,321,000港元)。買方向本公司另一間附屬公司支付的該等代價結餘為人民幣26,000,000元(二零一九年: 人民幣26,000,000元)，且該等代價結餘計入已收按金(附註29)。該等應收出售款項及已收按金將於外匯匯款手續完成後抵銷。

上述資產並無逾期或減值。計入上述結餘之金融資產與最近並無拖欠記錄之應收款項有關。

有關預期信貸虧損的資料披露於附註43。

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25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

25. 按公允值計入損益之金融資產

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Investments in film production (note) | 電影製作投資(附註) | 45,318 | – |
| Investments in securities – Equity securities listed in Hong Kong | 證券投資 – 香港上市之股本證券 | 5,704 | 6,705 |
| | | 51,022 | 6,705 |

Note:

The balance represents the Group's investments in film production which entitled the Group to predetermined percentage of income to be generated from the films based on the Group's investment portion as specified in respective film right investment agreements.

Movements in investments in film production were as follows:

附註:

結餘指本集團的電影製作投資，根據各電影版權投資協議指定的本集團投資比例，本集團有權按預先釐定的百分比享有電影將來產生之收入。

電影製作投資變動如下:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| At beginning of the year, at fair value | 於年初，按公允值 | – | – |
| Cost of investment in films | 電影投資成本 | 58,965 | – |
| Decrease in fair value | 公允值減少 | (13,647) | – |
| At end of the year, at fair value | 於年末，按公允值 | 45,318 | – |

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26. CASH AND CASH EQUIVALENTS

26. 現金及現金等值物

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------------|---------|----------------------------------|----------------------------------|
| Cash and bank balances | 現金及銀行結餘 | 28,441 | 13,937 |

At 31 March 2020, the aggregate cash and bank balances and deposits of the Group denominated in Renminbi ("RMB") amounted to HK\$7,574,000 (2019: HK\$5,623,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and deposits are deposited with creditworthy banks with no recent history of default.

於二零二零年三月三十一日，本集團以人民幣（「人民幣」）列值之現金及銀行結餘以及存款合共為7,574,000港元（二零一九年：5,623,000港元）。人民幣不可自由兌換為其他貨幣，然而，根據中國外匯管理規定以及結匯、售匯及付匯管理規定，本集團獲准透過獲認可進行外匯業務之銀行兌換人民幣為其他貨幣。

銀行現金根據每日銀行存款利率計算之浮息賺取利息。短期定期存款之存款期由一日至三個月不等，視乎本集團之即時現金需求而定，並按各短期定期存款息率賺取利息。銀行結餘及存款存放於近期並無拖欠記錄且信譽良好之銀行。

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27. TRADE PAYABLES

An aged analysis of the trade payables as at the end of each reporting period, based on the payment due date, is as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-----------------|----------|----------------------------------|----------------------------------|
| Within 90 days | 90日內 | 4,592 | 7,208 |
| 91 to 180 days | 91至180日 | 157 | 153 |
| 181 to 360 days | 181至360日 | 245 | 15 |
| Over 360 days | 超過360日 | 119 | 331 |
| | | 5,113 | 7,707 |

Trade payables are non-interest-bearing and are normally settled on 90-day (2019: 90-day) terms.

27. 應付賬款

於各報告期末按付款到期日呈列之應付賬款之賬齡分析如下：

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-----------------|----------------------------------|----------------------------------|
| Within 90 days | 4,592 | 7,208 |
| 91 to 180 days | 157 | 153 |
| 181 to 360 days | 245 | 15 |
| Over 360 days | 119 | 331 |
| | 5,113 | 7,707 |

應付賬款乃免息及一般按90日(二零一九年: 90日)付款期付清。

28. CONTRACT LIABILITIES

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-----------------------------------|-------------------|----------------------------------|----------------------------------|
| Contract liabilities related to: | 與下列各項相關之 合約負債： | | |
| Sales deposits and receipts | 銷售按金及收入 | 416 | 5,708 |
| Rental deposit of machinery | 機器租約按金 | 2,646 | 2,151 |
| Distribution of film sub-licenses | 發行電影轉授權 | 4,217 | 4,780 |
| | | 7,279 | 12,639 |

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of goods and distribution of film sub-licenses.

28. 合約負債

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-----------------------------------|----------------------------------|----------------------------------|
| Contract liabilities related to: | | |
| Sales deposits and receipts | 416 | 5,708 |
| Rental deposit of machinery | 2,646 | 2,151 |
| Distribution of film sub-licenses | 4,217 | 4,780 |
| | 7,279 | 12,639 |

本集團按照合約約定的付款安排從客戶收到付款。這些主要來自出售貨品及發行電影轉授權的付款通常是在合約履約之前收到的。

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28. CONTRACT LIABILITIES (Continued)

The following table shows the amount of the revenue recognised in the current reporting period in relation to carried-forward contract liabilities:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------------|--|----------------------------------|
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | 已計入年初合約負債結餘的已確認收益 | 7,961 | 5,386 |

Transaction price allocated to the unsatisfied contracts are as follows:

28. 合約負債 (續)

下表列示於當前報告期間確認且與結轉合約負債有關的收益金額：

分配至未履行合約之交易價格列示如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------------|--|----------------------------------|
| Expected to be recognised within one year | 預計將於一年內確認 | | |
| Sales of goods | 銷售貨品 | 416 | 7,181 |
| Rental income of machinery | 機器之租金收入 | 2,646 | - |
| Film distribution | 電影發行 | 852 | 780 |
| Expected to be recognised after one year | 預計將於一年後確認 | | |
| Film distribution | 電影發行 | 3,365 | 3,042 |
| Total transaction price allocated to unsatisfied contracts at end of the year | 於年末分配至未履行合約的總交易價格 | 7,279 | 11,003 |

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29. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

29. 其他應付款項、應計款項及已收按金

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| Amounts due to related parties (notes 40c to 40e) | 應付關連人士款項 (附註40c至40e) | 15,319 | 9,813 |
| Other payables (note a) | 其他應付款項(附註a) | 16,492 | 12,968 |
| Accruals | 應計款項 | 11,920 | 14,718 |
| Deposits received (note b) | 已收按金(附註b) | 29,254 | 30,584 |
| | | 72,985 | 68,083 |
| Less: Non-current portion | 減：非即期部分 | (67) | (159) |
| | | 72,918 | 67,924 |

Notes:

- (a) Included in other payables is consideration payable for the acquisition of film distribution rights (classified under intangible asset in note 16) amounted to HK\$12,000,000 (2019: Nil). This consideration payable is unsecured, interest free and payable on demand.
- (b) Included in deposits received is payment received for the disposal of a subsidiary in prior years amounted to RMB26,000,000. Such balance was paid by the purchaser to another subsidiary of the Group. These deposits received and could be offset with disposal receivable amounting to RMB26,000,000 included in prepayments, deposits and other receivables until the foreign currency remittance procedures are completed, details of which are set out in note 24.

附註：

- (a) 其他應付款項包括就收購電影發行權(於附註16分類為無形資產)之應付代價,為12,000,000港元(二零一九年:零)。該應付代價為無抵押、不計息及須按要求償還。
- (b) 已收按金包括過往年度出售一間附屬公司收到的款項人民幣26,000,000元。該結餘已由買方向本集團另一附屬公司支付。該等已收按金可於外幣匯款程序完成前與預付款項、按金及其他應收款項的出售應收款項人民幣26,000,000元抵銷。詳情載於附註24。

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30. OBLIGATIONS UNDER FINANCE LEASES

The Group leases certain of its motor vehicles for its trading of optical frames and sunglasses business. These leases are classified as finance leases and have remaining lease terms under HKAS 17. The Group has initially applied HKFRS 16 using modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 April 2019 to transfer obligations under finance leases with lease term more than 12 months from the date of initial application amounting to HK\$413,000 to lease liabilities.

Obligation under finance leases with lease term within 12 months from the date of initial application have been fully repaid during the year.

From 1 April 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the accounting policies set out in note 3.

