

HIS

衍生集團(國際)控股有限公司

Hin Sang Group (International) Holding Co. Ltd.

股份代號 Stock Code : 6893

2017 / 2018 Annual Report

年報



衍食源於本草

生活自在康寧

衍生[®]

香港著名品牌
HK FAVORITE BRAND

兒科至尊 本草世家

精裝 七星茶 顆粒沖劑

Hin Sang Health Star (Granules)

BB好瞓啲 父母安心啲

Better sleep for the baby and whole family

本草經典 科研精髓

20包裝

雙料 開奶茶 顆粒沖劑

Hin Sang Exquisite Packing Milk Supplement (Granules)

BB腸胃好 媽咪少煩惱

Healthy stomach, healthy baby! Happy baby, happy mom!

本草經典 科研精髓

20包裝

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FINANCIAL HIGHLIGHTS

財務摘要

		2017/2018 2017/2018年	2016/2017 2016/2017年	Increase/(Decrease) 增加/(減少)	
				Amount 金額	%
Operating results (HK\$'000)	經營業績 (港幣千元)				
Revenue	收入	188,550	201,815	(13,265)	(6.6)
Gross profit	毛利	131,175	133,243	(2,068)	(1.6)
Loss/Profit for the year	年內虧損/溢利	(7,221)	8,308	(15,529)	(186.9)
Profitability (%)	盈利能力(%)				
Gross profit margin	毛利率	69.6	66.0	3.6	5.5
Net profit margin	純利率	(3.8)	4.1	(7.9)	(192.7)
Return on equity	股本回報率	(0.7)	1.0	(1.7)	(170.0)
Return on total assets	總資產回報率	(0.7)	0.9	(1.6)	(177.8)
Liquidity	流動資金				
Current ratio (time)	流動比率(倍)	7.5	11.4	(3.9)	(34.2)
Quick ratio (time)	速動比率(倍)	7.2	11.1	(3.9)	(35.1)
Inventory turnover (days)	存貨周轉(天數)	58.8	58.5	0.3	0.5
Trade receivables turnover (days)	貿易應收款項周轉(天數)	37.2	38.0	(0.8)	(2.1)
Trade payables turnover (days)	貿易應付款項周轉(天數)	60.7	45.8	14.9	32.5
Per share data	每股數據				
Earnings per share	每股盈利				
– Basic (HK cents)	– 基本(港仙)	0.05	0.96	(0.91)	(94.8)
– Diluted (HK cents)	– 攤薄(港仙)	0.05	0.95	(0.90)	(94.7)
Dividend per share	每股股息				
– Interim (HK cents)	– 中期(港仙)	1.00	1.00	–	–
– Final (HK cents)	– 末期(港仙)	1.00	1.00	–	–
– Special (HK cents)	– 特別(港仙)	–	1.00	(1.00)	(100.0)

DEFINITIONS 釋義

In this annual report, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below.

於本年報中，除文義另有所指外，下列詞彙及詞語具以下的涵義。

“Audit Committee”	the audit committee of the Company	「審核委員會」	指	本公司審核委員會
“Board”	the board of Directors	「董事會」	指	董事會
“Brand Development and Management Segment”	the business segment in which the Group purchases primarily personal care products from the brand proprietors and manages and develops the brand of such products	「品牌開發及管理分部」	指	本集團主要自品牌擁有人採購個人護理產品以及管理及開發該等產品之品牌的業務分部
“BVI”	the British Virgin Islands	「英屬處女群島」	指	英屬處女群島
“Company”	Hin Sang Group (International) Holding Co. Ltd. 衍生集團(國際)控股有限公司, an exempted company incorporated with limited liability in the Cayman Islands on 28 October 2010	「本公司」	指	衍生集團(國際)控股有限公司，一間於2010年10月28日在開曼群島註冊成立之獲豁免有限公司
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, in the context of the Company, means each of Mr. Pang, Mrs. Pang and Genwealth	「控股股東」	指	具上市規則所賦予之涵義，就本公司而言，分別指彭先生、彭太太及衍富
“Director(s)”	the director(s) of the Company	「董事」	指	本公司董事
“Fullshare”	Fullshare Holdings Limited (豐盛控股有限公司), a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Stock Exchange (stock code: 607)	「豐盛」	指	豐盛控股有限公司，一間於開曼群島註冊成立之有限公司，其已發行股份於聯交所上市(股份代號：607)
“Fullshare Group”	Fullshare and its subsidiaries	「豐盛集團」	指	豐盛及其附屬公司

DEFINITIONS

釋義

“Genwealth”	Genwealth Group Holding Company Limited (衍富集團控股有限公司), a company incorporated with limited liability on 5 October 2010 in the BVI, the issued shares of which are owned as to 90% by Mr. Pang and 10% by Mrs. Pang, a controlling shareholder of the Company under the Listing Rules	「衍富」	指	衍富集團控股有限公司，一間於2010年10月5日在英屬處女群島註冊成立之有限公司，其已發行股份由彭先生及彭太太分別擁有90%及10%，根據上市規則為本公司的控股股東
“GMP”	“Good Manufacturing Practice” is a quality assurance approach used by drug manufacturing industry worldwide to ensure that products are consistently produced and controlled according to appropriate quality standards. Hong Kong, like most other countries, has adopted the GMP guidelines promulgated by the World Health Organisation (WHO)	「GMP」	指	「良好生產規範」乃全球藥品生產行業使用之質量保證方法，以確保產品根據適當質量標準貫徹生產及監控。香港與大部分其他國家一樣，已採納世界衛生組織（世衛）頒佈之GMP指引
“Group” or “Hin Sang Group”	the Company and its subsidiaries	「本集團」或 「衍生集團」	指	本公司及其附屬公司
“Healthcare Segment”	the business segment in which the Group engages in providing Chinese medical healthcare related services which targets for mothers and children in Hong Kong and the PRC	「健康分部」	指	本集團在香港及中國從事向母嬰提供中醫保健相關服務之業務分部
“Hin Feng Group”	Hin Feng Group (International) Holding Company Limited 衍豐集團(國際)控股有限公司, a company incorporated with limited liability on 7 July 2016 in Hong Kong, owned as to 51% by Hin Sang Holding and as to 49% by Five Seasons VIII Limited (a wholly-owned subsidiary of Fullshare)	「衍豐集團」	指	衍豐集團(國際)控股有限公司，一間於2016年7月7日於香港註冊成立之有限公司，由衍生控股擁有51%權益及Five Seasons VIII Limited (豐盛之全資附屬公司)擁有49%權益

DEFINITIONS 釋義

“Hin Sang Holding”	Hin Sang Group Holding Limited (衍生集團控股有限公司), a company incorporated with limited liability on 11 September 2006 in the BVI and directly wholly-owned by the Company	「衍生控股」	指	衍生集團控股有限公司，一間於2006年9月11日在英屬處女群島註冊成立之有限公司及由本公司直接全資擁有
“Hin Sang Hong (HK)”	Hin Sang Hong Company Limited (衍生行有限公司), a company incorporated with limited liability on 13 June 1996 in Hong Kong and wholly-owned by Hin Sang Holding and an indirect subsidiary of the Company	「衍生行(香港)」	指	衍生行有限公司，一間於1996年6月13日在香港註冊成立之有限公司及由衍生控股全資擁有，並為本公司的間接附屬公司
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong	「港元」	指	香港法定貨幣港元
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC	「香港」	指	中國香港特別行政區
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange	「上市」	指	股份於聯交所主板上市
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange	「上市規則」	指	聯交所證券上市規則
“Macau”	the Macau Special Administrative Region of the PRC	「澳門」	指	中國澳門特別行政區
“Mr. Pang”	Mr. Pang Siu Hin (彭少衍), an executive Director and a Controlling Shareholder	「彭先生」	指	彭少衍先生，為執行董事及控股股東
“Mrs. Pang”	Ms. Kwan Lai Man (關麗雯), the spouse of Mr. Pang, an executive Director and a Controlling Shareholder	「彭太太」	指	關麗雯女士，彭先生之配偶，為執行董事及控股股東
“Period” or “Year”	the year ended 31 March 2018	「本期間」或「本年度」	指	截至2018年3月31日止年度
“PRC” or “China”	the People’s Republic of China which, for the purposes of this report, excludes Hong Kong, Macau and Taiwan	「中國」	指	中華人民共和國，就本報告而言，不包括香港、澳門及台灣

DEFINITIONS

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“Pre-IPO Share Option Scheme”	the Pre-IPO share option scheme adopted by the Company on 25 September 2014	「首次公開發售前購股權計劃」	指	本公司於2014年9月25日採納之首次公開發售前購股權計劃
“Product Development Segment”	the business segment in which the Group develops own personal care products, health supplements and household products sold under its own brands, including but not limited to “Hin Sang (衍生)”, “Shuang Long (雙龍)”, “King’s Antiseptic (殺菌王)” and “Beautymate (美肌の誌)”	「產品開發分部」	指	本集團開發以自家品牌出售之自家個人護理產品、保健品及家居產品之業務分部，該等品牌包括但不限於「衍生」、「雙龍」、「殺菌王」及「美肌の誌」
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)	「證券及期貨條例」	指	香港法例第571章證券及期貨條例
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company	「股份」	指	本公司股本中每股面值0.10港元之普通股
“Shareholder(s)”	holder(s) of the Share(s)	「股東」	指	股份之持有人
“Share Option Scheme”	the share option scheme adopted by the Company on 25 September 2014	「購股權計劃」	指	本公司於2014年9月25日採納之購股權計劃
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	指	香港聯合交易所有限公司
“Tai Wo Tong Pharmaceutical”	Tai Wo Tong Pharmaceutical (Hong Kong) Company Limited (太和堂製藥(香港)有限公司), a company incorporated with limited liability on 6 April 2009 in Hong Kong	「太和堂製藥」	指	太和堂製藥(香港)有限公司，一間於2009年4月6日在香港註冊成立之有限公司
“Trading of Goods Segment”	the business segment in which the Group engages in trading and distributing skin care products, personal care products and household products purchased from various authorised dealers and independent traders or directly from suppliers	「貨品買賣分部」	指	本集團從事買賣及分銷護膚品、個人護理產品及家居產品的業務分部，該等產品採購自多個授權經銷商及獨立商家或直接採購自供應商

BOARD OF DIRECTORS

Executive Directors

Pang Siu Hin (*Chairman and Chief Executive Officer*)
Kwan Lai Man
Dong Meixian (resigned on 1 March 2018)

Non-executive Directors

Wong Wai Ling
Yuen Chi Ping

Independent non-executive Directors

Lau Chi Kit (appointed on 16 October 2017)
Lee Luk Shiu
Tang Sing Hing, Kenny
Tsui Nam Hung (retired on 16 October 2017)

AUDIT COMMITTEE

Lee Luk Shiu (*Chairman*)
Lau Chi Kit (appointed on 16 October 2017)
Tang Sing Hing, Kenny
Tsui Nam Hung (retired on 16 October 2017)

REMUNERATION COMMITTEE

Lau Chi Kit (*Chairman*)
(appointed on 16 October 2017)
Tsui Nam Hung (*Chairman*)
(retired on 16 October 2017)
Kwan Lai Man
Lee Luk Shiu
Tang Sing Hing, Kenny

NOMINATION COMMITTEE

Tang Sing Hing, Kenny (*Chairman*)
Kwan Lai Man
Lau Chi Kit (appointed on 16 October 2017)
Lee Luk Shiu
Tsui Nam Hung (retired on 16 October 2017)

COMPANY SECRETARY

Wong Ting Dan (resigned on 1 July 2017)
Polien Kho (appointed on 1 July 2017)

董事會

執行董事

彭少衍 (*主席兼行政總裁*)
關麗雯
董美仙 (於2018年3月1日辭任)

非執行董事

黃慧玲
袁志平

獨立非執行董事

劉智傑 (於2017年10月16日獲委任)
李祿兆
鄧聲興
徐南雄 (於2017年10月16日退任)

審核委員會

李祿兆 (*主席*)
劉智傑 (於2017年10月16日獲委任)
鄧聲興
徐南雄 (於2017年10月16日退任)

薪酬委員會

劉智傑 (*主席*)
(於2017年10月16日獲委任)
徐南雄 (*主席*)
(於2017年10月16日退任)
關麗雯
李祿兆
鄧聲興

提名委員會

鄧聲興 (*主席*)
關麗雯
劉智傑 (於2017年10月16日獲委任)
李祿兆
徐南雄 (於2017年10月16日退任)

公司秘書

王廷丹 (於2017年7月1日辭任)
郭寶琳 (於2017年7月1日獲委任)

CORPORATE INFORMATION

公司資料

AUTHORISED REPRESENTATIVES

Pang Siu Hin
Kwan Lai Man

授權代表

彭少衍
關麗雯

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1213-1215, 12/F, Seapower Tower,
Concordia Plaza, 1 Science Museum Road,
Tsim Sha Tsui, Kowloon, Hong Kong

總辦事處及香港主要營業地點

香港九龍尖沙咀
科學館道1號康宏廣場
航天科技大廈12樓1213-1215室

LEGAL ADVISERS

Chak & Associates
Kwok Yih & Chan

法律顧問

翟氏律師行
郭葉陳律師事務所

AUDITOR

HLB Hodgson Impey Cheng Limited

核數師

國衛會計師事務所有限公司

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

主要往來銀行

香港上海滙豐銀行有限公司
中國銀行(香港)有限公司

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE/REGISTERED OFFICE

Estera Trust (Cayman) Limited
Clifton House, 75 Fort Street,
P.O. Box 1350, Grand Cayman,
KY1-1108, Cayman Islands

主要股份過戶登記處／註冊辦事處

Estera Trust (Cayman) Limited
Clifton House, 75 Fort Street,
P.O. Box 1350, Grand Cayman,
KY1-1108, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

香港股份過戶登記分處

卓佳證券登記有限公司

COMPANY WEBSITE

www.hinsanggroup.com

公司網站

www.hinsanggroup.com

STOCK CODE

Stock Exchange: 6893

股份代號

聯交所: 6893

ENQUIRES

Company:

