



ANNUAL REPORT

2018 - 2019 年報



Vestate Group Holdings Limited 國投集團控股有限公司

Stock Code 股份代號 1386

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

Ms. ZHAO Hong
Mr. CHAU Wai Hing
Mr. LEUNG Man Ho (Resigned on 29 September 2018)
Mr. YU Lei (Appointed on 28 December 2018)

BOARD COMMITTEES

Audit Committee

Ms. ZHAO Hong (*Chairman*)
Mr. CHAU Wai Hing
Mr. LEUNG Man Ho (Resigned on 29 September 2018)
Mr. YU Lei (Appointed on 28 December 2018)

Remuneration Committee

Ms. ZHAO Hong (*Chairman*)
Mr. ZHU Xiaojun
Mr. LEUNG Man Ho (Resigned on 29 September 2018)
Mr. CHAU Wai Hing (Appointed on 29 September 2018)
Mr. YU Lei (Appointed on 28 December 2018)

Nomination Committee

Ms. ZHAO Hong (*Chairman*)
Mr. ZHU Xiaojun
Mr. CHAU Wai Hing
Mr. LEUNG Man Ho (Resigned on 29 September 2018)
Mr. YU Lei (Appointed on 28 December 2018)

AUTHORISED REPRESENTATIVES

Ms. CAI Jiaying
Mr. FUNG Wing Kam Terence (Resigned on 11 January 2019)
Mr. YAM Chun Kit (Appointed on 11 January 2019)

COMPANY SECRETARY

Mr. FUNG Wing Kam Terence (Resigned on 11 January 2019)
Mr. YAM Chun Kit (Appointed on 11 January 2019)

PRINCIPAL BANKER

Hang Seng Bank Limited

董事會

執行董事

朱曉軍先生(主席)
康建明先生
蔡佳櫻女士
殷苑蓀先生

獨立非執行董事

趙竑女士
周偉興先生
梁文豪先生(於2018年9月29日辭任)
余磊先生(於2018年12月28日獲委任)

董事委員會

審核委員會

趙竑女士(主席)
周偉興先生
梁文豪先生(於2018年9月29日辭任)
余磊先生(於2018年12月28日獲委任)

薪酬委員會

趙竑女士(主席)
朱曉軍先生
梁文豪先生(於2018年9月29日辭任)
周偉興先生(於2018年9月29日獲委任)
余磊先生(於2018年12月28日獲委任)

提名委員會

趙竑女士(主席)
朱曉軍先生
周偉興先生
梁文豪先生(於2018年9月29日辭任)
余磊先生(於2018年12月28日獲委任)

授權代表

蔡佳櫻女士
馮永淦先生(於2019年1月11日辭任)
任俊傑先生(於2019年1月11日獲委任)

公司秘書

馮永淦先生(於2019年1月11日辭任)
任俊傑先生(於2019年1月11日獲委任)

主要往來銀行

恒生銀行有限公司

CORPORATE INFORMATION

公司資料

AUDITOR

BDO Limited
(Resigned on 24 May 2019)
Elite Partners CPA Limited
(Appointed on 5 June 2019)

LEGAL ADVISOR (AS TO HONG KONG LAWS)

Michael Li & Co.

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit E, 22nd Floor, Tower A
Billion Centre
1 Wang Kwong Road
Kowloon Bay, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

1386

COMPANY'S WEBSITE

www.vestategroup.com

核數師

香港立信德豪會計師事務所有限公司
(於2019年5月24日辭任)
開元信德會計師事務所有限公司
(於2019年6月5日獲委任)

法律顧問(香港法律)

李智聰律師事務所

註冊辦事處

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

總辦事處及主要營業地址

香港
九龍九龍灣
宏光道一號
億京中心
A座22樓E室

主要股份過戶登記處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

股份代號

1386

公司網址

www.vestategroup.com

FINANCIAL AND OPERATIONAL HIGHLIGHTS

財務及經營摘要

		For the year ended 31 March 截至3月31日止年度		
		2019	2018	% change increase/ (decrease) 增加／(減少) % 變動
Revenue (HK\$'million)	收益(百萬港元)	110	346	(68.1%)
Gross profit (HK\$'million)	毛利(百萬港元)	40	175	(77.2%)
Operating loss (HK\$'million)	經營虧損(百萬港元)	(179)	(146)	22.6%
Per share	每股			
Basic loss per share (HK cents)	每股基本虧損(港仙)	(35.83)	(29.14)	23.0%
Diluted loss per share (HK cents)	每股攤薄虧損(港仙)	(35.83)	(29.14)	23.0%
Share price	股價			
— High (HK\$)	— 高(港元)	1.31	1.43	(8.4%)
— Low (HK\$)	— 低(港元)	0.99	1.14	(13.2%)
Financial ratios	財務比率			
Gross profit margin (%)	毛利率(%)	36.2%	50.6%	(14.4 pt百分點)
Average inventory turnover (days)	平均存貨周轉期(日)	258	245	5.3%
Average trade receivables turnover (days)	平均應收賬款周轉期(日)	71	41	73.2%
Average trade payables turnover (days)	平均應付賬款周轉期(日)	429	194	121.1%
Gearing ratio (%)	資產負債比率(%)			
— Borrowing to total assets	— 借貸對總資產	107.8%	68.7%	39.1 pt百分點
		As at 31 March 於3月31日		
		2019	2018	% change increase/ (decrease) 增加／(減少) % 變動
Total equity (HK\$'000)	權益總額(千港元)	(228,287)	37,203	(713.6%)
Total assets (HK\$'000)	總資產(千港元)	529,089	734,639	(28.0%)
Number of shares in issue ('000)	已發行股份數目(千股)	716,190	716,190	—

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The board of directors (“**Board**” and “**Directors**” respectively) of Vestate Group Holdings Limited (“**Company**”) presents the audited consolidated results of the Company and its subsidiaries (collectively, “**Group**”) for the year ended 31 March 2019 (“**Year**”).

BUSINESS OVERVIEW

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

As at 31 March 2019, the Group operated a total of 12 Self-managed Shops in Hong Kong and 69 Concession Points (61 in the PRC, 1 in Hong Kong and 7 in Taiwan). During the Year, the Group had a net decrease of 13 Self-managed Shops, 211 Concession Points and 1 Franchised Stores. The following table summarizes the number and distribution of Self-managed Shops, Concession Points and Franchised Stores (collectively, “**Retail Points**”) in terms of geographical regions as at 31 March 2019 as compared to last year.

As at 31 March

Region	地區	2019				2018			
		Self-managed Shops	Concession Points	Franchised Stores	Total	Self-managed Shops	Concession Points	Franchised Stores	Total
		自營店	特許銷售點	特許經營店鋪	總計	自營店	特許銷售點	特許經營店鋪	總計
The PRC	中國								
Beijing	北京	-	23	-	23	3	62	-	65
Eastern China	華東	-	11	-	11	-	57	-	57
Southern China	華南	-	-	-	-	1	29	-	30
Western China	華西	-	3	-	3	-	33	-	33
Central China	華中	-	17	-	17	-	49	-	49
Northern China	華北	-	7	-	7	-	40	1	41
Sub-total	小計	-	61	-	61	4	270	1	275
Hong Kong	香港	12	1	-	13	21	2	-	23
Taiwan	台灣	-	7	-	7	-	8	-	8
Total	總計	12	69	-	81	25	280	1	306

國投集團控股有限公司(「本公司」)董事會(分別為「**董事會**」及「**董事**」)呈報本公司及其附屬公司(統稱「**本集團**」)截至2019年3月31日止年度(「**本年度**」)之經審核綜合業績。

業務回顧

本集團主要業務為透過其自營零售店(「**自營店**」)及百貨公司特許銷售點(「**特許銷售點**」)發展及零售自家品牌ARTEMIS、COUBER.G、FORLERIA、A+A2、TRU-NARI、MY WALKER及WALACI之各種鞋類產品。本集團於中華人民共和國(「**中國**」)、香港及台灣地區擁有廣泛銷售網絡。

於2019年3月31日，本集團於香港經營合共12間自營店，並有69間特許銷售點(61間位於中國、1間位於香港及7間位於台灣)。於本年度，本集團之自營店、特許銷售點及特許經營店鋪分別淨減13間、211間及1間。下表概述於2019年3月31日按地區劃分之自營店、特許銷售點及特許經營店鋪(統稱「**零售點**」)之數目及分佈與去年之比較。

於3月31日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW AND OUTLOOK

For the Year, the Group recorded a decrease of 68.1% in its consolidated revenue to approximately HK\$110 million (2018: HK\$346 million). Revenue from the PRC, Hong Kong and Taiwan markets decreased by 78.9%, 41.9% and 13.8% respectively. The overall same store sales of the Group dropped by approximately 34.9% and the overall gross profit margin of the Group decreased by 14.4 percentage points to 36.2%. The Group's overall operating expenses as a percentage of turnover increased by 68.0 percentage points. Loss attributable to the equity holders was approximately HK\$257 million (2018: HK\$209 million). Loss per share amounted to approximately HK\$35.83 cents (2018: HK\$29.14 cents).

The three geographical market segments, namely the PRC, Hong Kong and Taiwan accounted for 48%, 46% and 6% of the Group's total revenue respectively (2018: 72%, 26% and 2%).

Various measures on inventory management were taken during the Year in order to clear excessive stocks and maintain a healthy inventory level. As at 31 March 2019, the Group's inventory balance (net) was HK\$3 million, down 97.4% from HK\$97 million as at 31 March 2018.

The PRC

During the Year, the revenue generated in the PRC was approximately HK\$53 million (2018: HK\$251 million), representing a decrease of 78.9% as compared to the previous year. The operation in PRC incurred a loss of HK\$62 million for the Year (2018: HK\$54 million).

Same store sales dropped by approximately 53.9% and operating deficit to revenue ratio increased by 96.3 percentage points as compared to last year.

Hong Kong

During the Year, the revenue generated in Hong Kong was approximately HK\$51 million (2018: HK\$88 million), representing a decrease of 41.9% as compared to the previous year. The operating loss in Hong Kong decreased by HK\$9 million, representing an decrease of 41.6% as compared to last year. Same store sales dropped by approximately 25.2% while operating deficit to revenue ratio increased by 0.1 percentage points to 24.6% as compared to last year.

業務回顧及展望

於本年度，本集團之綜合收益減少68.1%至約110百萬港元(2018年：346百萬港元)。來自中國、香港及台灣市場之收益分別下降78.9%、41.9%及13.8%。本集團之整體同店銷售下跌約34.9%，而本集團之整體毛利率則下跌14.4個百分點至36.2%。本集團之整體經營費用佔營業額的比率上升68.0個百分點。權益持有人應佔虧損約為257百萬港元(2018年：209百萬港元)。每股虧損約為35.83港仙(2018年：29.14港仙)。

中國、香港及台灣三個地區市場分部佔本集團總收益分別為48%、46%及6%(2018年：72%、26%及2%)。

於本年度，本集團採用多項存貨管理措施，以清理過多存貨並維持健全存貨水平。於2019年3月31日，本集團之淨存貨結餘為3百萬港元，較於2018年3月31日之97百萬港元下跌97.4%。

中國

於本年度，來自中國之收益約為53百萬港元(2018年：251百萬港元)，較去年下降78.9%。於本年度，中國之經營產生虧損62百萬港元(2018年：54百萬港元)。

與去年比較，同店銷售下跌約53.9%，而經營虧損與收益之比率則上升96.3個百分點。

香港

於本年度，來自香港之收益約為51百萬港元(2018年：88百萬港元)，較去年下降41.9%。香港之經營虧損減少9百萬港元，較去年減少41.6%。與去年比較，同店銷售下跌約25.2%，而經營虧損與收益之比率則增加0.1個百分點至24.6%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Taiwan

During the Year, the revenue generated in Taiwan was approximately HK\$6 million (2018: HK\$7 million), representing a decrease of 13.8% as compared to the last year. The operating loss in Taiwan decreased by HK\$0.3 million, representing a decrease of 33.7% as compared to last year. Same store sales decreased by approximately 3% while operating deficit to revenue ratio decreased by 2.5 percentage points to 8.4% as compared to last year.

Outlook

Since a large number of market players in the retailing markets and the competition in these markets will further intensify which would manifest in the form of price concession, leading to additional pressure on the Group's profit margin. To enhance the Group's competitiveness and maintain the scale of operation in these markets, the Group is required to allocate substantial resources on a number of aspects including (i) development of the Group's product portfolio and (ii) increasing the Group's brand's awareness by adopting a more aggressive marketing and advertising strategy.

Looking ahead, Sino-US trade disputes and China's increasingly complex business environment will face more difficulties and challenges. The Group will scaled down the operation of the retail business due to (i) the decline in revenue and the loss-making performance of footwear retailing to the Group and (ii) the unfavourable business environment of footwear retailing, apply resources to existing businesses and actively explore the new businesses to maintain business stability while diversifying industry risks.

FINANCIAL REVIEW

Financial Position

The Group financed its operations with internal funding, issuing the bonds and the standby evolving loan facilities by the independent third party and China Investment S.p.A., a company with 70% interest owned by Ms. CAI Jiaying, the Director of the Company.

As at 31 March 2019, the Group had cash and cash equivalents amounting to HK\$1.8 million (2018: HK\$54 million). The Group has no outstanding bank borrowings (2018: HK\$5 million). Current and non-current convertible bonds were approximately HK\$142 million and HK\$28 million respectively. As at 31 March 2019, the current ratio stood at 0.7 times (2018: 3.3 times) and the gearing ratio stood at 107.8% (2018: 68.7%).

台灣

於本年度，來自台灣之收益約為6百萬港元（2018年：7百萬港元），較去年下降13.8%。台灣之經營虧損減少0.3百萬港元，較去年下跌33.7%。與去年比較，同店銷售下跌約3%，而經營虧損與收益之比率則下跌2.5個百分點至8.4%。

展望

由於零售市場有大量市場參與者和以相宜價格進入零售市場，使該市場的競爭將進一步加劇，從而對集團的利潤率造成額外壓力。為提升本集團的競爭力及維持該等市場的營運規模，本集團須就若干方面分配大量資源，包括(i)發展本集團的產品組合及(ii)通過更積極的行銷和廣告策略以提升本集團的品牌知名度。

展望未來，中美貿易爭端和中國日益複雜的商業環境將使本集團面臨更多困難及挑戰。由於(i)本集團收入減少及鞋類零售虧損表現及(ii)鞋類零售業的不利營商環境，本集團將縮減零售業務的營運，將資源投放於現有業務，並積極開拓新業務以維持業務穩定，同時分散行業風險。

財務回顧

財務狀況

本集團以內部資金、發行債券以及獨立第三方及China Investment S.p.A.（本公司董事蔡佳櫻女士擁有70%權益之公司）所提供備用循環貸款融資為業務營運提供資金。

於2019年3月31日，本集團之現金及現金等值項目為1.8百萬港元（2018年：54百萬港元）。本集團並無未償還銀行借貸（2018年：5百萬港元）。流動及非流動可換股債券分別約142百萬港元及28百萬港元。於2019年3月31日，流動比率為0.7倍（2018年：3.3倍），而資產負債比率則為107.8%（2018年：68.7%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 March 2019, the Group had no banking facilities (2018: Nil) and no charge on its assets. The Group also had no bank loans and bank guarantees as at 31 March 2019 (2018: HK\$5 million).

During the Year, inventory turnover days increased to approximately 258 days (2018: 245 days). As at 31 March 2019, inventory amounted to approximately HK\$3 million (2018: HK\$97 million).

Capital Expenditure

During the Year, the Group's capital expenditure amounted to HK\$0.6 million (2018: HK\$16 million), comprising principally the purchase of leasehold improvements, computer equipment and computer software.

Foreign Exchange Management

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

Convertible Bonds

(a) The Company issued the convertible bonds to subscriber in principal amount of HK\$30,000,000 on 5 July 2016 ("**First Bonds**"). The First Bonds may be converted into 16,574,585 new Shares at a conversion price of HK\$1.81 per share and the bonds bear coupon interest at the rate of 6% per annum and due 2020. The net proceeds from the First Bonds had been fully utilized. Pursuant to the terms of the First Bonds contain specific performance obligations imposed on Mr. ZHU Xiaojun ("**Mr. Zhu**"), an executive Director, the chairman of the Board and a controlling shareholder of the Company. Mr. Zhu is required (i) in his personal capacity or through any entity or company controlled by him, to hold at least 50% of the issued share capital of the Company; and (ii) to remain as an executive Director. Any non-compliance with the aforesaid specific performance obligation will constitute an event of default and upon the bondholder giving a notice to the Company, the bonds will immediately become due and payable in accordance with the terms and conditions of the First Bonds.

於2019年3月31日，本集團並無銀行融資（2018年：無）及並無抵押其資產。於2019年3月31日，本集團亦無銀行貸款及銀行擔保（2018年：5百萬港元）。

於本年度，存貨周轉日數增至約258日（2018年：245日）。於2019年3月31日，存貨約值3百萬港元（2018年：97百萬港元）。

資本開支

於本年度，本集團之資本開支為0.6百萬港元（2018年：16百萬港元），主要包括租賃裝修、電腦設備及電腦軟件之採購開支。

外匯管理

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

可換股債券

(a) 本公司於2016年7月5日向認購人發行本金額為30,000,000港元之可換股債券（「**第一批債券**」）。第一批債券可按轉換價每股1.81港元轉換為16,574,585股新股份，債券附帶年利率6厘之票息，並於2020年到期。第一批債券之所得款項淨額已悉數動用。根據第一批債券之條款，當中載有對執行董事、董事會主席兼本公司控股股東朱曉軍先生（「**朱先生**」）所施加之特定履約責任。朱先生須(i)以個人身份或透過由彼控制之任何實體或公司持有本公司已發行股本至少50%；及(ii)仍為執行董事。任何違反上述特定履約責任將構成違約事件，且於債券持有人向本公司發出通知後，根據第一批債券之條款及條件，債券將即時到期且須予償還。

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(b) The Company also issued the convertible bonds to subscriber in principal amount of HK\$150,000,000 on 24 August 2016 (“**Second Bonds**”). The Second Bonds may be converted into 81,300,813 new Shares at a conversion price of HK\$1.845 per share and the bonds bear coupon interest at the rate of 10.5% per annum and due 2019. The net proceeds from the Second Bonds were approximately HK\$146,900,000. As at 31 March 2018, the Company had utilized the net proceeds of approximately HK\$127,956,000 and had unutilized the net proceeds of approximately HK\$18,944,000. Due to the “One Belt, One Road” (“**OBOR**”) project has been completed and had no potential acquisition to be invested in the near future. The Company resolved to reallocate the unutilized net proceeds, originally allocated for the development of the OBOR related business and other future acquisitions, to the general working capital of the Group so as to enhance the efficiency of the deployment of the net proceeds. During the Year, the net proceeds had been utilized as follows:

1. Interest payment of the First Bonds and Second Bonds	1. 支付第一批債券及第二批 HK\$6,556,000港元債券之利息
2. Payment of salary and rental expenses for the operation of the existing businesses of the Group	2. 支付經營本集團現有業務 HK\$12,388,000港元之薪金及租金開支

Total net proceeds utilised	已使用所得款項淨額之總額	HK\$18,944,000港元
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As at 31 March 2019, the net proceeds of the Second Bonds had been fully utilized. During the Year, no Share was issued by the Company upon the subscriber exercise of their conversion rights of the bonds.

(b) 本公司亦於2016年8月24日向認購人發行本金額為150,000,000港元之可換股債券(「**第二批債券**」)。第二批債券可按轉換價每股1.845港元轉換為81,300,813股新股份，債券附帶年利率10.5厘之票息，並於2019年到期。第二批債券之所得款項淨額約為146,900,000港元。於2018年3月31日，本公司已使用所得款項淨額約127,956,000港元，而未使用所得款項淨額約為18,944,000港元。由於「一帶一路」(「**一帶一路**」)項目已完成及短期內並無將要投資之潛在收購事項，本公司已議決將原先分配用作發展有關一帶一路之業務及其他未來收購事項之未使用所得款項淨額，重新分配用作本集團一般營運資金，以提升運用所得款項淨額之效益。於本年度，所得款項淨額已按以下方式使用：

Corporate Bond

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

公司債券

於2017年5月8日，本公司向一名投資者發行本金額為350,000,000港元、第一年年利率為12厘及第二年年利率為13厘並於2019年到期之債券(「**債券**」)。債券條款當中載有對朱先生施加之特定履約責任，規定於債券年內，朱先生連同其一致行動人士須直接或間接擁有本公司附帶投票權之股份50%以上。任何違反上述特定履約責任可能構成違反認購協議，據此，投資者有權根據債券條款及條件立即贖回債券。

MANAGEMENT DISCUSSION AND ANALYSIS

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Pledge of Assets

As at 31 March 2019, the Group had no pledge of assets. (2018: Nil).

Contingent Liabilities

As at 31 March 2019, the Group had no material contingent liabilities or off-balance sheet obligations (2018: Nil).

GROUP STRUCTURE

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

HUMAN RESOURCES

As at 31 March 2019, the Group had a total of 261 employees (2018: 1,169 employees) and the total staff cost for the Year was HK\$87 million (2018: HK\$156 million), representing 78.6% of the Group's total revenue. The Group offers competitive remuneration packages to its employees, including mandatory retirement funds, insurance, medical coverage and purchase discounts. In addition, incentive share options and performance-based discretionary bonus on an annual basis may be granted to employees subject to the Group's and individual performance. The Group also provides regular trainings and workshops to its frontline and back office staff on sales techniques, product knowledge and team building.

MAJOR AND CONNECTED TRANSACTION

On 17 June 2017, the Company entered into the preliminary agreement with the vendor, a company incorporated in Italy ("**Vendor**"), in relation to the Company will acquire the properties located at Milan, Italy from the Vendor ("**Properties**") for a purchase price of Euro 34,000,000 (equivalent to approximately HK\$297,160,000) ("**Acquisition**"). The Vendor and the Company will further enter into the notarial deed of purchase, which is within six months after completion of the construction of the Properties. The construction of the Properties commenced in June 2017 and the Properties are currently under construction and the construction is expected to be completed in end of September 2019.

The Company currently has decided not to proceed with the acquisition of the Milan Properties, which is still under construction. The Company considers it can either (i) obtain full refund of the deposit in accordance with the Refund Agreement, or (ii) alternatively, to identify a potential buyer to acquire the estate units under the Acquisition Agreement at a premium subject to the mutual consent of the parties to the Refund Agreement to terminate the Refund Agreement.

抵押資產

於2019年3月31日，本集團並無抵押任何資產（2018年：無）。

或然負債

於2019年3月31日，本集團並無重大或然負債或資產負債表外責任（2018年：無）。

集團結構

於本年度，本集團之企業架構並無任何重大變動。

人力資源

於2019年3月31日，本集團合共有261名僱員（2018年：1,169名僱員），而於本年度，員工成本總額為87百萬港元（2018年：156百萬港元），佔本集團總收益之78.6%。本集團向員工提供具競爭力之薪酬待遇，包括強制性退休基金、保險、醫療保障及購物折扣。此外，本集團會視乎本集團業績及個別員工之表現，可能向僱員授出獎勵購股權及酌情發放年度花紅。本集團亦會定期為前線及後勤員工提供銷售技巧、產品知識及團隊建設方面之培訓及研習班。

主要及關連交易

於2017年6月17日，本公司與賣方（一間於意大利註冊成立之公司）（「**賣方**」）訂立初步協議，內容有關本公司將向賣方收購位於意大利米蘭之該等物業（「**該等物業**」），購買價為34,000,000歐元（相等於約297,160,000港元）（「**收購事項**」）。賣方及本公司將於該等物業落成後六個月內進一步訂立購買公證契據。該等物業之建築工程於2017年6月開始，而該等物業現時正在建造中，預期將於2019年9月尾竣工。

本公司目前決定不繼續收購仍在建設中的米蘭物業。本公司認為可(i)根據退款協議取得全額按金退款，又或(ii)待退款協議訂約方相互同意終止退款協議後，物色潛在買方根據收購協議以溢價收購物業單位。

MANAGEMENT DISCUSSION AND ANALYSIS

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The Vendor is beneficially owned as to 70% by Ms. CAI Jiaying, an executive Director, and hence the Vendor is a connected person of the Company. The Acquisition constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. Details of the Acquisition are set out in the announcement of the Company dated 17 June 2017 and the circular dated 31 October 2017.

DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

(a) On 2 July 2018, Genius Earn Investments Limited, a wholly owned subsidiary of the Group (“**Vendor**”), entered into the disposal agreement between with the purchaser in relation to the disposal of 49% of the issued share capital of Ascent Pride Investment Limited (“**Target Company**”), a wholly owned subsidiary of the Group (“**Disposal Agreement**”), at the consideration of HK\$50,000,000 (“**Disposal**”). The Target Company owned the companies established in the PRC principally engaged in development and retailing of footwear products in the PRC. The Vendor and the purchaser shall use its best endeavours to procure the fulfillment of the conditions set out in the Disposal Agreement. If the said conditions have not been satisfied on or before the date falling six months after the date of the Disposal Agreement, or such later date as the Vendor and the purchaser may agree in writing (“**Long Stop Date**”), the Disposal Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms of the Disposal Agreement. On 2 January 2019 and 2 July 2019, the Vendor and the Purchaser entered into the extension letters to extend the Long Stop Date to on or before 31 October 2019 due to additional time is required to arrange for the signing of the Assignment Deed and the Deed of Novation. Upon completion of the Disposal, the Group will remain to have 51% interests in the Target Company. Pursuant to Rule 14.44 of the Listing Rules, a written shareholder’s approval for the Disposal Agreement has been obtained from the controlling Shareholder, in lieu of holding a general meeting of the Company. Details of the Disposal are set out in the announcements of the Company dated 6 July 2018 and 2 January 2019 and the circular dated 17 August 2018. As at the date of this report, this transaction has not completed.

(b) As disclosed in the annual report of last year, the Group signed the MOU with potential buyer to sell the financial services business (“**Possible Disposal**”). On 1 November 2018, the Company sell 66% of issued share capital of the Carlyon Investment Holdings Limited (“**CIH**”), a wholly owned subsidiary of the Company, to two potential buyers at the total consideration of HK\$5,000,000. Upon completion of the Possible Disposal, the Group will remain to have 34% interests in the CIH. The Group currently has no intention to sell out the remaining portion of the financial services business.

賣方由執行董事蔡佳櫻女士實益擁有70%，故賣方為本公司之關連人士。收購事項構成上市規則第14A章項下本公司之關連交易。有關收購事項之詳情載於本公司日期為2017年6月17日之公告及日期為2017年10月31日之通函。

出售附屬公司及聯營公司

(a) 於2018年7月2日，本集團全資附屬公司傑盈投資有限公司（「**賣方**」）與買方訂立出售協議（「**出售協議**」），內容有關以代價50,000,000港元出售本集團全資附屬公司昇傲投資有限公司（「**目標公司**」）已發行股本之49%（「**出售事項**」）。目標公司擁有多間於中國成立之公司，該等公司主要於中國從事鞋類產品開發及零售。賣方與買方將盡最大努力促使達成出售協議所載之條件。倘於出售協議日期後滿六個月當日或經賣方與買方可能書面協定之較後日期（「**最後截止日期**」）或之前尚未達成上述條件，出售協議將告停止及終結，其後概無訂約方須向另一方承擔任何義務及責任，惟任何先前違反出售協議條款者除外。由於需要更多時間安排簽署轉讓契據及更替契據，於2019年1月2日及2019年7月2日，賣方與買方訂立延期函件，以延展最後截止日期至2019年10月31日或之前。於出售事項完成後，本集團將仍然擁有目標公司之51%權益。根據上市規則第14.44條，本公司已就出售協議自控股股東取得書面股東批准，以代替舉行本公司股東大會。有關出售事項之詳情載於本公司日期為2018年7月6日及2019年1月2日之公告以及日期為2018年8月17日的通函。於本報告日期，該交易尚未完成。

(b) 誠如去年年報所披露，本集團與潛在買家簽訂諒解備忘錄以出售金融服務業務（「**可能出售事項**」）。於2018年11月1日，本公司以總代價5,000,000港元向兩名潛在買家出售本公司全資附屬公司格理昂投資控股有限公司（「**CIH**」）66%已發行股本。於可能出售事項完成後，本集團將繼續擁有CIH 34%權益。本集團目前無意出售其餘部分金融服務業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PRINCIPAL RISKS AND UNCERTAINTIES

There are various risks and uncertainties including business risks, capital risks and financial risks that may have different levels of impact on the Group's financial performance, operations, business as well as future prospects. The financial risk and capital risk are set out in Note 37 to the consolidated financial statements. Besides, the following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

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

主要風險及不確定因素

各種風險及不確定因素包括對本集團財務表現、營運、業務及未來前景有不同程度影響之業務風險、資本風險及財務風險。本集團面臨之財務風險及資本風險載於綜合財務報表（附註37）。此外，本集團已識別之主要風險及不確定因素如下。除以下所示者外，亦可能存在其他本集團並不知悉之風險及不確定因素，或現在可能並不重大惟於未來可能變成重大之風險及不確定因素。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

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

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

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

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

企業管治常規

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

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company has complied with all applicable code provisions set out in the CG Code throughout the year ended 31 March 2019 (“Year”), except that:

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

(b) According to Rule 3.10(1) and 3.21 of the Listing Rules, the Board is required at least three independent non-executive Directors and the audit committee of the Board (“**Audit Committee**”) must comprise a minimum of three members. Following the resignation of Mr. LEUNG Man Ho as the independent non-executive Director and ceased to the member of both Audit Committee, the remuneration committee of the Board (“**Remuneration Committee**”) and the nomination committee of the Board (“**Nomination Committee**”) with effect from 29 September 2018, the Board has two independent non-executive Directors and the Audit Committee comprises only two members. This was in deviation from Rules 3.10(1) and 3.21 of the Listing Rules.

However, following the appointment of Mr. YU Lei as an independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee with effect from 28 December 2018, the Company has three independent non-executive Directors and the Audit Committee comprises three members in compliance with the requirements under Rules 3.10(1) and 3.21 of the Listing Rules.

本公司已於截至2019年3月31日止年度(「**本年度**」)全年遵守企業管治守則所載之所有適用守則條文，惟以下各項除外：

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

(b) 根據上市規則第3.10(1)條及3.21條，董事會最少必須包括三名獨立非執行董事，而董事會審核委員會(「**審核委員會**」)最少必須包括三名成員。自梁文豪先生於2018年9月29日辭任獨立非執行董事及不再擔任審核委員會、董事會薪酬委員會(「**薪酬委員會**」)及董事會提名委員會(「**提名委員會**」)各自之成員後，董事會有兩名獨立非執行董事，審核委員會僅包括兩名成員。此舉偏離上市規則第3.10(1)條及3.21條。

然而，繼余磊先生自2018年12月28日獲委任為獨立非執行董事以及審核委員會、薪酬委員會及提名委員會各自之成員後，本公司有三名獨立非執行董事、審核委員會包括三名成員，符合上市規則第3.10(1)條及3.21條項下之規定。

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THE BOARD

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

Board Composition

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

Board of Directors

Executive Director	Membership of Board Committee(s)
Mr. ZHU Xiaojun (Chairman)	Member of Remuneration Committee Member of Nomination Committee
Mr. KANG Jianming	—
Ms. CAI Jiaying	—
Mr. YIN Wansun	—
Independent Non-executive Directors	
Ms. ZHAO Hong	Chairman of Audit Committee Chairman of Remuneration Committee Chairman of Nomination Committee
Mr. CHAU Wai Hing	Member of Audit Committee Member of Remuneration Committee (appointed on 29 September 2018)
Mr. YU Lei ^{Note}	Member of Nomination Committee Member of Audit Committee Member of Remuneration Committee Member of Nomination Committee

Note:

Mr. YU Lei appointed as an Independent Non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee with effect from 28 December 2018.

董事會

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

董事會組成部分

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

董事會

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

獨立非執行董事

趙竑女士	審核委員會主席 薪酬委員會主席 提名委員會主席
周偉興先生	審核委員會成員 薪酬委員會成員 (於2018年 9月29日獲委任)
余磊先生 ^{附註}	提名委員會成員 審核委員會成員 薪酬委員會成員 提名委員會成員

附註：

余磊先生獲委任為獨立非執行董事及審核委員會、薪酬委員會及提名委員會各自之成員，自2018年12月28日起生效。

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

Appointment and Re-election of Director

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

The Chairman and Chief Executive

The CG Code provides that the roles of the chairman and the chief executive should be separate and performed by different individuals. During the Year and up to the date of this report, as explained in the section headed "Corporate Governance Practices" on page 14 of this report, Mr. ZHU Xiaojun assumed the roles of the chairman and the chief executive of the Company simultaneously.

Independent Non-executive Director

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

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

委任及重選董事

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

主席及行政總裁

企業管治守則規定主席及行政總裁之角色應有區分，並應由不同人士擔任。於本年度及直至本報告日期，誠如本報告第14頁「企業管治常規」一節所闡釋，朱曉軍先生同時兼任本公司主席及行政總裁之角色。

獨立非執行董事

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

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Company Secretary

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

Training and Professional Development

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

Name of Directors	董事姓名	Type of training 培訓類型
Mr. ZHU Xiaojun (Chairman)	朱曉軍先生(主席)	B
Mr. KANG Jianming	康建明先生	B
Ms. CAI Jiaying	蔡佳櫻女士	B
Mr. YIN Wansun	殷菀蓀先生	B
Ms. ZHAO Hong	趙竑女士	B
Mr. CHAU Wai Hing	周偉興先生	B
Mr. YU Lei	余磊先生	B

Notes:

A: attending briefing sessions and/or seminars

B: reading seminar materials and updates relating to the latest development of the Listing Rules and other applicable regulatory requirements

Directors and Officers Liability Insurance

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

公司秘書

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

培訓及專業發展

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

附註：

A: 出席簡報會及／或研討會

B: 閱覽研討會資料，以及有關上市規則及其他適用監管規定之最新發展之最新消息

董事及高層人員之責任保險

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

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BOARD MEETINGS

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

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

AUDIT COMMITTEE

Currently, the Audit Committee comprises three members, all INEDs, namely, Ms. ZHAO Hong (Chairman), Mr. CHAU Wai Hing and Mr. YU Lei (appointed on 28 December 2018). During the Year, Mr. LEUNG Man Ho ("Mr. Leung") resigned as INED and ceased as a member of the Audit Committee effective from 29 September 2018 and Mr. YU Lei was appointed by the Board as INED and as a member of Audit Committee effective from 28 December 2018 in replacement of Mr. Leung. No member of the Audit Committee was a former partner of the Company's existing auditing firm. The chairman of the Audit Committee possesses the appropriate professional qualifications in accountancy and experience in financial matters.

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

董事會會議

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

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

審核委員會

目前，審核委員會包括三名成員，彼等均為獨立非執行董事，即趙竑女士（主席）、周偉興先生及余磊先生（於2018年12月28日獲委任）。於本年度，梁文豪先生（「梁先生」）辭任獨立非執行董事及不再擔任審核委員會成員，自2018年9月29日起生效，而董事會委任余磊先生為獨立非執行董事及審核委員會成員，自2018年12月28日起生效，以取代梁先生。概無審核委員會成員曾任本公司現有核數師行之前合夥人。審核委員會主席具備適當之專業會計資格及財務事宜之經驗。

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

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

NOMINATION COMMITTEE

Currently, the Nomination Committee comprises four members, the majority of the members of the Nomination Committee are INEDs, namely, Ms. ZHAO Hong (Chairman), Mr. ZHU Xiaojun, Mr. CHAU Wai Hing and Mr. YU Lei (**"Mr. Yu"**) (appointed on 28 December 2018). During the Year, Mr. LEUNG Man Ho resigned as INED and ceased as a member of the Nomination Committee effective from 29 September 2018. In replacement of Mr. Leung, the Board appointed Mr. Yu as INED and as a member of Nomination Committee effective from 28 December 2018.