At 31 March 2019, the total future minimum lease payments under finance leases and their present values were as follows:

30. 融資租賃承擔

本集團租賃若干汽車以進行買賣眼鏡架及太陽眼鏡業務。根據香港會計準則第17號，該等租賃被分類為融資租賃且擁有剩餘租賃期限。本集團使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，本集團調整於二零一九年四月一日的期初餘額以將租期自首次應用日期起計超過12個月的融資租賃承擔413,000港元轉至租賃負債。

租期自首次應用日期起計12個月內的融資租賃承擔已於年內悉數償還。

自二零一九年四月一日起，未來租賃付款根據附註3所載會計政策於綜合財務狀況表確認為租賃負債。

於二零一九年三月三十一日，融資租賃下未來最低租賃付款總額及彼等之現值如下：

| | | Minimum lease payments 最低租賃付款 2019 二零一九年 HK\$'000 千港元 | Present value of minimum lease payments 最低租賃 付款現值 2019 二零一九年 HK\$'000 千港元 |
|--|-------------------|--|---|
| Amounts payable: | 應付款項： | | |
| Within one year | 一年內 | 1,279 | 1,255 |
| In the second year to fifth years, inclusive | 第二年至第五年，包括首尾兩年 | 327 | 291 |
| Total minimum finance lease payments | 最低融資租賃付款總額 | 1,606 | 1,546 |
| Future finance charges | 未來融資開支 | (60) | |
| Total net finance lease payables | 總應付融資租賃淨額 | 1,546 | |
| Portion classified as current liabilities | 分類為流動負債部分 | (1,255) | |
| Non-current portion | 非即期部分 | 291 | |

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31. INTEREST-BEARING BANK AND OTHER BORROWINGS

31. 計息銀行及其他借貸

| | 2020 二零二零年 | | | 2019 二零一九年 | | |
|--------------------------------------|---|-----------------|-----------------|---|-----------------|-----------------|
| | Effective interest rate (%) 實際利率 (%) | Maturity 到期日 | HK\$'000 千港元 | Effective interest rate (%) 實際利率 (%) | Maturity 到期日 | HK\$'000 千港元 |
| Current 即期 | | | | | | |
| Bank loans – Secured 銀行貸款 – 有抵押 | - | - | - | 3.58-3.77 | 2019 | 525 |
| Other loan – Unsecured 其他貸款 – 無抵押 | 12%-13.2% | 2020 | 30,513 | 12 | 2019 | 20,224 |
| | | | 30,513 | | | 20,749 |
| Non-current 非即期 | | | | | | |
| Other loan – Unsecured 其他貸款 – 無抵押 | 8% | 2021 | 8,262 | - | - | - |
| | | | 38,775 | | | 20,749 |

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Analysed into: | 分析為： | | |
| Bank loans repayable within one year | 於一年內償還之銀行貸款 | - | 525 |
| Other loan repayable within one year | 於一年內償還之其他貸款 | 30,513 | 20,224 |
| Other loan repayable more than one year | 於一年後償還之其他貸款 | 8,262 | - |
| | | 38,775 | 20,749 |

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31. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes:

- (a) The Group's banking facilities (the "Banking Facilities") amounting to HK\$3,000,000 (2019: HK\$3,000,000), of which HK\$Nil (2019: HK\$525,000) had been utilised as at the end of the reporting period, and were secured by a fixed deposit amounting to HK\$3,000,000 provided by a director of the Company's subsidiaries.
- (b) The Group's other loans, amounting HK\$30,513,000 and HK\$8,262,000, are payable within one year after the end of the reporting period and more than one year after the end of the reporting period respectively.
- (c) During the year ended 31 March 2020, the Group has made new borrowings amounted to HK\$18,551,000, all bank and other borrowings were denominated in Hong Kong dollars.

31. 計息銀行及其他借貸 (續)

附註：

- (a) 本集團的銀行融資額度(「銀行融資」)為3,000,000港元(二零一九年:3,000,000港元)，其中零港元(二零一九年:525,000港元)於報告期末已動用，並以本公司附屬公司之一名董事提供的定期存款3,000,000港元作抵押。
- (b) 本集團的其他貸款30,513,000港元及8,262,000港元分別須於報告期末後一年內及於報告期末後一年後支付。
- (c) 截至二零二零年三月三十一日止年度，本集團的新增借貸為18,551,000港元。所有銀行及其他借貸均以港元計值。

32. DEFERRED TAX LIABILITIES

The movements in deferred tax liabilities during the year are as follows:

32. 遞延稅項負債

年內之遞延稅項負債變動如下：

| | | Depreciation allowance in excess of related depreciation 超過相關折舊之折舊免稅額 HK\$'000 千港元 | Property revaluation 物業重估 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|------------------------|--|--|---------------------------------------|
| At 1 April 2018 | 於二零一八年四月一日 | 1,176 | 933 | 2,109 |
| Deferred tax charged to the statement of profit or loss (note 11) | 扣除自損益表之遞延稅項(附註11) | 116 | - | 116 |
| At 31 March 2019 and 1 April 2019 | 於二零一九年三月三十一日及二零一九年四月一日 | 1,292 | 933 | 2,225 |
| Deferred tax charged/ (credited) to the statement of profit or loss (note 11) | 扣除自/(計入)損益表之遞延稅項(附註11) | 219 | (149) | 70 |
| Deferred tax liabilities arising from property valuation (note 13) | 物業估值產生的遞延稅項負債(附註13) | - | 112 | 112 |
| Exchange realignment | 匯兌調整 | - | (56) | (56) |
| At 31 March 2020 | 於二零二零年三月三十一日 | 1,511 | 840 | 2,351 |

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32. DEFERRED TAX LIABILITIES (Continued)

At the end of the reporting period, the Group had estimated tax losses arising in Hong Kong of HK\$181,771,000 (2019: HK\$216,119,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries and joint ventures established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 March 2020 and 31 March 2019, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries and joint venture established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries and joint venture will distribute such earnings in the foreseeable future. There were no temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised at 31 March 2020 (2019: Nil).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

32. 遞延稅項負債 (續)

於報告期末，本集團於香港產生之估計稅項虧損為181,771,000港元(二零一九年：216,119,000港元)，可無限期用以抵銷產生該等虧損公司之日後應課稅溢利。由於該等虧損於已錄得虧損一段時間之附屬公司產生，且認為不會錄得應課稅溢利可供抵銷稅項虧損，故此並未就該等虧損確認遞延稅項資產。

根據中國企業所得稅法，於中國內地成立的外資企業向海外投資者所宣派股息須繳納10%預扣稅。此規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後之盈利。較低的預扣稅率或會於中國內地與海外投資者司法權區訂有稅務條約之情況下適用。就本集團而言，適用稅率為5%。本集團因此須就其在中國內地成立的附屬公司及合營公司於二零零八年一月一日後賺取之盈利所分派股息繳納預扣稅。

於二零二零年三月三十一日及二零一九年三月三十一日，概無因本集團於中國內地成立之附屬公司以及合營公司須繳納預扣稅之未匯出盈利產生之應付預扣稅項而確認遞延稅項。董事認為，此等附屬公司及合營公司於可見將來不可能分派有關盈利。於二零二零年三月三十一日，並無與投資於中國內地附屬公司有關而並未就此確認遞延稅項負債之暫時差異(二零一九年：零)。

本公司向其股東派付之股息並無附帶任何所得稅後果。

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33. LEASE LIABILITIES

33. 租賃負債

| | | 2020 二零二零年 HK\$'000 千港元 |
|--|----------------------------|----------------------------------|
| Lease liabilities payable: | 應付租賃負債： | |
| Within one year | 一年內 | 90 |
| Within a period of more than one year but not more than two years | 超過一年但不多於兩年期間內 | 71 |
| Within a period of more than two years but not more than five years | 超過兩年但不多於五年期間內 | 440 |
| Within a period of more than five years | 超過五年期間內 | 16,474 |
| Less: Amount due for settlement within twelve months | 減：於十二個月內到期償付的 款項 | (90) |
| Amount due for settlement after twelve months shown under non-current liabilities | 非流動負債項下列示於 十二個月後到期償付的款項 | 16,985 |

34. SHARE CAPITAL

34. 股本

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|--|----------------------------------|----------------------------------|
| Authorised: 1,000,000,000 shares of HK\$0.10 each | 法定： 1,000,000,000股每股 面值0.10港元之股份 | 100,000 | 100,000 |
| Issued and fully paid: 606,553,684 (2019: 404,369,123) shares of HK\$0.10 each | 已發行及繳足： 606,553,684股 (二零一九年： 404,369,123股)每股 面值0.10港元之股份 | 60,655 | 40,437 |

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34. SHARE CAPITAL (Continued)

Movements in the Company's issued share capital are as follows:

34. 股本 (續)

本公司已發行股本變動如下:

| | | Number of shares in issue 已發行股份數目 | Issued share capital 已發行股本 HK\$'000 千港元 |
|--|--------------------------------|---|---|
| At 1 April 2018 | 於二零一八年四月一日 | 388,369,123 | 38,837 |
| Issue of new shares (Note (a)) | 發行新股份 (附註(a)) | 16,000,000 | 1,600 |
| At 31 March 2019 and 1 April 2019 | 於二零一九年 三月三十一日及 二零一九年四月一日 | 404,369,123 | 40,437 |
| Issue of new shares pursuant to rights issue (Note (b)) | 根據供股發行新股份 (附註(b)) | 202,184,561 | 20,218 |
| At 31 March 2020 | 於二零二零年 三月三十一日 | 606,553,684 | 60,655 |

Notes:

- (a) On 11 July 2018, 16,000,000 ordinary shares were allotted at the issue price of HK\$2.50 per share as part of the consideration for the acquisition of an associate. Such shares were issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company on 28 September 2017. Please refer to the announcement of the Company dated 11 July 2018 for details.
- (b) On 18 February 2020, the Company completed its rights issue and issued 202,184,561 rights shares on the basis of one rights share for every two existing shares, at the subscription price of HK\$0.14 per rights share (the "rights issue"). The net cash proceeds received from the rights issue amounted to approximately HK\$26,012,000, after share issue expenses of approximately HK\$2,293,000, are intended for the repayment of the Group's indebtedness and for the general working capital for the Group. The rights issue has increased the share capital and share premium of the Company by approximately HK\$20,218,000 and HK\$5,794,000 respectively. Those rights shares rank pari passu in all respects with the ordinary shares of the Company in issue on that date. Please refer to the announcement of the Company dated 17 February 2020.