Email: contact@hinsanggroup.com

查詢

本公司:

電郵: contact@hinsanggroup.com

Public Relations Consultant:

Strategic Financial Relations Limited
Email: HSH_enquiry@sprg.com.hk

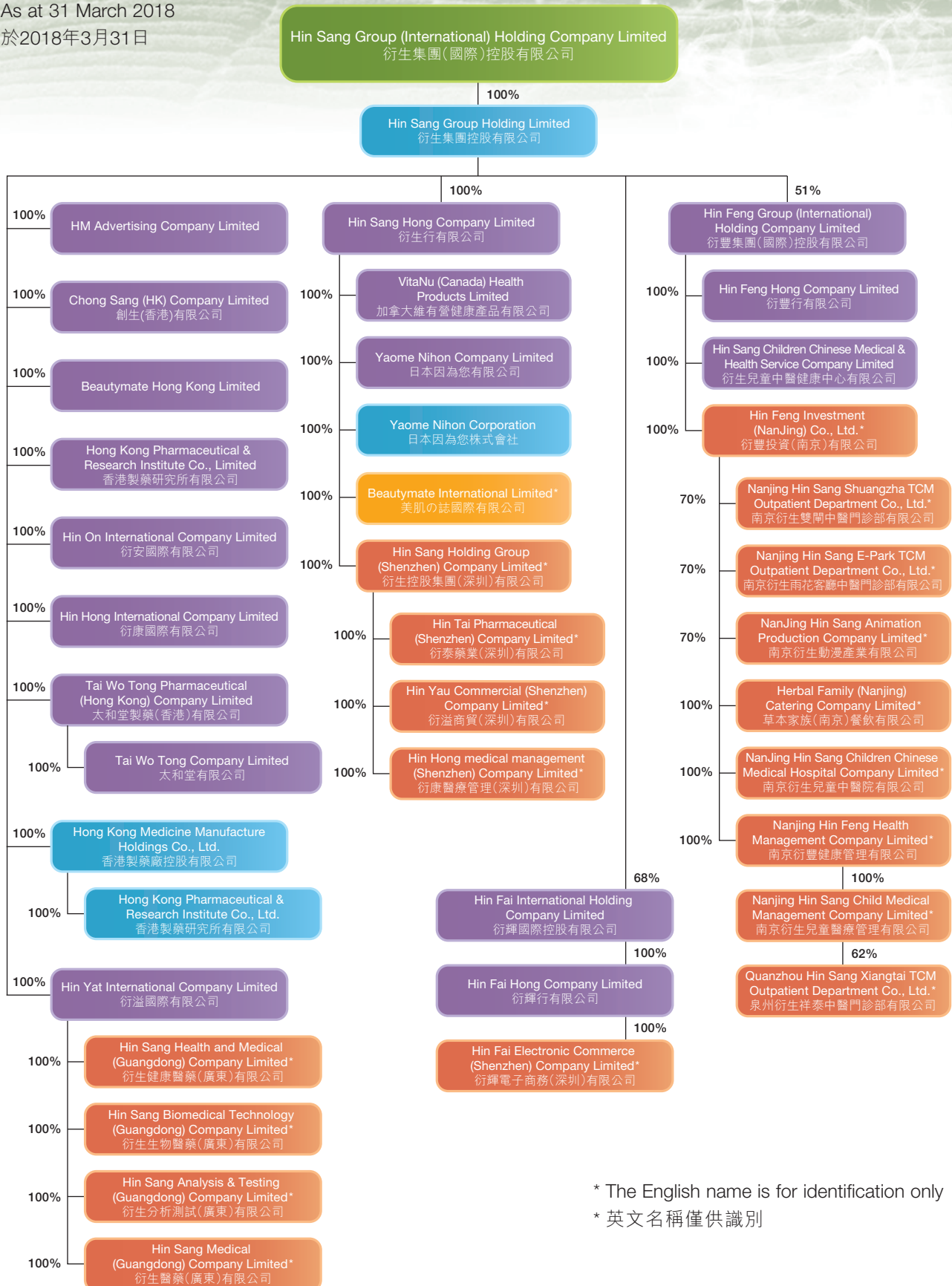
公共關係顧問:

縱橫財經公關顧問有限公司
電郵: HSH_enquiry@sprg.com.hk

CORPORATE STRUCTURE

公司架構

As at 31 March 2018
於2018年3月31日



CHAIRMAN'S STATEMENT

主席報告



Dear Shareholders:

On behalf of the board of Directors of Hin Sang Group (International) Holding Co. Ltd. and its subsidiaries, I am pleased to present the annual report of the Group for the Year.

ANNUAL REVIEW

Hong Kong's retail environment has been returned from the rock bottom for the past year, however the retail sales are still in low level according to the Hong Kong Statistic Bureau. The Group is facing competitive environment in these few years. Though there were numerous factors affecting the Group's performance this year, we were still able to maintain a substantial market share in the children healthcare products sector.

各位股東：

本人謹代表衍生集團（國際）控股有限公司董事會及連同其附屬公司欣然提呈本集團本年度的年度報告。

年度回顧

過去一年，香港零售環境已觸底反彈，但根據香港統計處的資料，零售銷售仍處於較低水平。本集團正面臨較以往年度更具競爭性的環境。儘管本年度有多項因素影響本集團的表現，我們仍能夠維持於兒童保健品行業顯著的市場份額。

CHAIRMAN'S STATEMENT

主席報告

The Group has managed to seize new opportunities in the Healthcare Segment focusing on mother-infant Chinese medical healthcare as well as diagnosis and treatment services projects in both HK and the PRC. Our first Chinese Medical Clinic (the "Clinic") in Shek Mun, Shatin, Hong Kong was operated since June 2017. There are two Clinics in the Nanjing City of the Jiangsu Province, the PRC, the first one named Nanjing Hin Sang E-Park TCM Outpatient Department Co., Ltd. (南京衍生雨花客廳中醫門診部有限公司) was operated since May 2018 and the second one named Nanjing Hin Sang Shuangzha TCM Outpatient Department Co., Ltd. (南京衍生雙閣中醫門診部有限公司) is in the process of obtaining the Healthcare Permit and aim to open in July 2018.

The Group has also constructing a production plant for manufacturing health supplements in Yunfu City of the Guangdong Province, the PRC, aiming to reduce the product cost by self-manufacturing rather than Original Equipment Manufacturer ("OEM") to outside supplier, and increase the efficiency and attaining more stringent quality control on its own brand products.

The Group has laid a strong foundation for a long term development in the healthcare segment. Although the market environment is very competitive, the Group believes that this segment is a niche market and in the long run, it will generate sustainable revenue and bring in value for the Group. Most importantly, the Group is dedicated to nurture children and sincerely believes that children are the most cherished member of our society, and it is our top priority to care for them.

ANNUAL RESULTS

For the Year, the Group's total revenue amounted to approximately HK\$188.6 million, representing a decrease of approximately 6.5% from HK\$201.8 million for the last year. The Group recorded a net loss of approximately HK\$7.2 million, comparing with a net profit of approximately HK\$8.3 million for the last year.

DIVIDEND

The Board recommends the payment of a final dividend of HK\$0.01 per Share for the Year.

本集團已成功於健康分部抓住新商機，該分部專注於香港及中國的婦嬰中醫保健產品以及診斷及治療服務項目。我們第一間中醫門診（「診所」）於2017年6月起於香港沙田石門營業。本集團亦於中國江蘇省南京市設立兩間診所，第一間名為南京衍生雨花客廳中醫門診部有限公司，已於2018年5月開始營業，而第二間名為南京衍生雙閣中醫門診部有限公司，正在獲取醫療許可證並計劃於2018年7月開業。

本集團亦於中國廣東省雲浮市興建健康補充品之生產廠房，目的是透過自主生產（而非透過原始設備廠家依靠外部供應商）降低生產成本，提高效率以及對自家品牌產品實施更嚴格之質量控制。

本集團已為健康分部的長遠發展奠定堅實基礎。儘管市場競爭十分激烈，本集團相信，處於細分市場的此業務分部長期而言將為本集團帶來可持續收入及價值。最重要的是，本集團致力於培育兒童，並由衷認為兒童是社會最為珍視的成員，因此我們的首要任務是關愛他們。

本年度業績

本年度，本集團之總收入約為188.6百萬港元，較上年度的201.8百萬港元減少約6.5%。本集團錄得虧損淨額約7.2百萬港元，而上年度則錄得純利約8.3百萬港元。

股息

董事會建議派付本年度之末期股息每股股份0.01港元。

CHAIRMAN'S STATEMENT

主席報告

PROSPECTS

Despite the difficult market conditions, the Board believes that “Hin Sang (衍生)” has been well positioned and able to meet the growing demand for high-quality healthcare supplements from consumers in Hong Kong and China. Therefore, the Group is confident that Hong Kong market can still provide a stable platform for its business development. To cope with the upcoming challenges and seize future opportunities, the Group will remain prudent and implement the following strategies to create value for our Shareholders:

(a) Actively expanding the business of Chinese medical healthcare and treatment services

The Group is actively expanding the business of mother-infant Chinese medical healthcare as well as diagnosis and treatment services to grasp the fast growing market. The two-child policy in China has brought great opportunities. With the openness of Hin Sang Herbaby Health Centre in Hong Kong and two Chinese medical clinics in Nanjing, China, the Board believes that the new business will bring new profit growth for the Group in the future. Looking forward, the Group will continue to identify suitable healthcare projects and expand the number of stores through mergers and acquisitions.

(b) Developing new products and brands for mother-infant healthcare

The Group is preparing to launch a series of new products for the mother-infant market this year, three of which are to meet the beauty, bodycare, nourishment and other needs of women, especially for a new generation of women concerned with their health. Those products will be launched under a new brand “Hin Mei (衍美)”, and expected to be publicized in the summer of 2018 through effective and innovative promotion channels. Children's series will also be added by some Chinese patent drug products to further enhance the portfolio of our own brand products. Owing to the huge development potential of the market, the Group will expand the market with mid-to-high end products, expecting new products to gain market share in mother-infant health food products market in both HK and the PRC.

展望

儘管市況甚艱，董事會認為「衍生」已妥善定位並能滿足香港及中國消費者對優質健康補充品日益增長的需求。因此，本集團相信香港市場仍可為其業務發展提供一個穩健的平台。為應對即將到來的挑戰和把握今後的機遇，本集團將保持審慎取態之餘，會實施下列策略以為股東創造價值：

(a) 積極拓展中醫保健及治療業務

本集團積極拓展婦嬰中醫保健、診斷及治療業務，藉以把握此快速增長之市場。鑒於中國「二孩」政策帶來巨大機遇，隨著香港的衍生兒童中醫健康中心，以及於中國南京的兩間中醫診所開始經營，董事會相信該等新業務在將來可為本集團帶來新的營利增長動力。展望未來，本集團會繼續物色合適的醫療項目，透過收購合併的方式擴大門店數目。

(b) 開發針對婦嬰保健的新產品及品牌

本集團正籌備於本年度推出一系列針對婦嬰市場的新產品，其中三款為迎合女士美顏、美體、滋補等需要，特別適合關注健康的新一代女性服用，並將以新品牌「衍美」推出市場，預期將於2018年夏季以有效創新推廣渠道宣傳。而小兒系列亦將增加數款中成藥產品，進一步提升本集團自家品牌產品的組合。由於市場發展潛力龐大，本集團會以中高端產品拓展市場，並預期新產品將會於香港及中國婦嬰保健食品市場獲得市場份額。

(c) Expanding sales opportunities in overseas markets

As Hong Kong's business matures, the Group also plans to expand overseas markets in addition to actively entering the Chinese market. At present, the Group's products are prepared to be exported to Australia and many countries in Southeast Asia, including Vietnam, Thailand, Burma, Kampuchea, Malaysia and Singapore. The Group will also expand sales network and recruit related teams in line with the future development, hoping to increase its overall turnover and profit from 2018 onward.

(d) The Group will further expand cross-border e-commerce and explore international overseas e-commerce for its own brand products, in order to increase the Group's turnover and contribute to its profit.

(c) 擴充海外市場的銷售機遇

隨著香港的業務發展日漸成熟，本集團除了積極進軍中國市場外，亦計劃加強開拓海外市場，目前本集團的產品正籌備出口至澳洲及東南亞多國包括越南、泰國、緬甸、柬埔寨、馬來西亞、新加坡，並配合未來發展擴大銷售網絡及招聘相關團隊，冀在2018年以後增加集團之整體營業額及盈利。

(d) 進一步為自家品牌產品加強擴展跨境電子商務及拓展國際海外電子商務，以增加集團的營業額及為集團帶來盈利貢獻。

ACKNOWLEDGEMENTS

I would like to take this opportunity to express my gratitude to the members of the board of Directors, management and employees for their valuable contributions to the development of the Group as well as to our shareholders, investors and business partners for their continuous trust and support to our Group. We believe the year ahead will be full of opportunities and challenges. Hin Sang Group (International) Holding Co. Ltd. will continue to make effort to create greater values for our Shareholders and investors.

致謝

本人謹藉此機會向董事會同仁、管理層及僱員對本集團發展作出的寶貴貢獻，以及各位股東、投資者及業務夥伴對本集團的一貫信任和支持表達謝意。我們相信，來年將充滿機遇與挑戰。衍生集團（國際）控股有限公司將繼續努力為股東及投資者創造更大價值。

Yours faithfully
Pang Siu Hin
Chairman

25 June 2018

主席
彭少衍
謹啟

2018年6月25日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in the marketing, selling and manufacturing of healthcare products primarily targeting at children, among which “Hin Sang (衍生)” has been a long established reputable brand. To align with the consumer’s trend, the Group continues to expand the e-commerce business through electronic platforms. To leverage on existing resources to increase profit, the Group also trades in skin care, personal care and slimming products of reputable brands. It is also developing its business in mother-infant Chinese medical healthcare as well as diagnosis and treatment services projects.