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

The Board adopted the board diversity policy with the primary objective of enhancing the effectiveness of the Board and its corporate governance standard. All Board appointments are based on merits, and have paid due regard for the benefits of diversity on the Board in selecting candidates. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates may bring to the Board.

The Nomination Committee held two meetings during the Year and had reviewed the progress of implementation of the board diversity policy and the structure, size and composition of the Board including the directors' skills, knowledge and experience and had made recommendations to the Board on the appointment of the individuals as the Director of the Company.

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

提名委員會

目前，提名委員會包括四名成員，而提名委員會大多數成員為獨立非執行董事，即趙宏女士（主席）、朱曉軍先生、周偉興先生及余磊先生（「余先生」，於2018年12月28日獲委任）。於本年度，梁文豪先生辭任獨立非執行董事及不再擔任提名委員會成員，自2018年9月29日起生效。為取代梁先生，董事會委任余先生為獨立非執行董事及提名委員會成員，自2018年12月28日起生效。

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

董事會已採納董事會多元化政策，主要目標為提升董事會之效能及其企業管治標準。所有董事會任命均以用人唯才為原則，並在選擇候選人時充分考慮董事會多元化所帶來之益處。本公司將基於一系列多元化觀點挑選候選人，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年期。本公司將基於所選候選人可給予董事會之才能及貢獻作出最終決定。

提名委員會於本年度舉行兩次會議，並檢討董事會成員多元化政策的實施進度，董事會之架構、規模及組成，當中包括董事之技能、知識及經驗，並已就委任個別人士擔任本公司董事向董事會提出建議。

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REMUNERATION COMMITTEE

Currently, the Remuneration Committee comprises four members, the majority of the members of the Remuneration Committee are INEDs, namely, Ms. ZHAO Hong (Chairman), Mr. ZHU Xiaojun, Mr. CHAU Wai Hing (appointed on 29 September 2018) and Mr. YU Lei (appointed on 28 December 2018). During the Year, Mr. LEUNG Man Ho resigned as INED and ceased as a member of Remuneration Committee effective from 29 September 2018 and Mr. YU Lei was appointed by the Board as INED and as a member of the Remuneration Committee effective from 28 December 2018 in replacement of Mr. Leung.

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

The Remuneration Committee held two meetings during the Year and discussed the remuneration package for certain Directors as well as other remuneration related matters.

薪酬委員會

目前，薪酬委員會包括四名成員，而薪酬委員會大多數成員為獨立非執行董事，即趙竑女士（主席）、朱曉軍先生、周偉興先生（於2018年9月29日獲委任）及余磊先生（於2018年12月28日獲委任）。於本年度，梁文豪先生辭任獨立非執行董事及不再擔任薪酬委員會成員，自2018年9月29日起生效。為取代梁先生，董事會委任余磊先生為獨立非執行董事及薪酬委員會成員，自2018年12月28日起生效。

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

於本年度，薪酬委員會已舉行兩次會議，並討論若干董事之薪酬待遇，以及其他與薪酬相關之事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTOR'S ATTENDANCE RECORDS AT MEETINGS

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

董事於會議之出席紀錄

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

		Attendance/Number of meetings held for the year ended 31 March 2019 截至2019年3月31日止年度出席／舉行之會議數目				
		Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	2018 AGM 2018年股東周年大會
Executive Directors	執行董事					
Mr. ZHU Xiaojun (Chairman of the Board and Member of the Remuneration and Nomination Committees)	朱曉軍先生 (董事會主席以及薪酬 及提名委員會成員)	4/4	–	2/2	2/2	1/1
Mr. KANG Jianming	康建明先生	3/4	–	–	–	1/1
Ms. CAI Jiaying	蔡佳櫻女士	4/4	–	–	–	1/1
Mr. YIN Wansun	殷菀蓀先生	4/4	–	–	–	1/1
Independent Non-executive Directors	獨立非執行董事					
Ms. ZHAO Hong (Chairman of the Audit, Nomination and Remuneration Committee)	趙竑女士 (審核、提名及薪酬委員會主席)	4/4	2/2	2/2	2/2	1/1
Mr. CHAU Wai Hing ^{Note 1} (Member of the Audit, Nomination and Remuneration Committees)	周偉興先生 ^{附註1} (審核、提名及薪酬委員會成員)	4/4	2/2	2/2	–	1/1
Mr. LEUNG Man Ho ^{Note 2} (Member of the Audit, Nomination and Remuneration Committee)	梁文豪先生 ^{附註2} (審核、提名及薪酬委員會成員)	2/2	1/1	2/2	2/2	1/1
Mr. YU Lei ^{Note 3} (Member of the Audit, Nomination and Remuneration Committee)	余磊先生 ^{附註3} (審核、提名及薪酬委員會成員)	1/1	–	–	–	–

Notes:

附註：

- Mr. CHAU Wai Hing appointed as a member of Remuneration Committee on 29 September 2018;
- Mr. LEUNG Man Ho resigned as an independent non-executive Director and ceased as a member of each of Audit Committee, Nomination Committee and Remuneration Committee on 29 September 2018; and
- Mr. YU Lei appointed as an independent non-executive Director and a member of each of Audit Committee, Nomination Committee and Remuneration Committee on 28 December 2018.

- 周偉興先生獲委任為薪酬委員會成員，自2018年9月29日起生效；
- 梁文豪先生辭任獨立非執行董事及不再擔任審核委員會、提名委員會及薪酬委員會各自之成員，自2018年9月29日起生效；及
- 余磊先生獲委任為獨立非執行董事及審核委員會、提名委員會及薪酬委員會各自之成員，自2018年12月28日起生效。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

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

EXTERNAL AUDITOR

The Audit Committee is responsible for considering the appointment, re-appointment and removal of external auditor subject to endorsement by the Board and final approval and authorization by the shareholders of the Company in general meetings. During the Year, BDO Limited has resigned as external auditor with effect from 24 May 2019 and the Board has appointed Elite Partners CPA Limited as external auditor with effect from 5 June 2019 to perform the following services and their respective fees charged are set out as follows:

Type of Services	服務類型	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Audit services	審核服務	1,200	1,650
Non-audit services	非審核服務	—	44
Total	總計	1,200	1,694

INTERNAL AUDITOR

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

董事及相關僱員進行之證券交易

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

外聘核數師

審核委員會負責考慮外聘核數師之委任、重新委任及罷免，惟須獲得董事會之批准及本公司股東於股東大會上作出最終批准及授權。於本年度，香港立信德豪會計師事務所有限公司已辭任外聘核數師，自2019年5月24日起生效，而董事會已委任開元信德會計師事務所有限公司為外聘核數師，自2019年6月5日起生效，其履行下列服務及相關費用載列如下：

內部審計師

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

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

風險管理及內部監控

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

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

DIVIDEND POLICY

The Company has adopted a dividend policy on November 2018, where the Company would, where the situation allows, declare dividends to shareholders every year and may declare special dividends from time to time. In deciding whether to propose a dividend and in determining the dividend amount, the Board will take into consideration the Group's distributable profits generated during the year, the financial situation and liquidity of the Group, the investment needs and the retained profits that should be set aside for future development purposes. While sharing the profit with shareholders, the Company will also maintain sufficient reserves to meet its liabilities and to ensure the implementation of the Group's strategy for future development. The payment of dividend is also subject to any restrictions under the laws of Cayman Islands, the laws of Hong Kong and the articles of association of the Company.

COMMUNICATION WITH SHAREHOLDERS

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

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

股息政策

本公司於2018年11月採納股息政策，如情況允許，本公司可每年向股東宣派股息，並可不時宣派特別股息。在釐定是否宣派股息及釐定股息金額時，董事會將考慮本集團於年內產生之可分派溢利，本集團之財務狀況及流動資金、投資需要及為未來的發展用途而應預留之保留溢利。在與股東分享利潤之同時，本公司亦將保持足夠儲備以應付其負債，並確保本集團之未來發展戰略得以實施。股息支付亦受開曼群島法例、香港法例及本公司章程細則之任何限制規限。

與股東溝通

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

Pursuant to Article 58 of the Articles, any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) may convene such meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

CONSTITUTIONAL DOCUMENTS

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

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

股東權利

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

憲章文件

於本年度，本公司之憲章文件並無重大改變。

董事就財務報表之責任

董事確認其有責任根據法定規定及適用之會計準則編製本集團財務報表。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

This is the third Environmental, Social and Governance (“ESG”) Report (the “ESG Report”) issued by Vestate Group Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group” or “We”).

This report has been prepared with reference to the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

SCOPE OF REPORTING

The Group is principally engaged in the development and retailing of a diversified range of footwear products under its own brands through its self-managed retail shops, concession points in department stores and franchised stores. The Group has an extensive sales network spanning across the People’s Republic of China (“PRC”), Hong Kong and Taiwan.

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

Unless otherwise stated, the environmental data mainly cover the Group’s footwear sales business in Hong Kong and PRC. The data on operating points in Taiwan are excluded due to their insignificant impact on the environment.

REPORTING PERIOD

The reporting period covers 1 April 2018 to 31 March 2019 (the “Year”).

STAKEHOLDER ENGAGEMENT AND ITS IMPORTANCE

Different stakeholders are of different significance to the Group. However, we believe that resources should be deployed on the information disclosures for the Group’s most significant stakeholders, such as employees and suppliers, and then the rest. We are open-minded to encourage our stakeholders to express their views through various channels, either official or unofficial.

With reference to the views of our stakeholders, we prioritize the ESG issues based on their urgency and significance. The relevant information will be used to formulate our short and long-term sustainability strategies.

關於本報告

本報告為國投集團控股有限公司簡稱(「本公司」)，及其附屬公司統稱「本集團」或「我們」發佈第三份《環境、社會及管治報告》。

本報告參考香港聯合交易所有限公司(「交易所」)證券上市規則附錄二十七中所列的環境、社會及管治報告指引所編寫。

報告範圍

本集團主要業務為透過其自營零售店、百貨公司特許銷售點及特許經營店舖發展及零售自家品牌之各種鞋類產品。銷售網路覆蓋廣泛，遍佈中華人民共和國(「中國」)、香港及臺灣地區。

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

除另有說明外，環境資料主要涵蓋集團於香港及中國內地的鞋履銷售業務，集團於臺灣的營運點因對環境影響相對較小而不包括在內。

報告期間

彙報期為2018年4月1日至2019年3月31日(「本年度」)。

持份者參與及重要性

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

我們參考持份者的意見，將環境社會及管治事宜按緩急輕重排序，有關資料將用於制訂我們的短線和長遠的可持續發展策略。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

APPROACH FOR ESG MANAGEMENT

We believe that continuously promoting a culture of sustainability in the course of our business and incorporating relevant principles into our business operations would be beneficial to the long-term development of our business and stakeholders as a whole.

Based on our first ESG Report, we have reviewed and improved the data collection process, broadened the scope of disclosure, gradually achieving a best practice. Through regular information collection and reporting, the Group has got a better understanding of its work on environmental protection, staffing, operations and management. Such kind of internal review would also serve to constantly improve our ESG management.

To ensure effective use of resources, the Group has been perfecting its environmental protection policies for employees' reference. By developing good work habits in the workforce, we hope to cultivate a corporate culture featuring energy and resource conservation.

Sales business is our principal business. In order to effectively manage the social and environmental risks in the supply chain, we take the suppliers' ESG policies into consideration in the selection process so as to reduce the risks associated with sustainable development.

In addition to maintaining the sound and steady development of its existing business, the Group is constantly seeking opportunities for growth and business diversification. This means we need to better manage the risks associated with product liability.

The Group is aware of the corruption and money laundering risks associated with its business activities. To stay vigilant against corruption at all times, the Group will from time to time remind its employees and members of the board of those issues to ensure their integrity and self-discipline.

We recognize that there is still room for improvement in the sustainable development of the Group. Looking forward, we will keep abreast of the needs and views of our stakeholders as far as we can to enhance the Group's ESG performance.

環境、社會及管治管理方針

我們相信，透過在業務過程中不斷宣揚可持續發展文化，並將有關的原則融入業務營運中，將有助維持業務的長遠發展並讓所有持份者得益。

我們基於首份環境、社會及管治報告的基礎上，進行審視並完善資料收集過程，拓寬披露範圍，逐步邁向最佳準則。通過定期資訊收集和彙報過程，集團上下對環保、員工、運營管理工作大幅增加瞭解，並透過這種內部審視的形式持續改進環境、社會及管治管理工作。

為確保有效使用資源，本集團已逐步完善環保政策讓員工參考。透過協助員工養成良好的工作習慣，我們期望能建立節約能源及資源使用的文化。

銷售業務是我們主要的業務。為有效管理供應鏈中的社會與環境風險，我們在選擇供應商時亦會考慮到其環境、社會及管治政策，務求降低與可持續發展相關的風險。

本集團除對原有業務維持穩健發展外，不斷尋求增長及業務多元化機會。這代表我們需要更妥善地管理與產品責任相關的風險。

本集團意識到與其業務活動相關的貪污及洗錢風險。為對貪污行為時刻保持警惕，本集團已不定期向所有員工及董事會成員作出提示，確保其廉潔自律。

我們意識到本集團的可持續發展工作仍有較大進步空間，未來，我們將在能力範圍內瞭解各持份者的需要和意見，逐步提升本集團在環境、社會及管治方面的表現。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENT

Emissions

Greenhouse gas emission is one of the main contributors to global warming. Global warming is hazardous to the balance of natural ecosystems and threatens food supply and living environment for human beings. Therefore, it is imperative to reduce greenhouse gas emission for improving air quality and creating a pleasant and habitable environment. In addition to taking practical measures to minimize the impact of our operations on the environment, we encourage our employees to contribute to environmental protection by lending concrete support and shouldering social responsibilities.

The Group is principally engaged in the footwear sales business. The main source of direct gas emission is the fleet that transports goods from warehouses to stores. Transportation for some of our shipments is outsourced to logistics providers, who are responsible for indirect greenhouse gas emissions. Other greenhouse emission comes from purchased electricity for our offices, warehouses and stores.

For the Year under review, the Group's direct and indirect gas emissions are as follows:

(i) Carbon Emissions

環境

排放物

溫室氣體排放是造成全球暖化的主要成因，全球變暖危害自然生態環境系統的平衡，更威脅人類的食物供應和居住環境。因此，降低溫室氣體排放，改善空氣品質，營造良好的宜居環境，已是刻不容緩的事情。我們除採取實際行動去減少公司營運對環境造成的影響，更鼓勵員工以身體力行支持環境保護及社會責任，為保護環境出一份力。

本集團主要從事鞋履銷售業務，直接氣體排放的主要來源是將貨物從貨倉運往店舖的運貨車隊。由於我們有部分貨物的運輸是外包予物流供應商，故其溫室氣體排是屬於間接的，其次是辦公室、倉庫及店舖外購電力所產生的。

於回顧年度內，本集團直接及間接氣體排放如下：

(i) 碳排放量

Emission of Greenhouse Gases 溫室氣體排放	Coverage 涵蓋範圍	Total Carbon dioxide equivalent emissions (tons) 二氧化碳當量排放量總計(噸)	
		2019	2018
Scope 1: 範圍1:			
Direct emission of greenhouse gases	Retail business in the PRC, Hong Kong offices and warehouses, Dongguan offices	49	74
• Emissions from vehicles 直接溫室氣體排放	中國區零售業務、 香港辦公室及倉庫、 東莞辦公室		
• 車輛排放			

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Emission of Greenhouse Gases 溫室氣體排放	Coverage 涵蓋範圍	Total Carbon dioxide equivalent emissions (tons) 二氧化碳當量排放量總計(噸)	
		2019	2018
Scope 2: 範圍2：			
Indirect emission of greenhouse gases from energy consumption	Retail business in the PRC, Hong Kong offices and warehouses, Dongguan offices, Guangzhou offices and warehouse	1,222	2,422
• Purchased electricity	中國區零售業務、香港區辦公室及倉庫、東莞辦公室、廣州辦公室及倉庫		
能源間接溫室氣體放			
• 外購電力			
Scope 3: 範圍3：			
Indirect emission of greenhouse gases	Retail business in the PRC, Hong Kong offices and warehouses, Dongguan offices, Guangzhou offices and warehouse	14	71
• Outsourced transportation vehicles	中國區零售業務、香港區辦公室及倉庫、東莞辦公室、廣州辦公室及倉庫	5	32
• Staff business trips by air			
間接溫室氣體排放			
• 外包運輸車輛			
• 僱員乘坐飛機出外公幹			

Notes:

- Information about carbon emission is prepared with reference to the Reporting Guidance on Environmental KPIs published by the Stock Exchange as well as the Greenhouse Gas Protocol published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).
- Emission data of business trips by air is calculated using the carbon emission calculator of the International Civil Aviation Organization.
- As of the date of this Report, information of certain scopes is not yet available.

附註：

- 碳排放資料乃參照聯交所刊發的《環境關鍵績效指標彙報指引》；世界企業永續發展協會與世界資源研究院發佈的《溫室氣體盤查議定書》。
- 航空旅程的排放量資料乃採用國際民用航空組織 (International Civil Aviation Organization) 碳排放計算器計算。
- 截止本報告日期，有部分涵蓋範圍之資料還未能提供。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Use of Resources

In response to environmental issues, the Group has adopted relevant policies and measures to minimize the environmental impact of its businesses in the course of day-to-day operation. Specific measures are as follows:

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

In order to raise the awareness of environmental protection and ensure optimal use of resources within the Group, the Group would share information with its employees at all levels and implement various measures to promote energy conservation, water conservation and optimal use of air conditioning. The Group also constantly reminds its employees of messages such as saving water, and turning off lighting and air conditioning that are not needed after work or during lunch break and switching their computers to sleep mode. We also set up collection boxes for used papers, encourage our staff to use double-sided printing, send documents through emails and review documents online. Our staff is also advised to give up the daily use of disposable paper cups. Environmental protection tips in electronic forms are provided and related activities are organized to encourage staff participation. They are also encouraged to upload the information about environmental protection they received to the shared file on the central network of regional offices. In this way, green living information can be shared among our staff and that would serve to enhance their quality of life and contribute to environmental protection.

資源使用

本集團回應環保議題，通過制定相關政策和措施在日常營運中減少業務對環境的影響，具體措施如下：

提升內部環保意識、善用資源

本集團為提升內部環保及善用資源意識，會內部分享資訊及實施節約能源、節約用水、善用空調及i集團所有員工。並廣泛向員工宣傳節約用水、下班或午休時間關掉不需要使用的燈和空調；設置電腦休眠管理；設立已使用紙張收集箱，鼓勵員工雙面列印和通過電子郵箱傳遞檔和線上審閱文件；更建議員工不要使用一次性的紙水杯作為日常飲料之用等措施；並向員工提供環保錦囊電子資訊和環保活動，鼓勵員工參與；我們更鼓勵員工收集到的環境保護資訊，存放在地區辦公室中央網路共用文件檔內，讓員工一起分享綠色生活訊息，從而提升員工的生活素質的同時，也為環保出一份力。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Incorporate the concept of environmental protection into the design and renovation of our stores

The design and renovation of our stores that features the combination of waste reduction with various factors such as energy conservation and the use of reusable materials is our primary concern.

In the course of our operation, store improvement and renovation is indispensable, despite its impact on the environment. Therefore, we address the problem at source. Furniture is designed for reuse, renewable materials are used whenever possible and more energy-efficient lighting is adopted in illumination. Proper waste disposal during the renovation or refurbishment process is ensured by outsourcing the procedure to contractors recognized by environmental protection authorities. We have centralized the planning and management of store design and furniture manufacturing since mid-2016. In some regions, contractors recognized by environmental protection authorities are engaged for waste separation, and such practice will spread to various provinces and cities.

Reduce emissions

We understand that the harm to the environment caused by the emission of pollutants from vehicles and aircraft should not be neglected. However, it is inevitable to use vehicles to transport our products between various sales points and warehouses, while our management needs to travel on business by plane and other means of transport. The Group will continue to monitor our use of transportation and establish appropriate measures to balance the interests of our stakeholders. Our existing measures include gradually aligning the emission standard of our business vehicles with EU standards, maintaining good maintenance for vehicles, and encouraging better use of video conferencing, conference calls and other electronic means for communication instead of business trips, either onshore or abroad.

店舖設計與翻新工程融入環保概念

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

在我們營運業務中店舖裝修、翻新是不可或缺的，但該等活動可能對環境造成傷害。因此，我們從源頭開始，傢俱設計理念盡可能重複使用，用料上多採用再生物料、燈光配置增加採用節能燈具。並於裝修或翻新過程中妥善處理廢棄物，爭取外判給持有環保認證的承判商進行分類處理。自2016年年中開始，店舖設計與道具生產已由中央規劃處理；部分地區已採用有環保認證的承判商進行分類處理，我們將持續逐步推廣至各省市。

減少排放物

我們明白汽車和飛機廢氣排放污染物對環境造成的危害不容忽視，但實際在營運過程中無可避免涉及使用車輛運載貨物往返各個銷售點和倉庫、管理人員乘坐交通工具包括飛機管理業務，本集團會持續監察我們的使用量並建立適當措施平衡各持份者的利益；我們現有措施包括：逐步提升業務車輛對歐盟汽車廢氣排放標準係數；維持良好的車輛維修保養及鼓勵管理人員善用視像會議以代替本地或海外出差。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Strengthen the management of performance indicator measures

We strengthen statistics and data collection in relation to fuel and energy consumption as well as the waste generated from offices, warehouses and sales points in the course of business. Through data processing and analysis, we can further optimize our environmental protection policies.

加強績效指標計量管理

我們加強業務範圍所涉及的辦公室、倉庫及銷售點使用的燃料、能源及廢棄物資料統計與收集。通過資料處理與分析，進一步優化我們環境保護的政策。

(i) Utilization of Resources

(i) 資源使用量

Category of resources used 資源使用的種類	Coverage 涵蓋範圍	Energy consumption in total 能源使用量總計	
		2019	2018
Direct fuel consumption of vehicles: 直接汽車耗用量：			
• Unleaded petrol	Retail business in the PRC, Hong Kong offices and warehouses, Dongguan offices 中國區零售業務、香港辦公室及倉庫、東莞辦公室	11,883 litres 公升	20,323 litres 公升
• Diesel		8,000 litres 公升	10,605 litres 公升
• 無鉛汽油			
• 柴油			
Direct fuel consumption of vehicles in total: 直接汽車燃料耗用量共：		19,883 litres 公升	30,928 litres 公升
Indirect fuel consumption of vehicles: 間接汽車燃料耗用量：			
• Unleaded petrol	Retail business in the PRC, Hong Kong offices and warehouses, Dongguan offices 中國區零售業務、香港辦公室及倉庫、東莞辦公室	2,668 litres 公升	18,495 litres 公升
• Diesel		3,052 litres 公升	11,787 litres 公升
• 無鉛汽油			
• 柴油			
Indirect fuel consumption of vehicles in total: 間接汽車燃料耗用量共：		5,720 litres 公升	30,282 litres 公升

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Category of resources used 資源使用的種類	Coverage 涵蓋範圍	Energy consumption in total 能源使用量總計	
		2019	2018
Purchased Electricity 外購電力	Retail business in the PRC, Hong Kong (offices/stores/ warehouses), Guangzhou (offices/warehouses), Dongguan (offices) 中國區零售業務、香港 (辦公室／店舖／倉庫)、 廣州(辦公室／倉庫)、 東莞(辦公室)	1,511,118 kwh 千瓦時	3,026,483 kwh 千瓦時

Notes:

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- Emission data of business trips by air is calculated using the carbon emission calculator of the International Civil Aviation Organization.
- As of the date of submission of the Report, information of certain scopes is not yet available.

附註：

- 碳排放資料乃參照聯交所刊發的《環境關鍵績效指標彙報指引》；世界企業永續發展協會與世界資源研究院發佈的《溫室氣體盤查議定書》。
- 航空旅程的排放量資料乃採用國際民用航空組織(International Civil Aviation Organization)碳排放計算器計算。
- 截止提交報告日期，有部分涵蓋範圍之資料還未能提供。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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(ii) Environment and Natural Resources

The Group continues to implement its environmental protection policies. It is believed that saving energy and reducing emissions would not only help improve the environment, but also benefit the Company by saving costs. The resources closely relate to the Group are the petrol consumed in transportation, electricity consumed and paper used in the workplace. During the year, we rationalized our office space based on actual business needs so as to save electricity. We have also gradually replaced the existing lighting with energy-saving one. Above all, we still expect to further reduce the use of resources. The Group will further enhance its performance on environmental protection by the following means:

- Make good use of resources
- Reduce carbon emission and waste
- Continue to identify and manage risks associated with the environment
- Keep abreast of any update on all applicable laws and regulations associated with environmental protection issues
- Promote recycling and reuse of waste
- Promote awareness and education on environmental protection among staff

EMPLOYMENT AND LABOUR PRACTICES

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

We care about the communication with our staff, encourage our staff at all levels to express their views through various staff activities, such as meetings, suggestion boxes and websites. We advocate a harmonious environment and strive to break the barriers between staff by organizing different types of meetings and outdoor activities from time to time, creating a healthy and harmonious working environment.

(ii) 環境及天然資源

本集團繼續落實環保政策。相信節約能源、減少排放不只對改善環境有所幫助，也對公司節省成本有所裨益。集團密切相關的資源消耗為運輸所燃燒的汽油、營運場所的電力使用及紙張的消耗。本年度按業務實際需要整合辦公室使用面積以節省用電量，逐步把現有燈具更換成節能燈具，但我們仍希望能進一步減少對資源的使用，集團將持續透過下列事項進一步提升環保表現：

- 善用資源
- 減少碳排放和廢棄物
- 持續識別及管理環保風險
- 密切關注環境保護相關事項所有適用的法律及規例之新規定
- 提高廢棄物之回收及再使用
- 促進員工的環保意識及教育

僱傭及勞工常規

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Employment

During the period, the Group employed approximately 261 employees, of which approximately 177 were based in the PRC, 64 in Hong Kong and the remaining in Taiwan. We are in compliance with the employment regulations of the regions where our business is operated, details of which are set out below:

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

Health and Safety

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

In compliance with fire regulations, we set up fire escapes, emergency lightings and diagram for emergency exit. Well-stocked first-aid kits are in place at each work station. Guidance and working guidelines regarding moving goods safely and the use of trolleys are provided for staff exposed to higher risk of work-related injuries, such as warehouse staff. Our retail staff is provided with occupational health guidance, which gives instructions on the safe use of folding ladders, climbing ladders and stocking shelves to avoid injuries.

僱傭

於本期間，本集團聘用僱員約261多名，其中大約177多名位於中國，64多名位於香港及餘下的位於臺灣。我們遵守營業所在地的僱傭法規，詳情載列下文：

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

健康與安全

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Development and Training

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

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

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

Seeking high-caliber individuals and cultivating talents are the Group's key objectives for which we will work relentlessly to achieve through store management training programmes or other alternatives.

No excellent enterprise can survive without a united and competitive team. Therefore, we encourage employees to actively participate in the meetings and outdoor activities organized by the Group, during which team spirit is built and past performances are reviewed, so that effective strategies can be developed to face the new challenges in a new era.

Labour Standards

Child labour, compulsory or forced labour is prohibited in all business segments of the Group. At present, we are not aware of any significant risk of child labour or forced labour within the Group. In the case of resignation of own accord, employees may leave the post as long as reasonable notification is given as required by their employment contracts.

發展與培訓

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

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

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

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

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

勞工準則

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OPERATING PRACTICES

Supply Chain Management

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

In general, we lay greater emphasis on the product quality, service quality and business stability of suppliers in the supply chain management system, and less attention is paid to their performance on environmental protection and social responsibilities. We will continue to show concern for the suppliers' performance of corporate social responsibility. The related personnel assess and establish a list of suppliers, with whom contact and communication will be made. Suppliers not yet included into the list are encouraged to lay emphasis on corporate social responsibility and comply with relevant laws and regulations.

Product Responsibility

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

We will continuously optimize our product procurement process in response to changes in the Company's procurement model and carefully scrutinize the inspection documents to ensure compliance with relevant laws and regulations.

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

營運慣例

供應鏈管理

完善的供應鏈管理及良好的採購管理，對本集團的可持續營運影響較重要。

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

產品責任

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Customer Services

Data Privacy Policy

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

Anti-corruption

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

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

Whistleblowing Channel

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

客戶服務

資料隱私政策

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

反貪污

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

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

舉報管道

我們已制定舉報制度，並已於本年度再次向本集團全體員工發出通知。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

COMMUNITY

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

Community Investment

In addition to participating in community public welfare activities as usual and providing various types of employment opportunity at all times, the Group has also continued to provide multiple short-term internship opportunities for students from vocational training colleges. They may learn from others' working experience and acquire relevant expertise through face-to-face interviews, and enrich their practical experience through exchange of reflection on working experience, gains and losses at work and knowledge. We will also sponsor non-profit organizations for holding charitable fund-raising activities and implement non-governmental subsidized employment schemes that serve juvenile offenders under probation orders as well as rehabilitated offenders, teenagers with learning disabilities, ethnic minorities and newly-arrived migrant women. We have also been awarded the "Caring Company" logo by The Hong Kong Council of Social Service for seven consecutive years, recognizing our effort in the promotion of caring for our society. In the future, we will continuously invest various resources in our community.

社區

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

社區投資

本集團除一如既往持續參與社區公益活動及提供不同層面的就業機會外，亦繼續為職業培訓專業院校同學提供多方面的短期實習機會，並經常將社會工作經驗及相關專業知識，透過面談傳遞給同學，讓彼此能分享社會實踐感想、工作得失成果和知識交換等，豐富同學實踐經驗。此外，我們亦會贊助非牟利機構舉辦慈善籌款活動，推行非政府資助的就業計劃，服務物件有受感化青年及更生人士、有學習困難的青少年、少數族裔人士及新來港婦女等。而集團連續七年獲得由香港社會服務聯會頒發的「商界展關懷」標誌，表揚我們推動關愛社會出力，我們將持續對社區投放不同程度的資源。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

EXECUTIVE DIRECTORS

Mr. ZHU Xiaojun (“Mr. Zhu”), aged 48, is the Chairman and an executive Director of the Group. He also serves as a member of both the Remuneration Committee and the Nomination Committee of the Board. Mr. Zhu is the brother-in-law of Ms. Cai Jiaying, who is an executive Director of the Group. Mr. Zhu is responsible for the overall management and strategies planning for the business development of the Group. He is currently the general manager of Shanghai Sunrise Pension & Services Company Limited in the PRC. He is a sole director of China Consume Elderly Care Holdings Limited, a controlling shareholder of the Company and also a director of major subsidiaries of the Group including Trunari Enterprises Company Limited, Senet International Limited and Walker Shop Footwear Limited. Mr. Zhu is experienced in the industry of electronic commerce. He joined the Group in February 2016.

Mr. KANG Jianming (“Mr. Kang”), aged 44, is an executive Director of the Group. Mr. Kang obtained a Master’s Degree in Philosophy from the Beijing Normal University. He also completed an Executive MBA programme from Zhongshan University in the PRC and the China UnionPay Senior Management Programme from the Business and Administration Department of the Tsinghua University in the PRC. Mr. Kang worked as an economist in the Guangdong Branch of the Industrial and Commercial Bank of China Limited from March 2005 to December 2006. Afterwards, he worked as the business director of Guangzhou UnionPay Network Payment Company Limited from October 2007 to September 2015. Mr. Kang obtained the intermediate level qualification in Finance and Economics conferred by the Ministry of Personnel of the Government of the PRC (currently known as the Ministry of Human Resources and Social Security of the Government of the PRC) in November 2002. In November 2014, Mr. Kang was appointed as a member of the 3rd Committee of the Guangdong’s Association for Promotion of Cooperation between Guangdong, Hong Kong and Macao. He has extensive experience in the industry of e-Payment, finance and economics. Mr. Kang joined the Group in February 2016.

Ms. CAI Jiaying (“Ms. Cai”), aged 38, is an executive Director of the Group. Ms. Cai is the sister-in-law of Mr. Zhu Xiaojun, who is a Chairman and an executive Director of the Group. Ms. Cai graduated from the Shanghai Art & Design Academy with a Bachelor’s Degree in Fashion Design. Ms. Cai has extensive experience in the fashion design industry and she also has years of experience in ladies’ fashion design, brand development as well as the management and business operation. She is also the general manager of Shanghai Anxin Insurance Agency Limited. Ms. Cai joined the Group in April 2016.

執行董事

朱曉軍先生（「朱先生」），48歲，為本集團主席兼執行董事。彼亦出任董事會轄下薪酬委員會及提名委員會成員。朱先生為本集團執行董事蔡佳櫻女士之小叔。朱先生負責本集團業務發展之整體管理及策略規劃。彼目前為中國上海旭日養老服務有限公司總經理。彼亦為中國消費養老控股有限公司（本公司之控股股東）之唯一董事，亦為達斯彌企業有限公司、盛益國際有限公司及Walker Shop Footwear Limited等本集團主要附屬公司之董事。朱先生於電子商務行業擁有豐富經驗。彼自2016年2月加盟本集團。

康建明先生（「康先生」），44歲，為本集團執行董事。康先生畢業於北京師範大學，獲哲學碩士學位。彼亦完成中國中山大學高級工商管理碩士課程及中國清華大學工商管理系中國銀聯高級管理課程。康先生於2005年3月至2006年12月於中國工商銀行股份有限公司廣東分行擔任經濟師。其後，彼由2007年10月至2015年9月於廣州銀聯網絡支付有限公司擔任業務總監。康先生於2002年11月獲得中國政府人事部（現為中國政府人力資源和社會保障部）授予金融經濟中級資格。於2014年11月，康先生獲委任為廣東省粵港澳合作促進會第三屆委員會成員。彼於電子支付、金融及經濟行業擁有豐富經驗。康先生自2016年2月加盟本集團。

蔡佳櫻女士（「蔡女士」），38歲，為本集團執行董事。蔡女士為本集團主席兼執行董事朱曉軍先生之妯娌。蔡女士畢業於上海工藝美術職業學院，持有服裝設計學士學位。蔡女士於服裝設計行業擁有豐富經驗，亦於女士服裝設計、品牌建立以及管理及業務經營方面擁有多年經驗。彼目前亦為上海安欣保險代理有限公司總經理。蔡女士自2016年4月加盟本集團。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

Mr. YIN Wansun (“Mr. Yin”), aged 58, is an executive Director of the Group. Mr. Yin obtained a Bachelor’s Degree in Engineering from the Dalian University of Technology (formerly known as 大連工學院) in the PRC. He is currently the managing director of Shanghai Fudi Industry Company Limited and is responsible for monitoring the overall business operations. Mr. Yin has over 20 years of experience in the corporate management field. He joined the Group in May 2016.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. ZHAO Hong (“Ms. Zhao”), aged 49, is an Independent Non-executive Director of the Group. She also serves as a chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. Ms. Zhao holds a Bachelor’s Degree in Accounting from the Shanghai University of Finance and Economics and a Master’s Degree of Business Administration from the China Europe International Business School in the PRC. Ms. Zhao obtained the qualification of Accountant specializing in Accounting (Corporate) conferred by the Ministry of Finance of the PRC in May 1996. She is currently a non-practicing member of The Chinese Institute of Certified Public Accountants. She is currently a finance director of EBT Digital Communication Retail Group. Ms. Zhao has extensive experience in the financial and accounting fields. She joined the Group in April 2016.