附註:

- (a) 於二零一八年七月十一日，16,000,000股普通股按發行價每股2.50港元獲配發，作為收購一間聯營公司的部分代價。該等股份乃根據本公司於二零一七年九月二十八日之股東週年大會授予董事之一般授權發行。有關詳情請參閱本公司日期為二零一八年七月十一日的公告。
- (b) 於二零二零年二月十八日，本公司完成其供股並按每持有兩股現有股份獲發一股供股股份之基準發行202,184,561股供股股份，認購價為每股供股股份0.14港元（「供股」）。經扣除股份發行開支約2,293,000港元後，自供股收取的現金所得款項淨額約26,012,000港元，擬用於償還本集團之債務及用作本集團之一般營運資金。供股已令本公司之股本及股份溢價分別增加約20,218,000港元及5,794,000港元。該等供股股份於所有方面與本公司於該日已發行普通股具有平等地位。請參閱本公司日期為二零二零年二月十七日的公告。

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35. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") on 16 March 2020.

The principal terms of the Share Option Scheme are summarised as follows:

(a) Purpose of the Share Option Scheme

To enable the Group to attract, retain and motivate talented eligible participants to strive for future developments and expansion of the Group.

(b) Eligibility

Eligible participants of the Share Option Scheme include (i) any director, including any executive or independent non-executive director or any full time or part time employee of the Group; or (ii) any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, promoter and service providers of any member of the Group.

(c) Maximum number of shares available for issue under the Share Option Scheme

- (i) Total number of shares available for issue under the Share Option Scheme as at 29 June 2020 (i.e., the date of the Company's annual report for the year): 60,655,368 shares.
- (ii) Percentage of the issued shares of the Company that it represents as at 29 June 2020: 10%.

(d) Maximum entitlement of each eligible participant under the Share Option Scheme

- (i) not to exceed 1% of the shares in issue in any 12-month period unless approved by the shareholders; and
- (ii) options granted to substantial shareholders or independent non-executive directors or their respective associates in any 12-month period exceeding 0.1% of the shares in issue and with a value in excess of HK\$5,000,000 must be approved by the shareholders.

35. 購股權計劃

本公司於二零二零年三月十六日採納一項購股權計劃（「購股權計劃」）。

購股權計劃之主要條款概述如下：

(a) 購股權計劃之目的

讓本集團能吸引、挽留及激勵有才幹之合資格參與者以謀求本集團之未來發展及擴張。

(b) 資格

購股權計劃之合資格參與者包括 (i) 本集團之任何執行或獨立非執行董事或任何全職或兼職僱員；或 (ii) 本集團任何成員公司的任何顧問、諮詢顧問、分銷商、承包商、客戶、供貨商、代理、業務夥伴、合營業務夥伴、發起人及服務供應商。

(c) 根據購股權計劃可予發行之股份上限數目

- (i) 根據購股權計劃於二零二零年六月二十九日（即本公司本年度年報日期）可予發行之股份總數目：60,655,368股。
- (ii) 於二零二零年六月二十九日佔本公司已發行股份之百分比：10%。

(d) 購股權計劃項下每名合資格參與者可獲授權益上限

- (i) 除非獲股東批准，否則在任何12個月期間內不得超過已發行股份之1%；及
- (ii) 於任何12個月期間內向主要股東或獨立非執行董事或彼等各自之聯繫人授出之購股權，若超過已發行股份之0.1%及價值超過5,000,000港元須經股東批准。

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35. SHARE OPTION SCHEME (Continued)

(e) Period within which the shares must be taken up under an option

At any time during the option period in accordance with the terms of the Share Option Scheme and such other terms and conditions upon which an option was granted from the date of grant of the option but in any event not exceeding 10 years from the date of grant.

(f) Minimum period for which an option must be held before it can be exercised

No minimum period unless otherwise determined by the board of directors.

(g) (i) Price payable on application or acceptance of the option: HK\$1.00;

(ii) The period within which payments or calls must or may be made: Within 28 days from the date of grant; and

(iii) Period within which loans for such purposes of the payments or calls must be repaid: Not applicable.

(h) Basis for determining the exercise price

The exercise price is determined by the board of directors of the Company and will not be less than the higher of (a) the closing price of the Company's shares on the date of grant; and (b) the average closing price of the Company's shares for the five business days immediately preceding the date of grant.

(i) The remaining life of the Share Option Scheme

Approximately 9.5 years (expiring on 15 March 2030).

No option has been granted under the Share Option Scheme since the adoption date of the Share Option Scheme.

35. 購股權計劃 (續)

(e) 行使購股權認購股份之期限

根據購股權計劃之條款及自授出購股權日期起授出購股權的該等其他條款及條件於購股權期間之任何時間，惟於任何情況下，不得超過授出日期起計10年。

(f) 購股權行使前必須持有之最短期限

除非董事會另行釐定，否則並無最短期限。

(g) (i) 申請或接納購股權時所須繳付的代價：1.00港元；

(ii) 必須或可能付款或通知付款之期限：授出日期起計28日內；及

(iii) 作付款或通知付款用途的貸款償還期限：不適用。

(h) 釐定行使價之基準

行使價乃由本公司董事會釐定，惟不得低於下列較高者：(a)於授出日期本公司股份之收市價；及(b)於緊接授出日期前五個營業日本公司股份之平均收市價。

(i) 購股權計劃之餘下年期

約9.5年（於二零二零年三月十五日屆滿）。

自購股權計劃採納日期起，概無購股權根據購股權計劃獲授出。

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36. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 66 of the consolidated financial statements.

The capital reserve of the Group represents (i) the excess of the nominal value of the shares of the subsidiaries acquired pursuant to the Group reorganisation on 8 February 1996, over the nominal value of the Company's shares issued in exchange therefor; and (ii) the premium arising on the subscription of shares of Elegance Group Limited ("EGL"), the then holding company of the Group's subsidiaries existing at that time, at an aggregate premium of HK\$22,000,000 which was credited to the capital reserve. The Group reorganisation has resulted in EGL becoming a wholly-owned subsidiary of the Company.

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against consolidated reserves.

37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

36. 儲備

本集團本年度及過往年度之儲備數額及有關變動於綜合財務報表第66頁之綜合權益變動表呈列。

本集團之資本儲備指(i)根據一九九六年二月八日進行之集團重組所收購附屬公司之股份面值較本公司就此發行作交換之股份面值之超出款項；及(ii)認購本集團附屬公司當時之控股公司高雅集團有限公司(「高雅集團」)股份所產生溢價，總溢價22,000,000港元已計入資本儲備。集團重組令高雅集團成為本公司全資附屬公司。

過往年度收購附屬公司所產生之若干商譽金額維持與綜合儲備對銷。

37. 擁有重大非控股權益之部分擁有附屬公司

本集團擁有重大非控股權益之附屬公司詳情載列如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|--|----------------------------------|----------------------------------|
| Percentage of equity interest held by non-controlling interests: Gold Strong Industrial Limited ("Gold Strong") and its subsidiaries | 非控股權益持有之股權百分比： 金利康工業有限公司(「金利康」)及其附屬公司 | 45% | 45% |
| Loss for the year allocated to non-controlling interests: Gold Strong and its subsidiaries | 非控股權益獲分配之本年度虧損： 金利康及其附屬公司 | (3,286) | (3,751) |
| Accumulated balance of non-controlling interests at the reporting dates: Gold Strong and its subsidiaries | 於呈報日期非控股權益之累計結餘： 金利康及其附屬公司 | (8,837) | (4,971) |

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37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

Gold Strong and its subsidiaries

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Revenue | 收益 | 43,893 | 54,989 |
| Total expenses | 開支總額 | (49,719) | (63,697) |
| Loss for the year | 年內虧損 | (7,300) | (8,249) |
| Total comprehensive loss for the year | 年內全面虧損總額 | (8,589) | (7,024) |
| Current assets | 流動資產 | 14,366 | 13,095 |
| Non-current assets | 非流動資產 | 61,349 | 53,189 |
| Current liabilities | 流動負債 | (77,626) | (76,310) |
| Non-current liabilities | 非流動負債 | (17,727) | (933) |
| Net cash flows generated from operating activities | 經營業務產生現金流量淨額 | 3,513 | 714 |
| Net cash flows used in investing activities | 投資業務所耗現金流量淨額 | (44) | (1,312) |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等值物淨增加／(減少) | 3,469 | (598) |

37. 擁有重大非控股權益之部分擁有附屬公司 (續)

下表載列上述附屬公司之財務資料概要。所披露金額為於任何公司間對銷前之金額：

金利康及其附屬公司

38. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

- (i) During the prior year ended 31 March 2019, the Group acquired 25% equity interest in an associate, Filmko Culture for a consideration, part of which was settled by the issue of 16,000,000 new ordinary shares of the Company.
- (ii) During the prior year ended 31 March 2019, the Group entered into finance lease arrangements in respect of property, plant and equipment with a total capital value at the inception of the leases of HK\$1,836,000.