For the Year, the Group’s revenue was approximately HK\$188.6 million, representing a decrease of approximately 6.5% as compared to approximately HK\$201.8 million for the last year. The Group has four business segments classified by their ownership, licensing rights and services rendered. During the Year, the Product Development Segment, selling the Group’s own brand products with a relatively high gross profit margin, was still the largest segment of the Group which contributed approximately 95.8% (2017: 88.7%) of the Group’s revenue. On the other hand, the revenue contribution from the Brand Development and Management Segment fell from approximately 9.4% of the total revenue for the last year to approximately 3.3% of the total revenue for the Year. The Trading of Goods Segment recorded a continuous drop in revenue and its revenue contribution remains in low level of approximately 0.4% (2017: 1.9%). Healthcare Segment, being in start-up stage, only accounted for approximately 0.5% of the total revenue for the Year.

The Group’s business operations are mainly based in Hong Kong, though its products are distributed through distributors appointed in the PRC, Taiwan, Macau, and export to markets such as Malaysia. Revenue generated from Hong Kong market for the Year recorded approximately HK\$145.9 million (2017: HK\$155.3 million), representing approximately 77.4% of the total revenue for the Year (2017: 77.0%). On the other hand, revenue generated from the PRC market for the Period recorded approximately HK\$41.0 million (2017: HK\$42.2 million), representing approximately 21.7% of the total revenue for the Year (2017: 20.9%). The revenue generated from sales in Hong Kong decreased due to weakened purchasing power of tourists from the PRC under the Individual Visit Scheme. Also, the revenue generated from sales in the PRC decreased due to weakened purchasing power of citizen of the PRC.

業務回顧

本集團主要從事主要面向兒童的保健產品的營銷、銷售及製造，其中「衍生」為長期享有聲譽的知名品牌。本集團繼續透過電子平台擴展電子商貿業務，以迎合消費趨勢。為利用現有資源以增加利潤，本集團亦銷售知名品牌的護膚、個人護理及纖體產品。婦嬰中醫保健以及診斷及治療服務項目亦正在開展。

於本年度，本集團的收入約為188.6百萬港元，較去年的約201.8百萬港元減少約6.5%。根據其擁有權、特許權及所提供服務，本集團業務分部分為四類。於本年度，產品開發分部（銷售毛利率較高的本集團自家品牌產品）仍為本集團最大業務分部，為本集團貢獻約95.8%（2017年：88.7%）之收入。另一方面，來自品牌開發及管理分部之收入貢獻則由去年佔總收入之約9.4%下降至本年度佔總收入之約3.3%。貨品買賣分部之收入錄得持續下跌，其向本集團貢獻之收入仍維持低水平約0.4%（2017年：1.9%）。處於啟動階段的健康分部僅佔本年度總收入約0.5%。

本集團的業務運營主要位於香港，惟委任分銷商在中國、台灣、澳門分銷產品並出口至馬來西亞等市場。本年度源自香港市場之收入約為145.9百萬港元（2017年：155.3百萬港元），佔本年度總收入之約77.4%（2017年：77.0%）。另一方面，本期間源自中國市場之收入約為41.0百萬港元（2017年：42.2百萬港元），佔本年度總收入之約21.7%（2017年：20.9%）。香港銷售產生之收入減少，原因是中國根據個人遊計劃訪港的旅客購買力減弱。中國銷售產生之收入亦有所下降，原因是中國市民的購買力減弱。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Product Development Segment

Under the Product Development Segment, the Group develops and sells healthcare products, personal care products and household products under its own brand names, mainly being “Hin Sang (衍生)”, “Tai Wo Tong (太和堂)”, “Beautymate (美肌の誌)”, “Shuang Long (雙龍)” and “King’s Antiseptic (殺菌王)”. The Group started developing the “Hin Sang (衍生)” brand in year 2004 mainly for its health supplements. “Tai Wo Tong (太和堂)” was developed in year 2012 mainly for the Group’s proprietary Chinese medicine category with a view to further enhancing brand recognition of the Group’s own brand products.

The revenue of this segment was approximately HK\$180.6 million for the Year, represented a slight increase of approximately 1.0% compared to approximately HK\$178.9 million for the last year. This segment’s profit for the Year was approximately HK\$36.8 million, representing an increase of approximately 52.1% comparing to approximately HK\$24.2 million for the last year, which was mainly due to (i) increase in profit contribution from products developed by the Group under its own brands with improved profit margin and (ii) there was an unrealised net exchange gain for the Year, as compared to an unrealised net exchange loss for the last year. This segment’s profit margin for the Year was approximately 20.4% while the profit margin for the last year was approximately 13.5%.

Brand Development and Management Segment

The Group has a proven history of managing and developing a number of brands for its brand proprietors (who are mainly manufacturers and brand proprietors of the products) in respect of their personal care products mainly in the Hong Kong market since 1999. The Group entered into an exclusive distribution agreement with each of the brand proprietors and provided them with one-stop marketing, sales and distribution, logistic and delivery services for their branded products.

產品開發分部

於產品開發分部，本集團以自家品牌（主要為「衍生」、「太和堂」、「美肌の誌」、「雙龍」及「殺菌王」）開發及銷售保健產品、個人護理產品及家居產品。本集團於2004年開始開發主要針對其健康補充品的「衍生」品牌，及於2012年開發主要針對本集團自營中藥類別的「太和堂」，以進一步增強本集團自家品牌產品的品牌知名度。

於本年度，此分部的收入約為180.6百萬港元，較去年的約178.9百萬港元輕微增加約1.0%。於本年度，此分部的溢利約為36.8百萬港元，較去年的約24.2百萬港元上升約52.1%，此乃主要由於(i)本集團以自家品牌開發的產品利潤率改善推動溢利貢獻提高，及(ii)本年度錄得未變現淨匯兌收益，而去年則錄得未變現淨匯兌虧損。於本年度，此分部的利潤率約為20.4%，而去年的利潤率約為13.5%。

品牌開發及管理分部

本集團自1999年起為品牌擁有人（其主要為產品之製造商及品牌擁有人）就彼等主要於香港市場之個人護理產品管理及開發若干品牌並具歷史證明。本集團與各品牌擁有人訂立獨家分銷協議，並為彼等之品牌產品提供一站式市場推廣、銷售及分銷、物流及交付服務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Amongst the products managed and developed by the Group for the brand proprietors, the major brands are “See Young (滋源)”, “Pahmi (芭菲)”, “Vcnic (花世界)”, “Zici (滋采)” and “Sunew (閃新)”. The revenue of this segment was approximately HK\$6.3 million for the Year, represented a decrease of approximately 66.8% compared to approximately HK\$19.0 million for the last year. Such significant decrease was mainly due to the shift of focus by the management of the Group to the Product Development Segment during the Year in order to enhance the brand image of the Group’s own-branded products. This segment recorded a profit of approximately HK\$0.6 million for the Year while a loss of approximately HK\$2.6 million was incurred for the last year.

Trading of Goods Segment

The Group has served its trade customers with high quality products sourced from authorized dealers and overseas suppliers. Products within this segment with low profit margin will be phased out, and more resources will be put into Product Development Segment which is expected to yield higher profit margin.

The revenue of this segment was approximately HK\$0.7million for the Year, represented a significant decrease of approximately 81.6% compared to approximately HK\$3.8 million for the last year and it accounted for approximately 0.4% and 1.9% of the Group’s revenue for the Year and for the last year respectively, as the management of the Group focused on the Product Development Segment during the Year. This segment’s loss for the Year was approximately HK\$71,000 as compared to approximately HK\$371,000 for the last year.

Healthcare Segment

Healthcare segment provides different types of healthcare related services and products in Hong Kong and the PRC for mothers and children by establishment of Clinics with medical treatment and consultation by experienced Chinese physician who specialised in mother-infant Chinese medical healthcare.

The revenue of this segment was approximately HK\$0.9 million and it accounted for approximately 0.5% of the Group’s revenue for the Year. This segment’s loss for the Year was approximately HK\$15.8 million as compared to approximately HK\$3.8 million for the last year, the significant increase due to this segment is still in start-up stage with heavily operating costs incurred before generating decent revenue.

本集團為品牌擁有人管理及開發之產品中，主要品牌為「滋源」、「芭菲」、「花世界」、「滋采」及「閃新」。於本年度，此分部之收入約為6.3百萬港元，較去年之約19.0百萬港元減少約66.8%。收入大幅下降乃主要由於為增強本集團自家品牌產品的品牌形象，本年度本集團管理層的重心轉移至產品開發分部。於本年度，此分部錄得溢利約0.6百萬港元，而去年則產生虧損約2.6百萬港元。

貨品買賣分部

本集團向其貿易客戶提供自指定經銷商及海外供應商採購的優質產品。此分部中利潤率較低的產品將逐步淘汰，以將更多資源投入預期產生較高利潤率的產品開發分部。

於本年度，此分部的收入約為0.7百萬港元，較去年的約3.8百萬港元大幅減少約81.6%，且於本年度及去年，其分別佔本集團收入的約0.4%及1.9%，原因是本年度本集團管理層的重心放在產品開發分部。本年度此分部虧損約71,000港元，而去年約為371,000港元。

健康分部

健康分部透過設立由婦嬰中醫保健專科的資深中醫師提供醫療及諮詢服務的診所，在香港及中國向婦嬰提供不同類型的保健相關服務及產品。

於本年度，此分部的收入約為0.9百萬港元，佔本集團總收入的約0.5%。本年度此分部虧損約15.8百萬港元，而去年約為3.8百萬港元，有關大幅增加乃由於此分部仍處於啟動階段，於產生可觀收入前產生高額經營成本。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

HUMAN RESOURCES

The Group had a total of 219 staff as at 31 March 2018. The employees of the Group are paid based on fixed salary, sales commission individually and year-end discretionary performance bonus. The Group has devised an assessment system for its employees and the Group uses the assessment result for salary review and promotion decisions. All of the employees undergo a performance appraisal once a year. Such an appraisal provides the Group with an opportunity to assess each individual employee's strengths and areas for improvement, thereby enabling the Group to effectively train and develop each individual employee. A Share Option Scheme was adopted in September 2014 to recognise and acknowledge those employees who have made contribution to the Group.

PROSPECTS

The Group is confident that Hong Kong market can still provide a stable platform for its business to expand. The Group continues its effort in new product development in order to enrich health supplements portfolio and enhance the brand image as being a specialist in providing health supplements. The Group ensures that only those products with high sales volume potential should be retained in its product portfolio. At the same time, the Group will also focus on China's market development, especially in the health supplement market for children. The Group believes that this market will be greatly benefited by the launch of China's "two-child" policy. To seize this opportunity, the Group will continue to expand its distribution network by recruiting additional distributors and put more resources to promote corporate image in order to expand its customer base.

The Group has outlined the following strategies for its future business development, with caution but aim to creating values for the Shareholders:

(a) To expand in the mother-infant healthcare market through joint venture with the Fullshare Group

The Group has established a joint venture company with Fullshare Group to expand the business of mother-infant Chinese medical healthcare as well as diagnosis and treatment services to capture this fast-growing market in both Hong Kong and the PRC. The first Hin Sang Herbaby Health Centre in Shek Mun, Shatin, Hong Kong was operated since June 2017.

人力資源

於2018年3月31日，本集團合共有219名員工。本集團之僱員均享有固定薪酬、個人銷售佣金及年終酌情表現花紅。本集團已為其僱員制訂評核制度，並使用評核結果審閱薪金及作出晉升決定。全體僱員均會進行每年一次之表現評核。此項評核讓本集團得以評估每名個別僱員之長處及可改善之處，令本集團有效培訓每名個別僱員，讓其發展所長。購股權計劃於2014年9月獲採納，以認可及感謝對本集團作出貢獻之僱員。

展望

本集團相信香港市場仍可為其業務擴展提供一個穩健的平台。本集團繼續開發新產品以豐富健康補充品之組合，增強作為健康補充品專門提供商的品牌形象。本集團將確保其產品組合僅保留具有高銷量潛力的產品。與此同時，本集團亦將聚焦中國之市場發展，尤其是兒童健康補充品市場。本集團相信此市場將從中國出台的「二孩」政策中受益匪淺。為把握此機遇，本集團將繼續透過增聘分銷商擴展其分銷網絡並投入更多資源提升企業形象，藉以擴大客戶基礎。

本集團已就其未來業務發展擬訂以下策略，以謹慎執行有關政策同時為股東創造價值：

(a) 透過與豐盛集團成立合營企業拓展婦嬰保健市場

本集團已與豐盛集團成立合營企業，以拓展婦嬰中醫保健以及診斷及治療服務業務，藉以把握此快速增長之香港及中國市場。第一間衍生兒童中醫健康中心自2017年6月於香港沙田石門營業。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In addition, the Group formed two joint venture companies with 南京南中醫豐盛健康學院有限公司 (Nanjing South Chinese Medical Fullshare Health Institute Company*) (the “Health Institute”) to operate another two Clinics in Nanjing City of the Jiangsu Province, the PRC. The first Clinic was operated since January 2018 and the second Clinic was soft opened on 29 May 2018. The Directors believe that these joint venture companies can further leverage on the financial resources, management experience and expertise of the Group and Health Institute, in light of the huge opportunity brought by the “two-child” policy of the PRC. Further details are set out in the Company’s announcement dated 8 June 2017.

(b) To continue enhancing brand recognition of the Group’s own brands

The Group has developed the “Hin Sang (衍生)” brand into a well-recognised brand in Hong Kong through an effective targeted advertising program which is well-positioned emphasising on product safety and quality.

The Group continued focusing on and applying its brand strategies of multichannel marketing and diverse product portfolios. The Group adopted a market oriented research and product development strategy to meet evolving customer demands and needs while achieving rapid growth. The Group’s new product development initiative for the coming year will focus on developing more products in mother and children health supplements in Hong Kong and the PRC.