Mr. CHAU Wai Hing (“Mr. Chau”), aged 53, is an Independent Non-executive Director of the Group. He also serves as a member of the Audit Committee and Nomination Committee of the Board. Mr. Chau is also appointed as the member of the Remuneration Committee of the Board effective from 29 September 2018. Mr. Chau obtained a Bachelor’s Degree in Quantitative Analysis for Business, Postgraduate Certificate in Professional Accounting and Master Degree in Finance from the City University of Hong Kong. He also holds a Master Degree in Professional Accounting from the Southern Cross University in Australia. He is a fellow member of the Institute of Public Accountants in Australia, a fellow member of the Institute of Financial Accountants, a chartered member of the Chartered Institute for Securities and Investment and a member of the Hong Kong Securities and Investment Institute. Mr. Chau resigned as a member of nomination committee and also resigned as the chairman, executive director, a chairman of investment committee and authorized representative of Cocoon Holdings Limited (listed on the Main Board of Stock Exchange) with effect from 14 December 2018 and 18 February 2019 respectively. From December 2008 to April 2015, Mr. Chau was the chairman and an executive director of UBA Investments Limited (listed on the Main Board of Stock Exchange). Prior to joining UBA Investments Limited, he possesses over 18 years of experience in banking, finance and wealth management and held senior positions at several international financial institutions including Bank of America (Asia) Limited and Merrill Lynch (Asia Pacific) Limited. He joined the Group in February 2017.

殷菀蓀先生(「殷先生」)，58歲，為本集團執行董事。殷先生於中國大連理工大學(前稱大連工學院)獲得工程學學士學位。彼現時為上海富帝實業有限公司之董事長，負責監督整體業務運作。殷先生在企業管理方面擁有逾20年之經驗。彼自2016年5月加盟本集團。

獨立非執行董事

趙竑女士(「趙女士」)，49歲，為本集團獨立非執行董事。彼亦出任董事會轄下審核委員會、薪酬委員會及提名委員會之主席。趙女士持有中國上海財經大學之會計學學士學位及中國中國國際工商學院之工商管理碩士學位。於1996年5月，趙女士取得由中國財政部頒授之會計師資格，專注於會計(企業)。彼現為中國註冊會計師協會之非執業會員。彼現時為EBT數碼通信集團之財務總監。趙女士在金融及會計方面擁有豐富經驗。彼自2016年4月加盟本集團。

周偉興先生(「周先生」)，53歲，為本集團獨立非執行董事。彼亦擔任董事會轄下審核委員會及提名委員會成員。周先生亦獲委任為董事會薪酬委員會成員，自2018年9月29日起生效。周先生獲香港城市大學工商數量分析學士學位、專業會計學深造證書及金融學碩士學位。彼亦持有澳洲南格斯大學專業會計碩士學位。彼為澳洲會計師協會之資深會員、英國財務會計師公會之資深會員、英國特許證券與投資協會之特許會員和香港證券及投資學會之會員。周先生辭任中國天弓控股有限公司(於聯交所主板上市)之提名委員會成員，並且辭任主席、執行董事、投資委員會主席及授權代表，分別自2018年12月14日及2019年2月18日起生效。由2008年12月至2015年4月，周先生曾為開明投資有限公司(於聯交所主板上市)之主席及執行董事。加入開明投資有限公司前，彼在銀行、金融及財富管理領域擁有超過18年經驗及在不同的國際金融機構居高級職位，其中包括美國銀行(亞洲)有限公司及美林(亞太)有限公司。彼自2017年2月加盟本集團。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

Mr. YU Lei (“Mr. Yu”), aged 45, appointed as an Independent Non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board effective from 28 December 2018. Mr. Yu holds a Master of Business Administration Degree from Sun Yat-sen University. He worked as an executive director, the chief executive officer and the chairman of the executive committee of Daohe Global Group Limited (listed on the Main Board of Stock Exchange) from January 2018 to December 2018. Mr. Yu has over 10 years of management experience. He has been a director of 北京派合文化傳播股份有限公司 (for transliteration purpose only, Beijing Pai PR Communications Co., Ltd) since January 2016, the shares of which are quoted on the National Equities Exchange and Quotations in the PRC (stock code: 839457).

余磊先生(「余先生」)，45歲，獲委任為獨立非執行董事兼董事會審核委員會、薪酬委員會及提名委員會各自之成員，自2018年12月28日起生效。余先生持有中山大學工商管理碩士學位。彼於2018年1月至2018年12月於道和環球集團有限公司擔任執行董事、行政總裁兼執行委員會主席，該公司於聯交所主板上市。余先生擁有逾10年管理經驗。彼自2016年1月起擔任北京派合文化傳播股份有限公司(其股份於中國全國中小企業股份轉讓系統掛牌，股份代號：839457)之董事。

REPORT OF DIRECTORS

董事會報告書

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

PRINCIPAL ACTIVITIES

During the Year, the Company acted as an investment holding company and its subsidiary corporations were principally engaged in (1) retailing of footwear in Hong Kong, the PRC and Taiwan; and (2) e-Commerce and e-Payment business.

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

RESULTS AND DIVIDEND

The Group's results for the Year and the state of the Company's and Group affairs as at 31 March 2019 are set out on pages 63 to 172 of this annual report.

The Board has recommended not to declare final dividend for the Year (2018: Nil).

RESERVES

Details of the movements in the reserves of the Group during the Year are set out in Note 27 to the consolidated financial statements and in the consolidated statement of changes in equity on page 68, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2019, the Company did not have any reserves available for distribution as calculated in accordance with the provisions of the Companies Law of the Cayman Islands (2018: Nil).

DONATIONS

During the Year, the Group did not make charitable contributions and other donations (2018: Nil).

PROPERTY, PLANT AND EQUIPMENT

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

PRE-EMPTIVE RIGHTS

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

董事欣然提呈本年度董事會報告書及本集團之經審核綜合財務報表。

主要業務

於本年度，本公司為投資控股公司，其附屬公司之主要業務為(1)在香港、中國及台灣零售鞋類；及(2)從事電子商務及電子支付業務。

本年度按分部劃分之本集團業績分析載於綜合財務報表附註5。

業績及股息

本集團之本年度業績及本公司及本集團於2019年3月31日之事務狀況載於本年報第63至172頁。

董事會建議不宣派本年度之末期股息(2018年：無)。

儲備

本集團於本年度之儲備變動詳情分別載於綜合財務報表附註27及第68頁之綜合權益變動表。

可供分派儲備

於2019年3月31日，本公司根據開曼群島公司法條文計算並無可供分派之任何儲備(2018年：無)。

捐款

於本年度，本集團並無作出慈善捐獻及其他捐款(2018年：無)。

物業、廠房及設備

本集團於本年度之物業、廠房及設備變動詳情載於綜合財務報表附註15。

優先購買權

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

REPORT OF DIRECTORS

董事會報告書

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on pages 173 to 176 of this annual report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

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

SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE BONDS

Details of the movements in the Company's issued share capital, share options and convertible bonds during the Year are set out in Notes 26, 34 and 31 respectively to the consolidated financial statements.

GROUP'S BORROWINGS

Details of the Group's borrowings as at 31 March 2019 are set out in Note 29 to the consolidated financial statements.

DIRECTORS

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

Executive Directors

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

Independent Non-executive Directors

Ms. ZHAO Hong
Mr. CHAU Wai Hing
Mr. LEUNG Man Ho (resigned on 29 September 2018)
Mr. YU Lei (appointed on 28 December 2018)

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

In accordance with Article 86(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at such meeting. Accordingly, Mr. YU Lei, an independent non-executive Director of the Company, shall hold office until the forthcoming annual general meeting of the Company ("AGM").

五年財務概要

本集團過去五個財政年度之業績、資產及負債概要載於本年報第173至176頁。

購買、出售或贖回本公司之證券

於本年度，本公司或其任何附屬公司並無購買、出售或贖回任何本公司之證券。

股本、購股權及可換股債券

本公司之已發行股本、購股權及可換股債券於本年度之變動詳情分別載於綜合財務報表附註26、34及31。

本集團借貸

本集團於2019年3月31日之借貸詳情載於綜合財務報表附註29。

董事

於本年度及截至本報告日期，本公司董事會之成員如下：

執行董事

朱曉軍先生(主席)
康建明先生
蔡佳櫻女士
殷苑蓀先生

獨立非執行董事

趙竑女士
周偉興先生
梁文豪先生(於2018年9月29日辭任)
余磊先生(於2018年12月28日獲委任)

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

根據組織章程細則第86(3)條，獲董事會委任以填補臨時空缺或出任現時董事會新增董事席位的任何董事的任期至本公司下屆股東周年大會為止，並符合資格於有關大會上參選連任。故此，本公司獨立非執行董事余磊先生的任期至本公司應屆股東周年大會(「股東周年大會」)為止。

REPORT OF DIRECTORS

董事會報告書

In accordance with Article 87 of the Articles of Association, not less than one-third of the Directors for the time being should retire from office by rotation at each annual general meeting. Accordingly, Mr. ZHU Xiaojun and Ms. CAI Jiaying, the executive Directors of the Company and Mr. CHAU Wai Hing, an independent non-executive Director of the Company, will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

Change of Directors' Information

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

Mr. CHAU Wai Hing (**"Mr. Chau"**), an independent non-executive Director, was appointed as a member of the Remuneration Committee with effect from 29 September 2018. Mr. Chau resigned as a member of nomination committee and also resigned as the chairman, executive director, the chairman and a member of investment committee and authorized representative of Cocoon Holdings Limited (listed on the main board of Stock Exchange) with effect from 14 December 2018 and 18 February 2019 respectively.

Mr. YU Lei (**"Mr. Yu"**) was appointed as an independent non-executive Director and a member of each of Audit Committee, Remuneration Committee and the Nomination Committee with effect from 28 December 2018. Mr. Yu resigned as an executive director, the chief executive officer and ceased as the chairman of the executive committee of Daohe Global Limited (listed on the main board of Stock Exchange) with effect from 1 January 2019.

Directors' Service Contracts

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

Directors' Emoluments

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

Biographical Details of Directors

Biographical details of the Directors of the Group are set out on pages 40 to 42 of this annual report.

根據組織章程細則第87條，於每屆股東周年大會上，當時三分之一之董事須輪值退任。因此，本公司執行董事朱曉軍先生及蔡佳櫻女士以及本公司獨立非執行董事周偉興先生將於本公司應屆股東周年大會輪值退任，並符合資格及願意於會上膺選連任。

董事資料變動

根據上市規則第13.51B(1)條，須於本報告披露之董事資料變動如下：

獨立非執行董事周偉興先生（「周先生」）於2018年9月29日獲委任為薪酬委員會成員。周先生辭任中國天弓控股有限公司（於聯交所主板上市）之提名委員會成員，並且辭任主席、執行董事、投資委員會主席及成員以及授權代表，分別自2018年12月14日及2019年2月18日起生效。

余磊先生（「余先生」），獲委任為獨立非執行董事兼審核委員會、薪酬委員會及提名委員會各自之成員，自2018年12月28日起生效。余先生已辭任道和環球集團有限公司（於聯交所主板上市）執行董事、行政總裁，並不再擔任有關公司執行委員會主席，自2019年1月1日起生效。

董事服務合約

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

董事酬金

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

董事簡歷

本集團董事簡歷載於本年報第40至42頁。

REPORT OF DIRECTORS

董事會報告書

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

As at 31 March 2019, the interests and short positions of each Director and chief executive of the Company and their associates in the shares ("Shares"), underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have taken under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

董事及最高行政人員於股份、相關股份及債券證中之權益及淡倉

於2019年3月31日，按證券及期貨條例（「證券及期貨條例」）第XV部第7及第8分部須知會本公司及聯交所（包括根據證券及期貨條例該等條文，董事及最高行政人員被視作或視為擁有之權益及淡倉），或按證券及期貨條例第XV部第352條須予存置之登記冊所記錄，或按標準守則須知會本公司及聯交所，本公司各董事及最高行政人員及彼等之聯繫人於本公司及／或其任何相聯法團（定義見證券及期貨條例第XV部）之股份（「股份」）、相關股份及債券證中之權益及淡倉如下：

The Company

本公司

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

REPORT OF DIRECTORS

董事會報告書

Notes:

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

Save as disclosed above, at 31 March 2019, none of the Directors and chief executive of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Rights to Acquire Shares or Debentures

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

Directors' Interest in Contracts

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

Directors' Interest in Competing Businesses

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

附註：

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

除上文所披露者外，於2019年3月31日，本公司各董事及最高行政人員或彼等之聯繫人概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例該等條文，董事及最高行政人員被視作或視為擁有之權益或淡倉），或按本公司根據證券及期貨條例第XV部第352條須予存置之登記冊所記錄之權益或淡倉，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

董事收購股份或債券證之權利

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

董事於合約之權益

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

董事於競爭業務之權益

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

REPORT OF DIRECTORS

董事會報告書

LONG TERM INCENTIVE SCHEMES

Share Option Scheme 2007

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

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

The total number of the Shares which may be issued upon exercise of all Post-IPO Share Options to be granted under the Share Option Scheme 2007 and any other share option scheme of the Group shall not in aggregate exceed 10% of the total number of the Shares in issue as at the Listing Date, being 600,000,000 Shares.

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

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

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

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

長期獎勵計劃

2007年購股權計劃

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

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

根據2007年購股權計劃將予授出之首次公開售股後購股權獲悉數行使時及根據本集團任何其他購股權計劃可予發行之股份總數，合共不得超過於上市日期已發行股份總數之10%，即600,000,000股股份。

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

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

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

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

REPORT OF DIRECTORS

董事會報告書

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

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

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

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

於本年度，首次公開售股後購股權之變動詳情如下：

		No. of the Post-IPO Share Options 首次公開售股後購股權數目					
Name or category of grantee	承授人之姓名或類別	Balance as at 1 April 2018 於2018年4月1日之結餘	Granted during the Year 於本年度授出	Exercised during the Year 於本年度行使	Cancelled during the Year 於本年度註銷	Lapsed during the Year 於本年度失效	Balance as at 31 March 2019 於2019年3月31日之結餘
Directors	董事						
KANG Jianming	康建明	6,000,000	–	–	–	–	6,000,000
CAI Jiaying	蔡佳櫻	6,000,000	–	–	–	–	6,000,000
YIN Wansun	殷苑蓀	6,000,000	–	–	–	–	6,000,000
ZHAO Hong	趙竑	500,000	–	–	–	–	500,000
Employees	僱員						
In aggregate	合共	21,000,000	–	–	–	4,000,000	17,000,000
Total	總計	39,500,000	–	–	–	4,000,000	35,500,000

During the Year, none of the Options were granted, exercised or cancelled and a total of 4,000,000 Post-IPO Share Options have lapsed during the Year. Accordingly, the outstanding of the Post-IPO Share Options was 35,500,000 as at 31 March 2019.

於本年度，概無購股權獲授出、行使或註銷，而合共4,000,000股首次公開售股後購股權已於本年度內失效。因此，於2019年3月31日仍有35,500,000股首次公開售股後購股權尚未行使。

REPORT OF DIRECTORS

董事會報告書

Share Option Scheme 2017

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

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

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

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

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

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

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

2017年購股權計劃

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

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

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

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

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

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

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

REPORT OF DIRECTORS

董事會報告書

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

As at 31 March 2019, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company), had the following interests and short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO:

Name of substantial shareholder	Capacity	Number and nature of interests held	Approximate % of the Company's total issued share capital
主要股東名稱	身份	所持權益數目及性質	佔本公司已發行股本總額之概約%

China Consume Elderly Care Holdings Limited (Note)
中國消費養老控股有限公司(附註)

Beneficial owner
實益擁有人

513,300,002

71.67%

Note:

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

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

Save as disclosed above, at 31 March 2019, the Company had not been notified by any persons (other than the Directors and the chief executive of the Company) who had interests or short positions in shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

主要股東於股份及相關股份之權益及淡倉

於2019年3月31日，就董事所深知，按根據證券及期貨條例第XV部第2及第3分部須向本公司披露，或根據證券及期貨條例第XV部第336條須予存置之登記冊所記錄，以下人士（並非本公司董事或最高行政人員）於本公司股份及相關股份之權益及淡倉如下：

附註：

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

上文所披露之所有權益均為於股份及相關股份之好倉。

除上文所披露者外，於2019年3月31日，本公司並無獲任何人士（本公司董事及最高行政人員除外）知會，根據證券及期貨條例第XV部第2及第3分部須向本公司披露，或根據證券及期貨條例第XV部第336條須予存置之登記冊所記錄，任何有關人士於本公司股份或相關股份中擁有權益或淡倉。

REPORT OF DIRECTORS

董事會報告書

MANAGEMENT CONTRACTS

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

MAJOR SUPPLIERS AND CUSTOMERS

During the Year, all suppliers of the Group are independent third parties. The Group's largest supplier accounted for approximately 7.6% of the Group's total purchases and the Group's five largest suppliers accounted for approximately 30% of the Group's total purchases.

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

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

CONNECTED TRANSACTION

During the Year, the Company had the transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, details of which are set out in section headed "Major and Connected Transaction" under Management Discussion and Analysis on page 10 of this report.

CORPORATE GOVERNANCE

The Company's corporate governance practices are set out in Corporate Governance Report on pages 13 to 25 of this annual report.

REVIEW BY THE AUDIT COMMITTEE

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

管理合約

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

主要供應商及客戶

於本年度，本集團全部供應商均為獨立第三方。本集團最大供應商佔本集團總採購額約7.6%，而本集團五大供應商則佔本集團總採購額約30%。

本集團五大客戶佔本年度總營業額低於30%。

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

關連交易

於本年度，本公司進行構成上市規則第14A章項下之關連交易或持續關連交易，有關詳情載於本報告第10頁管理層討論及分析下「主要及關連交易」一節。

企業管治

本公司之企業管治常規載於本年報第13至25頁之企業管治報告內。

經由審核委員會審閱

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

REPORT OF DIRECTORS

董事會報告書

INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

As disclosed in sections headed "Disclaimer of Opinion" and "Basis for Disclaimer of Opinion" in the independent auditor's report contained on pages 59 to 62 of this report, the auditors of the Company (the "**Auditors**") did not express an audit opinion on the consolidated financial statements of the Group for the year ended 31 March 2019 as a result of certain matters.

The Board's Response to the Disclaimer Opinion

1. Going concern

As disclosed on P.7 of the announcement of the Company's annual results for the year ended 31 March 2019 published on 28 June 2019, the Group has implemented various measures to address the concern about the Group's ability to continue as a going concern. Among those measures, the auditors had requested further information/documents regarding (i) the stand-by revolving loan facilities of up to RMB200,000,000 granted to the Group by an independent third party on 13 June 2019 and guaranteed by Mr. Zhu Xiaojun, the Chairman of the Board (the "**First Loan Facilities**"); (ii) the stand-by revolving loan facilities of up to Euro20,000,000 granted to the Group by China Investment S.p.A., a company with 70% interest owned by Ms. Cai Jiaying, a director of the Company (the "**Second Loan Facilities**"); and (iii) the Group's cash flow projections prepared by management covering a period of twelve months from 31 March 2019 (the "**Cash Flow Projections**").

The auditors were of the view that since the management of the Company was unable to provide the bank statement(s) or financial statement(s) of the lenders of the First Loan Facilities and Second Loan Facilities to prove the possession of sufficient financial resources by the respective lenders to provide the loan facility on a continued basis the auditors remained uncertain about the financial capability of the lenders to provide the revolving loan facilities to the Company as and when the Company shall request it pursuant to the terms and conditions of the loan agreements. The Company had conveyed the request of the auditors to the lenders but they were unable to provide the required documents within the time limit imposed by the auditors since they were required to follow the prescribed internal procedures to gain approval before those documents could be released to external parties. However, since the agreements governing the First Loan Facilities and Second Loan Facilities are legal, valid and binding on the lenders, the management is of the view that they provided assurance that the Company would be able to obtain the loan facilities as and when necessary. The Audit Committee concurred with the views of the management.

獨立核數師就本公司截至2019年3月31日止年度的綜合財務報表所發表報告

誠如本報告第59至62頁所載獨立核數師報告「不發表意見」及「不發表意見的基礎」各節所披露，本公司核數師（「核數師」）基於若干原因而不就本集團截至2019年3月31日止年度的綜合財務報表發表審核意見。

董事會對不發表意見的回應

1. 持續經營

誠如本公司於2019年6月28日所刊發截至2019年3月31日止年度的全年業績公告第7頁所披露，本集團已採取多項措施以釋除對本集團持續經營能力的疑慮。針對該等措施，核數師要求就以下各項提供進一步資料／文件：(i)獨立第三方於2019年6月13日授予本集團並由董事會主席朱曉軍先生擔保的備用循環貸款融資最多人民幣200,000,000元（「**第一筆貸款融資**」）；(ii)China Investment S.p.A.（本公司董事蔡佳櫻女士擁有70%權益的公司）授予本集團的備用循環貸款融資最多20,000,000歐元（「**第二筆貸款融資**」）；及(iii)管理層就本集團所編製涵蓋2019年3月31日起計12個月期間的現金流量預測（「**現金流量預測**」）。

核數師認為，由於本公司管理層無法提供第一筆貸款融資及第二筆貸款融資貸款人的銀行結單或財務報表以證明相關貸款人擁有足夠財務資源可持續提供貸款融資，核數師對貸款人是否具備財政能力於本公司根據貸款協議的條款及條件提出要求時提供循環貸款融資仍然存在疑。本公司已向貸款人轉達核數師的要求，但由於既定內部程序要求彼等向外部人士發放有關文件前必須取得批准，故彼等未能於核數師規定時限內提供所需文件。然而，由於規管第一筆貸款融資及第二筆貸款融資的協議屬合法有效及對貸款人具約束力，管理層認為其足以保證本公司能夠於有需要時取得貸款融資。審核委員會認同管理層的見解。

REPORT OF DIRECTORS

董事會報告書

The Directors are considering to take the following actions to address the audit qualifications surrounding the First Loan Facilities and the Second Loan Facilities:

- Seek the consent of the lenders to provide to the auditors all the bank statement(s) and/or financial statement(s) in question; and
- The Company will continue to explore further funding sources by continuing to approach banks, financial institutions and potential investors to raise additional capital by way of debt or equity fund-raising to reinforce the Company's financial position.

2. Loan receivables and refundable advance payment

The Auditors stated that they were unable to obtain sufficient appropriate audit evidence regarding the loan receivables of approximately HK\$135,846,000 and refundable advance payment of approximately HK\$98,881,000.

The Company has provided all the information/documents requested by the auditors except (i) detailed repayment schedules of each of the borrowers under the loan agreements; and (ii) evidence in support of the financial capability of the vendor under the acquisition agreement in relation to the sale and purchase of properties in Milan, Italy ("**Acquisition Agreement**"), to refund the deposit in full to the Company.

The management is of the view that the borrowers under the loan agreements are capable to repay the outstanding monies in full based on (i) the due diligence on the borrowers previously performed by the Group; and (ii) the business relation between the borrowers and the Company. Also, the vendor under the Acquisition Agreement is capable to refund the deposit in full in accordance with the terms and conditions therein based on financial information provided by the vendor. Since the (i) the Company and the vendor had entered into a refund agreement dated 27 June 2019 (the "**Refund Agreement**") and (ii) the Refund Agreement is legal, valid and binding on the vendor, the signing of the Refund Agreement provided assurance to the Company regarding the commitment of the vendor to honour its refund obligations to the Company. The Audit Committee concurred with the views of the management.

董事正考慮採取以下行動以釋除第一筆貸款融資及第二筆貸款融資的審核保留意見：

- 尋求貸款人同意向核數師提供一切所需銀行結單及／或財務報表；及
- 本公司將繼續向銀行、金融機構及潛在投資者尋求進一步資金流，通過債務或股權集資方式籌集額外資金，以加強本公司的財務狀況。

2. 應收貸款及可退還預付款項

核數師表示未能就應收貸款約135,846,000港元及可退還預付款項約98,881,000港元取得足夠適當審核憑證。

除(i)各借款人於貸款協議項下的詳細還款時間表；及(ii)證明買賣意大利米蘭物業的收購協議(「**收購協議**」)項下賣方具備財政能力向本公司悉數退還按金的證據外，本公司已向核數師提供一切所需資料／文件。

管理層認為，基於(i)本集團過往曾對貸款協議項下借款人進行盡職審查工作；及(ii)該等借款人與本公司之間的業務關係，該等借款人有能力悉數償還未償還款項。此外，基於收購協議項下賣方所提供的財務資料，該賣方有能力根據相關條款及條件悉數退還按金。由於(i)本公司已與賣方訂立日期為2019年6月27日的退款協議(「**退款協議**」)及(ii)退款協議屬合法有效及對賣方具約束力，簽署退款協議讓本公司得以確保賣方將履行其對本公司的退款承諾。審核委員會認同管理層的見解。

REPORT OF DIRECTORS

董事會報告書

In order to resolve the material uncertainties surrounding the loan receivables and the refundable advance payment, the Company continued to (i) communicate with the borrowers for renewal of all of the existing loan agreements with outstanding unrepaid monies; and (ii) negotiate with the vendor to provide to the auditors with the bank statement(s) and/or financial statement(s) to prove its financial capability to refund the deposit to the Group in full in accordance with the terms and conditions of the Refund Agreement; or alternatively, (iii) identify a potential buyer to acquire the estate units under the Acquisition Agreement at a premium subject to the mutual consent of the parties to the Refund Agreement to terminate the Refund Agreement.

3. Non-current assets classified as held for sale

The Auditors explained that they were unable to obtain sufficient appropriate audit evidence to satisfy themselves that the Potential Disposal is highly probable to complete within one year from the date of Classification.

The Company has provided all the information/documents requested by the Auditors except details regarding the status of the Potential Disposal and expected date of completion. The management is of the view that since (i) the potential purchaser is about to complete the due diligence of the target company and (ii) the potential purchaser has already pay a deposit of HK\$15,000,000, it is highly probable that the Potential Disposal would be completed within in the near future and latest by 31 December 2019. The Audit Committee concurred with the views of the management.

In order to resolve the material uncertainties in relation to the non-current assets classified as held for sale, the Company will coordinate with the potential buyer to complete the due diligence exercise and complete the Potential Disposal in the near future and latest by 31 December 2019 and hence remove the audit qualification concerned.

4. Impairment assessment of goodwill and intangible assets

The Auditors stated that they were unable to obtain sufficient appropriate audit evidence to satisfy themselves that (i) the relevance and reasonableness of key assumptions used in the Impairment Assessment; and (ii) the relevance, completeness and accuracy of source data used in the Impairment Assessment.

為解決有關應收貸款及可退還預付款項的重大不確定因素，本公司繼續(i)就重續所有現有貸款協議及未償還款項與該等借款人溝通；及(ii)與該賣方商討向核數師提供銀行結單及／或財務報表以證明其具備財政能力根據退款協議的條款及條件向本集團悉數退還按金；又或(iii)於完成收購協議前(及待退款協議訂約方相互同意終止退款協議後)，物色潛在買方根據收購協議以溢價收購物業單位。

3. 分類為持有作出售之非流動資產

核數師表示未能取得足夠適當審核憑證，以信納潛在出售事項很可能在該分類當日起計一年內完成。

除有關潛在出售事項進度及預期完成日期的詳情外，本公司已向核數師提供一切所需資料／文件。管理層認為，由於(i)潛在買方即將完成對目標公司的盡職審查工作及(ii)潛在買方已支付15,000,000港元作為按金，潛在出售事項極有可能於不久將來(不遲於2019年12月31日)完成。審核委員會認同管理層的見解。

為解決有關分類為持有作出售之非流動資產的重大不確定因素，本公司將與潛在買方協調完成盡職審查工作並於不久將來(不遲於2019年12月31日)完成潛在出售事項，從而釋除相關審核保留意見。

4. 商譽及無形資產的減值評估

核數師表示未能取得足夠適當審核憑證，以信納(i)減值評估中所使用關鍵假設均屬適切及合理；及(ii)減值評估中使用的來源數據均屬適切、完整及準確。

REPORT OF DIRECTORS

董事會報告書

The Company has provided all the information/documents requested by the auditors. Based on the information provided, the auditors were of the view that since the (i) e-Commerce and e-Payment operation only commenced business in September 2018 with a relatively short track record of business operation and (ii) there are insufficient evidence in support of the assumptions and input data (such as the revenue growth rate and other financial projections) in the valuation model, there were uncertainties about the reliability and accuracy of the key inputs and assumptions used in the Impairment Assessment.

The management is of the view that the Impairment Assessment is reliable since the recoverable amount of the intangible assets and goodwill concerned was determined with reference to the valuation report prepared by the independent valuer. The valuation method used is the income approach which is considered to be a widely adopted and accepted valuation methods and procedures for achieving a reliable value and has been adopted consistently to value the recoverable amount of the intangible assets and goodwill concerned. In estimating the recoverable amount of the cash generating unit at the financial year-end date of 2019, the directors of the Company have made certain assumptions including the revenue growth rate and other financial projections of the e-commerce and e-Payment business, which are dependent on the business plan of the development of this business segment adopted by the Group. The management has compiled the revenue growth rate and other financial projections based on their understanding in the e-commerce industry, with reference to the business performance of this business segment since commence of operation and the market trends, the current market trends and macroeconomics changes. The Audit Committee concurred with view of the management.

In order to resolve the material uncertainties in relation to the Impairment Assessment, the Company will coordinate with the potential buyer to complete the due diligence exercise and complete the Potential Disposal within a short period of time and latest by 31 December 2019 and hence remove the audit qualification concerned.

SUFFICIENCY OF PUBLIC FLOAT

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

本公司已向核數師提供一切所需資料／文件。根據所獲提供資料，核數師認為，由於(i)電子商務及電子支付業務於2018年9月始行開展，業務營運記錄相對較短；及(ii)缺乏足夠證據支持估值模型中使用的假設及輸入數據(如收益增長率及其他財務預測)，減值評估中所使用關鍵輸入數據及假設的可靠性及準確性存在不確定因素。

管理層認為減值評估實屬可靠，原因為相關無形資產及商譽的可收回金額乃參考獨立估值師編製的估值報告而釐定。所採用估值方法為收入法，此估值方法及程序獲廣泛採用及接納以得出可靠價值，並已貫徹採用以評估相關無形資產及商譽的可收回金額。於2019年財政年度結算日估計現金產生單位的可收回金額時，本公司董事已作出若干假設，包括電子商務及電子支付業務的收益增長率及其他財務預測，而此取決於本集團就該業務分部採納的業務發展計劃。管理層乃根據本身對電子商務行業的了解而編製收益增長率及其他財務預測，並已參考該業務分部自開展以來的業績以及市場動向、目前市場趨勢及宏觀經濟變化。審核委員會認同管理層的見解。

為解決有關減值評估的重大不確定因素，本公司將與潛在買方協調完成盡職審查工作並於短期內(不遲於2019年12月31日)完成潛在出售事項，從而釋除相關審核保留意見。

足夠公眾持股量

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

REPORT OF DIRECTORS

董事會報告書

EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

On 24 May 2019, Genius Earn Investments Limited, a wholly-owned subsidiary of the Company (“**Vendor**”) and the purchaser entered into the disposal agreement, pursuant to which the Vendor will sell entire issued share capital of Artemis Footwear Limited and 50% of the entire issued share capital of Walker Shop Footwear Limited at the consideration of HK\$2,500,000 (“**Disposal**”). Walker Shop Footwear Limited is principally engaged in the retailing of footwear in Hong Kong and it owns the entire equity interest in Billion International Trading (Shanghai) Company Limited, a company established in the PRC and is principally engaged in the retailing of footwear in the PRC. Artemis Footwear Limited is principally engaged in the retailing of footwear in Taiwan. Upon completion of the Disposal, Artemis Footwear Limited will cease to be a wholly owned subsidiary of the Company and the Group will remain to have 50% interests in the Walker Shop Footwear Limited. Details of the Disposal are set out in the announcement dated 24 May 2019. As at the date of this report, the Disposal had not completed.

PERMITTED INDEMNITY PROVISION

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

COMPLIANCE WITH LAWS AND REGULATIONS

The Group’s operations are carried out by the Company’s subsidiaries in the PRC, Hong Kong and Taiwan (“**Regions**”) as well as the Company itself is listed on the Stock Exchange. Our operations accordingly shall comply with relevant laws and regulations in such Regions. During the year ended 31 March 2019, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

財務狀況表日期後事項

於2019年5月24日，本公司全資附屬公司傑盈投資有限公司(「**賣方**」)與買方訂立出售協議，據此，賣方將出售艾迪米斯鞋業有限公司之全部已發行股本及於Walker Shop Footwear Limited全部已發行股本之50%，代價為2,500,000港元(「**出售事項**」)。Walker Shop Footwear Limited主要在香港從事零售鞋類，該公司擁有奧卡索國際貿易(上海)有限公司(一間於中國成立之公司，主要於中國從事零售鞋類)全部股權。艾迪米斯鞋業有限公司主要在於台灣從事零售鞋類。於出售事項完成後，艾迪米斯鞋業有限公司將不再為本公司之全資附屬公司，而本集團將繼續擁有Walker Shop Footwear Limited之50%股權。有關出售事項之詳情載於2019年5月24日之公告。截至本報告日期，出售事項尚未完成。

獲准許的彌償條文

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

環境政策及表現

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

遵守法律及法規

本集團之業務由本公司在中國、香港及台灣(「**該等地區**」)之附屬公司進行，而本公司則於聯交所上市。本集團之業務因此須遵守該等地區之相關法律及法規。於截至2019年3月31日止年度，就董事會及管理層所知悉，本集團並無重大違反或不遵守任何對本集團業務及營運有重大影響之適用法律及法規。

REPORT OF DIRECTORS

董事會報告書

BUSINESS REVIEW

Further discussion and analysis of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business are set out in Management Discussion and Analysis on pages 5 to 12 of this report.

AUDITOR

BDO Limited has resigned as auditors of the Group with effect from 24 May 2019 and the Board has appointed Elite Partners CPA Limited as the new auditors of the Group to fill the casual vacancy following the resignation of BDO and to hold office until the conclusion of the next AGM with effect from 5 June 2019. The financial statements of the Company for the year ended 31 March 2019 have been audited by Elite Partners CPA Limited.

On behalf of the Board

ZHU Xiaojun

Chairman

Hong Kong
28 June 2019

業務回顧

關於本集團面對之主要風險及不明朗因素之進一步討論及分析以及本集團業務未來可能發展之指標載於本報告第5至12頁之管理層討論及分析。

核數師

香港立信德豪會計師事務所有限公司已辭任本集團核數師，自2019年5月24日起生效，而董事會已委任開元信德會計師事務所有限公司為本集團的新核數師，以填補香港立信德豪辭職後的臨時空缺，自2019年6月5日起生效，其任職至下一屆股東周年大會為止。本公司截至2019年3月31日止年度之財務報表已由開元信德會計師事務所有限公司審核。

代表董事會

主席

朱曉軍

香港
2019年6月28日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Vestate Group Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 63 to 172, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

1. Going concern

As at 31 March 2019, the Group had net current liabilities of approximately HK\$218,284,000 and incurred a net loss of approximately HK\$257,386,000 for the year then ended.

As disclosed in note 2.1, the consolidated financial statements have been prepared by the Directors of the Company on a going concern basis, the validity of which depends upon the results of the successful implementation and outcome of the measures to be undertaken by the Group. In view of the extent of the material uncertainties relating to the results of those measures to be undertaken by the Group which might cast a significant doubt on the Group's ability to continue as a going concern, we have disclaimed our audit opinion on the consolidated financial statements.