38. 綜合現金流量表附註

(a) 主要非現金交易

- (i) 於截至二零一九年三月三十一日止過往年度，本集團支付代價收購一間聯營公司星皓文化25%的股權，其中部分代價通過發行16,000,000股本公司新普通股的方式償付。
- (ii) 於截至二零一九年三月三十一日止過往年度，本集團就物業、廠房及設備訂立了融資租賃安排，該物業、廠房及設備於租賃開始時的資產價值總額為1,836,000港元。

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38. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities

38. 綜合現金流量表附註 (續)

(b) 產生自融資活動的負債變動

| | | Bank and other loans 銀行及其他貸款 HK\$'000 千港元 | Finance lease payables 應付融資租賃 HK\$'000 千港元 | Lease liabilities 租賃負債 HK\$'000 千港元 |
|-----------------------------------|----------------|--|---|--|
| At 1 April 2018 | 於二零一八年四月一日 | 11,063 | 971 | – |
| Changes from financing cash flows | 融資現金流量變動 | 9,686 | (1,261) | – |
| New finance leases | 新融資租賃 | – | 1,836 | – |
| At 31 March 2019 | 於二零一九年三月三十一日 | 20,749 | 1,546 | – |
| Adoption of HKFRS 16 | 採納香港財務報告準則第16號 | – | (413) | 20,774 |
| At 1 April 2019 | 於二零一九年四月一日 | 20,749 | 1,133 | 20,774 |
| Changes from financing cash flows | 融資現金流量變動 | 18,026 | (1,133) | (847) |
| Disposal of lease liabilities | 出售租賃負債 | – | – | (1,895) |
| Exchange realignment | 匯兌調整 | – | – | (957) |
| At 31 March 2020 | 於二零二零年三月三十一日 | 38,775 | – | 17,075 |

39. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 15 to the consolidated financial statements) under operating lease arrangements, with the leases negotiated for terms ranging from two to three years. The terms of the leases also require the tenant to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

39. 經營租約安排

(a) 作為出租人

本集團根據經營租約安排租賃其投資物業(綜合財務報表附註15)，洽定租約介乎兩年至三年。租約條款亦要求租戶支付抵押按金，並根據當時市況定期調整租金。

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39. OPERATING LEASE ARRANGEMENTS

(Continued)

(a) As lessor (Continued)

At 31 March 2019, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 960 | 1,313 |
| In the second to fifth years, inclusive | 第二至第五年內 (包括首尾兩年) | 418 | 301 |
| | | 1,378 | 1,614 |

(b) As lessee

The Group is the lessee in respect of a number of properties for the office and warehouse purposes, which are held under leases previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 April 2019 to recognise lease liabilities relating to these leases (see note 2). From 1 April 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the accounting policies set out in note 3.

At 31 March 2019, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

| | | 2019 二零一九年 HK\$'000 千港元 |
|---|------------------|----------------------------------|
| Within one year | 一年內 | 2,612 |
| In the second to fifth years, inclusive | 第二至第五年內 (包括首尾兩年) | 2,657 |
| After five years | 五年後 | 27,091 |
| | | 32,360 |

39. 經營租約安排 (續)

(a) 作為出租人 (續)

於二零一九年三月三十一日，本集團根據以下期間屆滿之不可撤銷經營租約應收其租戶之未來最低租金總額如下：

(b) 作為承租人

本集團為作辦公及倉庫用途的若干物業之承租人，其乃以先前根據香港會計準則第17號分類為經營租賃的租賃持有。本集團使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，本集團調整於二零一九年四月一日的期初餘額以確認與該等租賃有關的租賃負債（見附註2）。自二零一九年四月一日起，未來租賃付款根據附註3所載會計政策於綜合財務狀況表確認為租賃負債。

於二零一九年三月三十一日，本集團根據以下期間屆滿之不可撤銷經營租約應付之未來最低租賃付款總額如下：

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40. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year:

(a) Transactions with a director of certain of the subsidiaries of the Company

The Group leased the properties from Million Wave Limited ("Million Wave") for a monthly rental of HK\$92,160. Mr. Hui Leung Wah, the director of subsidiaries of the Company, is the beneficial owner of Million Wave. The amount of rental paid by the Group for the current year in respect of leasing of the properties amounted to HK\$1,033,000 (2019: HK\$1,106,000), which has been included in "administrative expenses" on the face of the consolidated statement of profit or loss.

During the year ended 31 March 2020, a property was rented by the Group from Mr. Hui, for the use by a director of subsidiaries of the Company, Mr. Poon Sui Hong, as accommodation. The total rental paid by the Group amounted to HK\$444,000 in respect of each of the years ended 31 March 2020 and 31 March 2019.

(b) Outstanding balances with a joint venture

Details of the loan to a joint venture granted by the Group as at the end of the reporting period are included in note 19 to the consolidated financial statements.

(c) Outstanding balance with the spouse of a subsidiary's director

Included in other payables, accruals and deposits received at 31 March 2020 is amount due to the spouse of Mr. Hui amounted to HK\$14,453,000 (2019: HK\$9,813,000) which is unsecured, non-interest bearing and repayable on demand.

(d) Outstanding balance with the subsidiary's director

Included in other payables, accruals and deposits received at 31 March 2020 is amount due to Mr. Yu Wing Lung, a director of subsidiary of the Company, amounted to HK\$572,000 (2019: HK\$Nil), which is unsecured, non-interest bearing and repayable on demand.

40. 關連人士交易

除此等綜合財務報表其他部分所詳述之交易外，本集團於年內有下列與關連人士之交易：

(a) 與本公司若干附屬公司之一名董事之交易

本集團以每月租金92,160港元向融豐有限公司(「融豐」)租賃物業。本公司附屬公司董事許亮華先生為融豐的實益擁有人。本集團本年度就租賃物業所支付之租金款項為1,033,000港元(二零一九年：1,106,000港元)，其已列入綜合損益表中之「行政開支」。

截至二零二零年三月三十一日止年度，本集團向許先生租賃一處物業，以供本公司附屬公司之董事潘兆康先生用作住屋。本集團就截至二零二零年三月三十一日及二零一九年三月三十一日止年度各年支付總租金444,000港元。

(b) 與一間合營公司之未償還結餘

本集團授予一間合營公司貸款於報告期末之詳情載於綜合財務報表附註19。

(c) 與一名附屬公司的董事配偶之未償還結餘

於二零二零年三月三十一日，其他應付款項、應計款項及已收按金包括應付許先生配偶之款項14,453,000港元(二零一九年：9,813,000港元)，該款項為無抵押、免息及按要求償還。

(d) 與附屬公司董事之未償還結餘

於二零二零年三月三十一日，其他應付款項、應計款項及已收按金包括應付本公司附屬公司董事余泳龍先生之款項572,000港元(二零一九年：零港元)，該款項為無抵押、免息及按要求償還。

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40. RELATED PARTY TRANSACTIONS

(Continued)

(e) Outstanding balance with the ex-director

Included in other payables, accruals and deposits received at 31 March 2020 is amount due to Mr. Wong Hoi Ping, the ex-director of the Company, amounted to HK\$294,000 (2019: HK\$Nil) which is unsecured, non-interest bearing and repayable on demand.

(f) Outstanding balance with an entity related to the ex-director of the Company

Included in other receivables is the advance to the PRC entity amounted to HK\$691,000 (2019: HK\$12,440,000) which is unsecured, interest free and repayable on demand. Mr. Wong Hoi Ping is the ex-director of the Company. His mother is beneficially interested in this PRC entity. This advance was partly settled subsequent to the end of the reporting period.

(g) Compensation of key management personnel of the Group

Further details of directors' emoluments are included in note 10 to the consolidated financial statements.