(c) To expand the manufacturing arm of the Group

The Group plans to enhance the production efficiency of its own brand products in order to capture future opportunities. With reference to the Company’s announcement dated 21 June 2017, the Group intends to develop a production plant for manufacturing health supplements in Yunfu City of the Guangdong Province, the PRC, aiming to reduce the product cost by self-production rather than Original Equipment Manufacturer (“OEM”) to outside supplier, and increase efficiency and attaining more stringent quality control on its own brand healthcare products. On 9 October 2017, the Group paid RMB17.4 million (equivalent to HK\$20.7 million) as land use right payment in relation to acquisition of a piece of land, and the production plant is under construction stage.

此外，本集團將與南京南中醫豐盛健康學院有限公司（「健康學院」）成立兩間合營企業並於中國江蘇省南京市經營另外兩間診所。第一間診所自2018年1月營業，而第二間診所於2018年5月29日試業。鑒於中國「二孩」政策帶來此一巨大機遇，董事相信該等合營企業可進一步運用本集團及健康學院之財務資源、管理經驗及專業知識。有關進一步詳情載於本公司日期為2017年6月8日之公告。

(b) 不斷提高本集團自家品牌之品牌知名度

本集團將「衍生」品牌發展成香港著名品牌是透過有效的針對性廣告計劃，強調產品安全和質量為定位。

本集團繼續專注於及運用其多渠道市場推廣及多元化產品組合之品牌策略。本集團已採納以市場為導向的研究及產品開發策略，以滿足不斷演變的客戶需求及需要，並實現快速增長。本集團來年的新產品開發計劃將專注於針對香港及中國之婦嬰健康補充品開發更多產品。

(c) 擴充本集團製造業務

本集團計劃提高其自家品牌產品的生產效率，以把握未來機遇。根據本公司日期為2017年6月21日之公告，本集團擬於中國廣東省雲浮市興建健康補充品之生產廠房，以減少自家而非原裝設備廠家（「OEM」）對外部供應商生產的產品成本，並提高其自家品牌保健產品效率以及對自家品牌保健產品實施更嚴格之質量控制。於2017年10月9日，本集團支付人民幣17.4百萬元（相等於20.7百萬港元）作為收購一塊土地之土地使用權付款，而生產廠房仍在興建階段。

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Furthermore, with reference to the Company's announcement dated 25 April 2018, the Group acquires an industrial property with a gross floor area of approximately 29,000 square feet at the consideration of HK\$158,380,000 located in Shatin, Hong Kong. The Group intends to use certain portion of the industrial property as a GMP manufacturing plant to serve the post-processing procedures for its own brand products, and the remaining part will be used as warehouse. The Director believes that it will achieve rental saving in the long run and better cost control, and also provides more stringent quality control on its own brand healthcare products.

(d) To expand e-commerce for own-branded products

The Group will continue to enhance its e-commerce platform which focus on online sales of the products under "Hin Sang (衍生)", through which customers, particularly those in the PRC can place orders online and enjoy home delivery services. Revenue from e-commerce platforms accounted for approximately HK\$16.5 million (2017: HK\$9.1 million) of the Group's total revenue for the Year. The Group will continue to introduce more high quality health supplements on online platforms to expand our product portfolio and market scale.

* The English name is for identification purposes only

FINANCIAL REVIEW

Revenue

The Group's revenue was approximately HK\$188.6 million for the Year as compared to HK\$201.8 million for the last year, representing a decrease of approximately 6.5%. Such decrease was mainly due to the decrease in its sales of products under the Brand Development and Management Segment and Trading of Goods Segment.

此外，根據本公司日期為2018年4月25日之公告，本集團以代價158,380,000港元收購位於香港沙田之工業物業，總建築面積約為29,000平方呎。本集團計劃將工業物業若干部分用作符合良好製造規範要求之生產廠房，以作為其自家品牌產品的後續處理工序，而餘下部分將用作倉庫。董事認為，其將可長遠節省租金及更好控制成本，以及對自家品牌保健產品實施更嚴格之質量控制。

(d) 擴大自家品牌產品之電子商務

本集團將繼續升級其電子商務平台，專注於網上向客戶，尤其是該等可網上下單並願意享用派送到家服務的中國客戶銷售「衍生」產品。來自電子商務平台之收入佔本集團於本年度總收入之約16.5百萬港元（2017年：9.1百萬港元）。本集團將繼續於線上平台推出更多高質量健康補充品，擴充自家產品組合及市場規模。

財務回顧

收入

本年度本集團之收入為約188.6百萬港元，較去年的201.8百萬港元減少約6.5%。該減少乃主要由於品牌開發及管理分部以及貨品買賣分部之產品銷售額減少。

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During the Year, the revenue generated from the Product Development Segment increased by approximately HK\$1.7 million, representing an increase of 1.0% as compared to the last year. The revenue generated from the Brand Development and Management Segment and the Trading of Goods Segment decreased by approximately HK\$12.7 million and HK\$3.1 million respectively, representing a decrease of approximately 66.8% and 81.6% as compared to the last year. The decrease in revenue for these segments was mainly due to the decline in revenue from the Hong Kong market, as a result of the stagnant retail market in Hong Kong which result in a cautious sentiment of the local customers. Revenue generated from Healthcare segment was approximately HK\$0.9 million and it accounted for approximately 0.5% of the Group's revenue for the Year.

Cost of Sales

The Group's cost of sales decreased by 16.3% from approximately HK\$68.6 million for the last year to approximately HK\$57.4 million for the Year. Such decrease was primarily due to the drop in the cost of sales under the Brand Development and Management Segment and Trading of Goods Segment by approximately 62.2% and 79.6% respectively as compared to the last year.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by 1.5% from approximately HK\$133.2 million for the last year to approximately HK\$131.2 million for the Year. The gross profit margin for the Year increased from 66.0% to 69.6%, which was mainly resulted from introduction of higher profit margin products from the Product Development Segment.

Other Income

The Group's other income increased from approximately HK\$5.1 million for the last year to approximately HK\$6.4 million for the Year. Such slight increase of other income was mainly due to the dividend income from an available-for-sale investment of approximately HK\$2.0 million which is partially set-off by the decrease in interest income from bank deposits of approximately HK\$0.7 million.

於本年度，來自產品開發分部的收入較去年增加約1.7百萬港元，增幅為1.0%。來自品牌開發及管理分部以及貨品買賣分部的收入較去年分別減少約12.7百萬港元及3.1百萬港元，減幅分別約66.8%及81.6%。該等分部收入減少乃主要由於本地客戶審慎的消費情緒引起香港零售市場不景氣導致香港市場收入減少。來自健康分部的收入約0.9百萬港元，佔本集團於本年度收入的約0.5%。

銷售成本

本集團之銷售成本由去年的約68.6百萬港元減少16.3%至本年度的約57.4百萬港元。該減少乃主要由於品牌開發及管理分部以及貨品買賣分部的銷售成本較去年分別減少約62.2%及79.6%。

毛利及毛利率

本集團之毛利由去年的約133.2百萬港元減少1.5%至本年度的約131.2百萬港元。本年度之毛利率由66.0%上升至69.6%，此乃由於產品開發分部中引入毛利率較高的產品。

其他收入

本集團之其他收入由去年的約5.1百萬港元增加至本年度的約6.4百萬港元。其他收入的輕微增加乃主要由於產生可供出售投資之股息收入約2.0百萬港元，部分被銀行存款的利息收入減少約0.7百萬港元所抵銷。

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Other Gains and Losses

Other gains and losses for the Year recorded a loss of approximately HK\$11.6 million (2017: a loss of approximately HK\$6.7 million). The loss was attributable to an impairment loss on an available-for-sale investment of approximately HK\$16.3 million and it is partially set-off by an unrealised net exchange gain of approximately HK\$5.8 million for the Year (2017: an unrealised net exchange loss of approximately HK\$7.5 million).

Selling and Distribution Expenses

Selling and distribution expenses decreased by 7.6% from approximately HK\$41.0 million for the last year to approximately HK\$37.9 million for the Year. Such decrease in selling and distribution expenses was attributable to the decrease in advertising expenses in Hong Kong due to the change of the Group's marketing and advertising strategy by conducting more marketing and advertising on paper media rather than on TV media in Hong Kong.

Administrative Expenses

Administrative expenses increased by HK\$9.4 million or 12.1% from approximately HK\$77.7 million for the last year to approximately HK\$87.1 million for the Year which was mainly attributable to (i) the increase of depreciation and amortisation expenses from approximately HK\$7.4 million for the last year to approximately HK\$10.2 million for the year; (ii) the increase in travel and entertainment expenses from HK\$6.2 million for the last year to approximately HK\$8.7 million for the year; (iii) the increase in staff costs (excluding share-based payment expenses) from approximately HK\$29.4 million for the last year to approximately HK\$30.8 million for the Year; (iv) the increase in donation from HK\$0.8 million for the last year to approximately HK\$2.1 million for the year and the increase in office expenses from approximately HK\$5.2 million for the last year to approximately HK\$6.4 million for the Year. Healthcare segment accounts for 68.1% among the increment of HK\$9.4 million.

其他收益及虧損

本年度之其他收益及虧損錄得虧損約11.6百萬港元(2017年:虧損約6.7百萬港元)。該虧損乃由於產生可供出售投資之減值虧損約16.3百萬港元,部分被本年度的未變現匯兌收益淨額約5.8百萬港元(2017年:未變現匯兌虧損淨額約7.5百萬港元)所抵銷。

銷售及分銷開支

銷售及分銷開支由去年的約41.0百萬港元下降7.6%至本年度的約37.9百萬港元。此銷售及分銷開支減幅乃由於相較於香港電視媒體,本集團更多於紙質媒體進行市場營銷及廣告活動,進而改變了其市場營銷及廣告策略,導致於香港的廣告開支減少。

行政開支

行政開支由去年的約77.7百萬港元增加9.4百萬港元或12.1%至本年度的約87.1百萬港元,主要由於(i)折舊及攤銷開支由去年的約7.4百萬港元增加至本年度的約10.2百萬港元;(ii)差旅及酬酢開支由去年的6.2百萬港元增加至本年度的約8.7百萬港元;(iii)員工成本(不包括以股份為基礎的付款開支)由去年的約29.4百萬港元增加至本年度的約30.8百萬港元;(iv)捐贈由去年的0.8百萬港元增加至本年度的約2.1百萬港元以及辦公開支由去年的約5.2百萬港元增加至本年度的約6.4百萬港元。於增加的9.4百萬港元中,健康分部佔68.1%。

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Taxation

The Group's tax charge increased by 76.6% from approximately HK\$4.7 million for the last year to approximately HK\$8.3 million for the Year. The increase in tax charge was due to adequate provision of Hong Kong Profits Tax at 16.5% which has been made based on the assessment of profit before tax of the individual operating companies.

Loss/Profit for the Year

During the Year, the Group recorded a net loss of approximately HK\$7.2 million for the Year compared to a net profit of approximately HK\$8.3 million for the last year.

Other Comprehensive Income

The Group recorded other comprehensive income increased by 2,772.1% from approximately HK\$4.3 million for the last year to approximately HK\$123.5 million for the Year as result of a fair value gain on an available-for-sale investment of approximately HK\$108.1 million and exchange gain on translation of foreign operations of approximately HK\$15.4 million.

Available-for-sale Investments

The Group held available-for-sale investments for medium to long term purpose, and it represented investment in two listed equity securities which are stated at fair value.

The first listed equity security represents 118,765,000 shares in Fullshare (stock code: 607), and there was no addition or disposal of the shares of Fullshare during the Year. As at 31 March 2018, the carrying amount of these shares amounted to approximately HK\$516.6 million (as at 31 March 2017: HK\$408.6 million), with the fair value gain of approximately HK\$108.0 million was recognised as other comprehensive income for the Year, and these shares represented approximately 0.6% of the issued ordinary shares of Fullshare as at 31 March 2018. The carrying amount of these shares represented approximately 50.9% of the total assets of the Group as at 31 March 2018.

稅項

本集團之稅項支出由去年的約4.7百萬港元增加76.6%至本年度的約8.3百萬港元。稅項支出增加乃由於作出適當的香港利得稅撥備，其根據對個別營運公司的除稅前溢利評估按16.5%的稅率計算得出。

年內虧損／溢利

於本年度，本集團本年度錄得淨虧損約7.2百萬港元，而去年錄得淨溢利約8.3百萬港元。

其他全面收益

本集團錄得的其他全面收益由去年的約4.3百萬港元增加2,772.1%至本年度的約123.5百萬港元，此乃由於可供出售投資的公平值收益約108.1百萬港元及換算外國業務的匯兌差額約15.4百萬港元。

可供出售投資

本集團持有中長期的可供出售投資，該等投資為對兩隻上市股本證券的投資，均按公平值入賬。

第一隻上市股本證券為118,765,000股豐盛（股份代號：607）股份，於本年度並無增持或出售豐盛股份。於2018年3月31日，該等股份的賬面值為約516.6百萬港元（於2017年3月31日：408.6百萬港元），於本年度已將公平值收益約108.0百萬港元確認為其他全面收益，且該等股份佔豐盛於2018年3月31日已發行普通股的約0.6%。該等股份的賬面值佔本集團於2018年3月31日的資產總值的約50.9%。

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The second listed equity security represents 45,411,600 shares in Nanjing Sinolife United Company Limited (“Nanjing Sinolife”) (stock code: 3332). With reference to the Company’s circular dated 21 September 2017, the Company purchased these shares from a wholly-owned subsidiary of Fullshare at the consideration of HK\$73,112,676 and the transaction was completed on 18 October 2017. There was no addition or disposal of this investment during the Year. As at 31 March 2018, the carrying amount of these shares amounted to approximately HK\$56.8 million, with an impairment loss of approximately HK\$16.3 million recognised for the Year due to significant decline in the market value compared with the purchase cost, and these shares represented approximately 4.8% of the issued ordinary shares of Nanjing Sinolife as at 31 March 2018. The carrying amount of these shares represented approximately 5.6% of the total assets of the Group as at 31 March 2018.