Should the going concern assumption be inappropriate, adjustments would have to be made to the consolidated financial statements to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liability as current assets and current liabilities respectively. The effect of these adjustments have not been reflected in the consolidated financial statements.

致國投集團控股有限公司股東
(於開曼群島註冊成立之有限公司)

不發表意見

吾等已獲委聘審核刊載於第63至172頁國投集團控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，當中包括於2019年3月31日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等並不就綜合財務報表發表意見。由於吾等報告中不發表意見的基礎一節所述事項之重要性，吾等未能獲得充分恰當的審核憑證為該等綜合財務報表之審核意見提供基礎。吾等認為，就所有其他方面而言，綜合財務報表已根據香港公司條例之披露規定妥為編製。

不發表意見的基礎

1. 持續經營

於2019年3月31日，貴集團有流動負債淨額約為218,284,000港元，並於截至該日止年度產生虧損淨額約257,386,000港元。

誠如附註2.1所披露，綜合財務報表乃由貴公司董事按持續經營基準編製，其有效性取決於貴集團將採取的措施能否成功實施及其結果。鑒於與貴集團將採取措施之成果有關之重大不確定性程度可能令貴集團持續經營能力存在重大疑問，導致吾等無法對綜合財務報表發表審核意見。

倘持續經營之假設並不合適，則將須對綜合財務報表作出調整以將資產價值撇減至其可收回金額，為可能產生之進一步負債作出撥備並分別將非流動資產及非流動負債重新分類為流動資產及流動負債。綜合財務報表並無反映該等調整的影響。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

2. Loan receivables and refundable advance payment

As at 31 March 2018 and 2019, the Group had (i) loan receivables of approximately HK\$135,846,000 (2018: HK\$130,873,000); and (ii) refundable advance payment of approximately HK\$98,881,000 (2018: HK\$98,881,000) (together as "Receivables").

We were unable to obtain sufficient appropriate audit evidence regarding the Receivables, including but not limited to: (i) unable to carry out any effective confirmation procedures in relation to the Receivables for the purpose of our audit; (ii) inadequate documentary evidence available for us to satisfy ourselves as to whether the expected credit loss assessment in respect of the Receivables were appropriate; and (iii) no alternative audit procedures that we could perform to satisfy ourselves as to the recoverability of the Receivables.

Any adjustments that might have been found necessary might have an effect on the Group's net liabilities at as 31 March 2018 and 2019, and its financial performance and cash flows of the Group for the years then ended, and the related disclosures thereof in the consolidated financial statements.

3. Non-current assets classified as held for sale ("Held for Sales")

As at 31 March 2019, the Directors of the Company classified the assets and liabilities of the e-Commerce and e-Payment business as Held for Sale (the "Classification").

As disclosed in Note 25 to the consolidated financial statements, the Group signed two MOUs with the potential buyers to disposal of the e-Commerce and e-Payment business at consideration with reference to its market value in August 2017 and June 2018 (the "Potential Disposal"). However, there were no progress since the date of signing the MOUs.

不發表意見的基礎(續)

2. 應收貸款及可退還預付款項

於2018年及2019年3月31日，貴集團有(i)應收貸款約135,846,000港元(2018年：130,873,000港元)；及(ii)可退還預付款項約98,881,000港元(2018年：98,881,000港元)(統稱「該等應收款項」)。

吾等未能就該等應收款項取得足夠審核憑證，包括(但不限於)：(i)未能在進行審核時就該等應收款項進行任何有效的確認程序；(ii)並無獲得足夠文件證據以信納該等應收款項的預期信貸虧損評估是否合適；及(iii)無法採取其他審核程序以信納該等應收款項的可收回程度。

任何必要調整可能會影響貴集團於2018年及2019年3月31日的負債淨額，以及貴集團截至該日止年度的財務表現及現金流量以及在綜合財務報表中的相關披露。

3. 分類為持有作出售(「持有作出售」)之非流動資產

於2019年3月31日，貴公司董事將電子商務及電子支付業務的資產及負債分類為持有作出售(「該分類」)。

誠如綜合財務報表附註25所披露，貴集團已與潛在買方簽訂兩份諒解備忘錄，以出售電子商務及電子支付業務，代價參考其於2017年8月及2018年6月的市場價值釐定(「潛在出售事項」)。然而，潛在出售事項自簽署諒解備忘錄當日以來並無取得任何進展。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

3. Non-current assets classified as held for sale (“Held for Sales”) (Continued)

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the Potential Disposal is highly probable to complete within one year from the date of Classification. Accordingly, we have not been able to determine whether the Classification is appropriate.

Should the Classification assumption be inappropriate, adjustments would have to be made to the consolidated financial statements to reclassify the assets and liabilities included in the Held for Sale to the appropriate accounts. The effect of these adjustments have not been reflected in the consolidated financial statements.

4. Impairment assessment of goodwill and intangible assets

As at 31 March 2019, the Group had goodwill and intangible assets of approximately HK\$36,153,000 (2018: HK\$36,153,000) and HK\$193,020,000 (2018: HK\$202,917,000), respectively, which were belong to the Group's cash generating unit of e-Commerce and e-Payment operation (the “CGU”) and recognised under Held for Sales in the consolidated statement of financial position of the Group.

An impairment assessment of the CGU has been performed by the Directors of the Company (the “Impairment Assessment”). As a result of the Impairment Assessment, no impairment loss has been recognised in the consolidated financial statements.

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that (i) the relevance and reasonableness of key assumptions used in the Impairment Assessment; and (ii) the relevance, completeness and accuracy of source data used in the Impairment Assessment. Accordingly, we were unable to satisfy ourselves that the Group's carrying value of goodwill and intangible assets as at 31 March 2018 and 2019 were fairly stated.

Any adjustments that might have been found necessary might have an effect on the Group's net liabilities at as 31 March 2018 and 2019, and its financial performance and cash flows of the Group for the years then ended, and the related disclosures thereof in the consolidated financial statements.

不發表意見的基礎(續)

3. 分類為持有作出售(「持有作出售」)之非流動資產(續)

吾等無法獲得足夠適當審核憑證以信納潛在出售事項很可能在該分類當日起計一年內完成。因此，吾等無法確定該分類是否適合。

倘該分類之假設並不合適，則將須對綜合財務報表作出調整以將計入持有作出售之資產及負債重新分類至合適賬目。綜合財務報表並無反映該等調整的影響。

4. 商譽及無形資產的減值評估

於2019年3月31日，貴集團的商譽及無形資產分別約為36,153,000港元(2018年：36,153,000港元)及193,020,000港元(2018年：202,917,000港元)，分別屬於貴集團電子商務及電子支付業務的現金產生單位(「現金產生單位」)，並於貴集團綜合財務狀況表之「持有作出售」項下確認。

貴公司董事已進行現金產生單位減值評估(「減值評估」)。經進行減值評估後，並無於綜合財務報表確認減值虧損。

吾等無法獲得足夠及適當審核憑證以信納：(i)減值評估中所使用關鍵假設均屬適切及合理；及(ii)減值評估中使用的來源數據均屬適切、完整及準確。因此，吾等無法信納貴集團於2018年及2019年3月31日的商譽及無形資產之賬面值已獲公平列賬。

任何必要調整可能會影響貴集團於2018年及2019年3月31日的負債淨額，以及貴集團截至該日止年度的財務表現及現金流量以及在綜合財務報表中的相關披露。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

RESPONSIBILITIES OF 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 responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA and to issue an auditor's report. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. We are independent of the Company 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.

The engagement partner on the audit resulting in this independent auditor's report is Yip Kai Yin with Practising Certificate number P05131.

Elite Partners CPA Limited
Certified Public Accountants

10/F, 8 Observatory Road
Tsim Sha Tsui, Kowloon,
Hong Kong

28 June 2019

董事及管治層就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露要求，編製真實而公平地反映情況的綜合財務報表，及董事釐定對編製綜合財務報表屬必要的有關內部監控，以使該等綜合財務報表不會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，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

管治層負責監督貴集團的財務報告流程。

核數師就審核綜合財務報表須承擔的責任

吾等的責任是遵循香港會計師公會發佈的香港核數準則（「香港核數準則」）對貴集團的綜合財務報表執行審核工作並發表核數師報告。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。然而，由於吾等報告中不發表意見的基礎章節所述事宜，吾等未能取得足夠適當的審核憑證，作為就該等綜合財務報表發表審核意見的依據。根據香港會計師公會的專業會計師道德守則（「守則」），吾等與貴公司互為獨立，吾等亦根據守則履行其他道德責任。

出具本獨立核數師報告的審計項目委聘夥伴為葉啟賢（執業證書編號：P05131）。

開元信德會計師事務所有限公司
執業會計師

香港
九龍尖沙咀
天文臺道8號10樓

2019年6月28日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 March 2019 截至2019年3月31日止年度

		Note 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Continuing operations	持續經營業務			
Revenue	收益	5	110,349	346,157
Cost of sales	銷售成本	6	(70,444)	(171,069)
Gross profit	毛利		39,905	175,088
Selling and distribution costs	銷售及分銷成本	6	(115,329)	(251,757)
Administrative expenses	行政費用	6	(73,048)	(103,728)
Other gains or losses	其他收益或虧損	8	(33,676)	30,552
Other income	其他收入	9	3,375	4,000
Operating loss	經營虧損		(178,773)	(145,845)
Finance income	財務收入	11	12,495	9,701
Finance costs	財務費用	11	(77,508)	(69,502)
Finance costs, net	財務費用，淨額	11	(65,013)	(59,801)
Share of losses of associates	應佔聯營公司之虧損		(2,300)	(1,634)
Loss before income tax	未計所得稅前虧損		(246,086)	(207,280)
Income tax credit	所得稅抵免	12	–	586
Loss for the year from continuing operations	本年度來自持續經營業務虧損		(246,086)	(206,694)
Discontinued operations	終止經營業務			
Loss for the year from discontinued operations	本年度來自終止經營業務虧損	7	(11,300)	(2,689)
Loss for the year	本年度虧損		(257,386)	(209,383)

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 March 2019 截至2019年3月31日止年度

	Note 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元	
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人			
From continuing operations	來自持續經營業務	(245,361)	(206,076)	
From discontinued operations	來自終止經營業務	(11,236)	(2,600)	
Loss for the year attributable to equity holders of the Company	本公司權益持有人應佔 本年度虧損	(256,597)	(208,676)	
Non-controlling interests	非控股權益			
From continuing operations	來自持續經營業務	(725)	(618)	
From discontinued operations	來自終止經營業務	(64)	(89)	
Loss for the year attributable to non-controlling interests	非控股權益應佔本年度虧損	(789)	(707)	
Loss for the year attributable to:	應佔本年度虧損：			
Equity holders of the Company	本公司權益持有人	(256,597)	(208,676)	
Non-controlling interests	非控股權益	(789)	(707)	
		(257,386)	(209,383)	
Loss per share for loss from continuing and discontinued operations attributable to equity holders of the Company (expressed in HK cents per share)	本公司權益持有人應佔來自持續及終止經營業務虧損之每股虧損（以每股港仙列值）			
— Basic	— 基本	13	(35.83)	(29.14)
— Diluted	— 攤薄	13	(35.83)	(29.14)
Loss per share for loss from continuing operations attributable to equity holders of the Company (expressed in HK cents per share)	本公司權益持有人應佔來自持續經營業務虧損之每股虧損（以每股港仙列值）			
— Basic	— 基本	13	(34.26)	(28.77)
— Diluted	— 攤薄	13	(34.26)	(28.77)
Loss per share for loss from discontinued operations attributable to equity holders of the Company (expressed in HK cents per share)	本公司權益持有人應佔來自終止經營業務虧損之每股虧損（以每股港仙列值）			
— Basic	— 基本	13	(1.57)	(0.37)
— Diluted	— 攤薄	13	(1.57)	(0.37)

The accompanying notes are an integral part of these consolidated financial statements. 隨附附註乃構成該等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 March 2019 截至2019年3月31日止年度

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Loss for the year	本年度虧損	(257,386)	(209,383)
Other comprehensive income	其他全面收益		
Items that have been reclassified or may be subsequently reclassified to profit or loss	已重新分類或其後可重新分類至損益之項目		
Currency translation differences	貨幣換算差額	(8,498)	14,729
Total items that have been reclassified or may be subsequently reclassified to profit or loss	已重新分類或其後可重新分類至損益之項目總額	(8,498)	14,729
Total comprehensive income for the year	本年度全面收益總額	(265,884)	(194,654)
Attributable to:	應佔：		
Equity holders of the Company	本公司權益持有人		
From continuing operations	來自持續經營業務	(254,051)	(191,137)
From discontinued operations	來自終止經營業務	(11,273)	(2,509)
Total comprehensive income for the year attributable to equity holders of the Company	本公司權益持有人應佔本年度全面收益總額	(265,324)	(193,646)
Non-controlling interests	非控股權益		
From continuing operations	來自持續經營業務	(489)	(933)
From discontinued operations	來自終止經營業務	(71)	(75)
Total comprehensive income for the year attributable to non-controlling interests	非控股權益應佔本年度全面收益總額	(560)	(1,008)
Total comprehensive income for the year attributable to:	由下列項目應佔本年度全面收益總額：		
Entity holders of the Company	本公司權益持有人	(265,324)	(193,646)
Non-controlling interests	非控股權益	(560)	(1,008)
		(265,884)	(194,654)

The accompanying notes are an integral part of these consolidated financial statements. 隨附附註乃構成該等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As At 31 March 2019 於 2019 年 3 月 31 日

		Note 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	3,389	7,958
Intangible assets	無形資產	16	373	804
Investment in a joint venture	於合營公司之投資	17	510	510
Interests in associates	於聯營公司之權益	18	12,962	6,530
Available-for-sale financial assets	可供出售金融資產	19	–	6,248
Long-term deposits and prepayments	長期按金及預付款項	22	1,155	11,363
			18,389	33,413
Current assets	流動資產			
Inventories	存貨	20	2,509	97,010
Trade receivables	應收貿易款項	21	4,390	38,323
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	22	114,612	136,014
Loan receivables	應收貸款	23	135,846	130,873
Amounts due from associates	應收聯營公司款項	18	6,469	3,662
Cash and cash equivalents	現金及現金等值項目	24	1,763	53,514
			265,589	459,396
Non-current assets classified as held for sale	分類為持有作出售之非流動資產	25	245,111	241,830
			510,700	701,226
Total assets	資產總值		529,089	734,639
EQUITY	權益			
Capital and reserves attributable to equity holders of the Company	本公司權益持有人應佔股本及儲備			
Share capital	股本	26	71,619	71,619
Share premium	股份溢價	26	673,503	673,503
Other reserves	其他儲備	27	114,486	120,451
Accumulated losses	累計虧損		(1,086,568)	(827,603)
			(226,960)	37,970
Non-controlling interests	非控股權益		(1,327)	(767)
Total equity	權益總額		(228,287)	37,203

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As At 31 March 2019 於 2019 年 3 月 31 日

	Note 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
LIABILITIES	負債		
Current liabilities	流動負債		
Trade payables	應付貿易款項	28 62,872	102,737
Accruals and other payables	應計費用及其他應付款項	28 54,242	36,577
Amount due to an associate	應付聯營公司款項	2,445	–
Borrowings	借貸	29 –	5,130
Obligation under finance lease	融資租賃承擔	30 97	97
Convertible bonds	可換股債券	31 141,522	17,550
Corporate bond	公司債券	32 400,323	–
Current tax liabilities	即期稅項負債	1,006	1,077
		662,507	163,168
Liabilities directly associated with non-current assets classified as assets held for sale	與分類為持有作出售之非流動資產直接相關之負債	25 66,477	52,408
		728,984	215,576
Non-current liabilities	非流動負債		
Obligation under finance lease	融資租賃承擔	30 32	129
Convertible bonds	可換股債券	31 28,360	137,053
Corporate bond	公司債券	32 –	344,678
		28,392	481,860
Net current (liabilities)/assets	流動(負債)/資產淨額	(218,284)	485,650
Total liabilities	負債總額	757,376	697,436
Total equity and liabilities	權益及負債總額	529,089	734,639

The consolidated financial statement on pages 63 to 172 were approved by the Board of Directors on 28 June 2019 and were signed on its behalf:

第 63 至 172 頁之綜合財務報表經董事會於 2019 年 6 月 28 日批准，並由下列董事代表簽署：

Zhu Xiaojun
朱曉軍
Director
董事

Kang Jianming
康建明
Director
董事

The accompanying notes are an integral part of these consolidated financial statements.

隨附附註乃構成該等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2019 截至2019年3月31日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔				Non-controlling interests 非控股權益	Total equity 權益總額
		Share capital and premium 股本及股份溢價 HK\$'000 千港元 (Note 26) (附註26)	Other reserves 其他儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元		
Balance at 1 April 2017	於2017年4月1日之結餘	745,122	184,265	(713,302)	216,085	241	216,326
Comprehensive income	全面收益						
Loss for the year	本年度虧損	–	–	(208,676)	(208,676)	(707)	(209,383)
Other comprehensive income	其他全面收益						
Currency translation differences	貨幣換算差額	–	15,030	–	15,030	(301)	14,729
Reversal upon disposal of land and building	出售土地及樓宇之回撥	–	(94,375)	94,375	–	–	–
Total comprehensive income	全面收益總額	–	(79,345)	(114,301)	(193,646)	(1,008)	(194,654)
Transactions with owners:	擁有人交易：						
Share option scheme — value of employee services (Note 34)	購股權計劃 — 僱員服務價值 (附註34)	–	15,531	–	15,531	–	15,531
Total transactions with owners	擁有人交易總額	–	15,531	–	15,531	–	15,531
Balance at 31 March 2018	於2018年3月31日之結餘	745,122	120,451	(827,603)	37,970	(767)	37,203
Balance at 1 April 2018	於2018年4月1日之結餘	745,122	120,451	(827,603)	37,970	(767)	37,203
Adjustment on initial application of HKFRS 9	因初始應用香港財務報告準則第9號而作出之調整	–	–	(2,368)	(2,368)	–	(2,368)
Adjusted Balance at 1 April 2018	於2018年4月1日之經調整結餘	745,122	120,451	(829,971)	35,602	(767)	34,835
Comprehensive income	全面收益						
Loss for the year	本年度虧損	–	–	(256,597)	(256,597)	(789)	(257,386)
Other comprehensive income	其他全面收益						
Currency translation differences	貨幣換算差額	–	(8,727)	–	(8,727)	229	(8,498)
Total comprehensive income	全面收益總額	–	(8,727)	(256,597)	(265,324)	(560)	(265,884)
Transactions with owners:	擁有人交易：						
Share option scheme — value of employee services (Note 34)	購股權計劃 — 僱員服務價值 (附註34)	–	2,762	–	2,762	–	2,762
Total transactions with owners	擁有人交易總額	–	2,762	–	2,762	–	2,762
Balance at 31 March 2019	於2019年3月31日之結餘	745,122	114,486	(1,086,568)	(226,960)	(1,327)	(228,287)

The accompanying notes are an integral part of these consolidated financial statements. 隨附附註乃構成該等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2019 截至2019年3月31日止年度

		Note 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cash flows from operating activities	經營業務之現金流量			
Cash used in operations	經營所用之現金	35	(59,315)	(94,252)
Interest paid	已付利息		(28)	(1,920)
Net cash used in operating activities	經營業務所用之現金淨額		(59,343)	(96,172)
Cash flows from investing activities	投資活動之現金流量			
Purchases of property, plant and equipment	購入物業、廠房及設備	15	(622)	(6,215)
Purchases of intangible assets	購入無形資產	16	–	(9,612)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項		148	127,992
Proceeds from disposal of assets held for sale	出售持有作出售資產之所得款項		–	21,948
Interest received	已收利息		4,010	45
Increase in assets held for sale	持作出售資產增加		10,745	–
Proceeds from disposal/(Acquisition) of available-for-sale financial assets	出售/(收購)可供出售金融資產所得款項		6,248	(6,248)
Capital increment of associates	聯營公司之增資		–	(1,445)
Refundable advance payment	可退還預付款項		–	(98,881)
Loans to third parties	向第三方貸款		(4,586)	(121,217)
Advance to associate	向聯營公司墊款		–	(3,662)
Cash outflow from disposal of subsidiaries	出售附屬公司之現金流出		(904)	–
Net cash generated from/(used in) investing activities	投資活動所得/(所用)之現金淨額		15,039	(97,295)
Cash flows from financing activities	融資活動之現金流量			
Repayment of borrowings	償還借貸		(5,130)	(67,110)
Repayment of interest of convertible bonds	償還可換股債券之利息	31	(6,556)	(17,550)
Repayment of interest of corporate bond	償還公司債券之利息		–	(31,500)
Capital elements of finance lease payments	融資租賃付款之資本部分		(97)	(104)
Proceeds from issuance of new bond	發行新債券之所得款項		–	329,000
Net cash (used in)/generated from financing activities	融資活動(所用)/所得之現金淨額		(11,783)	212,736
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)/增加淨額		(56,087)	19,269
Cash and cash equivalents at the beginning of the year	年初之現金及現金等值項目		53,514	32,839
Exchange differences	匯兌差額		4,336	1,406
Cash and cash equivalents at the end of the year	年終之現金及現金等值項目	24	1,763	53,514

The accompanying notes are an integral part of these consolidated financial statements. 隨附附註乃構成該等綜合財務報表之一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

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

The Company was incorporated in the Cayman Islands on 10 November 2006 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The headquarter and principal place of business in Hong Kong has been changed from Suite 708, 7th Floor, Champion Tower, 3 Garden Road, Central, Hong Kong to Unit E 22/F, Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon bay, Kowloon since 4 January 2019.

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

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

These consolidated financial statements are presented in thousands of units of Hong Kong dollar (“**HK\$**”), unless otherwise stated, which is the same as the functional currency of the Company. These consolidated financial statements have been approved for issue by the Board on 28 June 2019.

2 BASIS OF PREPARATION

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

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

1 一般資料

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

本公司根據開曼群島公司法(1961年第3號法案第22章，經整合及修訂)於2006年11月10日於開曼群島註冊成立為獲豁免有限公司，其註冊辦事處的地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands。香港的總部及主要營業地點自2019年1月4日起由香港中環花園道三號冠君大廈7樓708室更改為九龍九龍灣宏光道一號億京中心A座22樓E室。

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

本公司股份在香港聯合交易所有限公司(「**聯交所**」)上市。

除非另有所指，該等綜合財務報表乃以千港元(「**港元**」)為單位呈列，並與本公司的功能貨幣相同。該等綜合財務報表已經董事會於2019年6月28日批准發佈。

2 編製基準

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (CONTINUED)

2.1 Going concern basis

The Group incurred a net loss of approximately HK\$257,386,000 for the year ended 31 March 2019 and had net current liabilities of approximately HK\$218,284,000 as at 31 March 2019.

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

In view of these circumstances, the Directors have given careful consideration to the future liquidity of the Group, and its available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The Directors have reviewed the Group's cash flow projections prepared by management covering a period of twelve months from 31 March 2019. In order to improve the Group's financial position and alleviate the liquidity pressure, the Directors have been implementing various measures as follows:

- (a) On 13 June 2019, an independent third party granted a stand-by revolving loan facilities of up to RMB200,000,000 to the Group, which is available to draw down on or before 30 June 2020. The loan facility is guaranteed by Mr. ZHU Xiaojun, the Chairman of the Company, and bears interest at 18% per annum. The Directors believe that this loan facility is available for draw down as additional working capital of the Group, as and when needed.

2 編製基準(續)

2.1 持續經營基準

本集團於截至2019年3月31日止年度產生虧損淨額約257,386,000港元，於2019年3月31日有流動負債淨額約218,284,000港元。

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

鑑於上述情況，董事於評估本集團是否有足夠財務資源繼續持續經營時，已審慎考慮本集團未來流動資金及其可用融資來源。董事已審閱由管理層編製涵蓋2019年3月31日起計十二個月期間之本集團現金流量預測。為改善本集團之財務狀況及減輕流動資金壓力，董事已採取以下措施：

- (a) 於2019年6月13日，獨立第三方向本集團授予最多為人民幣200,000,000元之備用循環貸款融資，其可在2020年6月30日或之前提取。貸款融資由本公司主席朱曉軍先生擔保，年利率為18%。董事相信，此貸款融資在需要時可作為本集團可供提取之額外營運資金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (CONTINUED)

2.1 Going concern basis (Continued)

- (b) On 13 June 2019, China Investment S.p.A., a company with 70% interest owned by Ms. CAI Jiaying, the Director of the Company granted a stand-by revolving loan facilities of up to Euro 20,000,000 to the Group, which is available to draw down on or before 30 June 2021. The loan facility bears interest at 9% per annum.
- (c) The Group is implementing various measures, such as optimising its overall sales network by relocating certain outlets, and controlling the costing to improve the profit margin and operating cashflows of its footwear retailing business.
- (d) The Group will also continue to seek for other alternative financing and bank borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures.

The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 March 2019. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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

2 編製基準(續)

2.1 持續經營基準(續)

- (b) 於2019年6月13日，本公司董事蔡佳櫻女士擁有70%權益之公司China Investment S.p.A.向本集團授出最多20,000,000歐元的備用循環貸款融資，其可在2021年6月30日或之前提取。貸款融資按年利率9%計息。
- (c) 本集團正在實施各種措施，如通過搬遷若干零售點以提升整體銷售網絡，及控制成本以加強鞋類零售業務之利潤率及經營現金流量。
- (d) 本集團亦會繼續尋求其他融資方法及銀行借款，以撥支償付其現有財務責任及未來經營以及資本支出。

董事認為，經考慮上述計劃及措施，本集團將有足夠營運資金撥支其營運，並於2019年3月31日起計未來十二個月到期時履行其財務責任。因此，綜合財務報表已根據持續經營基準編製。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (CONTINUED)

2.2 New and amended standards adopted by the Group

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

2 編製基準(續)

2.2 本集團所採納之新訂及經修訂準則

本集團於本年度首次應用香港會計師公會(「香港會計師公會」)頒佈的下列新訂香港財務報告準則及其修訂本：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收入及相關修訂
香港(國際財務報告詮釋委員會)－詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號之修訂本	澄清及計量股份支付交易
香港財務報告準則第4號之修訂本	應用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具
香港會計準則第28號之修訂本	作為2014年至2016年週期之香港財務報告準則年度改進之一部分
香港會計準則第40號之修訂本	轉讓投資物業

除下文所述者外，於本年度應用新訂香港財務報告準則及其修訂本對本集團於本年度及過往年度的財務表現及狀況及／或該等綜合財務報表所載的披露並無重大影響。

香港財務報告準則第15號「客戶合約收入」

本集團於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (CONTINUED)

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

HKFRS 15 Revenue from Contracts with Customers (Continued)

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 April 2018 and has used the practical expedient for all contract modifications that occurred before the date of initial application, the aggregate effect of all of the modifications was reflected at the date of initial application. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Retailing of footwear; and
- e-commerce and e-Payment

2 編製基準(續)

2.2 本集團所採納之新訂及經修訂準則(續)

香港財務報告準則第15號「客戶合約收入」(續)

本集團已追溯應用香港財務報告準則第15號，首次應用有關準則之累計影響於2018年4月1日(首次應用日期)確認。於首次應用日期之任何差額於期初保留溢利確認，而比較資料尚未重列。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅將有關準則追溯應用於2018年4月1日尚未完成的合約，並對於首次應用日期前發生的所有合約修訂使用實際權宜之計，所有修訂之合計影響乃於首次應用日期反映。因此，鑑於比較資料乃根據香港會計準則第18號「收入」及香港會計準則第11號「建築合約」及相關詮釋編製，若干比較資料可能無法比較。

本集團確認來自以下主要來源由客戶合約所產生之收益：

- 鞋類零售；及
- 電子商務及電子支付業務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (CONTINUED)

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

HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("ECL") for financial assets and other items (for example, contract assets, lease receivables and financial guarantee contracts).

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 2.

Summary of effects arising from initial application of HKFRS 9

		Carrying amount as at 31 March 2018 於2018年 3月31日之賬面值 HK\$'000 千港元	Effect of adoption of HKFRS 9 採納香港財務報告 準則第9號之影響 HK\$'000 千港元	Carrying amount as at 1 April 2018 於2018年 4月1日之賬面值 HK\$'000 千港元
Trade receivables	應收貿易款項	38,323	(36)	38,287
Deposits, prepayment and other receivables	按金、預付款項及其他應收 款項	136,014	(997)	135,017
Loan receivables	應收貸款	130,873	(1,337)	129,536
Accumulated losses	累計虧損	(827,603)	(2,368)	(829,971)

2 編製基準 (續)

2.2 本集團所採納之新訂及經修訂準則 (續)

香港財務報告準則第9號「客戶合約收入」

於本年度，本集團已應用香港財務報告準則第9號「金融工具」及相關其他香港財務報告準則的相應修訂。香港財務報告準則第9號引入有關以下各項之新規定：(1)金融資產及金融負債之分類及計量，(2)金融資產及其他項目(例如合約資產、應收租賃款項及財務擔保合約)的預期信貸虧損(「預期信貸虧損」)。

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即將分類及計量規定(包括預期信貸虧損模式下之減值)追溯應用至於2018年4月1日(首次應用日期)尚未終止確認之工具，而並不對於2018年4月1日已終止確認的工具應用有關規定。2018年3月31日之賬面值與2018年4月1日之賬面值之間的差額於期初保留溢利及其他權益部分確認，當中並無重列比較資料。

因此，鑑於比較資料乃根據香港會計準則第39號「金融工具：確認及計量」編製，若干比較資料可能無法比較。

因應用香港財務報告準則第9號而產生的會計政策乃於附註2披露。

首次應用香港財務報告準則第9號產生之影響概要

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (CONTINUED)

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

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ²
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ¹
Amendments to HKFRS 3	Definition of a Business ³
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵

¹ Effective for annual periods beginning on or after 1 January 2019.

² Effective for annual periods beginning on or after 1 January 2021.

³ Effective for business combinations and assets acquisitions for which the acquisition date is on or after the first period beginning on or after 1 January 2020.

⁴ Effective for annual periods beginning on or after a date to be determined.

⁵ Effective for annual periods beginning on or after 1 January 2020.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2 編製基準 (續)

2.3 已頒佈但尚未生效且並無獲本集團提早採納之新訂及經修訂準則

本集團尚未提早應用下列已頒佈但尚未生效的新訂香港財務報告準則及其修訂本：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ²
香港(國際財務報告詮釋委員會)一註釋第23號	所得稅處理之不明朗因素 ¹
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間之資產出售或注資 ⁴
香港會計準則第19號之修訂本	計劃修訂、縮減或結算 ¹
香港會計準則第28號之修訂本	於聯營公司及合營企業之長期權益 ¹
香港財務報告準則之修訂本	香港財務報告準則2015年至2017年週期年度改進 ¹
香港財務報告準則第3號之修訂本	業務之定義 ³
香港財務報告準則第9號之修訂本	具負補償特性之提早還款 ¹
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 ⁵

¹ 於2019年1月1日或之後開始之年度期間生效。

² 於2021年1月1日或之後開始之年度期間生效。

³ 適用於收購日期為於2020年1月1日或之後開始之首個期間開始當日或其後之業務合併及資產收購。

⁴ 開始生效年度期間之起始日期待定。

⁵ 於2020年1月1日或之後開始之年度期間生效。

除下文所述的新訂香港財務報告準則及其修訂本外，本公司董事預期，應用所有其他新訂香港財務報告準則及其修訂本於可見將來將不會對綜合財務報表構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (CONTINUED)

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

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale.

HKFRS 16 also includes requirements relating to subleases and lease modifications. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

2 編製基準(續)

2.3 已頒佈但尚未生效且並無獲本集團提早採納之新訂及經修訂準則(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號就識別租賃安排以及出租人及承租人之會計處理引進一個綜合模式。香港財務報告準則第16號生效後將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易乃根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。

香港財務報告準則第16號亦包括有關分租及租賃修改的規定。除短期租賃及低值資產租賃外，經營租賃及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初步按成本計量，並隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。租賃負債初步按租賃付款(非當日支付)之現值計量。隨後，租賃負債就(其中包括)利息及租賃付款以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將前期預付租賃款項列作與自用租賃土地及分類為投資物業的租賃土地有關的投資現金流量，其他經營租賃付款則列作經營現金流量。於應用香港財務報告準則第16號時，有關租賃負債的租賃付款將分配至本金及利息部分，並由本集團列作融資現金流量。

根據香港會計準則第17號，本集團已就其作為承租人之租賃土地確認資產及融資租賃安排之相關融資租賃負債以及預付租賃款項。應用香港財務報告準則第16號可能導致該等資產之分類出現潛在變動，取決於本集團是否分開呈列使用權資產或於將呈列相應有關資產(倘擁有)之同一分列項目內呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (CONTINUED)

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

HKFRS 16 Leases (Continued)

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16 (see note 38).

As at 31 March 2019, the Group has non-cancellable operating lease commitments of HK\$15,752,000 as disclosed in note 38. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$8,352,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right of-use assets.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

2 編製基準 (續)

2.3 已頒佈但尚未生效且並無獲本集團提早採納之新訂及經修訂準則 (續)

香港財務報告準則第16號「租賃」 (續)

除亦適用於出租人之若干規定外，香港財務報告準則第16號大致上轉承香港會計準則第17號之出租人會計規定，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號 (見附註38) 要求作出詳盡披露。

誠如附註38所披露，於2019年3月31日，本集團有不可撤銷經營租賃承擔15,752,000港元。初步評估顯示，有關安排將符合租賃之定義。於應用香港財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應負債，惟符合低值或短期租賃之資格者則除外。

此外，本集團現時視已付可退回租金按金8,352,000港元為香港會計準則第17號適用之租賃項下的權利及義務。基於香港財務報告準則第16號下租賃付款之定義，有關按金並非與使用相關資產權利有關的付款，因此，有關按金的賬面值可調整至攤銷成本。對已付可退回租金按金之調整將被視為額外租賃付款並會計入使用權資產之賬面值內。

如上述所示，應用新規定或會導致計量、呈列及披露出現變動。本集團擬選擇實際權宜之計，就先前識別為應用香港會計準則第17號及香港 (國際財務報告詮釋委員會) 一詮釋第4號「釐定安排是否包括租賃」之租賃之合約應用香港財務報告準則第16號，而並無對先前並無識別為包括應用香港會計準則第17號及香港 (國際財務報告詮釋委員會) 一詮釋第4號租賃之合約應用該準則。因此，本集團將不會對合約是否為或包含於首次應用之日前已存在的租賃進行重新評估。此外，本集團 (作為承租人) 擬選用經修訂追溯法應用香港財務報告準則第16號並將確認初步應用對期初累計溢利之累計影響，惟不會重列比較資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

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

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

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

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

3 主要會計政策概要

3.1 綜合基準

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

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

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

3.2 Subsidiaries

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

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

3 主要會計政策概要(續)

3.1 綜合基準(續)

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

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

3.2 附屬公司

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Associates

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

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

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

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

3.4 Joint arrangements

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

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

3 主要會計政策概要(續)

3.3 聯營公司

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

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

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

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

3.4 合營安排

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Joint arrangements (Continued)

The Group classifies its interests in joint arrangements as either:

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

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

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

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

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

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

3 主要會計政策概要(續)

3.4 合營安排(續)

本集團將其於合營安排之權益分類為：

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

評估於合營安排之權益之分類時，本集團會考慮：

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Goodwill

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

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 3.15), and whenever there is an indication that the unit may be impaired.