The related party transactions as set out in (a) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

40. 關連人士交易 (續)

(e) 與前董事之未償還結餘

於二零二零年三月三十一日，其他應付款項、應計款項及已收按金包括應付本公司前董事王海平先生之款項294,000港元（二零一九年：零港元），該款項為無抵押、免息及按要求償還。

(f) 與本公司前董事相關之實體之未償還結餘

其他應收款項包括向中國實體墊款691,000港元（二零一九年：12,440,000港元），其為無抵押、不計息及須按要求償還。王海平先生為本公司前董事。其母親於有關中國實體擁有實益權益。該墊款已於報告期末後部分清償。

(g) 本集團主要管理人員之酬金

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------------|----------------------------------|----------------------------------|
| Short term employee benefits | 短期僱員福利 | 7,725 | 8,350 |
| Post-employment benefits | 退休福利 | 195 | 148 |
| Total compensation paid and payable to key management personnel | 向主要管理人員支付及應付之酬金總額 | 7,920 | 8,498 |

董事酬金進一步詳情載於綜合財務報表附註10。

上文(a)項所載關連人士交易亦構成上市規則第14A章所界定關連交易或持續關連交易。

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41. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2020

Financial assets

| | | Financial assets at fair value through profit or loss 按公允價值計入損益之金融資產 HK\$'000 千港元 | Financial assets at amortised cost 按攤銷成本計量之金融資產 HK\$'000 千港元 | Financial asset at fair value through other comprehensive income 按公允價值計入其他全面收入之金融資產 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-----------------------|--|---|---|--------------------------------|
| Financial asset at fair value through other comprehensive income | 按公允價值計入其他全面收入之金融資產 | - | - | - | - |
| Trade receivables | 應收賬款 | - | 8,338 | - | 8,338 |
| Loan and interest receivables | 應收貸款及應收利息 | - | 11,129 | - | 11,129 |
| Financial assets included in prepayments, deposits and other receivables | 計入預付款項、按金及其他應收款項之金融資產 | - | 34,067 | - | 34,067 |
| Financial asset at fair value through profit or loss | 按公允價值計入損益之金融資產 | 51,022 | - | - | 51,022 |
| Cash and cash equivalents | 現金及現金等值物 | - | 28,441 | - | 28,441 |
| | | 51,022 | 81,975 | - | 132,997 |

Financial liabilities

金融負債

| | | Financial liabilities at amortised cost 按攤銷成本列賬之金融負債 HK\$'000 千港元 |
|--|-------------------------|--|
| Trade payables | 應付賬款 | 5,113 |
| Financial liabilities included in other payables, accruals and deposits received | 計入其他應付款項、應計款項及已收按金之金融負債 | 61,065 |
| Lease liabilities | 租賃負債 | 17,075 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | 38,775 |
| | | 122,028 |

41. 按類別劃分之金融工具

於報告期末，各類金融工具之賬面值如下：

二零二零年

金融資產

| | Financial asset at fair value through other comprehensive income 按公允價值計入其他全面收入之金融資產 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|---|--------------------------------|
| Financial asset at fair value through other comprehensive income | - | - |
| Trade receivables | 8,338 | 8,338 |
| Loan and interest receivables | 11,129 | 11,129 |
| Financial assets included in prepayments, deposits and other receivables | 34,067 | 34,067 |
| Financial asset at fair value through profit or loss | 51,022 | 51,022 |
| Cash and cash equivalents | 28,441 | 28,441 |
| | 81,975 | 132,997 |

金融負債

| | Financial liabilities at amortised cost 按攤銷成本列賬之金融負債 HK\$'000 千港元 |
|--|--|
| Trade payables | 5,113 |
| Financial liabilities included in other payables, accruals and deposits received | 61,065 |
| Lease liabilities | 17,075 |
| Interest-bearing bank and other borrowings | 38,775 |
| | 122,028 |

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41. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

2019

Financial assets

41. 按類別劃分之金融工具 (續)

二零一九年

金融資產

| | | Financial assets at fair value through profit or loss 按公允價值計入損益之金融資產 HK\$'000 千港元 | Financial assets at amortised cost 按攤銷成本計量之金融資產 HK\$'000 千港元 | Financial asset at fair value through other comprehensive income 按公允價值計入其他全面收入之金融資產 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-----------------------|--|---|---|--------------------------------|
| Financial asset at fair value through other comprehensive income | 按公允價值計入其他全面收入之金融資產 | - | - | 290 | 290 |
| Trade receivables | 應收賬款 | - | 25,623 | - | 25,623 |
| Loan and interest receivables | 應收貸款及應收利息 | - | 20,022 | - | 20,022 |
| Financial assets included in prepayments, deposits and other receivables | 計入預付款項、按金及其他應收款項之金融資產 | - | 100,041 | - | 100,041 |
| Financial assets at fair value through profit or loss | 按公允價值計入損益之金融資產 | 6,705 | - | - | 6,705 |
| Cash and cash equivalents | 現金及現金等值物 | - | 13,937 | - | 13,937 |
| | | 6,705 | 159,623 | 290 | 166,618 |

Financial liabilities

金融負債

| | | Financial liabilities at amortised cost 按攤銷成本列賬之金融負債 HK\$'000 千港元 |
|--|-------------------------|--|
| Trade payables | 應付賬款 | 7,707 |
| Financial liabilities included in other payables, accruals and deposits received | 計入其他應付款項、應計款項及已收按金之金融負債 | 53,365 |
| Obligation under finance leases | 融資租賃承擔 | 1,546 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | 20,749 |
| | | 83,367 |

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42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's finance team headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the financial controller. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the financial controller. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 March 2020 was assessed to be insignificant.

Financial assets measured at fair value

The fair values of listed equity investments at fair value through profit or loss and an unlisted financial assets at fair value through other comprehensive income are based on quoted market prices.

The fair values of investments in film production has been calculated by discounting the cash flow to capture the present value of the expected future economic benefits to be derived from the investment, based on an appropriate discount rate.

42. 金融工具之公允值及公允值層級

本集團以財務總監為首之財務小組負責釐定金融工具公允值計量之政策及程序。財務小組直接向財務總監匯報。於各報告日期，財務小組分析金融工具之價值變動並釐定估值中所用主要輸入數據。估值經財務總監審閱及批准。估值過程及結果由審核委員會每年進行兩次討論，以作中期及年度財務申報。

金融資產及負債之公允值按該金融工具於自願雙方當前交易（非被迫或清算性出售）中可交換之金額列賬。估計公允值時採用以下方法及假設：

於二零二零年三月三十一日，本集團本身之計息銀行及其他借貸之違約風險評估為不重大。

按公允值計量之金融資產

按公允值計入損益之上市股權投資及按公允值計入其他全面收入之非上市金融資產之公允值乃基於市場報價計算。

電影製作投資之公允值乃透過按適當貼現率將現金流量貼現以得出將自該投資所產生之預期未來經濟利益之現值而計算。

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42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments measured at fair value:

Financial assets measured at fair value:

As at 31 March 2020

42. 金融工具之公允值及公允值層級 (續)

公允值層級

下表列示本集團按公允值計量之金融工具之公允值計量層級：

按公允值計量之金融資產：

於二零二零年三月三十一日

| | | Fair value measurement using 按以下方式計量之公允值 | | | |
|---|---------------|---|---|--|------------------------------------|
| | | Quoted prices in active markets (Level 1) 活躍市場 報價 (第1級) HK\$'000 千港元 | Significant observable inputs (Level 2) 主要可觀察 輸入數據 (第2級) HK\$'000 千港元 | Significant unobservable inputs (Level 3) 主要不可觀察 輸入數據 (第3級) HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Financial assets at fair value through profit or loss | 按公允值計入損益之金融資產 | 5,704 | - | 45,318 | 51,022 |

As at 31 March 2019

於二零一九年三月三十一日

| | | Fair value measurement using 按以下方式計量之公允值 | | | |
|---|-------------------|---|---|--|------------------------------------|
| | | Quoted prices in active markets (Level 1) 活躍市場 報價 (第1級) HK\$'000 千港元 | Significant observable inputs (Level 2) 主要可觀察 輸入數據 (第2級) HK\$'000 千港元 | Significant unobservable inputs (Level 3) 主要不可觀察 輸入數據 (第3級) HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Financial asset fair value through other comprehensive income | 按公允值計入其他全面收入之金融資產 | 290 | - | - | 290 |
| Financial assets at fair value through profit or loss | 按公允值計入損益之金融資產 | 6,705 | - | - | 6,705 |
| | | 6,995 | - | - | 6,995 |

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42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Financial liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 31 March 2020 and 2019.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2019: Nil).