The fair value of these securities as at the date of this report was approximately HK\$457,037,000.

Inventories

The Group’s inventories increased by 7.9% from approximately HK\$8.9 million as at 31 March 2017 to approximately HK\$9.6 million as at 31 March 2018 which was primarily due to the increase in finished products for distribution by 10.5% from approximately HK\$7.6 million as at 31 March 2017 to approximately HK\$8.4 million as at 31 March 2018. The inventory turnover days increased from 58.5 days for the last year to 58.8 days for the Year.

Held For Trading Investment

The Group held several listed equity securities for short term trading purpose and they are stated at fair value. The largest portion of listed equity security represents 5,746,000 shares in Nanjing Sinolife which were purchased from the primary market during the Year. As at 31 March 2018, the carrying amount of these shares amounted to approximately HK\$7.2 million, and these shares represented approximately 0.6% of the issued ordinary shares of Nanjing Sinolife as at 31 March 2018. The carrying amount of these shares represented approximately 0.7% of the total assets and 80.0% of the held for trading investments of the Group as at 31 March 2018. The fair value of these securities as at the date of this report was approximately HK\$6,263,000.

第二隻上市股本證券為45,411,600股南京中生聯合股份有限公司(「南京中生」, 股份代號: 3332)股份。經參考本公司日期為2017年9月21日的通函, 本公司自豐盛的一間全資附屬公司購得該等股份, 代價為73,112,676港元, 且交易已於2017年10月18日完成。本公司於本年度並無增加或出售該投資。於2018年3月31日, 該等股份的賬面值為約56.8百萬港元, 於本年度因市價較購買成本大幅下跌而確認減值虧損約16.3百萬港元, 且該等股份佔南京中生於2018年3月31日已發行普通股的約4.8%。該等股份的賬面值佔本集團於2018年3月31日的資產總值的約5.6%。

於本報告日期, 該等證券之公平值為約457,037,000港元。

存貨

本集團存貨由2017年3月31日的約8.9百萬港元增加7.9%至2018年3月31日的約9.6百萬港元, 主要由於待分銷成品由2017年3月31日的約7.6百萬港元增加10.5%至2018年3月31日的約8.4百萬港元。存貨周轉天數由去年的58.5天增加至本年度的58.8天。

持作買賣投資

本集團持有若干持作短期買賣用途之上市股本證券且彼等按公平值列賬。上市股本證券中最大的部分為於年內自一手市場收購之南京中生5,746,000股股份。於2018年3月31日, 該等股份賬面值約為7.2百萬港元, 且該等股份佔於2018年3月31日南京中生已發行普通股之約0.6%。該等股份賬面值佔於2018年3月31日本集團資產總值之約0.7%及持作買賣投資之80.0%。於本報告日期, 該等證券之公平值為約6,263,000港元。

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Trade Receivables

The Group's trade receivables increased by 30.5% from approximately HK\$16.7 million as at 31 March 2017 to approximately HK\$21.8 million as at 31 March 2018, which was primarily attributable to the decrease in trade receivables from distributors arising from the purchase of healthcare products of the Product Development Segment. Trade receivables turnover days slightly decreased from 38.0 days for the last year to 37.2 days for the Year.

Trade Payables

The Group's trade payables decreased by approximately 1.0% from approximately HK\$9.6 million as at 31 March 2017 to approximately HK\$9.5 million as at 31 March 2018. The trade payables turnover days increased from 45.8 days for the last year to 60.7 days for the Year.

Liquidity, gearing ratio and capital structure

The Group's bank balances and cash were mainly denominated in HKD and RMB, the balances were decreased by approximately 35.6% from approximately HK\$288.9 million as at 31 March 2017 to approximately HK\$186.0 million as at 31 March 2018. As at 31 March 2018, the Group had no outstanding bank borrowings; and the amount of unutilized banking facilities was approximately HK\$120 million. The gearing ratio (total debts divided by total equity) as at 31 March 2018 was nil (31 March 2017: nil). The current ratio (total current assets divided by total current liabilities) as at 31 March 2018 was 7.5 (31 March 2017: 11.4).

Contingent liabilities

As at 31 March 2018, the Directors were not aware of any significant events that would have resulted in material contingent liabilities.

Charges on the Group's assets

As at 31 March 2018, none of the assets of the Group were pledged in favor of any banks.

貿易應收款項

本集團之貿易應收款項由2017年3月31日的約16.7百萬港元增加30.5%至2018年3月31日的約21.8百萬港元，主要由於來自分銷商購買產品開發分部的保健產品的貿易應收款項減少所致。貿易應收款項周轉天數由去年的38.0天輕微減少至本年度的37.2天。

貿易應付款項

本集團之貿易應付款項由2017年3月31日的約9.6百萬港元減少約1.0%至2018年3月31日的約9.5百萬港元。貿易應付款項周轉天數由去年的45.8天增加至本年度的60.7天。

流動資金、資產負債比率及資本架構

本集團之銀行結餘及現金乃主要以港元及人民幣計值，該等結餘由2017年3月31日之約288.9百萬港元減少約35.6%至2018年3月31日之約186.0百萬港元。於2018年3月31日，本集團並無未償還銀行借貸，且未動用銀行融資約為120百萬港元。於2018年3月31日，資產負債比率（債務總額除以權益總額）為零（2017年3月31日：零）。於2018年3月31日，流動比率（流動資產總值除以流動負債總額）為7.5（2017年3月31日：11.4）。

或然負債

於2018年3月31日，董事概不知悉存在任何重大事項可導致重大或然負債。

本集團資產抵押

於2018年3月31日，本集團資產概無以任何銀行為受益人而予以質押。

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Capital commitments

As at 31 March 2018, the Group had total capital commitments of HK\$6.3 million in respect of the acquisition of property, plant and equipment.

Event after the reporting period

On 25 April 2018, Beautymate Hong Kong Limited, a wholly-owned subsidiary of the Company, entered into a provisional sale and purchase agreement with the vendor, Emwell Limited, an independent third party, for acquisition of an industrial property and a car parking space at the consideration of HK\$158,380,000 and the transaction shall be completed on or before 8 October 2018. The Group intends to use certain portion of the industrial property as a GMP manufacturing plant to serve the post-processing procedures for its own brand products, and the remaining part will be used as a warehouse.

Financial Management and Policy

The Group continues to adopt prudent financing and treasury policies. The Group's entire financing and treasury activities are centrally managed and controlled. Implementation of the Group's related policies is made under collective but extensive considerations on liquidity risk, financing cost and exchange rate risk. The executive Directors, with the assistance of the Group's chief financial officer, are responsible for identifying, reviewing, evaluating and analyzing the investment opportunities of the Group. The executive Directors also regularly monitor the cash position and funding requirements of the Group.

資本承擔

於2018年3月31日，本集團就收購物業、廠房及設備擁有資本承擔總額6.3百萬港元。

報告期後事件

於2018年4月25日，本公司之全資附屬公司 Beautymate Hong Kong Limited 與一名獨立第三方興偉有限公司（賣方）就以代價158,380,000港元收購工業物業及停車位訂立臨時買賣協議且該交易將於2018年10月8日或之前完成。本集團擬將部分工業物業用作符合GMP要求之生產廠房以為自身品牌產品提供後期加工程序，及餘下部分將作倉庫使用。

財務管理及政策

本集團將持續採納審慎的財務及庫務政策。本集團之所有財務及庫務活動皆集中管理及控制。本集團經仔細考慮整體流動資金風險、財務費用及匯率風險後執行相關政策。執行董事在本集團財務總監的協助下負責識別、審閱、評估及分析本集團的投資機會。執行董事亦定期監測本集團的現金狀況及資金需求。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Pang Siu Hin (彭少衍), aged 53, was appointed in October 2010 as an executive Director. He is the founder of the Group and has been the Chairman and the Chief Executive Officer of the Group since 1996. He is responsible for the overall strategic planning, formulation of the corporate policies and the day-to-day management of the Group. Mr. Pang has about 20 years of experience in the distribution, marketing and sale of healthcare products, personal care products and household products, the experience of which was gained from the operation of the Group. Mr. Pang was appointed as the director of Hong Kong Chiu Chow Chamber of Commerce since 2005, the honourable president of The Cosmetic & Perfumery Association of Hong Kong Limited (香港化粧品同業協會有限公司) in 2008, the honourable chairman of the Hong Kong Chinese Medicine Industry Association Limited (香港中藥業協會有限公司) in 2009. Mr. Pang was appointed as the vice president of Hong Kong & Kowloon Kit Yeung Clansmen General Association Limited (香港九龍揭陽同鄉總會有限公司) in 2009, the executive vice president in 2013 and became perpetual honourable president in 2017. Since 2009, Mr. Pang was appointed as the director of Chiu Chow Clansmen's Association of Yuen Long District, Limited (元朗區潮州同鄉會有限公司), the vice president in 2011 and became the chairman in 2017. In 2010, he became the life honorary chairman of Hong Kong Listed Chinese Medicine Practitioners Association (香港表列中醫協會), and titled as the advisor in 2016.

Mr. Pang is an active participant in the work of charities, appointed as the director of Pok Oi Hospital in Hong Kong from 2009 to 2011, the vice chairman since 2012, the chairman since 2017, and became the perpetual adviser since 2018. He worked as the honourable president of Junior Police Call (Yuen Long District) since 2010, a member of the standing committee of the Chinese People's Political Consultative Conference, Jieyang City, the PRC, a member of Yuen Long Town Area Committee under the Home Affairs Department in 2012, a member of the Committee on the Promotion of Civic Education under the Home Affairs Department in 2014, the honourable president of Yuen Long District Healthy City Association Limited in 2017, and the standing vice president of the 1st session of Friendship Association of the Political Consultative Conference (Hong Kong Provincial Committee) in Jieyang in 2018.

執行董事

彭少衍先生，53歲，於2010年10月獲委任為執行董事。彼為本集團之創辦人，自1996年起一直為本集團之主席兼行政總裁。彼負責整體策略規劃、制訂公司政策以及本集團之日常管理。彭先生於保健產品、個人護理產品及家居產品之分銷、市場推廣及銷售行業擁有約20年經驗，該等經驗來自本集團之營運。彭先生自2005年起獲委任為香港潮州商會會董，於2008年獲委任為香港化粧品同業協會有限公司名譽會長，於2009年獲委任為香港中藥業協會有限公司名譽會長。彭先生於2009年獲委任為香港九龍揭陽同鄉總會有限公司副會長，於2013年成為常務副會長，並於2017年成為永遠名譽會長副主席。自2009年起彭先生獲委任為元朗區潮州同鄉會有限公司董事，並於2011年成為副主席，並於2017年成為主席。在2010年，他獲委任為香港表列中醫協會永遠榮譽會長，並於2016年成為顧問。

彭先生熱心慈善工作，於2009年至2011年擔任香港博愛醫院董事局總理，於2012年成為副主席，並於2017年成為主席，於2018年成為永遠顧問。彼於2010年開始獲委任為元朗區少年警訊名譽會長，於2012年開始獲委任為中國人民政治協商會議揭陽市委員會政協常委，於2012年開始獲委任為民政事務署元朗分區委員會委員，於2014年開始獲委任為民政事務署元朗區公民教育委員會委員，於2017年開始獲委任為元朗區健康城市協會有限公司名譽會長，於2018年在首屆成立的香港揭陽各級政協委員聯誼會獲委任為常務副會長。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Moreover, Mr. Pang became the co-chairman of New Territories Walk for Millions Organizing Committee of The Community Chest of Hong Kong (香港公益金) since 2014 and appointed as the chairman in 2017. He was titled as the vice president of Shenzhen Enterprise Confederation (深圳市企業聯合會) in 2015, and the executive vice president of Tin Yan Charity Organization (天恩愛心義工隊) and the honourable president of Shen Kong Jiexi Chamber of Commerce Limited (深港揭西商會有限公司) in 2016. In 2017, Mr. Pang was appointed as the honourable advisor of Hong Kong Children, Babies, Maternity Industries Association Limited (香港孕嬰童業協會有限公司), the honourable president of the management committee in Hong Kong Love & Care Charity Foundation Limited (香港愛心慈善基金會有限公司) and the vice president of the Jiangsu Province Reflecting Health Industry Association (江蘇省反射保健行業協會) and president of its children's health preservation branch. He is also the life honorary chairman of Xuan Yuan Education Fund Association focusing on the development of education work in the PRC since 2010. Mr. Pang Siu Hin is the husband of Ms. Kwan Lai Man.

Ms. Kwan Lai Man (關麗雯), aged 46, was appointed in October 2010 as an executive Director. Ms. Kwan is a founder of the Group and has been the Managing Director of the Group since 1996. She is responsible for supervising the Group's business operations. She has about 20 years of experience in the distribution, marketing and sale of healthcare products, personal care products and household products, the experience of which was gained from the operation of the Group. She is also devoted in the development of education work in PRC and is the life honorary chairman of Xuan Yuan Education Fund Association since 2010. In 2017, she is appointed as the vice president of Hong Kong Children, Babies, Maternity Industries Association Limited (香港孕嬰童業協會有限公司). In 2018, she is appointed as the member of Committee for Yun Fu City of the People's Political Consultative Conference and the chairman of board of directors of Pok Oi Hospital in Hong Kong. Ms. Kwan Lai Man is the wife of Mr. Pang Siu Hin.