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

3.6 Segment reporting

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

3 主要會計政策概要(續)

3.5 商譽

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

商譽按成本減減值虧損計量。就減值測試而言，因收購而產生之商譽獲分配至預期受惠於收購所產生協同效應之各相關現金產生單位。現金產生單位為很大程度上獨立於其他資產或資產類別所產生之現金流量並可賺取現金之最小可識別資產類別。獲分配商譽之現金產生單位可通過比較其賬面值及其可收回金額(見附註3.15)，每年及於有跡象顯示單位可能出現減值時測試減值。

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

3.6 分部報告

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Property, plant and equipment

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

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

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

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

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

3 主要會計政策概要(續)

3.7 物業、廠房及設備

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

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

其他物業、廠房及設備乃按成本減累計折舊及累計減值虧損列賬。

物業、廠房及設備之成本包括其購買價及收購該等項目直接應佔之成本。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Property, plant and equipment (Continued)

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

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

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

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

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

3.8 Intangible assets (other than goodwill)

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

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

Licence	25 years
Computer software	5 years
Trademark	5 years

3 主要會計政策概要(續)

3.7 物業、廠房及設備(續)

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

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

倘資產賬面值高於其估計可收回金額，則資產會即時撇減至其可收回金額。

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

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

3.8 無形資產(商譽除外)

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

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

牌照	25年
電腦軟件	5年
商標	5年

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Intangible assets (other than goodwill) (Continued)

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

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

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

3.9 Financial assets

Classification of financial assets

Accounting policy prior to 1 January 2018

All financial assets are initially measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets held for trading and those designated at fair value through profit or loss) (FVTPL) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to the acquisition of held for trading and FVTPL investments are recognised in profit or loss immediately.

Financial assets that are classified as “loans and receivables” or “held-to-maturity investments” are subsequently measured at amortised cost using an effective interest rate, less impairment.

3 主要會計政策概要(續)

3.8 無形資產(商譽除外)(續)

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

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

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

3.9 金融資產

金融資產分類

於2018年1月1日前之會計政策

所有金融資產於初步確認時初步按公平值計量。收購金融資產(持作買賣之金融資產及指定為按公平值計入損益(按公平值計入損益)之金融資產除外)直接應佔的交易成本於初步確認時加入金融資產之公平值。收購持作買賣及按公平值計入損益投資直接應佔的交易成本即時於損益確認。

分類為「貸款及應收款項」或「持有至到期投資」之金融資產其後使用實際利率法按攤銷成本減減值計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial assets (Continued)

Classification of financial assets (Continued)

Accounting policy prior to 1 January 2018 (Continued)

Available-for-sale (AFS) equity investments are subsequently measured at fair value with changes in fair value being recognised in other comprehensive income accumulated under "AFS investment revaluation reserve". Amounts previously recognised in "AFS investment revaluation reserve" are reclassified to profit or loss upon impairment or disposal.

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

Dividends from AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Available-for-debt investments are subsequently measured at fair value with changes in fair value being recognised in other comprehensive income accumulated under "AFS investment revaluation reserve" except for (a) interest income measured using the effective interest method and (b) foreign exchange gains or losses determined based on the amortised cost of debt investments are recognised in profit or loss.

Held-for-trading investments and FVTPL assets are subsequently measured at fair value, with changes in fair value being recognised in profit or loss.

3 主要會計政策概要(續)

3.9 金融資產(續)

金融資產分類(續)

於2018年1月1日前之會計政策(續)

可供出售(可供出售)股權投資其後按公平值計量，於其他全面收益確認之公平值變動根據「可供出售投資重估儲備」累計。先前於「可供出售投資重估儲備」確認之金額於減值或出售時重新分類至損益。

並無在活躍市場報價及公平值不能可靠地計量之可供出售股權投資及與股權投資掛鈎且必須以該等並無報價股權投資作交收之衍生工具其後按成本減值計量。

可供出售權益工具之股息於本集團收取股息之權利確立時於損益內確認。

可供出售債權投資其後按公平值計量，於其他全面收益確認之公平值變動根據「可供出售投資重估儲備」累計，惟(a)使用實際利率法計量之利息收入及(b)根據債權投資攤銷成本釐定的外匯收益或虧損於損益確認。

持作買賣投資及按公平值計入損益之資產其後按公平值計量，公平值變動於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial assets (Continued)

Classification of financial assets (Continued)

Accounting policy from 1 January 2018

Investments in equity securities (other than investments in subsidiaries, associates and joint ventures)

An investment in equity securities is measured fair value on initial recognition. An investment in equity securities is subsequently measured at FVTPL unless the investment is designated as at fair value through other comprehensive income (FVTOCI) as at date of initial application of HKFRS 9 based on the specific transitional provisions set out in HKFRS 9. Under HKFRS 9, an investment in equity securities can be designated as at FVTOCI on an instrument-by-instrument basis provided that the investment is neither held-for-trading nor contingent consideration recognised by the Group in a business combination to which HKFRS 3 applies.

For investments in equity securities designated as at FVTOCI (as described above), fair value changes are recognised in other comprehensive income and accumulated in the “FVTOCI (equity investment) reserve”. Such fair value changes will not be reclassified to profit or loss when the investments are derecognised. However, they will be transferred to the Group’s retained earnings when the investments are derecognised.

For investments in equity securities that are held-for-trading or not designated as at FVTOCI (as described above), they are subsequently measured at fair value through profit or loss (FVTPL) such that changes in fair value are recognised in profit or loss.

An investment in equity securities is derecognised when the Group sells the investment.

3 主要會計政策概要(續)

3.9 金融資產(續)

金融資產分類(續)

自2018年1月1日起之會計政策

股權證券投資(於附屬公司、聯營公司及合營企業之投資除外)

股權證券投資於初步確認時按公平值計量。股權證券投資其後按公平值計入損益計量，除非投資被指定為於根據香港財務報告準則第9號所載的指定過渡條文初步應用香港財務報告準則第9號之日按公平值計入其他全面收益(按公平值計入其他全面收益)計量。根據香港財務報告準則第9號，股權證券投資可按個別工具基準指定為按公平值計入其他全面收益，前提是投資並非持作買賣或本集團於香港財務報告準則第3號適用之業務合併中確認之或然代價。

就指定為按公平值計入其他全面收益(如上文所述)之股權證券投資而言，公平值變動於其他全面收益確認及於「按公平值計入其他全面收益(股權投資)儲備」累計。該等公平值變動不會於終止確認投資時重新分類至損益。然而，彼等將於終止確認投資時轉撥至本集團保留盈利。

就持作買賣或並非指定為按公平值計入其他全面收益(如上文所述)之股權證券投資而言，彼等其後按公平值計入損益(按公平值計入損益)計量，因此公平值變動於損益確認。

股權證券投資於本集團出售投資時終止確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial assets (Continued)

Classification of financial assets (Continued)

Accounting policy from 1 January 2018 (Continued)

Investments in debt securities

An investment in debt securities is classified as follows depending on the instruments' contractual cash flow characteristics and the Group's business model for managing the investment:

- Amortised cost when (a) the contractual terms of the asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding and (b) the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows.
- FVTOCI when (a) the contractual terms of the asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding and (b) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset.
- FVTPL when either (a) the contractual terms of the asset give rise on specified dates to cash flows that are not solely payment of principal and interest on the principal amount outstanding or (b) the financial asset is held within a business whose objective is neither (i) collecting contractual cash flows nor (ii) collecting contractual cash flows and selling the financial asset.

For investments in debt securities subsequently measured at FVTOCI, fair value changes are recognised in other comprehensive income and accumulated in the "FVTOCI (debt investment) reserve" except for impairment loss (see below) and foreign exchange gains or losses. Interest income is calculated using the effective interest method and is recognised in profit or loss. When an investment in debt securities is derecognised, the fair value changes previously recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

An investment in debt securities is derecognised when the Group sells the investment or when the contractual rights to the cash flows from the asset expire.

3 主要會計政策概要(續)

3.9 金融資產(續)

金融資產分類(續)

自2018年1月1日起之會計政策(續)

債務證券投資

債務證券投資視乎工具的合約現金流量特徵及本集團管理投資的業務模式分類如下：

- 當(a)於指定日期由資產的合約條款引起之現金流量僅為支付本金及尚未償還本金之利息及(b)以收取合約現金流量為目標之業務模式下持有金融資產，則按攤銷成本列賬。
- 當(a)於指定日期由資產的合約條款引起之現金流量僅為支付本金及尚未償還本金之利息及(b)以收取合約現金流量及出售金融資產為目標之業務模式下持有金融資產，則按公平值計入其他全面收益列賬。
- 當(a)於指定日期由資產的合約條款引起之現金流量並非僅為支付本金及尚未償還本金之利息或(b)並非以(i)收取合約現金流量或(ii)收取合約現金流量及出售金融資產為目標之業務模式下持有金融資產，則按公平值計入損益列賬。

就其後按公平值計入其他全面收益之債務證券投資而言，公平值變動於其他全面收益確認及於「按公平值計入其他全面收益(債權投資)儲備」累計，為減值虧損(見下文)及外匯收益或虧損則除外。利息收入使用實際利率法計算並於損益確認。債務證券投資終止確認時，先前於其他全面收益確認的公平值變動將自權益重新分類至損益作為重新分類調整。

債務證券投資於本集團出售投資或資產現金流量之合約權屆滿時終止確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial assets (Continued)

Classification of financial assets (Continued)

Accounting policy from 1 January 2018 (Continued)

Transaction costs

Transaction costs directly attributable for the acquisition of financial assets (other than those classified or designated as at FVTPL) are included in the initial measurement of the financial assets. For financial assets subsequently measured at amortised cost, such transaction costs are included in the calculation of amortised cost using the effective interest method (i.e. in effect amortised through profit or loss over the lives of the financial assets). For investments in equity securities at FVTOCI, such transaction costs are recognised in other comprehensive income as part of change in fair value at the next remeasurement. For investments in debt securities classified as FVTOCI, such transaction costs are amortised to profit or loss using the effective interest method (i.e. in effect amortised through profit or loss over the lives of the financial assets).

Impairment on financial assets

Accounting policy prior to 1 January 2018

Prior to 1 January 2018, the Group had adopted “incurred loss model” in assessing and measuring impairment losses on financial assets. Under the “incurred loss model”, an impairment loss was recognised when there were objective indicators of impairment which included:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technology, market, economic or legal environment that have an adverse effect on the debtor.

3 主要會計政策概要(續)

3.9 金融資產(續)

金融資產分類(續)

自2018年1月1日起之會計政策(續)

交易成本

收購金融資產(分類為或指定為按公平值計入損益之金融資產除外)直接應佔之交易成本乃計入金融資產之初步計量。就其後按攤銷成本計量之金融資產而言,有關交易成本使用實際利率法計入攤銷成本之計算(即於金融資產年期內透過損益實際攤銷)。就按公平值計入其他全面收益之股權證券投資而言,有關交易成本於下一次重新計量時於其他全面收益確認為公平值變動的一部分。就分類為按公平值計入其他全面收益之債務證券投資而言,有關交易成本使用實際利率法攤銷至損益(即於金融資產年期內透過損益實際攤銷)。

金融資產減值

於2018年1月1日前之會計政策

於2018年1月1日前,本集團採納「已產生虧損模式」評估及計量金融資產減值虧損。根據「已產生虧損模式」,減值虧損於出現客觀減值跡象時確認,減值跡象包括:

- 債務人出現重大財務困難;
- 違約行為,如拖欠或未能償還利息或本金;
- 債務人有可能破產或進行其他財務重組;及
- 對債務人產生不利影響的科技、市場、經濟或法律環境之重大變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial assets (Continued)

Classification of financial assets (Continued)

Accounting policy from 1 January 2018

The Group has applied the expected credit loss model under HKFRS 9 to the following types of financial assets:

- financial assets that are subsequently measured at amortised cost (including cash and cash equivalents and trade receivables);
- contract assets as defined in HKFRS 15; and
- investments in debt securities that are subsequently measured at FVTOCI;

Expected credit loss (ECL) of a financial asset is measured based on an unbiased and probability-weighted amount. It also reflects the time value of money and reasonable and supportable information that is available to the Group without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

ECL is measured on either of the following bases:

- 12-month expected credit loss when, at the reporting date, the credit risk on a financial asset has not increased significantly since initial recognition; and
- Lifetime expected credit loss when (a) at the reporting date, the credit risk on a financial asset has increased significantly since initial recognition; or (b) at the reporting date, the financial asset has become credit-impaired.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers quantitative and qualitative reasonable and supportable information that is available to the Group without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

3 主要會計政策概要(續)

3.9 金融資產(續)

金融資產分類(續)

自2018年1月1日起之會計政策

本集團已於以下金融資產類別應用香港財務報告準則第9號項下的預期信貸虧損模式：

- 其後按攤銷成本計量之金融資產(包括現金及現金等值物及貿易應收款項)；
- 香港財務報告準則第15號定義之合約資產；及
- 其後按公平值計入其他全面收益計量之債務證券投資；

金融資產之預期信貸虧損(「預期信貸虧損」)乃基於公正及概率加權金額計量。其亦反映貨幣的時間價值及於報告日期本集團毋須付出不必要的成本或努力而可獲得有關過往事件、目前狀況及未來經濟狀況預測的合理及可靠資料。於估計預期信貸虧損時所考慮的最長期間為本集團面臨信貸風險的最長合約期間。

預期信貸虧損乃按以下其中一項基準計量：

- 於報告日期，金融資產信貸風險自初步確認起並無大幅上升時，則按12個月預期信貸虧損計量；及
- (a)於報告日期，金融資產信貸風險自初步確認起大幅上升；或(b)於報告日期，金融資產發生信貸減值時，則按可使用年期內的預期信貸虧損計量。

於評估金融資產信貸風險自初步確認起是否大幅上升，本集團會將金融資產於報告日期發生違約的風險與金融工具於初步確認日期發生違約的風險進行比較，並考慮本集團毋須付出不必要的成本或努力而可獲得的合理及可靠的定性及定量資料，該等資料表明自初步確認起信貸風險大幅上升。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial assets (Continued)

Classification of financial assets (Continued)

Accounting policy from 1 January 2018 (Continued)

Specifically, the following information has been taken into account in assessing whether the credit risk on a financial asset has significantly increased since initial recognition:

- Significant changes in internal price indicators of credit risk as a result of a change in credit risk since inception.
- Significant changes in terms of existing financial assets if the asset was newly originated or issued at the reporting date.
- Significant changes in external market indicators of credit risk for a particular financial instrument or similar financial instruments with the same expected life.
- An actual or expected significant change in the financial instrument's external credit rating.
- An actual or expected internal credit rating downgrade for the borrower or decrease in behavioural scoring used to assess credit risk internally.
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations (e.g. actual or expected increase in interest rates or an actual or expected significant increase in unemployment rates).
- Actual or expected significant change in the operating results of the borrower.
- Significant change in the quality of guarantee provided.
- Contractual cash flows are more than 30 days past due.

In making the abovementioned assessment, the Group considers that a default occurs when (a) it is unlikely that the borrower will be able to settle his/her debts in full and (b) the financial asset is more than 90 days past due.

3 主要會計政策概要(續)

3.9 金融資產(續)

金融資產分類(續)

自2018年1月1日起之會計政策(續)

具體而言，評估金融資產信貸風險自初步確認起是否大幅上升時會考慮以下資料：

- 起初信貸風險變化導致的信貸風險內部價格指標是否顯著變化。
- 倘現有金融資產於報告日期作為新資產產生或發行，金融資產是否顯著變化。
- 某一金融工具或具有相同預計存續期的類似金融工具的信貸風險的外部市場指標是否發生顯著變化。
- 金融工具外部信貸評級實際或預期是否發生顯著變化。
- 對借款人實際或預期的內部信貸評級是否下調或用於評估內部信貸風險的行為評級是否下降。
- 預期將導致借款人履行其償債義務的能力發生顯著變化的業務、財務或經濟狀況是否出現現有或預測不利變化(如利率實際或預期上漲或失業率實際或預期大幅上漲)。
- 借款人經營業績實際或預期是否顯著變動。
- 所提供擔保質素是否顯著變化。
- 合約現金流量是否逾期超過30天。

於作出上述評估時，本集團於(a)借款人不大大可能悉數結清其債務及(b)金融資產逾期超過90天時考慮發生違約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial assets (Continued)

Classification of financial assets (Continued)

Accounting policy from 1 January 2018 (Continued)

ECL is remeasured at the end of each reporting period to reflect changes in financial asset's credit risk since initial recognition. Changes in ECL are recognised in profit or loss with the corresponding adjustment to the carrying amount of the asset through a loss allowance account, except for investments in debt securities that are subsequently measured at FVTOCI for which the corresponding adjustment is recognised in other comprehensive income and accumulated in "FVTOCI (debt investment) reserve".

For trade receivables and contract assets without significant financing component, ECL is always measured at an amount equal to lifetime expected credit losses.

At the end of each of the reporting period, the Group assesses whether its financial assets have become credit impaired.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the time when the Group assesses and concludes that the debtor is unable to settle the debts in full or part of the debts

3.10 Trade and other receivables

Accounting policy prior to 1 January 2018

A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect the amounts due.

Accounting policy from 1 January 2018

Trade receivables are recognised when the Group has an unconditional right to receive consideration. The Group has an unconditional right to receive consideration when only the passage of time is required before payment of the consideration is due.

3 主要會計政策概要(續)

3.9 金融資產(續)

金融資產分類(續)

自2018年1月1日起之會計政策(續)

預期信貸虧損於各報告期末重新計量，以反映自初步確認起金融資產信貸風險的變化。預期信貸虧損變動於損益確認，資產賬面值之相應調整透過虧損撥備賬列賬，惟其後按公平值計入其他全面收益之債務證券投資的相應調整於其他全面收益內確認及於「按公平值計入其他全面收益(債權投資)儲備」累計。

就並無重大融資成分的應收貿易款項及合約資產而言，預期信貸虧損一直按相等於全期預期信貸虧損之金額計量。

於各報告期末，本集團會評估金融資產是否已出現信貸減值。

當本集團無合理預期收回金融資產的全部或部分時，會直接降低金融資產之賬面總值。本集團一般於此時評估及推斷債務人無法結清全部或部分債務。

3.10 應收貿易款項及其他應收款項

於2018年1月1日之前之會計政策

本集團在有客觀證據顯示無法收回到期款項時就應收貿易款項及其他應收款項計提減值撥備。

自2018年1月1日起之會計政策

應收貿易款項於本集團擁有無條件權利收取代價時確認。於代價僅隨時間推移即會成為到期應付時，本集團有無條件權利收取代價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Trade and other receivables (Continued)

Accounting policy from 1 January 2018 (Continued)

For the Group's trade receivables, ECL is always measured at an amount equal to lifetime expected credit losses. In particular, ECL is estimated using a provision of matrix based on the Group's historical credit loss experience, adjusted for (a) information that is specific to particular debtors and (b) forward-looking information based on the current and forecast general economic conditions available to the Group without undue cost or effort at the reporting date. ECL is recognised in profit or loss with the corresponding adjustment to the carrying amount of the trade receivables through a loss allowance account.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the time when the Group assesses and concludes that the debtor is unable to settle the debts in full or part of the debts.

3.11 Contract assets and contract liabilities

Accounting policy from 1 January 2018

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

For a single contract with a customer, either a net contract asset or a net contract liability is presented. Contracts assets and contract liabilities arising from unrelated multiple contracts are not presented on a net basis.

3 主要會計政策概要(續)

3.10 應收貿易款項及其他應收款項(續)

自2018年1月1日起之會計政策(續)

就本集團的應收貿易款項而言，預期信貸虧損一直按相等於全期預期信貸虧損之金額計量。具體而言，預期信貸虧損根據本集團的過往信貸虧損經驗使用撥備矩陣估計，並就以下各項作出調整：(a)特定債務人的信息及(b)基於本集團於報告日期毋須付出不必要的成本或努力而可獲得的目前及預測整體經濟狀況的前瞻性資料。預期信貸虧損於損益確認，貿易應收款項賬面值之相應調整透過虧損撥備賬列賬。

當本集團無合理預期收回金融資產的全部或部分時，會直接降低金融資產之賬面總值。本集團一般於此時評估及推斷債務人無法結清全部或部分債務。

3.11 合約資產及合約負債

自2018年1月1日起之會計政策

合約資產指本集團就向客戶轉讓的商品或服務收取代價的權利，該權利取決於時間流逝以外之其他因素。

合約負債指本集團已自客戶收取代價而須向客戶轉讓商品或服務之義務。

就與客戶的單一合約而言，須呈列淨合約資產或淨合約負債。合約資產及多份無關合約的合約負債並非以淨額呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Contract assets and contract liabilities (Continued)

Accounting policy from 1 January 2018 (Continued)

As mentioned in Note 2, the Group has applied HKFRS 15 for the first time for the current year using the cumulative effect transition method. Adjustments were made as at 1 April 2018 to reclassify certain amounts from “trade and other receivables” and “gross amount due from customers” to “contract assets” and certain amounts from “trade and other payables” and “gross amount due to customers” to “contract liabilities”.

For the Group’s contract assets, ECL is always measured at an amount equal to lifetime expected credit losses. In particular, ECL is estimated using a provision of matrix based on the Group’s historical credit loss experience, adjusted for (a) information that is specific to particular customers available and (b) forward-looking information based on the current and forecast general economic conditions at the reporting date. ECL is recognised in profit or loss with the corresponding adjustment to the carrying amount of the contract assets through a loss allowance account.

The Group directly reduces the gross carrying amount of a contract asset when the Group has no reasonable expectations of recovering a contract asset in its entirety or a portion thereof. This is generally the time when the Group assesses and concludes that the Group is unable to recover the costs.

3.12 Financial liabilities

Accounting policy prior to 1 January 2018

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

3 主要會計政策概要(續)

3.11 合約資產及合約負債(續)

自2018年1月1日起之會計政策(續)

如附註2所述，本集團已於本年度採用累積影響過渡法首次應用香港財務報告準則第15號。於2018年4月1日作出之調整乃為將「應收貿易款項及其他應收款項」及「應收客戶款項總額」的若干款項重新分類至「合約資產」以及將「應付貿易款項及其他應付款項」及「應付客戶款項總額」的若干款項重新分類至「合約負債」。

就本集團的合約資產而言，預期信貸虧損一直按相等於全期的預期信貸虧損之金額計量。具體而言，預期信貸虧損根據本集團的過往信貸虧損經驗使用撥備矩陣估計，並就以下各項作出調整：(a)現有特定客戶的信息及(b)基於報告日期的目前及預測整體經濟狀況的前瞻性資料。預期信貸虧損於損益確認，合約資產賬面值之相應調整透過虧損撥備賬列賬。

當本集團無合理預期收回合約資產的全部或部分時，會直接降低合約資產之賬面總值。本集團一般於此時評估及推斷本集團無法收回成本。

3.12 金融負債

於2018年1月1日之前之會計政策

本集團視乎金融負債產生的目的將其金融負債分類。按公平值計入損益之金融負債乃按公平值初步計量，而按攤銷成本計量之金融負債初步按公平值減所產生之直接應佔成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Financial liabilities (Continued)

Accounting policy prior to 1 January 2018 (Continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings, certain preference shares and the debt element of convertible loan note issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

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

Effective interest method

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

Equity instruments

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

Derecognition

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

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

3 主要會計政策概要(續)

3.12 金融負債(續)

於2018年1月1日前之會計政策(續)

按攤銷成本計量之金融負債

按攤銷成本計量之金融負債包括應付貿易款項及其他應付款項、借款、若干優先股及本集團發行之可轉換貸款票據之債務部分，其後使用實際利率法按攤銷成本計量。相關利息開支於損益中確認。

收益或虧損於終止確認負債時透過攤銷於損益中確認。

實際利率法

實際利率法為計算金融資產或金融負債攤銷成本及就有關期間分配利息收入或利息開支之方法。實際利率為透過金融資產或負債預測年期或(如適用)較短期間準確折現估計未來現金收款或付款之利率。

權益工具

本公司發行之權益工具按已收所得款項扣除直接發行成本記賬。

終止確認

當有關合約之指定責任獲解除、註銷或到期，則終止確認金融負債。

倘由於重新磋商負債之條款，本集團向債權人發行其自身權益工具以支付全部或部分之金融負債，則已發行之權益工具為已付代價並於抵銷金融負債或其部分日期按彼等之公平值初步確認及計量。倘已發行權益工具之公平值不能可靠計量，則權益工具將計量以反映所抵銷金融負債之公平值。所抵銷金融負債或其部分之賬面值與已付代價之差額於本年度損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Financial liabilities (Continued)

Accounting policy from 1 January 2018

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

Financial liabilities at fair value through profit or loss

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

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

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

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

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

3 主要會計政策概要(續)

3.12 金融負債(續)

於2018年1月1日起之會計政策

本集團視乎金融負債產生之目的將其金融負債分類。按公平值計入損益之金融負債乃按公平值初步計量，而按攤銷成本計量之金融負債初步按公平值減所產生之直接應佔成本計量。

按公平值計入損益之金融負債

按公平值計入損益之金融負債包括持作買賣金融負債及於初步確認時指定為按公平值計入損益之金融負債。

倘金融負債乃收購作於短期內出售，則會分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，除非該等工具乃指定為有效對沖工具。持作買賣負債之收益或虧損均在損益內確認。

倘合約包含一項或以上嵌入式衍生工具，則整份混合合約可指定為按公平值計入損益之金融負債，惟倘嵌入式衍生工具並無大幅修改現金流量或明確禁止區分嵌入式衍生工具則除外。

倘符合下列標準，金融負債可於初步確認時指定為按公平值計入損益：(i)該指定消除或大幅減少因按不同基準計量負債或確認收益或虧損而另行產生之不一致處理；(ii)負債為一組根據具存檔風險管理策略按公平值基準管理及評估表現之金融負債之一部分；或(iii)金融負債包含將需要獨立記賬之嵌入式衍生工具。

於初步確認後，按公平值計入損益之金融負債乃按公平值計量，而公平值變動均於產生期間在損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Non-current assets held for sale and disposal groups

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

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

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

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

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

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

3 主要會計政策概要(續)

3.13 持有作出售之非流動資產及出售組別

在以下情況，非流動資產及出售組別會獲分類為持有作出售：

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

分類為持有作出售之非流動資產及出售組別按以下較低者計量：

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

於分類為持有作出售後，非流動資產(包括出售組別)不予以折舊。

於年度內出售之經營業務之業績計入損益直至出售日期為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Inventories

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

3.15 Impairment of non-financial assets

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

- intangible assets;
- property, plant and equipment under cost model; and
- investments in subsidiaries, associates and joint ventures (except for those classified as held for sale or included in a disposal group that is classified as held for sale) (see note 3.13)

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

3 主要會計政策概要(續)

3.14 存貨

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

3.15 非金融資產減值

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

- 無形資產；
- 根據成本模型計算之物業、廠房及設備；及
- 於附屬公司、聯營公司及合營公司之投資(除該等分類為持有作出售或計入獲分類為持有作出售之出售組別者之外)(見附註3.13)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Impairment of non-financial assets (Continued)

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

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

3.16 Cash and cash equivalents

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

3.17 Income tax

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

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

3 主要會計政策概要(續)

3.15 非金融資產減值(續)

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

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

3.16 現金及現金等值項目

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

3.17 所得稅

本年度所得稅包括即期稅項及遞延稅項。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Income tax (Continued)

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

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

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

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

3 主要會計政策概要(續)

3.17 所得稅(續)

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Foreign currency

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

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

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

3 主要會計政策概要(續)

3.18 外幣

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Employee benefits

(a) Short term employee benefit

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

(b) Defined contribution retirement plan

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

(c) Termination benefits

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

(d) Share-based payments

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

3 主要會計政策概要(續)

3.19 僱員福利

(a) 短期僱員福利

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

(b) 定額供款退休計劃

定額供款額退休計劃之供款於僱員提供服務時在損益確認為開支。

(c) 離職福利

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

(d) 以股份支付

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Employee benefits (Continued)

(d) Share-based payments (Continued)

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

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

3.20 Provisions and contingent liabilities

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

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

3 主要會計政策概要(續)

3.19 僱員福利(續)

(d) 以股份支付(續)

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

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

3.20 撥備及或然負債

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.21 Revenue recognition

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

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

(a) Sale of goods

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

(b) Sales of goods — wholesale

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

(c) Interest income

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

3 主要會計政策概要(續)

3.21 收益確認

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

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

(a) 銷售貨品

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

(b) 銷售貨品 — 批發

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

(c) 利息收入

利息收入利用實際利息法按時間比例基準確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.21 Revenue recognition (Continued)

(d) Licence fee and royalty income

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

(e) Rental income

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

3.22 Government grants

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

3.23 Lease

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

The Group as lessor

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

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

The Group as lessee

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

3 主要會計政策概要(續)

3.21 收益確認(續)

(d) 特許使用費及專利費收入

特許使用費及專利費收入按照有關協議之內容按應計基準確認。

(e) 租金收入

經營租賃租金收入於租期內以直線法確認。

3.22 政府補助

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

3.23 租賃

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

本集團作為出租人

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

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

本集團作為承租人

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.23 Lease (Continued)

The Group as lessee (Continued)

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

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

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

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

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

3 主要會計政策概要(續)

3.23 租賃(續)

本集團作為承租人(續)

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

就租賃分類而言，物業租賃內之土地及樓宇部分被視為獨立部分。

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.24 Related parties

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

3 主要會計政策概要(續)

3.24 關聯人士

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關聯：
 - (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員。
- (b) 倘符合下列任何條件，即實體與本集團有關聯：
 - (i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關聯）。
 - (ii) 一間實體為另一實體之聯營公司或合營公司（或另一實體為集團旗下成員公司之聯營公司或合營公司）。
 - (iii) 兩間實體均為同一第三方之合營公司。
 - (iv) 一間實體為第三方實體之合營公司，而另一實體為該第三方實體之聯營公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.24 Related parties (Continued)

(b) (Continued)

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

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

3 主要會計政策概要(續)

3.24 關聯人士(續)

(b) (續)

(v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。

(vi) 實體受第(a)項所識別人士控制或受共同控制。

(vii) 於第(a)(i)項所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理層成員。

(viii) 實體或其所屬集團之任何成員公司，向本集團或本集團母公司提供主要管理人員服務。

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

- (i) 該名人士之子女及配偶或同居伴侶；
- (ii) 該名人士之配偶或同居伴侶之子女；及
- (iii) 該名人士或該名人士之配偶或同居伴侶之受養人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Useful lives of property, plant and equipment

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

(b) Estimated write-downs of inventories to net realisable value

The Group writes down inventories to net realisable value based on an assessment of the realisability of inventories. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of inventories and write-downs of inventories in the years in which such estimates have been changed.

(c) Income taxes

The Group is subject to income taxes in Hong Kong and the PRC. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4 重大會計估計及判斷

估計及判斷會不斷評估，並按過往經驗及其他因素（包括於有關情況下相信為合理之未來事件之預測）而作出。

本集團對未來作出估計及假設。顧名思義，由此產生之會計估計，極少與有關實際結果相同。存在重大風險導致須對下個財政年度之資產及負債之賬面金額作出重大調整之估計及假設論述如下。

(a) 物業、廠房及設備之可使用年期

本集團管理層釐定其物業、廠房及設備之估計可使用年期及有關折舊費用。此估計乃根據性質及功能相若之物業、廠房及設備之實際剩餘價值及可使用年期之過往經驗計算。管理層有關店舖搬遷或翻新之任何未來決定，均可能對估計造成重大變動。倘剩餘價值或可使用年期低於先前之估計，管理層將增加折舊費用，或將撇銷或撇減已棄置或出售之非策略性資產。

(b) 估計撇減存貨至可變現淨值

本集團根據存貨之可變現性之評估將存貨撇減至可變現淨值。當出現事件或情況有變，顯示結餘可能無法變現時，對存貨作撇減記賬。撇減之識別須運用判斷及估計。當預期不同於原先估計時，該等差額將影響存貨之賬面值及存貨於該等估計變動之年度內之撇減。

(c) 所得稅

本集團須繳納香港及中國所得稅。在釐定所得稅撥備時須作出重大判斷。於日常業務過程中，不少交易及計算之最終稅項不能明確釐定。本集團根據對是否將有額外稅項到期支付之估計對預期稅項審核事宜確認負債。當該等事項之最終稅項結果不同於最初入賬之金額時，該等差額將影響作出稅項釐定期間之所得稅及遞延稅項撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Impairment of property, plant and equipment and intangible assets under the disposal group of e-Commerce and e-Payment business

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or market valuations. The calculations require the use of judgements and estimates.

(e) Loss allowance for ECL

The Group's management estimates the loss allowance for trade receivables and loan receivable based on risk of a default and expected loss rate. The assessment of the credit risk involves high degree of estimation and uncertainty as the Group's management estimates the risk of a default and expected loss rate for applying provision matrix on debtors based on the Group's historical information, existing market conditions as well as forward looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables.

(f) Fair values of available-for-sale financial assets and convertible bonds

The fair values of financial assets that are traded in an active market are determined by the quoted market prices. For fair values of financial assets not traded in an active market, the methodologies, models, assumptions used in determining the fair value of financial assets not traded in an active market and derivative financial instruments require judgement, which are mainly based on market conditions existing at each reporting date.

The fair value of financial instruments and other financial liabilities (including embedded derivative components of convertible bonds) that are not traded in an active market is determined by using appropriate valuation techniques and making assumptions that are based on market conditions existing at each reporting date. The fair values of the embedded derivative components of convertible bonds are determined using the Binomial Option Pricing Model adjusted for specific terms and conditions of the respective instruments. Major inputs into the model include quoted market prices, risk free rates, expected volatility, dividend yields and the option's life.

4 重大會計估計及判斷(續)

(d) 電子商務及電子支付業務出售組別項下物業、廠房及設備以及無形資產的減值

物業、廠房及設備以及無形資產在出現事件或情況有變，顯示可能無法收回賬面金額時進行減值檢討。可收回金額乃根據使用價值計算或市場估值釐定。該等計算須運用判斷及估計。

(e) 預期信貸虧損之減值撥備

本集團管理層根據違約風險及預期損失率估計應收貿易款項及應收貸款之虧損撥備。信貸風險評估涉及高度估計及不確定性，此乃因本集團管理層於各報告期末根據本集團之歷史資料、現有市況及前瞻性估計估計應用債務人撥備矩陣的違約風險及預期虧損率所致。倘預期與原先估計有所出入，則有關差異將影響應收貿易款項之賬面值。

(f) 可供出售金融資產及可換股債券之公平值

於活躍市場交易之金融資產之公平值乃按市場報價釐定。就並非於活躍市場交易之金融資產之公平值而言，用以釐定並非於活躍市場交易之金融資產之公平值之方法、模式、假設及衍生金融工具須作出判斷，其主要按各報告日期之現有市場條件釐定。

沒有在活躍市場買賣之金融工具及其他金融負債(包括可換股債券之嵌入式衍生工具部分)之公平值，乃按合適的估值方法和根據每個匯報日期的市況，作出不同的假設而釐定。可換股債券內嵌入式衍生工具部分之公平值乃使用二項期權定價模式釐定，以適應各自工具的特定條款及條件。該模式所輸入之主要數據包括所報市價、無風險利率、預期波動、股息回報率及期權期限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(g) Share-based compensation

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

4 重大會計估計及判斷(續)

(g) 以股份為基礎之報酬計劃

本集團設有股本結算以股份為基礎之報酬計劃，據此，本集團獲取僱員提供之服務作為本公司之股本工具之代價。該計劃包括購股權計劃。就僱員所提供服務以換取授出購股權或股份之公平值確認為開支。將予支銷之總金額乃參考於授出日期所授出購股權或股份之公平值釐定：(i) 包括任何市場表現情況；(ii) 不包括任何服務及非市場表現歸屬條件之影響（例如：盈利能力及銷售增長目標）；及(iii) 包括任何非歸屬條件之影響。非市場歸屬條件乃納入預計將予歸屬之購股權或股份數目之假設中。總開支於歸屬期內確認，歸屬期為所有指定之歸屬條件須達成之期間。於各報告期末，本集團會根據非市場歸屬條件修改其預期將歸屬之估計購股權或股份數目。修改原來估計數字之影響（如有）將於收益表內確認，並於權益中作出相應調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION

The Group is principally engaged in the retailing of footwear in Hong Kong, the PRC and Taiwan, and e-Commerce and e-Payment business.