Financial assets and financial liabilities that are not measured at fair value:

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their fair value. The fair value, which included in Level 3 category, have been determined in accordance with generally accepted pricing model based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

42. 金融工具之公允值及公允值層級 (續)

公允值層級 (續)

按公允值計量之金融負債:

於二零二零年及二零一九年三月三十一日,本集團並無持有任何按公允值計量之金融負債。

於年內,金融資產及金融負債之公允值計量並無於第1級與第2級之間結轉,亦無轉入或轉出第3級(二零一九年:無)。

並非按公允值計量的金融資產及金融負債:

董事認為按攤銷成本錄得的金融資產及金融負債之賬面值與其公允值相若。計入第3級的公允值已根據貼現現金流量分析之公認定價模式釐定,最為重大之輸入數據為反映對手方信貸風險的貼現率。

43. 財務風險管理目標與政策

本集團主要金融工具包括現金及現金等值物。該等金融工具主要為本集團業務籌集資金。本集團持有應收賬款及應付賬款等多項其他於業務直接產生之金融資產及負債。

本集團金融工具產生之主要風險為外匯風險、信貸風險及流動資金風險。董事會審閱及協定管理各該等風險之政策,概述如下。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Most of the Group's sales were denominated in United States dollars while expenditures incurred in the operations of manufacturing plants and capital expenditures were denominated in RMB. The Group currently does not have a foreign currency hedging policy. The Group will enter into a forward currency contract to manage its exchange rate exposures if needed. Management closely monitors foreign exchange exposure and will further consider hedging significant foreign currency exposure should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's loss before tax and the Group's equity (due to changes in the fair value of monetary assets and liabilities).

43. 財務風險管理目標與政策 (續)

外匯風險

本集團面對交易貨幣風險。該等風險乃因經營單位按該單位功能貨幣以外貨幣買賣而產生。本集團大部分銷售以美元列值，而生產廠房運作所產生開支及資本開支乃以人民幣列值。本集團現時並無採納外幣對沖政策。本集團將在必要時訂立一項遠期貨幣合約以管理其匯率風險。管理層正密切監察外匯風險，並於有需要時進一步考慮對沖重大外匯風險。

下表展示於報告期末在所有其他變數維持不變，而人民幣匯率可能出現合理變動之情況下，本集團除稅前虧損及本集團權益（因貨幣資產及負債公允值出現變動）之敏感度。

| | | Increase/ (decrease) in RMB rate 人民幣 匯率上升/ (下跌) % | Increase/ (decrease) in loss before tax 除稅前 虧損增加/ (減少) HK\$'000 千港元 | Increase/ (decrease) in equity* 權益* 增加/(減少) HK\$'000 千港元 |
|---|--------------|---|---|--|
| 2020 | 二零二零年 | | | |
| If Hong Kong dollar weakens against RMB | 倘港元兌人民幣貶值 | 5 | (2,332) | (2,332) |
| If Hong Kong dollar strengthens against RMB | 倘港元兌人民幣升值 | (5) | 2,332 | 2,332 |
| 2019 | 二零一九年 | | | |
| If Hong Kong dollar weakens against RMB | 倘港元兌人民幣貶值 | 5 | (815) | (838) |
| If Hong Kong dollar strengthens against RMB | 倘港元兌人民幣升值 | (5) | 815 | 838 |

* Excluding retained profits

* 不包括保留溢利

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Other price risk

The Group is exposed to equity price risk through its investments in equity securities measured at FVTPL. For equity securities measured at FVTPL quoted on The Stock Exchange of Hong Kong Limited, management of the Group manages this exposure by maintaining a portfolio of investments with different risks. The management monitors the price risk by timely review of investment portfolio and will consider hedging the risk exposure should the need arise.

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date. For sensitivity analysis of equity securities with fair value measurement categorised within Level 1, the sensitivity rate is increased to 20% in current year as a result of the volatile financial market.

If the prices of the respective equity instruments had been 20% (2019: 5%) higher/lower, the post-tax loss for the year ended 31 March 2020 would decrease/increase by HK\$1,141,000 (2019: decrease/increase by HK\$335,000) as a result of the changes in fair value of equity investments at FVTPL.

Credit risk

The Group trades only with recognised and creditworthy third parties and related parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and financial assets included in prepayments, deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

43. 財務風險管理目標與政策 (續)

其他價格風險

本集團因其投資於以按公允值計入損益之股本證券而面臨股本價格風險。就於香港聯合交易所有限公司報價的按公允值計入損益之股本證券而言，本集團管理層藉維持一個集合不同風險之投資組合管理此類風險。管理層透過及時檢討投資組合監控價格風險並將考慮於需要時對沖風險。

敏感度分析乃根據於報告日期所面對之股本價格風險而釐定。就分類為第1級之按公允值計量的股本證券敏感度分析而言，由於金融市場波動，本年度敏感度比率上升至20%。

倘各權益工具價格上升/下跌20% (二零一九年：5%)，則截至二零二零年三月三十一日止年度之除稅後虧損將會因為按公允值計入損益之股權投資之公允值變動而減少/增加1,141,000港元 (二零一九年：減少/增加335,000港元)。

信貸風險

本集團僅與獲認可且信貸記錄良好之第三方及關連人士進行交易。本集團之政策為所有擬按信貸期進行買賣之客戶，均須經過信貸核證程序。此外，本集團持續監察應收款項餘額，故本集團之壞賬風險並不重大。

本集團其他金融資產 (包括現金及現金等值物以及計入預付款項、按金及其他應收款項之金融資產) 之信貸風險因交易對方之失責產生，最大風險相等於該等工具之賬面值。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

- (i) Trade receivables, loan and interest receivables, other receivables and deposits

Trade receivables

The Group applies the simplified approach to provide for expected credit losses for trade receivables prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

As at 31 March 2020 and 31 March 2019, the loss allowance for trade receivables was determined as follows:

| | | Neither past due nor impaired | Less than one month to three months past due 逾期少於 一個月至 三個月 | Over three months past due 逾期超過 三個月 | Total |
|-----------------------|-------------------------|-------------------------------------|--|---|-----------------------|
| | | 未逾期或減值 HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| 31 March 2020 | 二零二零年 三月三十一日 | | | | |
| Expected loss rate | 預期虧損率 | 0%–5% | 0%–20% | 80%–100% | |
| Gross carrying amount | 賬面總值 | 4,408 | 3,914 | 2,349 | 10,671 |
| Loss allowance | 虧損撥備 | – | 21 | 2,312 | 2,333 |

| | | Neither past due nor impaired | Less than one month to three months past due 逾期少於 一個月至 三個月 | Over three months past due 逾期超過 三個月 | Total |
|-----------------------|-------------------------|-------------------------------------|--|---|-----------------------|
| | | 未逾期或減值 HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| 31 March 2019 | 二零一九年 三月三十一日 | | | | |
| Expected loss rate | 預期虧損率 | 0%–5% | 0%–20% | 80%–100% | |
| Gross carrying amount | 賬面總值 | 12,152 | 5,582 | 8,209 | 25,943 |
| Loss allowance | 虧損撥備 | – | – | 320 | 320 |

The above expected credit losses also incorporated forward looking information.

上述預期信貸虧損亦涉及前瞻性資料。

43. 財務風險管理目標與政策 (續)

信貸風險 (續)

- (i) 應收賬款、應收貸款及應收利息、其他應收款項及按金應收賬款

本集團應用香港財務報告準則第9號指定的簡化方法(其允許就所有應收賬款使用全期預期虧損撥備)就應收賬款的預期信貸虧損計提撥備。

於二零二零年三月三十一日及二零一九年三月三十一日，應收賬款的虧損撥備根據下列各項釐定：

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

- (i) Trade receivables, loan and interest receivables, other receivables and deposits (Continued)

Trade receivables (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor/customer;
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group and changes in the operating results of the customer.

Loan and interest receivables, other receivables and deposits

The Group uses four categories for loan and interest receivables, deposits and other receivables which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

43. 財務風險管理目標與政策 (續)

信貸風險 (續)

- (i) 應收賬款、應收貸款及應收利息、其他應收款項及按金 (續)

應收賬款 (續)

本集團在資產的初始確認時考慮壞賬的可能性，也於各報告期間持續評估信貸風險有否顯著增加。在評估信貸風險是否顯著增加時本集團將報告日時資產發生壞賬的可能性與初始確認時發生壞賬的可能性進行比較，同時也考慮公開、合理且具支持的前瞻資料。以下指標需要重點考慮：

- 內部信用評級；
- 外部信用評級；
- 實際發生的或者預期的營業狀況、財務狀況和經濟環境中的重大不利變化預期導致客戶償還債務的能力產生重大變化；
- 債務人／客戶的經營成果實際發生或者預期發生重大變化；
- 客戶預期表現或者行為發生重大變化，包括集團內客戶付款情況的變化和客戶經營業績的變化。

應收貸款及應收利息、其他應收款項及按金

本集團將應收貸款及應收利息、按金及其他應收款項分為四個類別，反映其信貸風險及各類別釐定虧損撥備的方法。該等內部信貸風險評級與外部信貸評級一致。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

- (i) Trade receivables, loan and interest receivables, other receivables and deposits (Continued)