此外，彭先生於2014年開始獲委任為香港公益金新界百萬行聯席主席，於2017年獲委任為主席。彼於2015年獲委任為深圳市企業聯合會副會長、於2016年獲委任為天恩愛心義工隊常務副會長，同年亦獲委任為深港揭西商會有限公司名譽會長。於2017年，彭先生獲委任為香港孕嬰童業協會有限公司榮譽顧問、香港愛心慈善基金會有限公司管理委員會榮譽會長、江蘇省反射保健行業協會副會長兼兒童中醫養生分會會長。自2010年起，彼亦為軒轅教育基金會永久榮譽主席，專注於中國教育工作之發展。彭少衍先生為關麗雯女士之丈夫。

關麗雯女士，46歲，於2010年10月獲委任為執行董事。關女士為本集團之創辦人，自1996年起一直為本集團之董事總經理。彼負責監督本集團之業務營運。彼於保健產品、個人護理產品及家居產品之分銷、市場推廣及銷售行業擁有約20年經驗，該等經驗來自本集團之營運。彼亦致力於中國教育工作之發展，自2010年起，彼為軒轅教育基金會之永久榮譽主席。彼於2017年獲委任為香港孕嬰童業協會有限公司副會長。彼於2018年獲委任為廣東省雲浮市政協委員會委員。彼於2018年獲委任為香港博愛醫院董事局總理。關麗雯女士為彭少衍先生之妻子。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

NON-EXECUTIVE DIRECTORS

Ms. Wong Wai Ling (黃慧玲), aged 57, was appointed in November 2010 as a non-executive Director. Ms. Wong has more than 25 years of experience in accounting, taxation and auditing. She received a bachelor's degree in arts from the University of Hong Kong in November 1983 and a diploma in Accounting and Finance from the London School of Economics and Political Science, University of London in the United Kingdom in July 1985. Ms. Wong was registered as a certified public accountant of Hong Kong Institute of Certified Public Accountants in June 1991 and an associate of The Association of Chartered Certified Accountants in April 1990. She has worked for more than seven years in major international accounting firms and major local accounting firms before she set up her own accounting firm, W. L. Wong & Co., in Hong Kong in 1993. Since then, she has been practising as a Certified Public Accountant. Ms. Wong is an independent non-executive director of four Hong Kong listed companies, namely, Yongsheng Advanced Materials Company Limited (stock code: 3608), China Ruifeng Renewable Energy Holdings Limited (stock code: 527), Overseas Chinese Town (Asia) Holdings Limited (stock code: 3366), AVIC International Holdings Limited (formerly known as CATIC Shenzhen Holdings Limited) (stock code: 161). Ms. Wong also acts as the chairperson of the audit committee of each of these listed companies. Ms. Wong was an executive director of Tonking New Energy Group Holdings Limited (previously known as JC Group Holdings Limited) (Growth Enterprise Market ("GEM") stock code: 8326) and resigned on 18 October 2016. She was also an independent non-executive director of Glory Flame Holdings Limited (GEM stock code: 8059) and resigned on 22 March 2016.

非執行董事

黃慧玲女士，57歲，於2010年11月獲委任為非執行董事。黃女士於會計、稅務及審核方面擁有超過25年經驗。彼於1983年11月取得香港大學文學學士學位，並於1985年7月取得英國倫敦大學倫敦經濟及政治學院會計及財務文憑。黃女士於1991年6月註冊成為香港會計師公會執業會計師，於1990年4月註冊成為英國特許公認會計師公會會員。彼於1993年在香港成立其會計師事務所黃慧玲會計師事務所前，先後於大型國際會計師事務所及大型本地會計師事務所工作逾7年。自此，彼從事執業會計師工作至今。黃女士為四間香港上市公司之獨立非執行董事，分別為永盛新材料有限公司（股份代號：3608）、中國瑞風新能源控股有限公司（股份代號：527）、華僑城（亞洲）控股有限公司（股份代號：3366）及中航國際控股股份有限公司（前稱深圳中航集團股份有限公司）（股份代號：161）。黃女士亦擔任該等上市公司各自的審核委員會主席。黃女士曾任Tonking New Energy Group Holdings Limited同景新能源集團控股有限公司（前稱JC Group Holdings Limited，GEM股份代號：8326）之執行董事，並於2016年10月18日辭任。彼亦曾擔任朝威控股有限公司（GEM股份代號：8059）之獨立非執行董事，並於2016年3月22日辭任。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Yuen Chi Ping (袁志平), aged 39, was appointed in July 2016 as a non-executive Director. Mr. Yuen is qualified lawyer in both Hong Kong, and England and Wales. Mr. Yuen has over 12 years of experience practicing as a lawyer in the PRC and Hong Kong, and has extensive experience in corporate law, China-related public and private mergers and acquisitions, and capital market transactions. Mr. Yuen obtained a bachelor's degree in Laws in 2001 and completed the PCLL programme in 2002 in the University of Hong Kong, then undertook his traineeship and worked as a lawyer in various leading international firms. He worked as a special counsel in the Shanghai office of Baker & McKenzie and was responsible for the firm's securities practice in Shanghai. Mr. Yuen is also an executive director, the vice-chairman of the board and the co-chief executive officer of LongiTech Smart Energy Holding Limited (stock code: 1281) since April 2018, the chief executive officer and an executive director of Applied Development Holdings Limited (stock code: 519) since September 2016, and a non-executive director of China High Speed Transmission Equipment Group Co., Ltd. (stock code: 658) since December 2016. Mr. Yuen has been a director of Pok Oi Hospital (a charity organisation) since April 2017. Mr. Yuen was the chief operating officer of Fullshare Holdings Limited (stock code: 607) from October 2014 to March 2018, Fullshare Holdings Limited is a substantial shareholder of the Company.

袁志平先生，39歲，於2016年7月獲委任為非執行董事。袁先生為香港及英格蘭和威爾士執業律師。彼具有超過12年作為中國及香港執業律師之經驗，並於公司法、中國相關公開及私人收購合併以及資本市場交易方面具有豐富經驗。袁先生於2001年取得法律學士學位及於2002年於香港大學完成法學專業證書課程，彼其後完成實習，並於多間國際知名律師事務所擔任律師。彼曾於貝克·麥堅時國際律師事務所上海分所擔任特別顧問，負責該所於上海之證券業務。袁先生亦自2018年4日起擔任隆基泰和智慧能源控股有限公司（股份代號：1281）之執行董事、董事會副主席及聯席首席執行官，自2016年9月起擔任寶力建業集團有限公司（股份代號：519）之首席執行官及執行董事，自2016年12月起擔任中國高速傳動設備集團有限公司（股份代號：658）之非執行董事。袁先生自2017年4月起出任博愛醫院（為一家慈善機構）董事。由2014年10月至2018年3月期間，袁先生於豐盛控股有限公司（股份代號：607）出任首席營運官。豐盛控股有限公司為本公司的主要股東。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事

Mr. Lau Chi Kit (劉智傑), aged 73, retired from The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) in December 2000 after more than 35 years’ of service. Among the senior positions he held in HSBC, he was the assistant general manager and head of Personal Banking Hong Kong and assistant general manager and head of strategic implementation, Asia-Pacific Region. He is a fellow of the Hong Kong Institute of Bankers (the “Institute”). He was the chairman of the Institute’s executive committee (from January 1999 to December 2000) and is currently the honorary advisor of the Institute’s executive committee. He has served as a member of a number of committees appointed by the Government of Hong Kong Special Administration Region, including the Advisory Council on the Environment (from October 1998 to December 2001), the Advisory Committee on Human Resources Development in the Financial Services Sector (from June 2000 to May 2001), the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption (from January 2000 to December 2003), the Environment and Conservation Fund Committee (from August 2000 to October 2006), the Innovation and Technology Fund (Environment) Projects Vetting Committee (from January 2000 to December 2004) and the Law Reform Commission’s Privacy Sub-committee (from February 1990 to March 2006). He has also served as the chairman of Business Environment Council Limited (from September 1998 to December 2001). Currently, he is also an independent non-executive director of Royale Furniture Holdings Limited (stock code: 1198), Leoch International Technology Limited (stock code: 842), Century Sunshine Group Holdings Limited (stock code: 509) and Janco Holdings Limited (stock code: 8035). He is also an executive director of Chinlink International Holdings Limited (stock code: 997). The shares of Royale Furniture Holdings Limited, Leoch International Technology Limited, Century Sunshine Group Holdings Limited, Chinlink International Holdings Limited are listed on the Main Board of the Stock Exchange. The shares of Janco Holdings Limited are listed on the Growth Enterprise Market of the Stock Exchange. He was an independent non-executive director of Hua Long Jin Kong Company Limited (formerly known as Highlight China IoT International Limited) (stock code: 1682) from September 2010 to September 2017.

劉智傑先生，73歲，於服務香港上海滙豐銀行有限公司（「滙豐銀行」）逾35年後，於2000年12月退任。於滙豐銀行擔任之各主要職務中，彼曾任職副總經理兼香港個人銀行業務主管及亞太區副總經理兼策略執行業務主管。彼為香港銀行學會（「學會」）資深會士。彼曾於學會之理事會擔任主席（自1999年1月至2000年12月），目前擔任學會理事會之榮譽顧問。彼先後獲香港特別行政區政府委任服務多個委員會，包括環境諮詢委員會（自1998年10月至2001年12月）、財經界人力資源諮詢委員會（自2000年6月至2001年5月）、廉政公署防止貪污諮詢委員會（自2000年1月至2003年12月）、環境及自然保育基金委員會（自2000年8月至2006年10月）、創新及科技基金環境項目評審委員會（自2000年1月至2004年12月）及香港法律改革委員會私隱問題小組委員會（自1990年2月至2006年3月）。彼亦曾出任商界環保協會有限公司主席（自1998年9月至2001年12月）。彼現時亦為皇朝傢俬控股有限公司（股份代號：1198）、理士國際技術有限公司（股份代號：842）、世紀陽光集團控股有限公司（股份代號：509）及駿高控股有限公司（股份代號：8035）之獨立非執行董事。彼亦為普匯中金國際控股有限公司（股份代號：997）之執行董事。皇朝傢俬控股有限公司、理士國際技術有限公司、世紀陽光集團控股有限公司、普匯中金國際控股有限公司之股份於聯交所主板上市，而駿高控股有限公司之股份於聯交所GEM上市。自2010年9月至2017年9月，彼亦為華隆金控有限公司（前稱為高銳中國物聯網國際有限公司）（股份代號：1682）之獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Lee Luk Shiu (李祿兆), aged 60, was appointed in September 2014 as an independent non-executive Director. Mr. Lee has about 30 years of experience in commercial accounting and corporate finance. Mr. Lee became a fellow member of The Association of Chartered Certified Accountants in April 2001 and an associate of the Hong Kong Institute of Certified Public Accountants in February 1987. He obtained a diploma in business administration from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in July 1983. He has worked in the Stock Exchange for around 15 years from 1986 to 1993 and from 1997 to 2005, his duties included regulating and monitoring the Hong Kong listed companies in relation to their compliance with the Listing Rules and processing new listing applications. His last position with the Stock Exchange was an assistant vice president of the Listing Division. Mr. Lee was also a senior consultant of an investment bank for 5 years from 2007 to 2012. Mr. Lee has been an independent non-executive director of Huabao International Holdings Limited (stock code: 336) since 1 May 2006 and Yee Hop Holdings Limited (stock code: 1662) since 25 November 2015 the shares of which are listed on the Main Board of the Stock Exchange.

Dr. Tang Sing Hing, Kenny (鄧聲興), aged 49, was appointed in November 2010 as an independent non-executive Director. Dr. Tang has over 15 years of experience in the financial and securities sector. He is the Election Committee Member (Financial Services) of HKSAR. He obtained a bachelor's degree in business, majoring in finance from Edith Cowan University, Australia in February 1993 and holds a PhD. degree in Economics from Renmin University of China in July 2007. He became a senior associate of the Australian Institute of Banking and Finance in December 1995 and was appointed as Hong Kong Chief Analyst by the Finance and Securities Institute of Renmin University of China in December 2010. He is also the executive director of AP Assets Limited and the Non-Executive Director of Edvance International Holdings Limited (SEHK stock code: 8410). He is also the chairman of The Hong Kong Institute of Financial Analysts and Professional Commentators Limited and the executive committee member of the Hong Kong Securities Professionals Association. He is the Committee Member of The Listed Companies Council, Hong Kong Chinese Enterprises Association. He was an Executive Director of Power Financial Group Limited (formerly known as Jun Yang Financial Holdings Limited) (stock code: 397) from June 2015 to June 2018.

李祿兆先生，60歲，於2014年9月獲委任為獨立非執行董事。李先生在商業會計及企業融資方面擁有約30年經驗。李先生於2001年4月成為英國特許公認會計師公會資深會員，並於1987年2月成為香港會計師公會會員。彼於1983年7月取得香港樹仁書院（現為香港樹仁大學）工商管理文憑。彼由1986年至1993年及由1997年至2005年於聯交所工作約15年，其職責包括規管及監督香港上市公司有關遵守上市規則之情況及處理新上市申請。彼離職聯交所前任上市科助理副總裁。李先生由2007年至2012年亦曾擔任投資銀行高級顧問五年。李先生自2006年5月1日起擔任華寶國際控股有限公司（股份代號：336）及自2015年11月25日起擔任義合控股有限公司（股份代號：1662）獨立非執行董事，兩間公司股份均於聯交所主板上市。

鄧聲興博士，49歲，於2010年11月獲委任為獨立非執行董事。鄧博士於金融及證券業擁有逾15年經驗。彼為香港特區選舉委員會委員（金融服務界）。彼於1993年2月取得澳洲埃迪斯科文大學商學學士學位，主修金融，並於2007年7月取得中國人民大學經濟學博士學位。彼於1995年12月成為澳洲銀行及財務公會高級會員，並於2010年12月獲委任為中國人民大學金融與證券研究所香港首席研究員。彼亦為AP Assets Limited的執行董事及安領國際控股有限公司（聯交所股份代號：8410）非執行董事，以及為香港專業財經分析及評論家協會有限公司主席及香港證券學會理事。彼為香港中國企業協會上市公司委員會委員。自2015年6月至2018年6月，彼亦為權威金融集團有限公司（前稱君陽金融控股有限公司）（股份代號：397）之執行董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

COMPANY SECRETARY

Ms. Polien Kho (郭寶琳), aged 35, was appointed as the Company Secretary of the Company with effect from 1 July 2017. Ms. Kho is an associate member of the Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators respectively. She has more than 10 years of experience in producing company secretarial services to private and listed companies.