The chief operating decision-maker has been identified as the Executive Directors. The Executive Directors review the Group's financial information to assess the performance and allocate resources.

The Group has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Retailing of footwear
- e-Commerce and e-Payment

The Executive Directors assess the performance of the operating segments based on a measure of segment loss without allocation of administrative expenses, other gains or losses, other income and finance income/(costs), which is consistent with that in the financial statements. During the year ended 31 March 2018, the Directors consider to dispose the e-Commerce and e-Payment business. During August 2017 and June 2018, MOUs were signed for the potential disposal, which led to discontinue the operation of e-Commerce and e-Payment business. In accordance of HKFRS 5, e-Commerce and e-Payment business for the years ended 31 March 2019 and 2018 were classified as discontinued operation in the Group's consolidated financial statements.

Segment assets mainly exclude loan receivables in respect of the Group's financial services business and refundable advance payment in relation to the purchase of the Milan Properties.

Segment liabilities mainly exclude current tax liabilities, convertible bonds, corporate bond and obligation under finance lease.

In respect of geographical segment reporting, sales are based on the country in which the customer is located, and total assets and capital expenditure are based on the country where the assets are located.

5 分部資料

本集團主要於香港、中國及台灣從事鞋類零售以及電子商務及電子支付業務。

執行董事已獲確定為主要營運決策人。執行董事審閱本集團之財務資料以評估表現及分配資源。

本集團擁有兩個可報告分部。該等分部均獨立管理，此乃由於各業務提供不同產品及服務並需要不同之業務策略。下文概述本集團各可報告分部之業務：

- 鞋類零售
- 電子商務及電子支付

執行董事根據分部虧損（未分配任何行政費用、其他收益或虧損、其他收入及財務收入／（費用））之計量評估經營分部之表現，其與財務報表所載者一致。於截至2018年3月31日止年度，董事考慮出售電子商務及電子支付業務。於2017年8月及2018年6月期間，本公司已就潛在出售事項簽訂諒解備忘錄，導致電子商務及電子支付業務終止經營。根據香港財務報告準則第5號，電子商務及電子支付業務於截至2019年及2018年3月31日止年度已於本集團之綜合財務報表中獲分類為終止經營業務。

分部資產主要不包括與本集團金融服務業務有關之應收貸款及與購入米蘭物業有關之可退款墊款。

分部負債主要不包括即期稅項負債、可換股債券、公司債券及融資租賃承擔。

就地區分部報告而言，銷售乃按客戶所在國家作出，而資產總值及資本開支乃按資產所在國家作出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (CONTINUED)

(a) Business and geographical segment

The segment results for the year ended 31 March 2019 are as follows:

5 分部資料(續)

(a) 業務與地區分部

截至2019年3月31日止年度之分部業績如下：

		Continuing operations 持續經營業務					Discontinued operations 終止經營業務	
		Retailing of footwear 鞋類零售				e-Commerce and e-Payment 電子商務 及電子支付	Total 總計	
		Hong Kong	The PRC	Taiwan	Subtotal			Unallocated
		香港	中國	台灣	小計			未分配
		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	
Revenue	收益	51,283	52,801	6,265	110,349	-	-	110,349
Segment loss	分部虧損	(12,614)	(62,284)	(526)	(75,424)	(103,349)	(11,300)	(190,073)
Finance income	財務收入							12,495
Finance costs	財務費用							(77,508)
Share of losses of associates	應佔聯營公司之虧損							(2,300)
Income tax credit	所得稅抵免							-
Loss for the year	本年度虧損							(257,386)
Other segment items are as follows:	其他分部項目如下：							
Capital expenditure	資本開支	-	174	-	174	448	-	622
Share of losses of associates	應佔聯營公司之虧損	-	-	-	-	(2,300)	(427)	(2,727)
Share option expenses	購股權開支	-	-	-	-	2,574	-	2,574
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	1,011	2,875	2	3,888	246	230	4,364
Amortisation of intangible assets	無形資產之攤銷	109	53	-	162	-	9,897	10,059
Impairment of property, plant and equipment	物業、廠房及設備之減值	157	-	-	157	-	-	157
Losses on disposal of property, plant and equipment	出售物業、廠房及設備 之虧損	14	264	-	278	-	-	278
Write back of inventories, net	存貨撥回，淨額	(6,417)	965	(20)	(5,472)	-	-	(5,472)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (CONTINUED)

(a) Business and geographical segment (Continued)

The segment results for the year ended 31 March 2018 are as follows:

		Continuing operations 持續經營業務					Discontinued operations 終止經營業務	
		Retailing of footwear 鞋類零售					e-Commerce and e-Payment 電子商務 及電子支付	Total 總計
		Hong Kong 香港 HK\$'000 千港元	The PRC 中國 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Subtotal 小計 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元		
Revenue	收益	88,324	250,569	7,264	346,157	–	–	346,157
Segment loss	分部虧損	(21,609)	(54,267)	(793)	(76,669)	(69,176)	(2,689)	(148,534)
Finance income	財務收入							9,701
Finance costs	財務費用							(69,502)
Share of losses of associates	應佔聯營公司之虧損							(1,634)
Income tax credit	所得稅抵免							586
Loss for the year	本年度虧損							(209,383)
Other segment items are as follows:	其他分部項目如下：							
Capital expenditure	資本開支	621	5,898	1	6,520	–	9,307	15,827
Share of losses of associates	應佔聯營公司之虧損	–	–	–	–	(1,634)	(595)	(2,229)
Share option expenses	購股權開支	–	–	–	–	15,531	–	15,531
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	1,716	5,474	14	7,204	23	173	7,400
Amortisation of intangible assets	無形資產之攤銷	135	454	–	589	–	–	589
Impairment of property, plant and equipment	物業、廠房及設備之減值	233	–	–	233	–	–	233
Gain on disposal of asset held for sale	出售持有作出售資產之收益	(7,217)	–	–	(7,217)	–	–	(7,217)
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備之 (收益)／虧損	(23,921)	34	9	(23,878)	–	–	(23,878)
Write back of inventories, net	存貨撥回，淨額	93	(6,125)	279	(5,753)	–	–	(5,753)

5 分部資料(續)

(a) 業務與地區分部(續)

截至2018年3月31日止年度之分部業績如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (CONTINUED)

(a) Business and geographical segment (Continued)

The segment assets and liabilities at 31 March 2019 are as follows:

5 分部資料(續)

(a) 業務與地區分部(續)

於2019年3月31日之分部資產及負債如下：

		Continuing operations 持續經營業務			Discontinued operations 終止經營業務	Total 總計
		Retailing of footwear 鞋類零售			e-Commerce and 電子商務及電子支付	
		Hong Kong 香港 HK\$'000 千港元	The PRC 中國 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Subtotal 小計 HK\$'000 千港元	
Segment assets	分部資產	15,132	15,155	2,260	32,547	277,658
Unallocated assets	未分配資產					251,431
Total assets	資產總值					529,089
Segment liabilities	分部負債	31,433	86,610	825	118,868	185,345
Unallocated liabilities	未分配負債					572,031
Total liabilities	負債總額					757,376

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (CONTINUED)

(a) Business and geographical segment (Continued)

The segment assets and liabilities at 31 March 2018 are as follows:

		Continuing operations 持續經營業務			Discontinued operations 終止經營業務	
		Retailing of footwear 鞋類零售			e-Commerce and 電子商務及電子支付	
		Hong Kong	The PRC	Taiwan	Subtotal	Total
		香港 HK\$'000 千港元	中國 HK\$'000 千港元	台灣 HK\$'000 千港元	小計 HK\$'000 千港元	總計 HK\$'000 千港元
Segment assets	分部資產	84,885	148,267	3,989	237,141	478,971
Unallocated assets	未分配資產					255,668
Total assets	資產總值					734,639
Segment liabilities	分部負債	28,482	109,663	6,106	144,251	196,659
Unallocated liabilities	未分配負債					500,777
Total liabilities	負債總額					697,436

Specified non-current assets

特定非流動資產

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Hong Kong	香港	3,021	2,059
PRC	中國	14,204	21,042
Taiwan	台灣	9	11
		17,234	23,112

(b) Information about major customers

For the years ended 31 March 2019 and 2018, none of the customers contributed 10% or more of the revenue of the Group.

5 分部資料 (續)

(a) 業務與地區分部 (續)

於2018年3月31日之分部資產及負債如下：

(b) 有關主要客戶之資料

截至2019年及2018年3月31日止年度，概無客戶貢獻本集團10%或以上之收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 EXPENSES BY NATURE

6 按性質分類之開支

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Continuing operations	持續經營業務		
Purchase of and changes in inventories	購入存貨及存貨變動	75,916	176,822
Auditor's remuneration	核數師酬金		
— Audit service	— 核數服務	1,200	1,650
— Non-audit service	— 非核數服務	—	44
Depreciation of property, plant and equipment	物業、廠房及設備之折舊		
— owned assets	— 自置資產	4,011	7,104
— leased assets	— 租賃資產	123	123
Impairment of property, plant and equipment	物業、廠房及設備之減值	157	233
Amortisation of intangible assets	無形資產之攤銷	162	589
Operating lease rental in respect of leasehold land and buildings	租賃土地及樓宇之經營租賃租金		
— minimum lease payments	— 最低租賃款項	12,864	17,480
— turnover rental expenses	— 按營業額計算之租金開支	38,615	105,547
Advertising and promotion expenses	廣告及宣傳開支	3,104	9,184
Write-back of inventories, net	存貨撥回，淨額	(5,472)	(5,753)
Employee benefit expenses (Note 10)	僱員福利開支(附註10)	86,774	155,729
Other expenses	其他開支	41,367	57,802
Total cost of sales, selling and distribution costs and administrative expenses	銷售成本、銷售及分銷成本及行政費用總額	258,821	526,554

Expenses by nature of the Group have been presented in the consolidated income statement as follows:

於綜合收益表呈列之本集團按性質分類之開支如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cost of sales	銷售成本	70,444	171,069
Selling and distribution costs	銷售及分銷成本	115,329	251,757
Administrative expenses	行政費用	73,048	103,728
		258,821	526,554

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 DISCONTINUED OPERATIONS

During August 2017 and June 2018, the Group entered into MOUs to dispose of the e-Commerce and e-Payment business. The disposal is expected to be completed before the end of the year 2019, the date on which the control of the e-Commerce and e-Payment business passed to the acquirer. The sales, results and cash flows of the e-Commerce and e-Payment business were as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Other income	其他收入	995	228
Share of loss of an associate	應佔於一間聯營公司之虧損	(427)	(595)
Expenses	開支	(11,868)	(2,322)
Loss before tax expense	除稅項開支前虧損	(11,300)	(2,689)
Income tax expense	所得稅開支	–	–
Loss for the year from discontinued operations	本年度來自終止經營業務之虧損	(11,300)	(2,689)
Operating cash flows	經營現金流量	14,744	610
Investing cash flows	投資現金流量	–	(18)
Financing cash flows	融資現金流量	–	–
Total cash flows	現金流量總額	14,744	592

The carrying amounts of the assets and liabilities of e-Commerce and e-Payment business at the year ended date are disclosed in Note 25 to the consolidated financial statements.

For the purpose of presenting discontinued operations, the comparative consolidated income statement and the related notes have been re-presented as if the operations discontinued during the year had been discontinued at the beginning of the comparative period.

7 終止經營業務

於2017年8月及2018年6月，本集團訂立諒解備忘錄以出售電子商務及電子支付業務。出售事項預期於2019年年底前完成，即電子商務及電子支付業務之控制權轉移至收購人之日期。電子商務及電子支付業務之銷售、業績及現金流量如下：

電子商務及電子支付業務於截至該日期止年度之資產及負債之賬面值於綜合財務報表附註25內披露。

就呈列終止經營業務而言，可比較綜合收益表及相關附註已重新呈列，猶如年內終止經營業務於可比較期間初已終止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 OTHER GAINS OR LOSSES

8 其他收益或虧損

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Gain on disposal of assets held for sale	出售持有作出售資產之收益	–	7,217
(Loss)/Gain on disposal of property, plant and equipment	出售物業、廠房及設備之(虧損)/收益	(278)	23,878
Impairment expense	減值開支	(2,086)	–
Written off of inventory	撇銷存貨	(23,976)	–
Provision for doubtful debt	計提呆賬撥備	(7,424)	–
Net foreign exchange gain/(loss)	外匯收益/(虧損)淨值	88	(543)
		(33,676)	30,552

9 OTHER INCOME

9 其他收入

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Licence fee and royalty income	特許使用費及專利費收入	239	460
Government subsidies (note)	政府補助(附註)	1,899	1,882
Gain on disposal of subsidiaries	出售附屬公司收益	512	–
Others	其他	725	1,658
		3,375	4,000

Note: Government subsidies represent incentives received from the PRC tax authority for operating investment in Waigaoqiao Free Trade Zone in the PRC.

附註：政府補助指就經營中國外高橋保稅區從中國稅務機關收取之獎勵。

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

10 僱員福利開支(包括董事酬金)

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Salaries, wages and bonuses	薪金、工資及花紅	70,174	117,202
Pension costs — defined contribution plans	退休金成本 — 一定額供款計劃	12,629	20,352
Welfare and other expenses	福利及其他開支	1,397	2,644
Share option expenses (note 34)	購股權開支(附註34)	2,574	15,531
		86,774	155,729

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules)

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive for the years ended 31 March 2019 and 2018 is set out below:

For the year ended 31 March 2019:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking.

10 僱員福利開支(包括董事酬金)(續)

董事福利及權益(香港公司條例(第622章)第383條、公司(披露董事利益資料)規例(第622G章)及香港上市規則規定之披露)

(a) 董事及最高行政人員之酬金

截至2019年及2018年3月31日止年度，各董事及最高行政人員之薪酬載列如下：

截至2019年3月31日止年度：

就擔任董事(不論本公司或其附屬公司)之人士獲支付或應收之酬金。

Name	姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Estimated money value of other benefit (Note a) 其他福利之估計貨幣價值 (附註a) HK\$'000 千港元	Total 合共 HK\$'000 千港元
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Zhu Xiaojun	朱曉軍先生	-	1,600	-	1,600
Mr. Kang Jianming	康建明先生	-	283	773	1,056
Ms. Cai Jiaying	蔡佳櫻女士	-	900	773	1,673
Mr. Yin Wansun	殷苑蓀先生	-	-	773	773
<i>Independent Non-executive directors:</i>	<i>獨立非執行董事：</i>				
Ms. Zhao Hong	趙竑女士	-	-	64	64
Mr. Chau Wai Hing	周偉興先生	-	180	-	180
Mr. Leung Man Ho (note b)	梁文豪先生(附註b)	-	89	-	89
Mr. Yu Lei (note c)	余磊先生(附註c)	-	-	-	-
		-	3,052	2,383	5,435

綜合財務報表附註

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

For the year ended 31 March 2018:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking.

10 僱員福利開支(包括董事酬金)(續)

截至2018年3月31日止年度：

就擔任董事(不論本公司或其附屬公司)之人士獲支付或應收之酬金。

		Fees	Salary	Estimated money value of other benefit (Note a) 其他福利之估計貨幣價值 (附註a)	Total 合共
Name	姓 名	袍金 HK\$'000 千港元	薪金 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Zhu Xiaojun	朱曉軍先生	–	2,400	–	2,400
Mr. Kang Jianming	康建明先生	–	1,696	2,590	4,286
Ms. Cai Jiaying	蔡佳櫻女士	–	450	2,590	3,040
Mr. Yin Wansun	殷苑蓀先生	–	–	2,590	2,590
<i>Independent Non-executive directors:</i>	<i>獨立非執行董事：</i>				
Ms. Zhao Hong	趙竑女士	–	203	216	419
Mr. Chau Wai Hing	周偉興先生	–	180	–	180
Mr. Leung Man Ho (note b)	梁文豪先生(附註b)	–	141	–	141
		–	5,070	7,986	13,056

Note a Other benefits include share options.

附註a 其他福利包括購股權。

Note b Mr. Leung Man Ho was appointed as an independent non-executive director with effect from 19 June 2017 and resigned on 29 September 2018.

附註b 梁文豪先生於2017年6月19日獲委任為獨立非執行董事，並於2018年9月29日辭任。

Note c Mr. Yu Lei was appointed as an independent non-executive director with effect from 28 December 2018.

附註c 余磊先生獲委任為獨立非執行董事，自2018年12月28日起生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits related to defined benefit plan for the year ended 31 March 2019 (2018: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits for the year ended 31 March 2019 (2018: Nil).

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 March 2019, the Company did not pay consideration to any third parties for making available directors' services (2018: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

The Company issued CB-II (as defined in note 31) in August 2016 with personal guarantee obtained from Mr. ZHU Xiaojun Chairman of the Company.

During the year ended 31 March 2019, there are no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2018: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2019 (2018: Nil).

10 僱員福利開支(包括董事酬金)(續)

(b) 董事退休福利

截至2019年3月31日止年度，概無董事已收取或將收取任何與定額福利計劃有關之退休福利(2018年：無)。

(c) 董事離職福利

截至2019年3月31日止年度，概無董事已收取或將收取任何離職福利(2018年：無)。

(d) 就獲得董事服務向第三方提供之代價

截至2019年3月31日止年度，本公司並無就獲得董事服務向任何第三方支付代價(2018年：無)。

(e) 有關董事、受董事控制之法人團體及有關董事之關連實體之貸款、類似貸款及其他交易之資料

本公司於2016年8月發行可換股債券II(定義見附註31)，以取自本公司主席朱曉軍先生之個人擔保作抵押。

截至2019年3月31日止年度，概無有關董事或受董事控制之法人團體及有關董事之關連實體之貸款、類似貸款及其他交易安排(2018年：無)。

(f) 董事於交易、安排或合約中之重大權益

於截至2019年3月31日止年度結束時或年內任何時間，概無本公司董事在本公司所訂立並與本公司業務有關之重大交易、安排及合約中直接或間接擁有重大權益(2018年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(g) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the year include 3 directors (2018: 4) whose emoluments are reflected in the analysis presented in note 10(a). The emoluments payable to the remaining individuals are as follows:

10 僱員福利開支(包括董事酬金)(續)

(g) 五名最高薪酬人士

年內，本集團五名最高薪酬人士包括3名(2018年：4名)董事，其薪酬已於附註10(a)呈列之分析中列示。應付餘下人士之酬金如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Basic salaries, housing allowances, other allowances and benefits-in-kind	基本薪金、住房津貼、其他津貼及實物利益	2,559	1,560
Share options expenses	購股權開支	1,097	2,218
Contributions to pension plans	退休金計劃供款	36	18
		3,692	3,796
The emoluments fell within the following bands:			
		2019	2018
HK\$500,000 to HK\$1,000,000	500,000 港元至 1,000,000 港元	1	–
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	1	–
HK\$3,500,001 to HK\$4,000,000	3,500,001 港元至 4,000,000 港元	–	1
		2	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 FINANCE COSTS, NET

11 財務費用，淨額

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Finance income	財務收入		
— Interest income from bank deposits	— 銀行存款之利息收入	10	45
— Interest income — others	— 利息收入 — 其他	12,485	9,656
		12,495	9,701
Finance costs	財務費用		
— Amortisation of unrealised fair value of convertible bonds	— 可換股債券未變現公平值攤銷	(16,768)	(15,869)
— Interest on convertible bonds	— 可換股債券之利息	(5,067)	(4,535)
— Interest on corporate bonds	— 公司債券之利息	(55,645)	(47,178)
— Interest on bank borrowings	— 銀行借貸之利息	(17)	(1,805)
— Interest expense — others	— 利息開支 — 其他	—	(103)
— Interest on obligation under finance lease	— 融資租賃承擔之利息	(11)	(12)
		(77,508)	(69,502)
Finance costs, net	財務費用，淨額	(65,013)	(59,801)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 INCOME TAX CREDIT

The amount of income tax credit charged to the consolidated income statement represents:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Current income tax	即期所得稅		
— Hong Kong profits tax	— 香港利得稅	—	—
— PRC corporate income tax	— 中國企業所得稅	—	—
Deferred income tax	遞延所得稅	—	—
		—	586
		—	586

Taxation has been provided at the appropriate rates prevailing in the countries in which the Group operates. Hong Kong profits tax has not been provided for as the Group has no assessable profits for the years ended 31 March 2019 and 2018.

The tax on the Group's loss before income tax expense differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

12 所得稅抵免

於綜合收益表扣除之所得稅抵免金額為：

稅項乃按本集團經營所在國家之現行適當稅率計算。由於本集團於截至2019年及2018年3月31日止年度並無應課稅溢利，故並無就香港利得稅計提撥備。

本集團未計所得稅開支前虧損之稅項與使用適用於綜合實體溢利之加權平均稅率計算之理論金額之差額如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Loss before income tax credit	未計所得稅抵免前虧損	246,086	207,280
Tax calculated at domestic tax rates 8.25% (2018: 16.5%)	按當地稅率8.25% (2018年：16.5%) 計算之稅項	20,302	34,201
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司 之不同稅率之影響	20,410	7,956
Income not subject to tax	毋須課稅之收入	42	7,613
Expenses not deductible for tax purposes	不可作稅項抵扣之開支	(6,958)	(19,306)
Deductible temporary differences not recognised	未確認可抵扣暫時差額	(7,475)	(2,689)
Tax losses not recognised	並無確認之稅項虧損	(26,321)	(27,189)
Income tax credit	所得稅抵免	—	586

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 LOSS PER SHARE

For continuing and discontinued operations

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		2019	2018
Loss from continuing operations attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔持續經營業務之虧損(千港元)	(245,361)	(206,076)
Loss from discontinued operations attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔終止經營業務之虧損(千港元)	(11,236)	(2,600)
Loss attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔之虧損(千港元)	(256,597)	(208,676)
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	716,190	716,190

(b) Diluted

Diluted loss per share is the same as basic loss per share for the year ended 31 March 2019 and 2018 as there were no dilutive potential ordinary share outstanding during the year.

14 DIVIDEND

The Board has recommended not to declare dividend for the year ended 31 March 2019 (2018: Nil).

13 每股虧損

就持續及終止經營業務而言

(a) 基本

每股基本虧損乃按照本年度本公司權益持有人應佔虧損除以年內已發行普通股之加權平均數目計算。

(b) 攤薄

由於本年度概無尚未行使且具潛在攤薄效應之普通股，故截至2019年及2018年3月31日止年度之每股攤薄虧損與每股基本虧損相同。

14 股息

董事會建議不宣派截至2019年3月31日止年度之股息(2018年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Land and buildings 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本						
At 1 April 2017	於2017年4月1日	104,000	52,424	4,014	17,123	17,013	194,574
Addition	添置	–	6,116	–	27	72	6,215
Disposals	出售	(104,000)	(5,301)	(1,814)	(1,924)	(39)	(113,078)
Transfer to assets held for sale	轉至持有作出售資產	–	(742)	–	–	–	(742)
Exchange differences	匯兌差額	–	3,436	59	313	724	4,532
At 31 March 2018 and 1 April 2018	於2018年3月31日及 2018年4月1日	–	55,933	2,259	15,539	17,770	91,501
Addition	添置	–	622	–	–	–	622
Disposals	出售	–	(5,880)	–	(1,163)	(71)	(7,114)
Disposal of subsidiary	出售附屬公司	–	(66)	–	(65)	(12)	(143)
Exchange differences	匯兌差額	–	(2,627)	(41)	(218)	(497)	(3,383)
At 31 March 2019	於2019年3月31日	–	47,982	2,218	14,093	17,190	81,483
Accumulated depreciation	累計折舊						
At 1 April 2017	於2017年4月1日	–	46,273	3,327	15,517	15,923	81,040
Charge for the year	年內扣除	–	6,140	207	549	504	7,400
Impairment	減值	–	233	–	–	–	233
Eliminated on disposal	自出售抵銷	–	(5,292)	(1,814)	(1,819)	(39)	(8,964)
Transfer to assets held for sale	轉至持有作出售資產	–	(236)	–	–	–	(236)
Exchange differences	匯兌差額	–	3,110	55	255	650	4,070
At 31 March 2018 and 1 April 2018	於2018年3月31日及 2018年4月1日	–	50,228	1,775	14,502	17,038	83,543
Charge for the year	年內扣除	–	3,491	160	314	169	4,134
Impairment	減值	–	157	–	–	–	157
Eliminated on disposal	自出售抵銷	–	(5,696)	–	(921)	(71)	(6,688)
Disposal of subsidiary	出售附屬公司	–	(43)	–	(20)	(3)	(66)
Exchange differences	匯兌差額	–	(2,306)	(37)	(185)	(458)	(2,986)
At 31 March 2019	於2019年3月31日	–	45,831	1,898	13,690	16,675	78,094
Net book value	賬面淨值						
At 31 March 2019	於2019年3月31日	–	2,151	320	403	515	3,389
At 31 March 2018	於2018年3月31日	–	5,705	484	1,037	732	7,958

Note: Motor vehicle of carrying amount of approximately HK\$215,000 (2018: HK\$338,000) were pledged to secure finance lease as of 31 March 2019.

附註：於2019年3月31日，賬面值約為215,000港元（2018年：338,000港元）之汽車已質押為取得融資租賃之抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 INTANGIBLE ASSETS

16 無形資產

		Goodwill 商譽 HK\$'000 千港元	Licence 牌照 HK\$'000 千港元	Computer software 電腦軟件 HK\$'000 千港元	Trademark 商標 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本					
At 1 April 2017	於2017年4月1日	36,153	193,947	18,195	69,566	317,861
Additions	添置	–	–	9,612	–	9,612
Disposals	出售	–	–	(22)	–	(22)
Transfer to assets held for sale	轉至持有作出售資產	(36,153)	(193,629)	(9,288)	–	(239,070)
Exchange difference	匯兌差額	–	–	548	–	548
At 31 March 2018 and 1 April 2018	於2018年3月31日及 2018年4月1日	–	318	19,045	69,566	88,929
Disposal of subsidiaries	出售附屬公司	–	–	(323)	–	(323)
Disposal	出售	–	–	(5)	(69,566)	(69,571)
Exchange differences	匯兌差額	–	–	(374)	–	(374)
At 31 March 2019	於2019年3月31日	–	318	18,343	–	18,661
Accumulated amortisation	累計攤銷					
At 1 April 2017	於2017年4月1日	–	318	17,189	69,566	87,073
Charge for the year	年內扣除	–	–	589	–	589
Disposals	出售	–	–	(22)	–	(22)
Exchange difference	匯兌差額	–	–	485	–	485
At 31 March 2018 and 1 April 2018	於2018年3月31日及 2018年4月1日	–	318	18,241	69,566	88,125
Charge for the year	年內扣除	–	–	162	–	162
Disposal of subsidiaries	出售附屬公司	–	–	(81)	–	(81)
Disposals	出售	–	–	(5)	(69,566)	(69,571)
Exchange difference	匯兌差額	–	–	(347)	–	(347)
At 31 March 2019	於2019年3月31日	–	318	17,970	–	18,288
Net book amount	賬面淨值					
At 31 March 2019	於2019年3月31日	–	–	373	–	373
At 31 March 2018	於2018年3月31日	–	–	804	–	804

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INVESTMENT IN A JOINT VENTURE

17 於合營公司之投資

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Share of net assets	應佔資產淨值	510	510

Nature of investment in material joint venture as at 31 March 2019:

於2019年3月31日於重大合營公司之投資之性質：

Name of entity	Place of establishment	% of interest held indirectly	Nature of the relationship	Measurement method	Principal activity
實體名稱	設立地點	間接持有權益之%	關係之性質	計量方法	主要業務
Wealthy Trend International Development Limited	Hong Kong	51%	Joint venture	Equity method	Inactive
富創國際發展有限公司	香港		合營公司	權益法	並無業務活動

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INVESTMENT IN A JOINT VENTURE (CONTINUED)

Summarised financial information of joint venture which is considered immaterial:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Aggregate carrying amount of individually immaterial joint venture in the consolidated financial statements	個別非重大性質之合營公司於綜合財務報表之賬面總值	510	510
Aggregate amount of the Group's share of a joint venture:	本集團應佔合營公司之總值：		
— Profit or loss from continuing operations	— 持續經營業務之損益	—	—
— Post-tax profit or loss from discontinued operations	— 終止經營業務之除稅後損益	—	—
— Other comprehensive income	— 其他全面收益	—	—
Total comprehensive income	全面收益總額	—	—

As at 31 March 2019, there are no significant contingent liabilities and capital commitments relating to the Group's interest in the joint venture.

17 於合營公司之投資(續)

合營公司(被視為屬非重大性質)之財務資料概要：

於2019年3月31日，概無有關本集團於合營公司之權益之重大或然負債及資本承擔。

18 INTERESTS IN ASSOCIATES

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Share of net assets	應佔資產淨值	12,962	6,530
Loan to an associate (Note)	貸款予一間聯營公司(附註)	6,469	3,662
		19,431	10,192

Note: The loan is unsecured, interest free and repayable on demand.

18 於聯營公司之權益

附註：該貸款為無抵押、免息並須按要求償還。

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綜合財務報表附註

18 INTERESTS IN ASSOCIATES (CONTINUED)

Set out below are the associates of the Group as at 31 March 2019. The associates as listed below have share capital consisting solely of ordinary shares.

18 於聯營公司之權益(續)

以下載列本集團於2019年3月31日之聯營公司。下列聯營公司擁有僅由普通股組成之股本。

Name of entity 實體名稱	Place of establishment 設立地點	% of interest held 持有權益之%		Nature of the relationship 關係之性質	Measurement method 計量方法	Principal activity 主要業務
		directly 直接	indirectly 間接			
Guangzhou Guoxin Guanfu Information Technology Company Limited ¹ ("Guoxin Guanfu") (Note a) 廣州國信冠付資訊科技 有限公司(「國信冠付」) (附註a)	The PRC 中國	–	43.35%	Associate 聯營公司	Equity 權益法	Settlement services of acquiring business 收單業務結算 服務
Shanghai New World Information Industry Company Limited ¹ (Note b) 上海新世界信息產業 股份有限公司(附註b)	The PRC 中國	–	47.60%	Associate 聯營公司	Equity 權益法	e-Commerce 電子商務
Carlyon Investment Holdings Limited (Note c) 格理昂投資控股有限公司 (附註c)	Hong Kong 香港	34%	–	Associate 聯營公司	Equity 權益法	Investment holding in Hong Kong 於香港從事投資控股
Carlyon Securities Limited 格理昂證券有限公司	Hong Kong 香港	–	34%	Associate 聯營公司	Equity 權益法	Securities dealing in Hong Kong 於香港從事證券買賣
Carlyon Finance Limited 格理昂金融有限公司	Hong Kong 香港	–	34%	Associate 聯營公司	Equity 權益法	Money lending in Hong Kong 於香港從事放債
Carlyon Asset Management Limited 格理昂資產管理有限公司	Hong Kong 香港	–	34%	Associate 聯營公司	Equity 權益法	Asset management in Hong Kong 於香港從事資產管理
Carlyon Capital Limited 格理昂資本有限公司	Hong Kong 香港	–	34%	Associate 聯營公司	Equity 權益法	Inactive 並無業務活動
Carlyon Reits (BVI) Limited	Hong Kong 香港	–	34%	Associate 聯營公司	Equity 權益法	Inactive 並無業務活動

¹ English translation is for identification purpose only.

¹ 英文翻譯僅作識別用途。

(a) Guoxin Guanfu is an unlisted limited liability company in the PRC and there is no quoted market price available for its shares.

(a) 國信冠付為中國一間未上市有限責任公司，其股份並無可用之市場報價。

(b) As at 31 March 2019, the carrying amount of the Group's interest in Shanghai New World Information, which is listed on the Shanghai Equity Exchange, was HK\$11,056,000.

(b) 於2019年3月31日，本集團於上海新世界信息(於上海股權托管交易中心上市)中之權益之賬面值為11,056,000港元。

(c) At 1 November 2018, 66% shares of Carlyon Investment Holdings Limited had been transfer to third parties and Vestate Group Holdings Limited reminds holding 34% of its shares.

(c) 於2018年11月1日，格理昂投資控股有限公司66%之股份已轉移至第三方，國投集團控股有限公司仍然持有其34%股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information of immaterial associate:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	個別非重大性質之聯營公司於綜合財務報表之賬面總值	12,962	6,530
Aggregate amount of the Group's share of those associates:	本集團應佔該等聯營公司之總值：		
— Loss from continuing operations	— 持續經營業務虧損	(2,300)	(1,634)
— Post-tax loss from discontinued operations	— 終止經營業務之除稅後虧損	(427)	(595)
— Other comprehensive income	— 其他全面收益	—	—
Total comprehensive income	全面收益總額	(2,727)	(2,229)

As at 31 March 2019, there are no significant contingent liabilities relating to the Group's interest in the associate. The Group was contracted to inject HK\$595,000 (2018: HK\$637,000) as investment capital in interest in an associate in the future.

18 於聯營公司之權益(續)

非重大性質之聯營公司之財務資料概要：

於2019年3月31日，概無有關本公司於聯營公司權益之重大或然負債。本集團已訂立合約，將於未來注資595,000港元(2018年：637,000港元)作為投資於聯營公司權益的資本。

19 AVAILABLE-FOR-SALE FINANCIAL ASSETS

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Unlisted equity securities, at cost	非上市股本證券，按成本	—	6,248

One of the Group's strategic investments is a 2.5% interest in 赤玖大數據發展有限公司. This company is not accounted for on an equity method as the Group does not have the power to participate in its operating and financial policies, evidenced by the lack of any direct or indirect involvement at board level.

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

19 可供出售金融資產

本集團策略性投資之一為赤玖大數據發展有限公司之2.5%權益。該公司並無按權益法入賬，原因是本集團無權參與該公司之經營及財務政策，由董事會層面缺乏任何直接或間接參與中可見一斑。

就上述於活躍市場並無市場報價及公平值不能可靠計量之可供出售金融資產以及有關並須透過交付有關未報價股本工具予以結算之衍生工具而言，其按成本減任何已識別減值虧損計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 INVENTORIES

Inventories represent merchandising stock.

The cost of inventories recognised as expenses and included in cost of sales during the year amounted to HK\$75,916,000 (2018: HK\$176,822,000).

21 TRADE RECEIVABLES

Retail sales are in cash, by credit cards or collected by department stores on behalf of the Group. The department stores normally settle the proceeds to the Group within 2 months from the date of sales.