Loan and interest receivables, other receivables and deposits (Continued)

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

43. 財務風險管理目標與政策 (續)

信貸風險 (續)

- (i) 應收賬款、應收貸款及應收利息、其他應收款項及按金 (續)

應收貸款及應收利息、其他應收款項及按金 (續)

本集團預期信貸虧損模式的相關假設概述如下：

| Category 類別 | Group's definition of categories 本集團有關類別的定義 | Basis for recognition of expected credit loss provision 確認預期信貸虧損撥備的基準 |
|-----------------------------|---|--|
| Performing 表現良好 | Customers have a low risk of default and a strong capacity to meet contractual cash flows 客戶的違約風險偏低及應付合約現金流量的能力穩健 | 12 months expected losses. Where the expected lifetime of an asset is less than 12 months. Expected losses are measured at its expected lifetime 12個月的預期虧損。對於預期存續期在12個月之內的資產，預期虧損基於其預期存續期計量 |
| Underperforming 表現欠佳 | Receivables for which there is a significant increase in credit risk: significant increase in credit risk is presumed if interest and/or principal repayments are 90 days past due 信貸風險大幅增加的應收款項：倘逾期90天償還利息及／或本金，則假設信貸風險大幅增加 | Lifetime expected losses 全期預期虧損 |
| Non-performing 表現不良 | Interest and/or principal repayments are 365 days past due 逾期365天償還利息及／或本金 | Lifetime expected losses 全期預期虧損 |
| Write-off 撇銷 | Interest and/or principal repayments are two years past due and there is no reasonable expectation of recovery 逾期兩年償還且不存在收回的合理預期的利息及／或本金 | Asset is written off 撇銷資產 |

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

- (i) Trade receivables, loan and interest receivables, other receivables and deposits (Continued)

Loan and interest receivables, other receivables and deposits (Continued)

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of deposits and other receivables and adjusts for forward-looking macroeconomic data.

Management assessed that certain loan and interest receivables at 31 March 2020 are regarded non-performing and impairment losses for the year amounted to HK\$9,480,000 (2019: HK\$28,844,000) has been made for those loan and interest receivables respectively. Save as aforementioned, the Group's internal credit rating of the remaining deposits and other receivables were performing. The Group has assessed that the expected credit loss rate for the remaining loan and interest receivables, deposits and other receivables is immaterial under 12 months expected losses method. Thus no loss allowance for those deposits and other receivables was recognised.

Concentration of credit risk

The Group is exposed to credit risk and the Group's maximum exposure to credit risk in relation to financial assets is derived from its trade receivables, loan and interest receivables, deposits and, other receivables, and cash deposits at banks.

43. 財務風險管理目標與政策 (續)

信貸風險 (續)

- (i) 應收賬款、應收貸款及應收利息、其他應收款項及按金 (續)

應收貸款及應收利息、其他應收款項及按金 (續)

本集團通過及時就預期信貸虧損適當計提撥備來說明其信貸風險。在計算預期信貸虧損率時，本集團會考慮各類按金及其他應收款項的歷史虧損率並就前瞻性的宏觀經濟數據作出調整。

管理層評估於二零二零年三月三十一日的若干應收貸款及應收利息被認為表現不良且已就該等應收貸款及應收利息分別作出本年度減值虧損9,480,000港元(二零一九年: 28,844,000港元)。除上述者外，本集團就餘下按金及其他應收款項進行內部信貸評級。根據12個月預期虧損法，本集團評估餘下應收貸款及應收利息、按金及其他應收款項的預期信貸虧損率不重大，故並無就該等按金及其他應收款項確認虧損撥備。

集中信貸風險

本集團面臨信貸風險，以及本集團與金融資產有關最大的信貸風險來自其應收賬款、應收貸款及應收利息、按金及其他應收款項及銀行現金存款。

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綜合財務報表附註

31 March 2020
二零二零年三月三十一日

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

- (i) Trade receivables, loan and interest receivables, other receivables and deposits (Continued)

Concentration of credit risk (Continued)

The credit quality of the debtors is assessed based on their financial positions, past experience and other factors. The Group has policies in place to ensure credit terms are granted to reliable debtors. At the end of the reporting period, the Group had certain concentrations of credit risk as 23% (2019: 26%) and 68% (2019: 24%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively, within the Europe, America and the PRC (including Hong Kong) regions. However, the Group concludes that the credit risk in relation to these customers is not significant because they have no history of default in recent years. The Group's historical experience in collection of receivables falls within recorded allowance and the directors do not expect any additional material impairment on trade receivables, and receivables from other counterparties.

Receivables that aged less than 360 days substantially related to various customers that has a good trade record with the Group. Based on past experience, the directors are of the opinion that no provision for impairment is necessary in respect of these balances as there had not been a significant change quality and the balance are still considered fully recoverable.

- (ii) Cash at bank and bank deposits

The table below shows the details of bank deposit balances maintained at the end of the reporting period:

| | Rating 評級 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------------|----------------------------------|----------------------------------|
| Cash at banks and bank deposits 銀行現金及銀行存款 | A1-A3 A1-A3 | 28,441 | 13,937 |

43. 財務風險管理目標與政策 (續)

信貸風險 (續)

- (i) 應收賬款、應收貸款及應收利息、其他應收款項及按金 (續)

集中信貸風險 (續)

債務人的信貸素質乃根據彼等財務狀況、過往經驗及其他因素而評估。本集團設有政策以確保向可靠債務人授出信貸期。於報告期末，由於本集團之應收賬款其中23% (二零一九年：26%) 及68% (二零一九年：24%) 分別源自本集團於歐洲、美洲及中國 (包括香港) 等地區之最大及五大客戶，故本集團有若干集中信貸風險。然而，本集團認為有關該等客戶的信貸風險並不重大，乃因彼等於近年並無違約記錄。根據本集團的過往收回經驗，應收款項並未超出所設定的限額，而董事預期應收賬款及應收其他對手方的款項將不會出現任何其他重大減值。

賬齡少於360日的應收款項主要與多名與本集團有良好交易記錄的客戶有關。根據過往經驗，董事認為毋須就該等結餘計提減值撥備，由於信貸質素並無重大變動且結餘仍被視為可全數收回。

- (ii) 銀行現金及銀行存款

下表列示於報告期末存置的銀行存款結餘的詳情：

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

(ii) Cash at bank and bank deposits (Continued)

The rating represents long-term credit rating provided by Moody's, an internationally recognised credit rating agency. A rating within the "A" category is judged to be upper-medium grade and are subject to low credit risk under the rating regime of Moody's. Accordingly, management of the Group considers that the credit risk on the bank balances and bank deposits is limited.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group's policy is to minimise borrowings.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

| | | 2020 二零二零年 | | | Total undiscounted cash flows | Carrying amount at 31 March 2020 於二零二零年 三月三十一日 的賬面值 |
|---|---------------------------------|--|--|-------------------------|-------------------------------------|---|
| | | On demand or less than 12 months | Over 1 year but less than 5 years | Over 5 years | 未貼現 現金流量總額 | HK\$'000 千港元 |
| | | 應要求或 少於12個月 HK\$'000 千港元 | 超過1年 但少於5年 HK\$'000 千港元 | 超過5年 HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Trade payables | 應付賬款 | 5,113 | - | - | 5,113 | 5,113 |
| Financial liabilities included in other payables, accruals, and deposits received | 計入其他應付款項、 應計款項及已收按金之 金融負債 | 61,065 | - | - | 61,065 | 61,065 |
| Obligations under finance leases | 融資租賃承擔 | - | - | - | - | - |
| Lease liabilities | 租賃負債 | 593 | 2,493 | 24,555 | 27,641 | 17,075 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | 30,733 | 8,431 | - | 39,164 | 38,775 |
| | | 97,504 | 10,924 | 24,555 | 132,983 | 122,028 |

43. 財務風險管理目標與政策 (續)

信貸風險 (續)

(ii) 銀行現金及銀行存款 (續)

評級指穆迪(一間國際認可的信貸評級機構)提供的長期信貸評級。穆迪評級制度下的「A」類別內的A評級為中上等級，信貸風險低。因此，本集團的管理層認為銀行結餘及銀行存款的信貸風險有限。

流動資金風險

本集團採用經常性流動資金規劃工具監察其資金短缺風險。該工具考慮到金融工具及金融資產(如應收賬款)之到期日及業務之預測現金流量。

本集團之目標為透過運用銀行貸款於持續資金供應及靈活彈性之間維持平衡。本集團之政策為盡量減少借貸。

本集團於報告期末按已訂約未貼現付款基準計算之金融負債到期日如下：

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二零二零年三月三十一日

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued) Liquidity risk (Continued)

| | On demand or less than 12 months | Over 1 year | Total undiscounted cash flows | Carrying amount at 31 March 2019 |
|---|--|-------------------------|-------------------------------------|---|
| | 應要求或 少於12個月 HK\$'000 千港元 | 超過1年 HK\$'000 千港元 | 未貼現 現金流量總額 HK\$'000 千港元 | 於二零一九年 三月三十一日 的賬面值 HK\$'000 千港元 |
| Trade payables | 7,707 | - | 7,707 | 7,707 |
| Financial liabilities included in other payables, accruals, and deposits received | 53,365 | - | 53,365 | 53,365 |
| Obligations under finance leases | 1,279 | 327 | 1,606 | 1,546 |
| Lease liabilities | - | - | - | - |
| Interest-bearing bank and other borrowings | 20,962 | - | 20,962 | 20,749 |
| | 83,313 | 327 | 83,640 | 83,367 |

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 2019.