SENIOR MANAGEMENT

Mr. Cheuk Wah Kit (卓華傑), aged 35, is the Assistant Sales Director of the Group. He joined the Group in July 2005 since graduation. He is responsible for managing the daily operation of the sales department. In particular, he is responsible for managing skin care products, personal care products, general food products as well as Chinese medicine products in Hong Kong and overseas markets. He graduated from The Hong Kong University of Science and Technology with a bachelor's degree in science in 2005. Since then, he has been working at the Group's sales department and made valuable contribution to the Group. Mr. Cheuk is familiar with the Group's internal operation and external sales strategies. He has accumulated 12 years of relevant experience.

Mr. Mak Wing Keung (麥永強), aged 51, is the assistant information technology director of the Group. He joined the Group in May 2004 and is responsible for its network administration and provides information technology support. He received a certificate of an advanced diploma in computer studies and in electronic commerce in the London International College for Further and Higher Education in June and September 2001 respectively. Prior to joining the Group, he has worked as a technical support supervisor providing information technology support, network administration, hardware and software development in a firm from 2002 to 2004 and has worked as a supervisor supervising a team of technicians and servicing personnel from 1993 to 2002 and has accumulated more than 20 years of relevant experience.

公司秘書

郭寶琳女士，35歲，於2017年7月1日獲委任為本公司之公司秘書。郭女士分別為香港特許秘書公會及英國特許秘書及行政人員公會之會員。彼於為私營及上市公司提供公司秘書服務方面擁有逾10年經驗。

高級管理層

卓華傑先生，35歲，為本集團之銷售副總監。彼於2005年7月畢業後即加盟本集團，負責管理營業部之日常營運。其中，彼負責管理香港及海外市場的護膚產品、個人護理產品、一般食品以及中藥產品。彼於2005年畢業於香港科技大學，取得理學學士學位。自此，彼於本集團營業部任職，對本集團作出寶貴貢獻。卓先生熟悉本集團之內部運作及外部銷售策略，彼已累積12年之相關經驗。

麥永強先生，51歲，為本集團資訊科技部副總監。彼於2004年5月加盟本集團，負責本集團之網絡管理及提供資訊科技支援。彼於2001年6月及9月分別取得London International College for Further and Higher Education電腦及電子商務的證書及高級文憑。加盟本集團前，他曾於2002年至2004年擔任某公司的技術支援主管，提供資訊科技支援、網絡管理、軟硬件發展，亦曾於1993年至2002年擔任主任負責監督一支技術人員及服務人員團隊，並累積逾20年之相關經驗。



HS

衍生集團(國際)控股有限公司

Hin Sang Group (International) Holding Co. Ltd.

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code : 6893

Environmental, Social and
Governance Report

環境、社會及管治報告

1) SCOPE OF REPORT

The Environmental, Social and Governance Report was prepared in accordance to the Listing Rules' Appendix 27 "Environmental, Social and Governance Reporting Guide". It covered the operations of the head office of the Group (Tsim Sha Tsui) and the principal place of business (Yuen Long) of Hin Sang Hong Company Limited in Hong Kong during the period from 1 April 2017 to 31 March 2018. The report is published once a year.

2) GROUP'S POLICY

The Group has been consistently practicing and striving to improve its work in the areas of environmental, social and governance ("ESG"). Consequently, policies have been established to disclose the Group's visions to Shareholders and public on the followings:

- To devote to the society through contribution and services;
- To pursue continuous improvement in the culture of governance;
- To collaborate with business partners and employees by upholding accountability, fairness, devotion and integrity;
- To dedicate to attaining sustainable development and achievement for all Shareholders and stakeholders; and
- To emphasise on environmental protection.

1) 報告範圍

本環境、社會及管治報告按照上市規則附錄二十七的《環境、社會及管治報告指引》而編寫，涵蓋本集團總辦事處（尖沙咀）及衍生行有限公司於香港主要營業地點（元朗）從2017年4月1日截至2018年3月31日的運作。本報告每年度刊發一次。

2) 集團政策

本集團一直實踐並持續改善在環境、社會及管治（「ESG」）領域的工作，因此制定政策向股東與公眾披露下列集團的相關理念：

- 回饋社會，為社區作出貢獻及服務；
- 在管治文化上尋求不斷進步；
- 以盡責、公平，專注及誠實的態度與業務夥伴及僱員合作；
- 專注為各股東及持份者取得可持續發展及成果；及
- 重視環境保護。

3) COMMUNITY SERVICE

“The Eternal Extension of Life” is the Group’s motto. By connecting with the community, the Group is striving to instill hope and provide support to the disadvantaged and contribute to the society, while cultivating a sense of belonging among the Group’s employees. Driven by this social responsibility, the Group took every effort to participate in community services and charity events over the past years. Hin Sang Hong Company Limited has attained the award of “Caring Company” from The Hong Kong Council of Social Services for 11 years in a row.

Board members of our Group actively dedicated to charity events. Mr. Pang Siu Hin, Chairman of the Group is cordially participating in public positions of social and charitable organizations, including but not limited to chairman of Pok Oi Hospital 2017/2018 board, event co-chairman of The Community Chest New Territories Walk Organising Committee, honorary president of Yuen Long District Junior Police Calls honorary president committee, school manager of POH Tang Pui King memorial College and committee member of Home Affairs Department – Yuen Long Town Area Committee since 2010/2011. Besides, Ms. Kwan Lai Man, Executive Director of the Group is vice president of Hong Kong Children, Babies, Maternity Industries Association Limited and life honorary chairman of Xuan Yuan Education Fund Association. Mr. Yuen Chi Ping, Non-Executive Director of the Group is a director of Pok Oi Hospital 2017/2018 board.

3) 社區服務

「繁衍生命，生生不息」為本集團的座右銘。藉著連繫社區，集團希望能為弱勢社群送上希望與支持及回饋社會，同時培養員工的歸屬感。基於這份社會責任，集團多年來在參與社區服務及慈善活動上不遺餘力。衍生行有限公司已連續十一年獲香港社會服務聯會頒發「商界展關懷」嘉許狀。

集團董事積極投入慈善活動。當中集團主席彭少衍先生出任多個慈善團體公職，包括及不限於博愛醫院2017/2018董事局主席、公益金新界區百萬行聯席主席、元朗區少年警訊名譽會長會名譽會長、自2010/2011為博愛醫院鄧佩瓊紀念中學校董及民政事務總署元朗市分區委員會委員。此外，執行董事關麗雯女士現為香港孕嬰童業協會有限公司副會長及軒轅教育基金會之永久榮譽主席。非執行董事袁志平先生現為博愛醫院2017/2018董事局總理。



Hin Sang Scholarship

“Hin Sang Scholarship” was established in 2015 and aims at awarding and sponsoring students from low-income families in order to bring upon positive impact to their lives.

The 3rd Hin Sang Scholarship was opened for application and review since April 2017 with judging panel from famous people in academic and commercial sectors. As compared with the 2nd scholarship, the 3rd Scholarship has enlarged the scope of beneficiaries with the aim to support more students from low-income families. The judging activities were divided into 6 groups, which covered kindergartens (2 sub-groups), primary schools, secondary schools, universities, and Kids4Kids, from which a total of 83 students was awarded. Each student winner was awarded with scholarship of ranging from HK\$2,000 to \$5,000, gifts worth of HK\$1,000 as well as the Certificate of Award. Awards Ceremony for the 2nd scholarship was organised in August 2017 with participants from various sectors, including councillors, academia, business celebrities and artists shared the experience to encourage the awarded students. The Group’s continued sponsorship hopes to enhance competitiveness edges of more students from low-income families for their contribution to the society in the future.



Hin Sang Volunteering Team

The Group encourages employees to participate in volunteering work, “Hin Sang Volunteering Team”, was formed by our employees in 2006 which actively participated in various community and charitable activities. During the reporting period, the team participated in various events including “Pok Oi Cycle for Millions”, and “Pok Oi Charity Heritage Walk” to raise charity funds for relevant institutions.

衍生獎學金

「衍生獎學金」於2015年設立，旨在鼓勵及資助社會上家境清貧的學生，以生命影響生命。








第三屆「衍生獎學金」於2017年4月開始接受報名及評審，評審團包括教育界及商界知名人士。與第二屆「衍生獎學金」作比較，第三屆獎學金將會加大受惠範圍，冀能幫助更多家境清貧的學生。評審活動分成6組，包括幼稚園（2分組）、小學、中學、大學、童協基金會，共83名學生獲獎。每名得獎學生各獲得港幣二千至五千元的「衍生獎學金」、禮品價值港幣一千元及證書以示嘉許。2017年8月舉行第二屆「衍生獎學金」的頒獎典禮，廣邀各界人士出席，當中包括議員、教育界人士、商界名人、演藝人等分享人生經歷，為一眾得獎學生送上鼓勵。集團持續的贊助期望能幫助更多家境清貧的學生，讓他們提升競爭力，日後貢獻社會。

衍生義工隊

集團鼓勵僱員參與義務工作，由員工於2006年組成的「衍生義工隊」積極參與多項公益慈善活動。於本報告期間參與活動包括「博愛單車百萬行」、「博愛慈善文物行」，為相關機構籌募慈善經費。

The Group is striving to allocate resources to support different aspects of community activities, including education, charity, environmental protection, community cultural and entertainment events. During the reporting period, the Group mainly organized or participated the following community services/events:

本集團積極投放資源以支持不同層面的社區活動，包括教育、慈善、環保及社區的文娛活動。於本報告期間，本集團主要舉辦或參與了以下社區服務／活動：

Organisation 機構	Event Description 活動內容	Cash Donation/ Sponsorship 現金捐贈/ 贊助	Product Donation 產品捐贈	Staff Involvement/ Volunteering 員工參與/ 義工服務
Hin Sang Group (International) Holding Co. Ltd. 衍生集團(國際)控股有限公司	Organised the 3rd "Hin Sang Scholarship", provided financial aid to students from low-income families in Hong Kong to help them improve their learning environment and promote diversified development. 舉辦第三屆「衍生獎學金」，資助本港貧困家庭的學生，幫助他們改善學習環境及多元化發展。			
Pok Oi Hospital 博愛醫院	Provided cash donations to support the needy in society 現金捐款支持有需要之社會人士			
Pok Oi Hospital 博愛醫院	Provided cash donations at Pok Oi Yuen Long Charity Banquet 現金捐款給博愛元朗各界慈善晚會			
Pok Oi Hospital 博愛醫院	Provided in-kind donations to subsidiaries of Pok Oi Hospital, including nursing home, care-and-attention home, district elderly community centre, neighbourhood elderly centre, elderly health support and learning centre, hostel for single persons, family development centre 贊助物資給博愛醫院屬下家護養院、護理安老院、長者地區中心、長者鄰舍中心、長者健康支援及進修中心、單身人士宿舍、家庭發展中心			
Pok Oi Hospital 博愛醫院	Provide in-kind donations to education subsidiaries of Pok Oi Hospital, including day nursery, primary school, secondary school 贊助物資給博愛醫院屬下幼兒中心、小學、中學			

Organisation 機構	Event Description 活動內容	Cash Donation/ Sponsorship 現金捐贈/ 贊助	Product Donation 產品捐贈	Staff Involvement/ Volunteering 員工參與/ 義工服務
Pok Oi Hospital 博愛醫院	<p>Sponsored various activities organised by Pok Oi Hospital, including Pok Oi Hospital New Territories Flag Day, Pok Oi Banquet for Nourishing Elderly Health, Pok Oi Milk Tea Day, Pok Oi Hospital Charity Xiqu Night, Pok Oi Hospital Charity Heritage Walk, Pok Oi Musical Celebration for Mid-Autumn, Pok Oi Old Master Q Charity Run, Pok Oi Chinese Medicine & Dental Services, Pok Oi Hospital 100th Anniversary and Set Sail Ceremony for “Pok Oi Hao” elderly home in Lam Tei, Tuen Mun.</p> <p>贊助博愛醫院多項活動，包括：博愛醫院新界區賣旗日、博愛敬老滋補養生千歲宴、博愛奶茶義賣日、博愛醫院慈善戲曲夜、博愛慈善文物行、博愛妙韻賀中秋、博愛老夫子慈善跑、博愛中醫服務及牙科服務、博愛醫院邁向一百周年暨博愛醫院屯門藍地安老院舍博愛號啟航典禮</p>			
Pok Oi Hospital 博愛醫院	<p>Sponsored the “Pok Oi Cycle for Millions” to support the needy in society</p> <p>贊助「博愛單車百萬行」以支持有需要之社會人士。</p>			
Hong Kong General Chamber of Pharmacy Limited 港九藥房總商會	<p>Provided cash donations to Xuan Yuan Education Fund Association for supporting Beijing Xuan Yuan education fund during the charity banquet of the Chamber</p> <p>在商會的慈善籌款晚宴上，捐助給軒轅教育基金會，以支持北京軒轅種子助學基金</p>			
Hong Kong Yuen Long Chiu Kiu Engor Association Limited 香港元朗潮僑英歌總會	<p>Provided in-kind donations to support the dancing activities hosted by the Association for celebration of the 2018 Chinese New Year in Yuen Long</p> <p>提供物資贊助在元朗區舉行的戊戌年英歌賀歲舞蹈活動</p>			
Hong Kong Rope Skipping Club 香港花式跳繩會	<p>Sponsored the first kindergarten championship of rope skipping, which was participated by more than 120 children from 14 kindergarten</p> <p>贊助第一屆幼稚園校際跳繩錦標賽，共14間幼稚園超過120名學童參加</p>			

Awards and Achievements

The Group has attained considerable number of awards for the year ended 31 March 2018. Apart from 11 consecutive years awarding the “Caring Company” by The Hong Kong Council of Social Service, the Group also continued with the last year winning awards from the other institutions for “Chinese Medicine Award”, “GCCA 100% HK Branding Award”, and “Consumers’ Most Favourable Hong Kong Brand Gold”, which assured the contribution of the Group in the aspects of employee benefits, promotion of community services, product quality and value creation to the society.