Ageing analysis of trade receivables by invoice date at the statement of financial position date is as follows:

20 存貨

存貨指銷售庫存。

年內確認為開支並計入銷售成本的存貨成本為75,916,000港元(2018年：176,822,000港元)。

21 應收貿易款項

零售銷售乃以現金、信用卡或由百貨公司代表本集團收取。百貨公司一般於自銷售日期起計2個月內向本集團清償所得款項。

應收貿易款項於財務狀況表日期按發票日期劃分之賬齡分析如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
0–30 days	0–30 日	1,640	19,724
31–60 days	31–60 日	1,622	8,827
61–90 days	61–90 日	890	2,527
Over 90 days	90 日以上	8,185	7,812
		12,337	38,890
Less: Provision for impairment of trade receivables	減：應收貿易款項之減值撥備	(7,947)	(567)
		4,390	38,323

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綜合財務報表附註

21 TRADE RECEIVABLES (CONTINUED)

As of 31 March 2019, trade receivables of HK\$2,555,000 (2018: HK\$18,072,000) were past due but not impaired. These relate to a number of independent customers and department stores for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
1–30 days	1–30 日	1,427	8,300
31–60 days	31–60 日	890	2,527
61–90 days	61–90 日	163	1,451
Over 90 days	90 日以上	75	5,794
		2,555	18,072

As of 31 March 2019, trade receivables of HK\$7,947,000 (2018: HK\$567,000) were considered impaired and were provided in full. The individually impaired receivables mainly relate to department stores. An aging analysis of these receivables is as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Over 90 days	90 日以上	7,947	567

Movements in the provision for impairment of trade receivables are as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
At beginning of the year	於年初	567	512
Written-off on provision of trade receivables	應收貿易款項撥備撇銷	7,424	–
Exchange differences	匯兌差額	(44)	55
At end of the year	於年終	7,947	567

21 應收貿易款項(續)

於2019年3月31日，應收貿易款項2,555,000港元(2018年：18,072,000港元)已逾期但並無減值。該等款項與多名並無近期欠款紀錄之獨立客戶及百貨公司有關。該等應收貿易款項之賬齡分析如下：

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
1–30 日	1,427	8,300
31–60 日	890	2,527
61–90 日	163	1,451
90 日以上	75	5,794
	2,555	18,072

於2019年3月31日，應收貿易款項7,947,000港元(2018年：567,000港元)被視為已減值，並已計提全數撥備。個別已減值應收款項主要與百貨公司有關。該等應收款項之賬齡分析如下：

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
90 日以上	7,947	567

應收貿易款項減值撥備之變動如下：

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
於年初	567	512
應收貿易款項撥備撇銷	7,424	–
匯兌差額	(44)	55
於年終	7,947	567

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 TRADE RECEIVABLES (CONTINUED)

The creation and release of provision for impaired receivables have been included in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not include a provision for impairment of other receivables.

The maximum exposure to credit risk at the reporting date is the fair values of trade receivables disclosed above. The Group did not hold any collateral as security.

The carrying amounts of trade receivables are denominated in the following currencies:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Hong Kong dollar	港元	430	499
Renminbi	人民幣	3,510	36,870
New Taiwan dollar	新台幣	450	954
		4,390	38,323

The carrying amount of trade receivables approximates its fair value.

21 應收貿易款項(續)

綜合收益表中已計入新增及撥回已減值應收款項撥備。列於撥備賬之金額一般於預期無法收回額外現金時撇銷。

應收貿易款項及其他應收款項中之其他類別並不包括其他應收款項之減值撥備。

於報告日期之最高信貸風險為上文披露之應收貿易款項公平值。本集團並無持有任何抵押品作抵押。

應收貿易款項之賬面金額按以下貨幣計值：

應收貿易款項之賬面金額與其公平值相若。

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綜合財務報表附註

22 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

22 按金、預付款項及其他應收款項

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Non-current portion:	非流動部分：		
Deposits	按金	1,155	4,052
Other deposits	其他按金	–	7,311
		1,155	11,363
Current portion:	流動部分：		
Refundable advance payment	可退還預付款項	98,881	98,881
Deposits	按金	8,105	13,257
Prepayments	預付款項	543	17,111
Other receivables	其他應收款項	3,477	4,040
Value-added tax recoverable	可收回增值稅	3,606	2,725
		114,612	136,014
		115,767	147,377
Denominated in:	按以下貨幣計值：		
Hong Kong dollar	港元	5,641	28,603
Renminbi	人民幣	10,666	19,753
New Taiwan dollar	新台幣	40	137
Euro	歐元	98,881	98,881
Others	其他	539	3
		115,767	147,377

The carrying amounts of deposits, prepayments and other receivables approximate their fair values. The Group does not hold any security. No written-off have been made for the year ended 31 March 2019 (2018: NIL). No impairment provision has been made for both years.

按金、預付款項及其他應收款項之賬面金額與其公平值相若。本集團並無持有任何抵押。截至2019年3月31日止年度並無作出撇銷(2018年：無)。兩個年度均無作出減值撥備。

- (i) In relation to the purchase of the Milan Properties, the Directors have considered a construction plan provided by the Milan Properties Vendor and considered that other than the refundable advance payment of Euro10,200,000 (equivalent to approximately HK\$89,892,000), there are no further payment due and payable within the next twelve months from 31 March 2019. As the Directors are consider to withdrawing such refundable advance payment within 1 year, the amount is classified under current portion.

- (i) 就收購米蘭物業而言，董事已考慮由米蘭物業賣方提供之建設計劃，並認為除可退還預付款項10,200,000歐元(相當於約89,892,000港元)以外，於2019年3月31日起計未來十二個月概無進一步到期及應付款項。由於董事正在考慮於一年內提取有關可退還預付款項，故該款項分類為流動部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 LOAN RECEIVABLES

23 應收貸款

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Loan receivables	應收貸款	135,846	130,873

The Group's loan receivables, which arise from Hong Kong and PRC, which are denominated in both Hong Kong dollar and Renminbi respectively. No impairment loss were provided for the above balances.

本集團之香港及中國應收貸款分別按港元及人民幣計值。上述結餘並無減值虧損。

Loan receivables are unsecured, bear fixed interest and are repayable with fixed terms agreed with the Group's borrowers. The maximum exposure to credit risk at each of the end of reporting period is the carrying value of the loan receivables mentioned above.

應收貸款並無抵押、定息並按與本集團借款人協定之固定期限償還。於各報告期末之最高信貸風險為上述應收貸款之賬面值。

The Group has no past due loan receivables as at the end of the reporting period.

於報告期末，本集團並無過往已過期之應收貸款。

A maturity profile of the gross amount of loan receivables as at the end of the reporting period, based on maturity date, is as follows:

於報告期末，根據付款到期日對於報告期末應收貸款總額之到期組合載列如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Within 1 year	一年內	135,846	130,873
1 to 2 years	一至兩年	—	—
		135,846	130,873

Certain loan receivables were subsequently renewed with guarantee by an independent third party.

若干應收貸款隨後已重續，由一名獨立第三方提供擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 CASH AND CASH EQUIVALENTS

24 現金及現金等值項目

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cash at banks and on hand	銀行及手頭現金	1,763	53,514
Cash and cash equivalents	現金及現金等值項目	1,763	53,514

Cash and cash equivalents in the statement of financial position are denominated in the following currencies:

於綜合財務狀況表內之現金及現金等值項目按以下貨幣計值：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Hong Kong dollar	港元	1,130	40,231
Renminbi	人民幣	220	11,687
United States dollar	美元	132	194
Others	其他	281	1,402
		1,763	53,514

The Group's cash and bank balances denominated in Renminbi are placed with banks in the PRC. The conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

本集團以人民幣計值之現金及銀行結餘存放於中國之銀行。將此等以人民幣計值之結餘兌換為外幣須遵守中國政府所頒布之外匯管制規則及規例。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 NET ASSETS HELD FOR SALE

25 持有作出售之資產淨值

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Disposal group (Note)	出售集團(附註)	178,634	189,422

Note: At 31 March 2018 and 2019, the Directors intended to dispose of e-Commerce and e-Payment business and accordingly the assets and liabilities relating to e-Commerce and e-Payment business were classified as non-current assets classified as held for sale and liability directly associated with non-current assets classified as asset held for sale, respectively. In August 2017 and June 2018, the Group signed two MOUs with the potential buyers to sell the e-Commerce and e-Payment business at consideration with reference to its market value, respectively.

An independent valuation of the China Consume, which non-current asset classified as held for sale was performed by the valuer, Ravia Global Appraisal Advisory Limited to determine the fair value as at 31 March 2019 and 2018 by an income approach of fair value less costs of disposal valuation method.

The following table summarises the China Consume corresponding assets and liabilities as at 31 March 2019.

附註：於2018年及2019年3月31日，董事有意出售電子商務及電子支付業務，故電子商務及電子支付業務之相關資產及負債已分別分類為與持有作出售之非流動資產及與分類為持有作出售資產之非流動資產直接有關之負債。於2017年8月及2018年6月，本集團與潛在買家分別簽訂兩份諒解備忘錄，出售電子商務及電子支付業務，代價乃經參考其市價。

分類為持有作出售之非流動資產之中國消費之獨立估值由估值師瑞豐環球評估諮詢有限公司進行，採用公平值減出售成本估值方法之收入法確定於2019年及2018年3月31日之公平值。

下表概述中國消費於2019年3月31日之相關資產及負債。

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Fair value less cost of disposal	公平值減出售成本	194,000	193,000
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	276	506
Intangible assets (note)	無形資產(附註)	229,173	239,070
Interests in an associate	於聯營公司之權益	174	645
Current-assets	流動資產		
Trade receivables, prepayment and other receivables	應收貿易款項、預付款項及其他應收款項	-	865
Cash and cash equivalents	現金及現金等值項目	15,488	744
Non-current assets classified as held for sale	分類為持有作出售之非流動資產	245,111	241,830
Current liabilities	流動負債		
Trade and other payables	應付貿易款項及其他應付款項	(30,324)	(16,255)
Deferred tax liabilities	遞延稅項負債	(36,153)	(36,153)
Liabilities directly associated with non-current assets classified as assets held for sale	與分類為持有作出售資產之非流動資產直接相關之負債	(66,477)	(52,408)
Net assets held for sale	持有作出售資產淨值	178,634	189,422

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綜合財務報表附註

25 NET ASSETS HELD FOR SALE (CONTINUED)

Note:

Impairment tests for goodwill

In February 2017, the Group acquired a provisional licence through acquisition of China Consume Financial Holdings Company Limited ("**China Consume**"). The licence is a provisional licence issued by UnionPay International Co., Ltd ("**UPI**") which allows the holder to conduct payment processing services for UPI credit cards in Hong Kong, Japan, Korea, Italy and France.

Goodwill is recognised through the acquisition of China Consume during the year ended 31 March 2017.

Goodwill arising from the acquisition of China Consume is allocated to e-Commerce and e-Payment business segment. During the year ended 31 March 2019, the recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a twenty five-year period. Cash flows beyond the twenty five-year period are extrapolated using the estimated growth rates stated below.

For the impairment test for goodwill, the key assumptions, revenue growth rate, long term growth rate and discount rate used in the value-in-use calculations in 2019 are disclosed below.

Revenue growth rate	1% to 182%
Discount rate	20%

25 持有作出售之資產淨值(續)

附註：

商譽減值測試

於2017年2月，本集團透過收購中國消費金融控股有限公司(「**中國消費**」)取得臨時特許使用權。該特許使用權為由銀聯國際有限公司(「**銀聯國際**」)發出之臨時特許使用權，允許持有人於香港、日本、韓國、意大利及法國進行銀聯國際信用卡付款處理服務。

於截至2017年3月31日止年度，商譽通過收購中國消費確認。

收購中國消費所產生商譽分配至電子商務及電子支付業務分部。截至2019年3月31日止年度，現金產生單位的可收回金額乃基於使用價值的計算釐定。該等計算使用基於管理層批准的二十五年期間財務預算之稅前現金流量預測。超過二十五年期間的現金流量乃使用下文所述的估計增長率推測。

對於商譽減值測試，2019年使用價值計算法中使用之主要假設、收益增長率、長期增長率及貼現率於下文披露。

收益增長率	1%至182%
貼現率	20%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 SHARE CAPITAL AND PREMIUM

26 股本及溢價

		Number of ordinary shares 普通股數目	Nominal value of ordinary shares 普通股面值 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Authorised	法定				
At 1 April 2017, 31 March 2018 and 31 March 2019	於 2017 年 4 月 1 日、 2018 年 3 月 31 日及 2019 年 3 月 31 日	9,000,000,000	900,000	–	900,000
Issued and fully paid	已發行及繳足				
At 1 April 2017, 31 March 2018 and 31 March 2019	於 2017 年 4 月 1 日、 2018 年 3 月 31 日及 2019 年 3 月 31 日	716,190,000	71,619	673,503	745,122

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綜合財務報表附註

27 OTHER RESERVES

27 其他儲備

		Merger reserve (Note i) 合併儲備 (附註 i) HK\$'000 千港元	Statutory reserves (Note ii) 法定儲備 (附註 ii) HK\$'000 千港元	Foreign currency translation reserve 外匯兌換 儲備 HK\$'000 千港元	Share-based compensation reserve 股份補償 儲備 HK\$'000 千港元	Convertible bonds reserve 可換股價券 儲備 HK\$'000 千港元 (Note 33) (附註 33)	Revaluation reserve 重估儲備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 April 2017 (restated)	於 2017 年 4 月 1 日之結餘 (經重列)	22,002	23,895	30,110	6,808	7,075	94,375	184,265
Currency translation differences	匯兌差額	-	-	15,030	-	-	-	15,030
Share option scheme — value of employee service (Note 34)	購股權計劃 — 僱員服務 價值 (附註 34)	-	-	-	15,531	-	-	15,531
Reversal upon disposal of land and buildings	出售土地及樓宇之撥回	-	-	-	-	-	(94,375)	(94,375)
Balance at 31 March 2018	於 2018 年 3 月 31 日之結餘	22,002	23,895	45,140	22,339	7,075	-	120,451
Currency translation differences	匯兌差額	-	-	(8,727)	-	-	-	(8,727)
Share option scheme — value of employee service (Note 34)	購股權計劃 — 僱員服務 價值 (附註 34)	-	-	-	2,762	-	-	2,762
Balance at 31 March 2019	於 2019 年 3 月 31 日之結餘	22,002	23,895	36,413	25,101	7,075	-	114,486

Notes:

附註：

- (i) The merger reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the share capital of the subsidiaries transferred to the Company in connection with the reorganisation for the listing of the shares of the Company.
- (ii) Companies which are established in the PRC are required to make appropriations to certain statutory reserves from profit for the year after offsetting accumulated losses from prior years and before profit distribution to equity holders. The percentages to be appropriated to such statutory reserve funds are determined according to the relevant regulations in the PRC or at the discretion of the board of the respective companies. Such statutory reserves can only be used to offset accumulated losses, to increase capital, or for special bonus or collective welfare of employees. These statutory reserves cannot be distributed to equity holders of the Company.

- (i) 本集團合併儲備指本公司已發行股本面值與就籌備本公司股份上市進行重組而轉撥予本公司之附屬公司股本面值之差額。
- (ii) 於中國成立之公司須於抵銷往年累計虧損後並於向權益持有人作出溢利分派前，從本年度溢利中撥款至若干法定儲備。撥款至該等法定儲備金之百分比乃按中國相關法規或按相關公司董事會酌情釐定。該等法定儲備僅可用作抵銷累計虧損、增加資本，或作為特別花紅或僱員之集體福利。該等法定儲備不得分派予本公司之權益持有人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

28 應付貿易款項、應計費用及其他應付款項

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Trade payables	應付貿易款項	62,872	102,737
Accruals and other payables	應計費用及其他應付款項	54,242	36,577
		117,114	139,314

The ageing analysis of trade payables by invoice date is as follows:

按發票日期劃分之應付貿易款項之賬齡分析如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
0-30 days	0-30 日	4	12,323
31-60 days	31-60 日	-	5,239
61-90 days	61-90 日	19	1,020
Over 90 days	90 日以上	62,849	84,155
		62,872	102,737

The amounts are repayable according to normal trade terms from 30 to 90 days.

該等款項按一般貿易條款應於 30 至 90 日內償還。

The carrying amounts of the trade payables, accruals and other payables are denominated in the following currencies:

應付貿易款項、應計費用及其他應付款項之賬面金額按以下貨幣計值：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Hong Kong dollar	港元	28,988	27,756
Renminbi	人民幣	87,301	110,367
New Taiwan dollar	新台幣	825	975
Others	其他	-	216
		117,114	139,314

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綜合財務報表附註

29 BORROWINGS

29 借貸

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Short-term bank loan — secured	短期銀行貸款 — 有抵押	—	5,130

The carrying amounts of the borrowings are denominated in the following currencies:

借貸之賬面金額按以下貨幣計值：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
New Taiwan dollar	新台幣	—	5,130

The bank loans are repayable in range of 30 days to 90 days from the date of issuance.

銀行貸款須於自發行日期起計30至90日內償還。

At 31 March 2018, a bank loan of HK\$5,130,000 was interest bearing at a fixed rate of 2.2% per annum and secured by the Group's standby letter of credit amounting to US\$1 million, a promissory note of New Taiwan dollar 28 million co-made by the Group and the former non-controlling shareholder.

於2018年3月31日，銀行貸款5,130,000港元按固定年利率2.2%計息，並以本集團之1,000,000美元備用信用狀，以及本集團與前非控股股東共同作出之28,000,000新台幣之承付票據作抵押。

The fair value of the bank loan equals its carrying amount, as the impact of discounting is not significant due to its short maturity.

銀行貸款之公平值相等於其賬面金額，此乃由於在短期內到期，故貼現影響並不重大所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 OBLIGATION UNDER FINANCE LEASE

30 融資租賃承擔

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Gross finance lease liabilities — minimum lease payments:	融資租賃負債總額 — 最低租賃付款：		
Within one year	一年內	107	107
In the second to fifth year inclusive	第二至第五年（包括首尾兩年）	37	143
		144	250
Less: Future finance charges	減：未來融資費用	(15)	(24)
Present value of obligation under finance lease	融資租賃承擔現值	129	226
The present value of finance lease liabilities is as follows:	融資租賃負債現值如下：		
Within one year	一年內	97	97
In the second to fifth year inclusive	第二至第五年（包括首尾兩年）	32	129
Present value of obligation under finance lease	融資租賃承擔現值	129	226

The weighted average effective interest rates per annum of the obligation under finance lease was 2.5% (2018: 2.5%).

融資租賃承擔之加權平均實際年利率為 2.5% (2018 年：2.5%)。

Interest rates are fixed at contract date. The lease was on a fixed repayment basis. The obligation under finance lease is secured by the lessor's charge over the leased asset. The carrying amount of the obligation under finance lease approximates its fair value and is denominated in Hong Kong dollar.

利率於合約日期釐定。租約按固定還款基準訂立。融資租賃承擔以出租人之租賃資產押記作抵押。融資租賃承擔之賬面金額與其公平值相若，並以港元計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 CONVERTIBLE BONDS

On 5 July 2016, the Group issued a 6% convertible bonds (“CB-I”) at a par value of HK\$30,000,000. The convertible bonds mature four years from the issue date at their nominal value of HK\$30,000,000 or can be converted into the Group’s shares at the bondholder’s option at a conversion price of HK\$1.81 per share. The bondholder has right to redeem the bonds after two years from the issue date at 108% of the principal amount. The value of liability component of HK\$22,025,000 and the equity conversion component of HK\$7,075,000, net of transaction cost of HK\$900,000 being allocated proportionally to the liability and equity components, were determined at issuance of the bond. The fair value of the liability component included in long-term borrowings was calculated using a market interest rate for an equivalent non convertible bond. The liability component is subsequently states at amortised cost until extinguished on conversion or maturity of the bond. The residual amount, representing the value of the equity conversion component, is included in shareholders’ equity in convertible bonds reserves.

On 24 August 2016, the Group issued a 10.5% convertible bonds (“CB-II”) at a par value of HK\$150,000,000. The convertible bonds mature three years from the issue date at their nominal value of HK\$150,000,000 or can be converted into the Group’s shares at the bondholder’s option at a conversion price of HK\$1.845 per share. Since the conversion features of CB-II fail the fixed-to fixed requirement for equity classification, it was recognised as two components, liabilities component and derivative component with a conversion option derivative of the holders and a redemption option derivative of the holders. The liability component and derivative component are recognised initially at the fair value of the compound financial instrument as a whole. Subsequent to initial recognition, the compound financial instrument is measured at fair value as a whole, with changes in fair value presented to the consolidated income statement in the period in which they arise. CB-II is under personal guarantee of Mr. ZHU Xiaojun, the Chairman of the Company.

31 可換股債券

於2016年7月5日，本集團發行面值30,000,000港元之6厘可換股債券（「可換股債券I」）。可換股債券自發行日期起計四年後到期，屆時面值為30,000,000港元或可按債券持有人選擇以每股1.81港元之兌換價轉換為本集團之股份。債券持有人有權於發行日期兩年後按本金額之108%贖回債券。負債部分之價值22,025,000港元及權益轉換部分之價值7,075,000港元，經按比例分配至負債及權益部分扣除交易費用900,000港元後，乃於發行債券時釐定。計入長期借貸之負債部分公平值乃使用等同不可換股債券之市場利率計算。負債部分其後按攤銷成本列賬直至於債券獲轉換或到期時消失為止。剩餘金額反映權益轉換部分之價值，乃列入可換股債券儲備之股東權益。

於2016年8月24日，本集團發行面值150,000,000港元之10.5厘可換股債券（「可換股債券II」）。可換股債券自發行日期起計三年後到期，屆時面值為150,000,000港元或可按債券持有人選擇以每股1.845港元之兌換價轉換為本集團之股份。由於可換股債券II之轉換特色不符合權益分類之固定對固定規定，故獲確認為兩個部分，即負債部分以及設有持有人轉換選擇權衍生工具及持有人贖回選擇權衍生工具之衍生部分。負債部分及衍生部分初步按複合金融工具整體之公平值予以確認。於初步確認後，該複合金融工具乃按公平值整體計量，而公平值變動乃於其產生之期間於綜合收益表內呈列。可換股債券II由本公司主席朱曉軍先生作出個人擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 CONVERTIBLE BONDS (CONTINUED)

The convertible bonds recognised in the consolidated statement of financial position are as follows:

31 可換股債券(續)

於綜合財務狀況表內確認之可換股債券如下：

		Financial liabilities at amortised costs ("CB-I") 按攤銷成本計量之金融負債 (「可換股債券I」) HK\$'000 千港元	Financial liabilities at fair value through profit or loss ("CB-II") 按公平值計入損益之金融負債 (「可換股債券II」) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 April 2017	於2017年4月1日	24,159	127,590	151,749
Interest accretion	利息增值	4,535	–	4,535
Fair value loss recognised	已確認公平值虧損	–	15,869	15,869
Interest paid	已付利息	(1,800)	(15,750)	(17,550)
As at 31 March 2018	於2018年3月31日	26,894	127,709	154,603
Interest accretion	利息增值	5,067	–	5,067
Fair value loss recognised	已確認公平值虧損	–	16,768	16,768
Interest paid	已付利息	(1,801)	(4,755)	(6,556)
As at 31 March 2019	於2019年3月31日	30,160	139,722	169,882
Representing:	按以下呈列：		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Current portion	即期部分		141,522	17,550
Non-Current portion	非即期部分		28,360	137,053
			169,882	154,603

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31 CONVERTIBLE BONDS (CONTINUED)

The fair values measurement of the derivative embedded to the CB-II were determined by using binomial model, were assessed by an independent valuer, with the following key assumption:

On inception date	於起始日
Valuation techniques	估值技術
Discount rate	貼現率
Risk free interest rate	無風險利率
Time to maturity (years)	到期時間(年)
Expected volatility	預期波幅

Increase in discount rate and volatility by 1% and 1% would decrease or increase the fair value of derivative component in convertible notes by approximately HK\$1,567,000 and HK\$226,000.

32 CORPORATE BOND

On 8 May 2017, the Group issued a two-year corporate bond with principal amount of HK\$350,000,000 at interest rate of 12% per annum for the first year and 13% per annum for the second year. The bond is guaranteed by Mr. Zhu Xiaojun, Chairman of the Company, and is pledged by the shares of the Milan Properties Vendor. The proceeds from the issuance of the corporate bond were received by the Group in May 2017.

31 可換股債券(續)

可換股債券II包含之衍生工具公平值計量乃由獨立估值師使用二項式模型按下列主要假設評估而釐定：

2019	2018
Market approach	Market approach
市場法	市場法
18.37%	12.87%
1.38%	1.24%
0.4	1.4
40.00%	30.00%

貼現率及波幅增加1%及1%將會導致可換股票據衍生部分之公平值減少或增加約1,567,000港元及226,000港元。

32 公司債券

於2017年5月8日，本集團發行本金額為350,000,000港元之兩年期公司債券，年利率於第一年及第二年分別為12厘及13厘。該債券由本公司主席朱曉軍先生擔保，並由米蘭物業賣方股份作質押。本集團已於2017年5月收到發行公司債券之所得款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 DEFERRED TAX LIABILITIES

The gross movement on the deferred tax liabilities is as follows:

		Fair value gain	Tax depreciation allowance	Total
		公平值收益	稅項折舊 免稅額	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
As at 1 April 2017	於2017年4月1日	36,153	586	36,739
Transfer to liabilities directly allocated with non-current assets held for sale	轉至與持作出售非流動 資產直接分配之負債	(36,153)	—	(36,153)
Credited to the consolidated income statement	已於綜合收益表中計入	—	(586)	(586)
As at 31 March 2018 and 31 March 2019	於2018年3月31日 及2019年3月31日	—	—	—

As at 31 March 2019, no deferred tax liabilities have been recognised for the withholding tax as there is no distributable profit for the Group's subsidiaries established in the PRC. The income tax liability is not recognised where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

The Group has unrecognised tax losses and unrecognised temporary differences of approximately HK\$1,043,013,000 (2018: HK\$905,312,000) to carry forward against future taxable income. These tax losses are subject to approval by the Hong Kong Inland Revenue Department and the PRC tax authority respectively, approximately HK\$520,175,000 (2018: HK\$492,367,000) of unrecognised tax losses have no expiry date and the remaining loss of HK\$475,743,000 (2018: HK\$403,647,000) will expire in 5 years.

33 遞延稅項負債

遞延稅項負債之總變動如下：

於2019年3月31日，由於本集團於中國成立的附屬公司並無可分派溢利，故並無就預扣稅確認遞延稅項負債。倘本集團可控制暫時差額之撥回時間，且暫時差額不大可能於可見未來撥回，則所得稅負債不予確認。

本集團的未確認稅項虧損及未確認暫時差額約為1,043,013,000港元(2018年：905,312,000港元)，可結轉扣減未來應課稅收入。該等稅項虧損須分別取得香港稅務局及中國稅務當局的批准，約520,175,000港元(2018年：492,367,000港元)之未確認稅項虧損不設屆滿日期，餘下475,743,000港元(2018年：403,647,000港元)之虧損將於5年內屆滿。

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綜合財務報表附註

34 POST-IPO SHARE OPTION SCHEME

A share option scheme ("**Share Option Scheme**") was adopted by the shareholders' written resolution of the Company dated 21 May 2007. On 28 November 2016, share options were granted to directors and to selected employees under the Share Option Scheme.

The subscription price determined by the board shall be at least the highest of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on the grant date, which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the grant date; and (c) the nominal value of the shares. Options are conditional on the employee completing 1 to 4 year's service (the vesting period). The options are exercisable starting 1 years from the grant date. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

34 首次公開售股後購股權計劃

一項購股權計劃已根據本公司日期為2007年5月21日之股東書面決議案獲得採納(「**購股權計劃**」)。於2016年11月28日，本公司根據購股權計劃向董事及經挑選僱員授出購股權。

認購價由董事會釐定，必須最少為以下各項之最高者：(a)股份於授出日期(必須為營業日)於聯交所每日報價表所報之收市價；(b)股份於緊接授出日期前5個營業日於聯交所每日報價表所報之平均收市價；及(c)股份之面值。購股權須待僱員完成1至4年服務後(歸屬期)方可作實。購股權可於自授出日期起計1年後行使。本公司並無法定或推定責任以現金購回或結算購股權。

尚未行使之購股權數目之變動及其相關加權平均行使價如下：

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綜合財務報表附註

34 POST-IPO SHARE OPTION SCHEME (CONTINUED)

34 首次公開售股後購股權計劃(續)

		Average exercise price in Hong Kong dollar per share 每股股份之港元 平均行使價	Options 購股權 (‘000) (千份)
At 1 April 2017	於2017年4月1日	1.45	41,000
Lapsed	已失效	–	(1,500)
At 31 March 2018	於2018年3月31日	1.45	39,500
Lapsed	已失效	–	(4,000)
At 31 March 2019	於2019年3月31日	1.45	35,500

Movement in the number of share option vested are as follows:

已歸屬購股權數目之變動如下：

		2019	2018
Number of share option vested (‘000)	已歸屬之購股權數目(千份)		
At 1 April	於4月1日	39,500	41,000
Granted	已授出	–	–
Lapsed	已失效	(4,000)	(1,500)
Exercised	已行使	–	–
At 31 March	於3月31日	35,500	39,500

The shares option outstanding under the Post-IPO share option scheme at the end of the year have the following vesting date, expiry date and exercise price:

於年終根據首次公開售股後購股權計劃尚未行使之購股權之歸屬日期、屆滿日期及行使價如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 POST-IPO SHARE OPTION SCHEME (CONTINUED)

34 首次公開售股後購股權計劃(續)

Grant date 授出日期	Vesting date 歸屬日期	Expiry date 屆滿日期	Exercise price in Hong Kong dollar per share 每股股份之 港元行使價	Number of share options (‘000) outstanding at 31 March 於3月31日尚未行使之 購股權數目(千份)	
				2019	2018
28 November 2016 2016年11月28日	28 November 2017 2017年11月28日	27 November 2021 2021年11月27日	1.45	15,750	17,500
28 November 2016 2016年11月28日	28 November 2018 2018年11月28日	27 November 2021 2021年11月27日	1.45	15,750	17,500
28 November 2016 2016年11月28日	28 November 2019 2019年11月28日	27 November 2021 2021年11月27日	1.45	2,000	2,250
28 November 2016 2016年11月28日	28 November 2020 2020年11月28日	27 November 2021 2021年11月27日	1.45	2,000	2,250
				35,500	39,500

Share option expenses charged to the consolidated income statement are based on valuation determined using binomial lattice model. Share options granted were valued based on the following assumptions:

計入綜合收益表之購股權開支乃按使用二項式點陣模型釐定之估值計算。已授出購股權之估值乃依據下列假設計算：

Date of grant 授出日期	Option value 購股權價值	Share price at the date of grant 授出日期 之股份價格	Exercise price 行使價	Expected volatility 預期波幅	Annual risk-free interest 年度 無風險利率	Life of option 購股權 可使用 年期	Dividend yield 所賺取 之股息
28 November 2016 2016年11月28日	0.6610–0.8400	1.45	1.45	72.03%	1.11%	5 years 5年	0.00%

Expected volatility of the Group's share price was based on the historical volatility of the share as at the date of grant.

本集團股價之預期波幅乃根據股份於授出日期之歷史波幅而釐定。

Share option expenses of HK\$2,762,000 (2018: 15,531,000) was recognised in the consolidated income statement.

購股權開支2,762,000港元(2018年：15,531,000港元)於綜合收益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 NOTE SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of loss before income tax expense to cash used in operations

35 綜合現金流量表附註

未計所得稅開支前虧損與經營業務所用之現金之對賬

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Loss before income tax	未計所得稅前虧損	(246,086)	(207,280)
Loss before tax expense	終止經營業務之未計稅項		
from discontinued operations	開支前虧損	(11,300)	(2,689)
		(257,386)	(209,969)
Adjustments for:	就下列各項作出調整：		
— Depreciation of property, plant and equipment	— 物業、廠房及設備之折舊	4,134	7,400
— Impairment of property, plant and equipment	— 物業、廠房及設備之減值	157	233
— Net write-back of inventories	— 存貨撥回淨額	(5,472)	(5,753)
— Amortisation of intangible assets	— 無形資產之攤銷	162	589
— Impairment expense	— 減值開支	2,086	—
— Inventory written off	— 存貨撇銷	23,976	—
— Provision of trade receivables	— 應收貿易款項撥備	7,424	—
— Loss/(gain) on disposal of property, plant and equipment	— 出售物業、廠房及設備之虧損／(收益)	278	(23,878)
— Gain on disposal of subsidiaries	— 出售附屬公司之收益	(512)	—
— Gain on disposal of assets held for sale	— 出售持有作出售資產之收益	—	(7,217)
— Finance income	— 財務收入	(12,495)	(9,701)
— Finance expense	— 財務開支	77,508	69,502
— Share option expenses	— 購股權開支	2,574	15,531
— Share of losses in associates	— 應佔聯營公司之虧損	2,300	1,634
Changes in working capital:	營運資金變動：		
— Inventories	— 存貨	70,317	51,356
— Trade receivables	— 應收貿易款項	23,819	5,882
— Deposits, prepayments and other receivables	— 按金、預付款項及其他應收款項	17,180	14,547
— Amounts due from associates	— 應收聯營公司款項	(364)	—
— Amount due to an associate	— 應付一間聯營公司款項	(1,288)	—
— Trade payables	— 應付貿易款項	(33,884)	17,514
— Accruals and other payables	— 應計費用及其他應付款項	20,171	(21,922)
Cash used in operations	經營所用之現金	(59,315)	(94,252)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

36 本公司之財務狀況表及儲備變動

(a) 本公司之財務狀況表

		As at 31 March 於3月31日	
	Note 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
ASSETS	資產		
Non-current asset	非流動資產		
Interests in subsidiaries	於附屬公司之權益	315,458	305,998
Interests in associates	於聯營公司之權益	2,019	–
		317,477	305,998
Current assets	流動資產		
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	102,755	110,853
Cash and cash equivalents	現金及現金等值項目	147	1,844
		102,902	112,697
Total assets	資產總值	420,379	418,695
EQUITY	權益		
Capital and reserves attributable to equity holders of the Company	本公司權益持有人應佔股本及儲備		
Share capital	股本	71,619	71,619
Share premium	股份溢價	673,503	673,503
Convertible bond reserve	可換股債券儲備	7,075	7,075
Share-based compensative reserve	股份補償儲備	25,101	22,339
Accumulated losses	累計虧損	(961,231)	(857,235)
Total equity	權益總額	(183,933)	(82,699)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

(a) Statement of financial position of the Company
(Continued)

36 本公司之財務狀況表及儲備變動(續)

(a) 本公司之財務狀況表(續)

		As at 31 March 於3月31日	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
	Note 附註		
LIABILITIES	負債		
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款項	12,934	2,113
Convertible bonds	可換股債券	141,522	17,550
Corporate bonds	公司債券	400,323	–
Amount due to a subsidiary	應付一間附屬公司款項	13,355	–
Amounts due to associates	應付聯營公司款項	7,818	–
		575,952	19,663
Non-current liabilities	非流動負債		
Convertible bonds	可換股債券	28,360	137,053
Corporate bond	公司債券	–	344,678
		28,360	481,731
Total liabilities	負債總額	604,312	501,394
Total equity and liabilities	權益及負債總額	420,379	418,695

The financial statements were approved by the Board of Directors on 28 June 2019 and were signed on its behalf.