43. 財務風險管理目標與政策 (續) 流動資金風險 (續)

2019
二零一九年

Over
1 year
超過1年
HK\$'000
千港元

Total
undiscounted
cash flows
未貼現
現金流量總額
HK\$'000
千港元

Carrying
amount at
31 March 2019
於二零一九年
三月三十一日
的賬面值
HK\$'000
千港元

資本管理

本集團資本管理之主要目標為保障本集團具備持續經營之能力及維持穩健的資本比率，以支持其業務及提高股東價值。

本集團因應經濟狀況之變動而管理資本結構並加以調整。為維持或調整資本結構，本集團或會調整向股東派發之股息、向股東退回資本或發行新股份。本集團無須受任何外界所定之資本要求約束。於截至二零二零年及二零一九年三月三十一日止年度內，管理資本之目標、政策或程序並無出現變動。

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44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

44. 本公司之財務狀況表

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------------------------|-------------|----------------------------------|----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 22 | 30 |
| Investments in subsidiaries | 於附屬公司之投資 | 104,139 | 479,311 |
| | | 104,161 | 479,341 |
| CURRENT ASSETS | 流動資產 | | |
| Prepayments and deposits | 預付款項及按金 | - | 1,569 |
| Cash and cash equivalents | 現金及現金等值物 | 16,763 | 45 |
| | | 16,763 | 1,614 |
| CURRENT LIABILITIES | 流動負債 | | |
| Other payables and accruals | 其他應付款項及應計款項 | 2,302 | 5,845 |
| Interest-bearing other borrowings | 計息其他借貸 | 20,513 | 20,224 |
| | | 22,815 | 26,069 |
| NET CURRENT (LIABILITIES) ASSETS | 流動(負債)資產淨值 | (32,513) | (24,455) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | 98,109 | 454,886 |
| NON-CURRENT LIABILITIES | 非流動負債 | | |
| Due to subsidiaries | 應付附屬公司 | (26,461) | (197,901) |
| Net assets | 資產淨值 | 71,648 | 256,985 |
| EQUITY | 權益 | | |
| Share capital | 股本 | 60,655 | 40,437 |
| Reserves (note) | 儲備(附註) | 10,993 | 216,548 |
| Total equity | 權益總額 | 71,648 | 256,985 |

The Company's statement of financial position was approved and authorised for issue by the board of directors on 29 June 2020 and is signed on its behalf by:

本公司的財務狀況表已獲董事會於二零二零年六月二十九日批准及授權刊發並由以下人士代為簽署：

Chung Yuk Lun
鍾育麟
Director
董事

Chan Chung Yin Victor
陳仲然
Director
董事

Notes to Consolidated Financial Statements 綜合財務報表附註

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44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

| | | Share premium account 股份溢價賬 HK\$'000 千港元 | Contributed surplus 繳入盈餘 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|----------------------------|--|---|--|--------------------------------|
| At 1 April 2018 | 於二零一八年四月一日 | 150,675 | 146,973 | (20,911) | 276,737 |
| Loss and total comprehensive expense for the year | 年內虧損及全面開支總額 | - | - | (98,589) | (98,589) |
| Issue of shares | 發行股份 | 38,400 | - | - | 38,400 |
| At 31 March 2019 and 1 April 2019 | 於二零一九年三月三十一日 及二零一九年四月一日 | 189,075 | 146,973 | (119,500) | 216,548 |
| Loss and total comprehensive expense for the year | 年內虧損及全面開支總額 | - | - | (211,349) | (211,349) |
| Issue of shares | 發行股份 | 8,087 | - | - | 8,087 |
| Share issue expenses | 股份發行開支 | (2,293) | - | - | (2,293) |
| At 31 March 2020 | 於二零二零年三月三十一日 | 194,869 | 146,973 | (330,849) | 10,993 |

The Company's contributed surplus represents the difference between the consolidated net asset value of EGL on 8 February 1996, the day on which its entire issued share capital was acquired by the Company pursuant to the Group reorganisation referred to in note 36, and the nominal amount of the Company's shares issued in consideration for such acquisition. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is distributable to shareholders under certain circumstances.

44. 本公司之財務狀況表 (續)

附註：

本公司之儲備概要如下：

本公司之繳入盈餘指高雅集團於一九九六年二月八日(本公司根據附註36所述之集團重組收購其全部已發行股本之日)之綜合資產淨值與作為有關收購事項之代價而發行之本公司股份面值之間之差額。根據百慕達一九八一年公司法(經修訂),本公司之繳入盈餘可於若干情況下分派予股東。

Notes to Consolidated Financial Statements

綜合財務報表附註

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45. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following transaction after the end of the reporting period.

On 11 May 2020, Elegance Optical Investments Limited (an indirect wholly-owned subsidiary of the Company) (as vendor) and Healthmark Medical Supply Co., Limited (as purchaser), entered into a provisional sale and purchase agreement, pursuant to which the vendor has agreed to dispose of and the purchaser has agreed to purchase an investment property at the consideration of approximately HK\$10,260,000.

Completion of the disposal has not taken place up to the date of approval of these consolidated financial statements.

Details of the disposal of investment property are set out in the announcement of the Company dated 20 May 2020.

46. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 June 2020.

45. 報告期後事項

除該等綜合財務報表其他地方所披露者外，本集團於報告期結束後有以下交易。

於二零二零年五月十一日，高雅眼鏡投資有限公司（本公司一間間接全資附屬公司）（作為賣方）與康栢醫療用品有限公司（作為買方）訂立臨時買賣協議，據此，賣方已同意出售及買方已同意購買一處投資物業，代價約為10,260,000港元。

直至通過該等綜合財務報表日期，尚未完成有關出售事項。

有關出售投資物業的詳情載於本公司日期為二零二零年五月二十日之公告。

46. 綜合財務報表之批准

綜合財務報表已於二零二零年六月二十九日獲董事會批准及授權刊發。

Particulars of Properties

物業詳情

31 March 2020

二零二零年三月三十一日

INVESTMENT PROPERTIES

投資物業

| Location 地點 | Use 用途 | Tenure 租期 | Applicable interest of the Group 本集團應佔權益 |
|---|------------------|--------------|---|
| B7, 3rd Floor, Block B, Mai Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Kowloon Hong Kong 香港 九龍觀塘 興業街16-18號 美興工業大廈 B座3樓B7室 | Industrial 工業 | Medium 中期 | 100% |
| B1, 6th Floor, Block B, Mai Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Kowloon Hong Kong 香港 九龍觀塘 興業街16-18號 美興工業大廈 B座6樓B1室 | Industrial 工業 | Medium 中期 | 100% |
| B5, 4th Floor, Block B, Mai Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Kowloon Hong Kong 香港 九龍觀塘 興業街16-18號 美興工業大廈 B座4樓B5室 | Industrial 工業 | Medium 中期 | 100% |
| A factory located at Lan Ma Jiao, Tang Wen Qian, Xiejiang Town, Dongguan City, Guangdong Province, the PRC 中國廣東省 東莞市 謝崗鎮塘文前 藍麻嬌之廠房 | Industrial 工業 | Medium 中期 | 55% |

Particulars of Properties 物業詳情

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INVESTMENT PROPERTIES (Continued)

投資物業 (續)

| Location 地點 | Use 用途 | Tenure 租期 | Applicable interest of the Group 本集團應佔權益 |
|---|------------------|--------------|---|
| House No. 203 and two car parking spaces, Boulevard Du Lac, The Beverly Hills, 23 Sam Mun Tsai Road, Tai Po, New Territories Hong Kong 香港 新界大埔 三門仔路23號 比華利山別墅 湖景道 之房屋203號及兩個車位 | Vacant 空置 | N/A 不適用 | 100% |
| Shop 240 on 2nd Floor, China Travel Commercial City, No. 219 Zhong Shun Wu Road, Yuexiu District, Guangzhou City, Guangdong Province, The PRC 中國廣東省 廣州市越秀區 中山五路219號 中旅商業城第二層 240號舖 | Commercial 商業 | Medium 中期 | 100% |



ELEGANCE OPTICAL INTERNATIONAL HOLDINGS LIMITED
高雅光學國際集團有限公司