財務報表於2019年6月28日經董事會批准，並由其代表簽署。

Zhu Xiaojun
朱曉軍
Director
董事

Kang Jianming
康建明
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

(b) Reserves movement of the Company

36 本公司之財務狀況表及儲備變動(續)

(b) 本公司之儲備變動

		Convertible bonds reserve 可換股債券 儲備 HK\$'000 千港元	Share-based compensation reserve 股份補償儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	於2017年4月1日	7,075	6,808	(533,267)	(519,384)
Loss for the year	本年度虧損	–	–	(323,968)	(323,968)
Share option scheme — value of employee service	購股權計劃 — 僱員服務 價值	–	15,531	–	15,531
At 31 March 2018	於2018年3月31日	7,075	22,339	(857,235)	(827,821)
Adjustment on initial application of HKFRS 9	因初始應用香港財務報告 準則第9號而作出之調整	–	–	(997)	(997)
Adjusted balance at 1 April 2018	於2018年4月1日之經調整 結餘	7,075	22,339	(858,232)	(828,818)
Loss for the year	本年度虧損	–	–	(102,999)	(102,999)
Share option scheme — value of employee service	購股權計劃 — 僱員服務 價值	–	2,762	–	2,762
At 31 March 2019	於2019年3月31日	7,075	25,101	(961,231)	(929,055)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 FINANCE RISK MANAGEMENT

37.1 Financial risk factors

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

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management.

(a) Foreign currency risk

The Group operates principally in Hong Kong and the PRC. Transactions are mainly conducted in the functional currency of each group entity and therefore the foreign currency risk is considered to be minimal. The conversion of Renminbi into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

(b) Interest rate risk

The Group's interest rate risk arises primarily from loan receivables (Note 23) and borrowings (Note 29). Income, which both are carried at fixed interest rate. At 31 March 2019, the Group has no cash flow interest-rate risk as there are no loan receivables and borrowings which bear floating interest rates. The following table details the interest rate profile of the Group at the end of the reporting period.

37 財務風險管理

37.1 財務風險因素

本集團業務面對多種財務風險：市場風險（包括外匯風險及利率風險）、信貸風險、價格風險及流動資金風險。本集團之整體風險管理程序專注於金融市場之不可預測性，並尋求將對本集團財務表現之潛在不利影響降至最低。

管理層定期管理本集團之財務風險。由於本集團財務架構及現時營運簡單，故管理層並未進行任何重大對沖活動。

(a) 外幣風險

本集團主要於香港及中國營運。交易主要以各集團實體之功能貨幣進行，因此外幣風險極低。將人民幣兌換成外幣須遵守中國政府所頒布之外匯管制規則及法規。

(b) 利率風險

本集團之利率風險主要來自應收貸款（附註23）及借貸（附註29）。收入可按固定利率計息。於2019年3月31日，本集團並無現金流量利率風險，原因為並無應收貸款及借貸按浮動利率計息。下表詳列本集團於報告期末之利率狀況。

		2019		2018	
		Effective interest rate	HK\$'000	Effective interest rate	HK\$'000
		實際利率	千港元	實際利率	千港元
Fixed rate borrowings	定息借貸				
Borrowings	借貸	N/A 不適用	—	2.2%	5,130
Less: Loan receivables	減：應收貸款	10.32%	(135,846)	10.36%	(130,873)
Total net borrowings	總借貸淨值		(135,846)		(125,743)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 FINANCE RISK MANAGEMENT (CONTINUED)

37.1 Financial risk factors (Continued)

(c) Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of trade and other receivables and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets. As at 31 March 2019 and 2018, all bank balances were deposited in reputable financial institutions and were hence without significant credit risk. Management does not expect any losses from non-performance by these counterparties. Credit sales are made to selected customers with good credit history. The Group has policies in place to ensure that outstanding trade receivables are collected on a timely basis. Trade receivables are subject to the expected credit loss model. The Group applies HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the ability of the customers to settle the receivables.

The credit quality of the other receivables excluding deposits and prepayments have been assessed with reference to historical information about the counterparties' default rates and financial position of the counterparties. The directors are of the opinion that the credit risk of other receivables is low due to the sound collection history of the receivables due from them. Therefore, expected credit loss rate of the other receivables excluding deposits and prepayments is assessed to be close to zero and no provision was made as of 31 March 2019 and 2018.

37 財務風險管理(續)

37.1 財務風險因素(續)

(c) 信貸風險

本集團並無重大集中的信貸風險。應收貿易款項及其他應收款項以及現金及現金等值項目的賬面值為本集團金融資產的最高信貸風險。於2019年及2018年3月31日，所有銀行結餘均存入信譽良好的金融機構，故無重大信貸風險。管理層預期不會因該等對手方不履約而招致任何損失。信貸銷售僅提供予信貸記錄良好的選定客戶。本集團已制訂政策確保及時追收未償還的應收貿易款項。應收貿易款項須應用預期信貸虧損模式。本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，自初步確認起為所有應收貿易款項使用全期預期虧損撥備。為計量預期信貸虧損，應收貿易款項已根據共同信貸風險特徵及逾期天數分類。預期虧損率基於銷售的歷史付款情況及出現的相應過往信貸虧損。本集團對過往虧損率作出調整以反映有關影響客戶結算應收款項能力的因素的當前及前瞻性資料。

本集團已參考有關對手方違約率的歷史資料及對手方的財務狀況對其他應收款項(不包括按金及預付款項)的信貸質素進行評估。董事認為，其他應收款項的信貸風險較低，原因是應收款項的收回記錄良好。因此，其他應收款項(不包括按金及預付款項)之預期信貸虧損率被評估為接近於零，且截至2019年及2018年3月31日並無計提撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 FINANCE RISK MANAGEMENT (CONTINUED)

37.1 Financial risk factors (Continued)

(d) Liquidity risk

During the year ended 31 March 2019, the Group reported a net loss of HK\$257,386,000 (2018: HK\$209,383,000) and had a net cash outflow from operating activities of HK\$59,343,000 (2018: HK\$96,172,000). As at 31 March 2019, the Group's cash and cash equivalents amounted to HK\$1,763,000. On 8 May 2017, the Group issued a two-year bond with principal amount of HK\$350,000,000 at interest rate of 12% per annum for the first year and 13% per annum for the second year. The bond is guaranteed by Mr. ZHU Xiaojun, Chairman of the Company and is pledged by the shares of China Investment S.p.A. The Group would redeem the bond at its principal amount HK\$350,000,000 in May 2019.

In view of these advance factors, a series of remedial measures to mitigate the liquidity pressure have been taken to improve its financial and liquidity position of the Group as a whole. Details are disclosed in Note 2.1 to the consolidated financial statements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting date to the contractual maturity date. The accounts disclosed in the table are the contractual undiscounted cash flows based on the earliest date on which the Group can be required to pay.

37 財務風險管理(續)

37.1 財務風險因素(續)

(d) 流動資金風險

截至2019年3月31日止年度，本集團錄得虧損淨額257,386,000港元(2018年：209,383,000港元)，而經營活動產生之現金流出淨額為59,343,000港元(2018年：96,172,000港元)。於2019年3月31日，本集團之現金及現金等值項目為1,763,000港元。於2017年5月8日，本集團發行本金額為350,000,000港元之兩年期債券，年利率於第一年及第二年分別為12厘及13厘。該債券由本公司主席朱曉軍先生擔保，並由China Investment S.p.A股份作質押。本集團將於2019年5月贖回本金額為350,000,000港元之債券。

鑑於上述因素，已採取一系列之補救措施以減輕流動資金壓力，提升本集團整體之財務及流動資金狀況。有關詳情披露於綜合財務報表附註2.1。

下表依照於結算日至合約到期日餘下期間之有關到期組別分析本集團之金融負債。表中所披露之金額為依照本集團可被要求付款之最早日期計算之合約未貼現現金流量。

		Within 1 year 1 年內 HK\$'000 千港元	Between 1 to 5 years 1 年至 5 年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 March 2019:	於 2019 年 3 月 31 日：			
Other payables, accruals and other liabilities	其他應付款項、應計費用及其他負債	54,349	36	54,385
Amount due to an associate	應付一間聯營公司款項	2,445	—	2,445
Trade payables	應付貿易款項	62,872	—	62,872
Corporate bond	公司債券	406,875	—	406,875
Convertible bonds	可換股債券	169,656	30,893	200,549
		696,197	30,929	727,126

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 FINANCE RISK MANAGEMENT (CONTINUED)

37.1 Financial risk factors (Continued)

(d) Liquidity risk (Continued)

		Within 1 year 1 年內 HK\$'000 千港元	Between 1 to 5 years 1 年至 5 年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 March 2018:	於 2018 年 3 月 31 日：			
Other payables, accruals and other liabilities	其他應付款項、 應計費用及其他 負債	36,687	143	36,830
Trade payables	應付貿易款項	102,737	–	102,737
Borrowings	借貸	5,138	–	5,138
Corporate bond	公司債券	44,625	361,375	406,000
Convertible bonds	可換股債券	17,550	187,957	205,507
		206,737	549,475	756,212

37.2 Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's capital structure is being reviewed annually to ensure these objectives are to be achieved.

37 財務風險管理 (續)

37.1 財務風險因素 (續)

(d) 流動資金風險 (續)

37.2 資本風險管理

本集團管理其資本之目標為確保本集團能夠持續經營，以為股東提供回報及為其他持份者提供利益，同時保持最佳之資本結構以降低資本成本。

為保持或調整資本結構，本集團或會調整派付予股東之股息金額、退回資本予股東、發行新股或出售資產以減低債務。

本集團會每年檢討資本結構，以確保達到該等目標。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 FINANCE RISK MANAGEMENT (CONTINUED)

37.2 Capital risk management (Continued)

The gearing ratios at 31 March 2019 and 2018 were as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Borrowings (Note 29)	借貸 (附註 29)	–	5,130
Corporate bond (Note 32)	公司債券 (附註 32)	400,323	344,678
Convertible bonds (Note 31)	可換股債券 (附註 31)	169,882	154,603
Obligation under finance lease (Note 30)	融資租賃承擔 (附註 30)	129	226
Total debts	債項總額	570,334	504,637
Total assets	資產總值	529,089	734,639
Gearing ratio	資產負債比率	107.8%	68.7%

Note: The calculation of gearing ratio is based on the total debts divided by total assets as at 31 March.

37.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 March 2019 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

37 財務風險管理 (續)

37.2 資本風險管理 (續)

於2019年及2018年3月31日之資產負債比率如下：

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Borrowings (Note 29)	–	5,130
Corporate bond (Note 32)	400,323	344,678
Convertible bonds (Note 31)	169,882	154,603
Obligation under finance lease (Note 30)	129	226
Total debts	570,334	504,637
Total assets	529,089	734,639
Gearing ratio	107.8%	68.7%

附註：資產負債比率乃按3月31日之債項總額除以資產總值計算。

37.3 公平值估計

下表載列按計量公平值所用估值技術輸入數據等級分析本集團於2019年3月31日按公平值列賬之金融工具。有關輸入數據按以下三個公平值等級分類：

- 相同資產或負債在活躍市場之報價 (未經調整) (第1級)。
- 第1級所包括報價以外之輸入數據，有關輸入數據為資產或負債可從觀察中直接 (即價格) 或間接 (即源自價格) 得出 (第2級)。
- 並非以可觀察市場數據為根據之資產或負債輸入數據 (即不可觀察輸入數據) (第3級)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 FINANCE RISK MANAGEMENT (CONTINUED)

37.3 Fair value estimation (Continued)

Details of the property, plant and equipment and net assets held for sale measured at fair value are disclosed in note 15 and 25 respectively.

The following table presents the Group's financial liabilities that are measured at fair value.

As at 31 March 2019

		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Liabilities	負債				
Convertible bonds (CB-II)	可換股債券(可換股債券II)				
— financial liabilities at fair value through profit or loss	— 按公平值計入損益之金融負債	—	—	139,722	139,722
Total financial liabilities measured at fair value	按公平值計量之金融負債總額	—	—	139,722	139,722

As at 31 March 2018

		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Liabilities	負債				
Convertible bonds (CB-II)	可換股債券(可換股債券II)				
— financial liabilities at fair value through profit or loss	— 按公平值計入損益之金融負債	—	—	127,709	127,709
Total financial liabilities measured at fair value	按公平值計量之金融負債總額	—	—	127,709	127,709

37 財務風險管理(續)

37.3 公平值估計(續)

有關按公平值計量之物業、廠房及設備以及持有作出售之資產淨值之詳情，分別於附註15及25披露。

下表呈列本集團按公平值計量之金融負債。

於2019年3月31日

於2018年3月31日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 FINANCE RISK MANAGEMENT (CONTINUED)

37.3 Fair value estimation (Continued)

The valuation techniques used for the valuation of fair value of convertible bonds and the movement of the convertible bonds recognised as financial liabilities at fair value through profit or loss during the year are disclosed in Note 31.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying values of trade and other receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. There were no transfers between level 1, 2 and 3 during the year.

37 財務風險管理(續)

37.3 公平值估計(續)

用於估量可換股債券公平值之估值技術以及於年內已按公平值計入損益且確認為金融負債之可換股債券之變動披露於附註31。

於活躍市場交易之金融工具之公平值乃按於報告日期之市場報價計算得出。活躍市場乃指可輕易地及定期從交易所、經銷商、經紀人、行業集團、報價服務或規管機構取得報價之市場，而有關報價乃在經常進行之真實公平市場交易之基礎上呈列。該等工具乃列入第1級。

並非於活躍市場交易之金融工具之公平值乃以估值方法釐定。該等估值方法充分利用可獲得之可觀察市場數據，從而盡量減少依賴實體之特定估計數據。倘按公平值計量之工具之所有重大數據均可從觀察所得，則該工具乃列入第2級。

倘一項或多項重大輸入數據並非根據可觀察市場數據，則該工具列入第3級。

應收貿易款項及其他應收款項以及應付款項之賬面值為其公平值之合理近似值。就披露而言，金融負債之公平值之估計按未來合約現金流量以本集團類似金融工具可得之現有市場利率貼現計算。於本年度，第1級、第2級及第3級間概無轉撥。

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綜合財務報表附註

38 COMMITMENTS

(a) Capital commitments

As at 31 March 2019 and 2018, the Group had no capital commitments.

(b) Operating lease commitments

The future aggregate minimum lease payments and turnover rental expenses under non-cancellable operating leases in respect of retail shops, offices, warehouses and furniture, fixtures and equipment are as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Land and buildings	土地及樓宇		
— No later than 1 year	— 1年內	10,791	28,463
— Later than 1 year and no later than 5 years	— 1年後但不多於5年	3,836	7,674
		14,627	36,137
Furniture, fixtures and equipment	傢俬、裝置及設備		
— No later than 1 year	— 1年內	354	333
— Later than 1 year and no later than 5 years	— 1年後但不多於5年	771	1,125
		1,125	1,458
		15,752	37,595

Leases are negotiated for varying terms, escalation clauses and renewal options. The operating lease rentals of certain outlets are based on the higher amount of the minimum guaranteed rental and the sales level based rental. The above operating lease commitments include commitments for fixed rent only.

In addition, rental payable in some cases include additional rent, calculated according to gross revenue, in excess of the fixed rent.

38 承擔

(a) 資本承擔

於2019年及2018年3月31日，本集團並無資本承擔。

(b) 經營租賃承擔

根據有關零售店、辦公室、倉庫及傢俬、裝置及設備之不可撤銷經營租賃於日後之最低租賃付款及按營業額計算之租金費用之總額如下：

租賃經磋商後具有不同年期、租金遞升條款及續租權。若干門市之經營租賃租金乃根據最低保證租金及以銷售額計算之租金（以較高者為準）計算。上述經營租賃承擔僅包括固定租金之承擔。

此外，應付租金在某些情況下包括超過固定租金之額外租金（根據收益總額計算）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Key management compensation

During the year, the Group had the following significant transactions with related parties:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Key management compensation	主要管理人員補償		
Basic salaries, housing allowances, other allowances and benefits-in-kind	基本薪金、住房津貼、其他津貼及實物利益	4,862	6,912
Share options expenses	購股權開支	3,261	11,682
Contributions to pension plans	退休金計劃供款	18	18
		8,141	18,612

Note:

Key management includes directors and certain senior management who have important roles in making operational and financial decisions.

(b) Year-end balances

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Amounts due from associates	應收聯營公司款項		
— Prepayment	— 預付款項	—	7,311
— Loan to associates	— 貸款予聯營公司	6,469	3,662
Amount due from a related party	應收一名關聯人士款項		
— Refundable advance payment	— 可退還預付款項	98,881	98,881
Amount due to a related party	應付一名關聯人士款項		
— Other payables	— 其他應付款項	2,220	626

Note:

Refundable advance payment related to the purchase of the Milan Properties from a related party. Other payables with related parties are repayable on demand, unsecured and non-interest bearing.

39 重大關聯人士交易

(a) 主要管理人員補償

本集團於年內與關聯人士進行下列重大交易：

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Key management compensation		
Basic salaries, housing allowances, other allowances and benefits-in-kind	4,862	6,912
Share options expenses	3,261	11,682
Contributions to pension plans	18	18
	8,141	18,612

附註：

主要管理人員包括董事及若干於營運及財務決策有重要職能之高級管理人員。

(b) 年終結餘

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Amounts due from associates		
— Prepayment	—	7,311
— Loan to associates	6,469	3,662
Amount due from a related party		
— Refundable advance payment	98,881	98,881
Amount due to a related party		
— Other payables	2,220	626

附註：

可退還預付款項與從關聯人士購買米蘭物業有關。關聯人士之其他應付款項結餘為須按要求償還、無抵押及免息。

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綜合財務報表附註

40 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 March 2019 and 2018:

40 附屬公司

下列為於2019年及2018年3月31日之主要附屬公司列表：

Name of company 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別	Principal activities and place of operation 主要業務及經營所在地	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益	
				2019	2018
Directly held: 直接持有：					
Carlyon Investment Holdings Limited ^(note b) 格理昂投資控股有限公司 ^(附註 b)	The British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in Hong Kong 投資控股／香港	10,000 ordinary share of US\$1 each 10,000 股每股 1 美元 之普通股	—	100%
Genius Earn Investments Limited 傑盈投資有限公司	The British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in Hong Kong 投資控股／香港	90 ordinary shares of US\$1 each 90 股每股 1 美元之普通股	100%	100%
Silver Summit Ventures Limited 銀峰創投有限公司	The British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in Hong Kong 投資控股／香港	1 ordinary shares of US\$1 each 1 股每股 1 美元之普通股	100%	100%
Indirectly held: 間接持有：					
Artemis Footwear Limited 艾迪米斯鞋業有限公司	Hong Kong, limited liability company 香港，有限公司	Retailing of footwear in Taiwan 零售鞋類／台灣	10,000,000 ordinary shares 10,000,000 股普通股	100%	100%
Ascent Pride Investments Limited 昇傲投資有限公司	The British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in Hong Kong 投資控股／香港	10,000 ordinary share of US\$1 10,000 股每股 1 美元之 普通股	100%	100%
Asia Glory Investments Limited 美宏投資有限公司	Hong Kong, limited liability company 香港，有限公司	Investment holding in Hong Kong 投資控股／香港	1 ordinary share 1 股普通股	100%	100%
Billion International Trading (Shanghai) Company Limited 逸盈國際貿易(上海)有限公司	The PRC, wholly foreign-owned enterprise limited liability company 中國，外商獨資企業有限公司	Retailing of footwear in the PRC 零售鞋類／中國	US\$1,000,000 1,000,000 美元	100%	100%
Carlyon Asset Management Limited ^(note b) 格理昂資產管理有限公司 ^(附註 b)	Hong Kong, limited liability company 香港，有限公司	Asset management in Hong Kong 資產管理／香港	5,000,000 ordinary share 5,000,000 股普通股	—	100%
Carlyon Capital Limited ^(note b) 格理昂資本有限公司 ^(附註 b)	Hong Kong, limited liability company 香港，有限公司	Inactive 並無業務活動	100,000 ordinary shares 100,000 股普通股	—	100%

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綜合財務報表附註

40 SUBSIDIARIES (CONTINUED)

40 附屬公司(續)

Name of company 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別	Principal activities and place of operation 主要業務及經營所在地	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益	
				2019	2018
Carlyon Properties Limited ^(note a) 格理昂地產有限公司 ^(附註 a)	Hong Kong, limited liability company 香港，有限公司	Inactive 並無業務活動	10,000 ordinary shares 10,000 股普通股	—	100%
Carlyon Securities Limited ^(note b) 格理昂證券有限公司 ^(附註 b)	Hong Kong, limited liability company 香港，有限公司	Securities dealing in Hong Kong 證券買賣／香港	10,000,000 ordinary shares 10,000,000 股普通股	—	100%
Carlyon Finance Limited ^(note c) 格理昂金融有限公司 ^(附註 c)	Hong Kong, limited liability company 香港，有限公司	Money lending in Hong Kong 放債／香港	100,000 ordinary shares 100,000 股普通股	100%	100%
Carlyon Reits (BVI) Limited	The British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in Hong Kong 投資控股／香港	6,700 ordinary shares of HK\$1 each 6,700 股每股 1 港元之普通股	100%	—
China Consume Financial Holdings Company Limited 中國消費金融控股有限公司	Hong Kong, limited liability company 香港，有限公司	Investment holding, e-Commerce and e-Payment business in Hong Kong 投資控股、電子商務及電子支付業務／香港	60,000,000 ordinary shares 60,000,000 股普通股	100%	100%
Citiward Limited 佳和有限公司	Hong Kong, limited liability company 香港，有限公司	Investment holding in Hong Kong 投資控股／香港	1 ordinary share 1 股普通股	100%	100%
Million Fortune Star Limited 萬福星有限公司	Hong Kong, limited liability company 香港，有限公司	Corporate secretary 企業秘書	1 ordinary share 1 股普通股	100%	100%
Senet International Limited 盛益國際有限公司	Hong Kong, limited liability company 香港，有限公司	Holding of trademarks in Hong Kong 持有商標／香港	10 ordinary shares 10 股普通股	100%	100%
Silver Focus International Limited 進銀國際有限公司	Hong Kong, limited liability company 香港，有限公司	Inactive 並無業務活動	100 ordinary shares 100 股普通股	100%	100%
Smart Sky International (Beijing) Limited 傲天國際貿易(北京)有限公司	The PRC, wholly foreign-owned enterprise limited liability company 中國，外商獨資企業有限公司	Inactive 並無業務活動	HK\$2,800,000 2,800,000 港元	100%	100%

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綜合財務報表附註

40 SUBSIDIARIES (CONTINUED)

40 附屬公司 (續)

Name of company 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別	Principal activities and place of operation 主要業務及經營所在地	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益	
				2019	2018
Smart Trend Trading (Shenzhen) Company Limited 傲豐貿易(深圳)有限公司	The PRC, wholly foreign-owned enterprise, limited liability company 中國，外商獨資企業有限公司	Retailing of footwear in the PRC 零售鞋類／中國	HK\$41,000,000 41,000,000 港元	100%	100%
Smarter Trading (Beijing) Company Limited 奧吉斯貿易(北京)有限公司	The PRC, wholly foreign-owned enterprise, limited liability company 中國，外商獨資企業有限公司	Retailing of footwear in the PRC 零售鞋類／中國	HK\$40,000,000 40,000,000 港元	100%	100%
Surplus Jet Investments Limited 盈捷投資有限公司	The British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in Hong Kong 投資控股／香港	1 ordinary share of US\$1 1 股每股 1 美元之普通股	100%	100%
Trunari Enterprises Company Limited 達斯彌企業有限公司	Hong Kong, limited liability company 香港，有限公司	Holding of trademarks and properties in Hong Kong 持有商標及物業／香港	22,000,000 ordinary shares 22,000,000 股普通股	100%	100%
Walker Group (Shanghai) Company Limited 奧卡索國際貿易(上海)有限公司	The PRC, wholly foreign-owned enterprise, limited liability company 中國，外商獨資企業有限公司	Retailing of footwear in the PRC 零售鞋類／中國	US\$200,000 200,000 美元	100%	100%
Walker Group China Company Limited 盈進集團(中國)有限公司	Hong Kong, limited liability company 香港，有限公司	Investment holding in Hong Kong 投資控股／香港	100 ordinary shares 100 股普通股	100%	100%
Walker Group International Company Limited 盈進集團(國際)有限公司	Hong Kong, limited liability company 香港，有限公司	Investment holding in Hong Kong 投資控股／香港	100 ordinary shares 100 股普通股	100%	100%
Carlyon Trading Limited ^(note d) 格理昂貿易有限公司 ^(附註d)	Hong Kong, limited liability company 香港，有限公司	Trading and investment 貿易及投資	100 ordinary shares 100 股普通股	100%	100%
Walker Shop Footwear Limited	Hong Kong, limited liability company 香港，有限公司	Investment holding and retailing of footwear in Hong Kong 投資控股及零售鞋類／香港	500,000,000 ordinary shares 500,000,000 股普通股	100%	100%
Guangzhou Yinghui Trading Company Limited [†] 廣州盈輝貿易有限公司 [†]	The PRC, wholly foreign-owned enterprise limited liability company 中國，外商獨資企業有限公司	Trading of footwear in the PRC 買賣鞋類／中國	HK\$1,500,000 1,500,000 港元	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 SUBSIDIARIES (CONTINUED)

40 附屬公司(續)

Name of company 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別	Principal activities and place of operation 主要業務及經營所在地	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益	
				2019	2018
Guoxin Wangfu Information and Technology Company Limited [†] 國信網富信息科技有限公司 [†]	The PRC, foreign and domestic owned enterprise limited liability company 中國·外商與境內合資企業有限公司	Information technology 信息科技	RMB100,000,000 人民幣 100,000,000 元	85%	85%
Shanghai Shenglv Advertisement Company Limited [†] 上海盛旅廣告有限公司 [†]	The PRC, foreign-owned enterprise limited liability company 中國·外商企業有限公司	Sales and marketing 市場營銷策劃	RMB16,000,000 人民幣 16,000,000 元	85%	85%

[†] The English names of certain companies represent the best effort by the management of the Group in translating their Chinese names as they do not have official English names.

[†] 若干公司並無正式英文名稱，有關英文名稱乃本集團管理層盡力翻譯該等公司中文名稱之譯名。

Notes

附註

- The company name of Carlyon Exchange Limited has changed to Carlyon Properties Limited on 17 May 2018 and disposed to an independent third party on 6 June 2018.
- At 1 November 2018, 66% shares of Carlyon Investment Holdings Limited had been transfer to third parties and Vestate Group Holdings Limited reminds holding 34% of its shares.
- The Chinese name of 格理昂財務有限公司 has changed to 格理昂金融有限公司 on 7 March 2019.
- The company name of Walker International Footwear Limited has changed to Carlyon Exchange Limited on 29 October 2018 and has further changed to Carlyon Trading Limited on 8 May 2019.

- 格理昂找換有限公司之公司名稱已於2018年5月17日更改為格里昂地產有限公司，並於2018年6月6日出售予一名獨立第三方。
- 於2018年11月1日，格理昂投資控股有限公司66%之股份已轉移至第三方，國投集團控股有限公司仍然持有其34%股份。
- 格理昂財務有限公司之中文名稱已於2019年3月7日更改為格理昂金融有限公司。
- 盈進國際鞋業有限公司之公司名稱已於2018年10月29日更改為格理昂找換有限公司，並於2019年5月8日進一步更改為格理昂貿易有限公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

41 DISPOSAL OF A SUBSIDIARY

During the year ended 31 March 2019, the Group entered into an agreement with an independent third party to dispose of its 66% equity interests in Carlyon Investment Holdings Limited ("Carlyon Investment"), an directly wholly owned subsidiary of the Company, for a total consideration of HK\$5,000,000 in cash. The disposal was completed on 1 November 2018.

Assets and liabilities derecognised at the date when the group lost control over Carlyon Investment Holdings Limited

		HK\$'000 千港元
Cash consideration	現金代價	5,000
Property, plant and equipment	物業、廠房及設備	77
Intangible assets	無形資產	242
Rental deposits — non-current	租賃按金 — 非即期	236
Trade receivables	應收貿易款項	88
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	130
Intercompany balance — HK	公司間結餘 — 香港	1,238
Cash and cash equivalents	現金及現金等值項目	5,904
Accruals and other payables	應計費用及其他應付款項	(1,115)
Net assets disposed of	所出售資產淨值	6,800
Recognition of an associate	確認聯營公司	(2,312)
		4,488
Gain on disposal	出售所得收益	512

Net cash flow on disposal of Carlyon Investment Holdings Limited

41 出售附屬公司

截至2019年3月31日止年度，本集團與一名獨立第三方訂立協議，內容有關出售其於格理昂投資控股有限公司（「格理昂投資」，本公司直接全資附屬公司）之66%股權，總代價為現金5,000,000港元。出售已於2018年11月1日完成。

於集團失去格理昂投資控股有限公司控制權當日終止確認之資產及負債

出售格理昂投資控股有限公司時之現金流量淨額

		HK\$'000 千港元
Cash consideration received	已收現金代價	5,000
Less: cash and cash equivalents disposed of	減：已出售現金及現金等值項目	(5,904)
		(904)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

42 EVENTS AFTER THE DATE OF REPORTING PERIOD

On 24 May 2019, the Group entered into a disposal agreement with an independent third party to sell the entire issued share capital of Artemis Footwear Limited and 50% of the total issued share capital of Walker Shop Footwear Limited at consideration of HK\$2,500,000.

As of the date of this report, the transaction had not completed.

42 報告期末後事項

於2019年5月24日，本集團與獨立第三方訂立出售協議，以代價2,500,000港元出售艾迪米斯鞋業有限公司全部已發行股本及Walker Shop Footwear Limited已發行股本總額之50%。

截至本報告日期，交易尚未完成。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

CONSOLIDATED INCOME STATEMENTS

綜合收益表

		For the year ended 31 March 截至3月31日止年度				
		2019 HK\$'000 千港元	2018 HK\$'000 千港元	(Restated) (經重列) 2017 HK\$'000 千港元	(Restated) (經重列) 2016 HK\$'000 千港元	(Restated) (經重列) 2015 HK\$'000 千港元
Continuing operations	持續經營業務					
Revenue	收益	110,349	346,157	561,557	840,658	1,090,668
Cost of sales	銷售成本	(70,444)	(171,069)	(272,996)	(357,342)	(473,751)
Gross profit	毛利	39,905	175,088	288,561	483,316	616,917
Operating expenses	經營費用	(188,377)	(355,485)	(513,646)	(642,913)	(719,836)
Other gains/(losses), net	其他收益／（虧損），淨值	(33,676)	30,552	(400)	(394)	8,262
Other income	其他收入	3,375	4,000	4,742	4,277	7,035
Operating loss	經營虧損	(178,773)	(145,845)	(220,743)	(155,714)	(87,622)
Finance (costs)/income, net	財務（費用）／收入，淨值	(65,013)	(59,801)	11,107	(524)	(489)
Share of losses of associates	應佔聯營公司之虧損	(2,300)	(1,634)	—	—	—
Loss before income tax credit/(expense)	未計所得稅抵免／（開支）前虧損	(246,086)	(207,280)	(209,636)	(156,238)	(88,111)
Income tax credit/(expense)	所得稅抵免／（開支）	—	586	(116)	(656)	(2,415)
Loss for the year	本年度虧損	(246,086)	(206,694)	(209,752)	(156,894)	(90,526)
Continuing operations	持續經營業務					
Attributable to:	應佔：					
Equity holders of the Company	本公司權益持有人	(245,361)	(206,076)	(209,065)	(155,892)	(89,546)
Non-controlling interests	非控股權益	(725)	(618)	(687)	(1,002)	(980)
		(246,086)	(206,694)	(209,752)	(156,894)	(90,526)
Dividends	股息	—	—	—	—	—

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

綜合財務狀況表

		As at 31 March 於3月31日				
		2019 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元	(Restated) (經重列) 2016 HK\$'000 千港元	(Restated) (經重列) 2015 HK\$'000 千港元
ASSETS	資產					
Non-current assets	非流動資產					
Property, plant and equipment	物業、廠房及設備	3,389	7,958	113,534	29,252	34,942
Intangible assets	無形資產	373	804	230,788	1,873	2,570
Investment in a joint venture	於一間合營公司之投資	510	510	510	—	—
Interests in associates	於聯營公司之權益	12,962	6,530	7,227	—	—
Deferred income tax assets	遞延所得稅資產	—	—	—	—	6,091
Available-for-sale financial assets	可供出售金融資產	—	6,248	—	—	—
Long-term deposits and prepayments	長期按金及預付款項	1,155	11,363	27,354	12,588	10,995
		18,389	33,413	379,413	43,713	54,598
Current assets	流動資產					
Inventories	存貨	2,509	97,010	132,594	223,446	242,388
Trade receivables	應收貿易款項	4,390	38,323	39,751	72,939	115,024
Deposits, prepayments and other receivables	按金、預付款項及其他 應收款項	114,612	136,014	32,014	27,081	40,044
Loan receivables	應收貸款	135,846	130,873	—	—	—
Amounts due from associates	應收聯營公司款項	6,469	3,662	—	—	—
Cash and cash equivalents	現金及現金等值項目	1,763	53,514	32,839	41,039	94,939
		265,589	459,396	237,198	364,505	492,395
Non-current assets classified as held for sale	分類為持有作出售之 非流動資產	245,111	241,830	14,730	13,900	26,660
		510,700	701,226	251,928	378,405	519,055

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

		As at 31 March 於3月31日				
		2019 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元	(Restated) (經重列) 2016 HK\$'000 千港元	(Restated) (經重列) 2015 HK\$'000 千港元
LIABILITIES	負債					
Current liabilities	流動負債					
Trade payables	應付貿易款項	(62,872)	(102,737)	(79,576)	(104,026)	(101,396)
Accruals and other payables	應計費用及其他應付款項	(54,242)	(36,577)	(73,408)	(41,129)	(53,193)
Amount due to an associate	應付一間聯營公司款項	(2,445)	—	—	—	—
Borrowings	借貸	—	(5,130)	(72,240)	(44,920)	(25,040)
Obligation under finance lease	融資租賃承擔	(97)	(97)	(105)	(106)	(106)
Current tax liabilities	即期稅項負債	(1,006)	(1,077)	(973)	(1,102)	(1,001)
Corporate bond	公司債券	(400,323)	—	—	—	—
Convertible bonds	可換股債券	(141,522)	(17,550)	(17,550)	—	—
		(662,507)	(163,168)	(243,852)	(191,283)	(180,736)
Liability directly associated with non-current assets classified as assets held for sale	與分類為持有作出售之非流動資產直接相關之負債	(66,477)	(52,408)	—	—	—
		(728,984)	(215,576)	(243,852)	(191,283)	(180,736)

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

綜合財務狀況表

		As at 31 March 於3月31日				
		2019 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元	(Restated) (經重列) 2016 HK\$'000 千港元	(Restated) (經重列) 2015 HK\$'000 千港元
Net current (liabilities)/ assets	流動(負債)/ 資產淨值	(218,284)	485,650	8,076	187,122	338,319
Total assets less current liabilities	資產總額減流動負債	(199,895)	519,063	387,489	230,835	392,917
Non-current liabilities	非流動負債					
Convertible bonds	可換股債券	(28,360)	(137,053)	(134,199)	—	—
Obligation under finance lease	融資租賃承擔	(32)	(129)	(225)	(9)	(115)
Corporate bond	公司債券	—	(344,678)	—	—	—
Deferred income tax liabilities	遞延所得稅負債	—	—	(36,739)	(351)	(5,990)
		(28,392)	(481,860)	(171,163)	(360)	(6,105)
Net (liabilities)/assets	(負債)/資產淨值	(228,287)	37,203	216,326	230,475	386,812
EQUITY	權益					
Capital and reserves	資本及儲備					
Share capital	股本	71,619	71,619	71,619	64,136	62,356
Reserves	儲備	(298,579)	(33,649)	144,466	168,353	326,772
		(226,960)	37,970	216,085	232,489	389,128
Non-controlling interests	非控股權益	(1,327)	(767)	241	(2,014)	(2,316)
Total equity	權益總額	(228,287)	37,203	216,326	230,475	386,812