“Caring Company” by The Hong Kong Council of Social Service
獲香港社會服務聯會所頒發「商界展關懷」



“Chinese Medicine Award” by Hong Kong Chinese Medicine Industry Association
獲香港中藥業協會頒發
「優質中藥企業弘揚中藥獎」

獎項與成就

截至2018年3月31日止年度集團獲得不少獎項，除了連續11年獲取香港社會服務聯會所頒發的「商界展關懷」，本集團亦緊接去來繼續獲取其他機構所頒發的「優質中藥企業弘揚中藥獎」、「大中華百分百香港名牌大獎」及「香港名牌金獎品牌」，更肯定集團在員工福利、公益推廣、產品質量，及為社會創造價值等範疇上所作出的貢獻。

“Outstanding Corporate Social Responsibility Award” by Mirror Post
獲鏡報頒發「傑出企業社會責任獎」



“Consumers’ Most Favourable Hong Kong Brand Gold” by China Enterprise Reputation & Credibility Association (Overseas)
獲中華（海外）企業信譽協會頒發
「香港名牌 金獎品牌」





“GCCA 100% HK Branding Award” by
Greater China Corporation Association
獲大中華工商企業聯合會頒發
「大中華百分百香港名牌大獎」

“Consumers’ leading Hong Kong Brand” by
China Enterprise Reputation &
Credibility Association (Overseas)
獲中華(海外)企業信譽協會頒發
「香港名牌 領袖大獎」



4) CORPORATE GOVERNANCE

The Group’s corporate governance policies are based on the “Corporate Governance Code and Corporate Governance Report” as required by Appendix 14 of the Listing Rules which are committed to promoting a corporate culture of trustworthiness, professional ethics and business integrity. The Group’s corporate values, missions and strategies are integrated with ethical business practices; also the collaboration with customers, suppliers and employees are also based on this corporate culture. The Board and management at all levels strictly undertake these important responsibilities at both individual and corporate level.

Code of Conduct

The Group has established Code of Conduct for the employees. The Board adopts the provision in the “Corporate Governance Report” and “Report of the Directors” in the annual report as the basis for the Code of Conduct.

The Code is applicable to both management personnel and general staff within the Group, and has been clearly communicated to all employees, including the new staff. The Code of Conduct mainly covers these three categories:

- Requesting for, receiving or providing benefits;
- Conflict of interest; and
- Confidentiality of information.

4) 企業管治

本集團根據聯交所上市規則附錄十四《企業管治守則》及《企業管治報告》作為管治政策，並致力推行守信、發揚專業道德和商業誠信的企業文化。集團的企業價值、使命和策略與符合商業道德的實務互相結合；與客戶、供應商和員工的合作交流也以此為依歸。董事會和各級管理層在個人和企業層面均嚴格履行這重大責任。

行為守則

集團為員工訂立行為守則，董事會根據年報中的《企業管治報告》及《董事會報告》中的條文作為行為守則的基礎。

此守則適用於本集團管理人員及一般員工，並已明確公告全體員工，包括新入職員工。行為守則主要包含三個範疇：

- 索取或接受利益及提供利益；
- 利益衝突；及
- 資料保密。

Anti-corruption

The Group strictly requires all employees to abide by local regulations, perform duties with integrity, and prohibit acceptance and offer of benefits. Anti-corruption policy has been established and included in the Code of Conduct. For reinforcing the effectiveness of the policy implementation, the Group has arranged relevant training to employees. Training classes of 25 hours in total had been provided, with the participation of about 100 attendees. In the same period, the Group did not identify any legal violation or complaint related to corruption.

Whistle-blowing Mechanism

The Group has established a whistle-blowing mechanism to handle misconduct under the supervision of the Group's Chairman, Managing Director and the representatives of the Audit Committee.

Employees are allowed to report and submit evidence of the suspected or confirmed misconduct to the Group's Chairman and/or Managing Director and/or an Audit Committee representative in verbal or written form (either anonymous or bearing a name), and thereafter the Group shall carry out internal investigation. In case of violation of the laws, the Group shall follow procedure to report to the relevant authority.

5) EMPLOYMENT

The Group has formulated employment policies and guidelines that are in accordance with the local regulations, and complies with the labour laws and related regulations listed in the PRC, Hong Kong and other business regions. Owing to the needs of business nature, the Group currently does not employ personnel below 18 years old and has never engaged forced labour. The Group also assures that no employee's salary is paid lower than the legal minimum wage level as defined in the government regulations of all judicial regions. During the reporting period, the Group did not identify any legal violation regarding employment of child labour or forced labour, and did not identify or receive any legal violation or complaint regarding discrimination or recruitment.

Recruitment, Promotion and Dismissal

The Group provides equal opportunity for each employee and is committed to eliminate any discrimination against gender, race, family background, age and disability, etc. during recruitment and job placement. The Group hires and promotes employees based on their capabilities and performance.

反貪污

集團嚴格要求全體僱員遵守當地相關法例，以誠信履行職務，防止索取或接受利益及提供利益。反貪污政策亦已制定並包括在行為守則內。為了加強政策的實踐，集團安排了相關的員工培訓，在報告期間共提供25小時的培訓班，約有100個培訓人次。同期內，集團未有發現與貪污相關的違例案件或投訴。

舉報機制

集團已建立舉報機制處理任何違規行為，該機制由集團主席、董事總經理及審核委員會代表監察。

僱員可向集團主席及／或董事總經理及／或審核委員會代表以口頭或書面報告詳情（可以匿名或記名的形式提出）及提供疑似不當或違規行為的證據。本集團會進行內部調查。若涉嫌觸犯法例，集團按程序向有關當局舉報。

5) 僱傭

集團已制定符合當地法例的僱傭政策及指引，並遵守中國、香港和其他業務當地所列明的勞工法及相關法例。由於業務性質的需要，集團現聘用年齡不低於18歲的員工及絕不使用強制勞工，亦確保無任何員工的薪金低於各司法地區所訂明的最低薪酬水平。於本報告期間，集團未有發現聘用童工或強制勞工等違法行為，並且沒有發現或收到歧視或招聘有關的違規事件或投訴個案。

招聘、晉升及解僱

集團提供平等機會給每位僱員，致力排除在招聘及工作安排上的性別、種族、家庭狀況、年齡及殘疾等歧視。集團按照僱員能力和表現作為僱用及晉升的依據。

During recruitment, the Group checks identification documents according to the local laws for avoidance of child labour recruitment and prevention of forced labour engagement. In case of child labour and/or forced labour, the Group shall terminate the employment immediately. For other illegal incident, the Group shall report the case to the local enforcement agencies.

The Group shall proceed in compliance with the local employment regulations in case of termination on employment.

Retirement

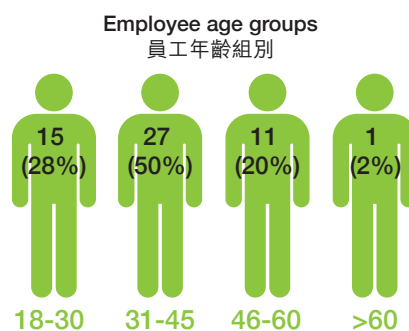
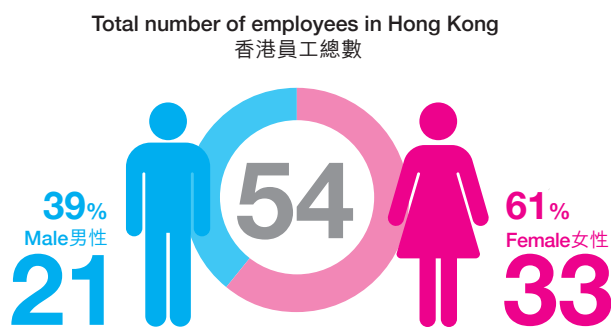
Despite the mandatory retirement policy in place, the Group will not refuse to consider applicants who are near retirement age but still want to continue to work after retirement. For each application of this category, the Group shall evaluate the relevant staff's individual situation, competence, past job performance and the Group's retirement policy, in order to prevent age discrimination.

Wages and Welfare

The Group's wages and welfare policy is based on local industry norms which shall be appropriately adjusted according to work performance, experience and qualification of the employee. Employee's working hours, holidays, and other benefits are based on the common practices of the local industry and reasonably adjusted based on the employee's experience and seniority. The Group adopts key performance indicators as one of the criteria for defining the employee incentive scheme.

As of 31 March 2018, there were 54 employees in Hong Kong, who all were full-time employees and their distribution was depicted as follows:

During the reporting period, the monthly average employee turnover rate was 6%.



招聘時，集團根據當地法例審查身份證明文件以避免招聘童工及防止使用強制勞工。若發現有童工及／或強制勞工的情況，集團會立即終止其僱傭關係；如有其他違法事故，會送交給當地執法機構處理。

在任何需要解除僱傭關係的情況下，本集團依據當地的僱傭法例執行。

退休

集團不會因強制性退休政策而拒絕考慮臨近退休年齡但希望退休後繼續工作的人員的職位申請。在審議每宗申請時，會考慮個別僱員的情況、能力、工作表現、及公司的退休政策，以防止年齡歧視的發生。

薪酬及福利

集團的薪酬及福利政策以當地行業常規為基礎，並按照僱員過往的工作表現、經驗及資格作出適當調整。僱員的工作時數、假期及其他福利待遇根據當地行業慣例及按照僱員經驗及年資作出合理調整。集團採用關鍵績效指標作為員工獎勵制度的其中一個準則。

截至2018年3月31日，香港的員工總數共54人，全部為全職員工，其分佈統計如下：

在本報告期間，每月平均的員工流失率為6%。

6) HEALTH AND SAFETY

The Group has been striving to provide a safe, healthy and comfortable working environment by ensuring that the workplace has adequate lighting and ventilation systems and is always kept clean and tidy with sufficient work space. The Group maintains safety conditions of equipment and arrange firefighting facilities in accordance with the local laws as well as fire drill in the reporting period, also provides security measures to prevent unauthorized persons from entering and leaving the Group's operating areas.

The Group provides safety training for new employees and provides relevant occupational safety and health training based on the job nature of employees. This includes provision of employees with information about the laws and regulations in occupational health & safety for employees' understanding of such importance. During the reporting period, the relevant employees were provided with around 10 hours of training in occupational health & safety.

During the reporting period, the Group did not identify any violation against the local regulations in occupational health and safety, and did not identify any fatality or lost work days resulting from work-related accidents.

7) EMPLOYEE TRAINING AND DEVELOPMENT

The Group believes staff quality is an important factor for maintaining growth and improving profitability, whilst the level of service and product quality are closely related to employee training and development. Therefore, the Group strives to allocate resources for implementation of effective training system:

- Orientation training for new employee(s);
- Regular relevant training sessions for existing employees; and
- Training sessions conducted by internal or external qualified personnel.

Scope of training covers product knowledge, sales techniques, quality control, as well as the latest laws and regulations that may have possible impact to business operations. This not only enables employees to acquire the latest information or skills, but also enhances their self-confidence and increases their sense of belonging. Assessment would be conducted after training to evaluate the effectiveness and to follow up on the skill development of employees.

6) 健康與安全

集團致力提供安全、健康及舒適的工作環境，確保工作場所具備充分的照明及通風系統，環境經常保持整潔，及配置充裕的工作空間。集團維護設備的安全及按照當地法例設置消防裝置，在報告期間亦有進行消防演習；並且設有保安措施，防範非許可的人員進出集團營運區域。

集團對新入職員工進行安全培訓，及根據僱員的工作性質提供相關的職業安全及健康培訓，包括向員工提供職業安全及健康條例及規定的資訊，讓僱員明白到職安健的重要性。在報告期間，相關員工接受約10小時的職安健培訓。

於本報告期間，集團沒有發現違反業務當地職業健康及安全相關的法例，及沒有僱員因工作關係而死亡或因工傷而導致損失的工作日數。

7) 僱員培訓與發展

集團深信員工質素是維持增長及提高營利能力的重要因素，服務水平和產品質素與僱員培訓與發展息息相關。因此集團致力分配資源實行有效的培訓制度：

- 設有迎新培訓予新員工；
- 定期提供相關培訓予現職員工；及
- 由內部或外部合資格人員進行培訓。

培訓範疇包括產品知識、銷售技巧、品質監控及相關可能對業務經營有影響的新法例及法規。此舉不但令員工可知悉最新資訊或技能，亦可提升員工自信及增加他們的歸屬感。培訓後會進行評估以確認成效及跟進員工的技能發展。

During the reporting period, the relevant training figures for the operating sites in Hong Kong were depicted by gender and employee category as follows:

於本報告期間，在香港營運地點的相關培訓數據按性別及僱員類別各自統計如下：

Gender 性別	Total number of employees trained 受訓僱員的總人數	Total number of training hours 培訓總時數
Male 男性	19	38
Female 女性	23	46
Employee Category 僱員類別		
Senior Management 高級管理層	6	12
Middle Management 中級管理層	11	22
Junior Employees 初級員工	25	50
Total 總數	42	84

8) SUPPLY CHAIN MANAGEMENT

The Group strives for partnering with suppliers who share the same business philosophy in running business at a fair, honest and diligent manner. When selecting suppliers, the Group also evaluates environmental, social and governance factors in addition to the commercial and quality issues.

Apart from requesting the supplied products (including packaging materials) to be free from any toxic substances, the Group also sets the standards of conduct in the procurement contracts to encourage suppliers to share the same vision with the Group. The scope of the standard of conduct shall include the governance aspects of environmental protection and social responsibility:

- Ensure that suppliers and their upstream entities do not force employees to work in any form of violence or threat and do not employ child labour;
- Employment is solely based on work performance and not affected by any discrimination against race, gender, age, disability, sexual orientation or marital status;

8) 供應鏈管理

集團務求與擁有相同營商理念的供應商合作，以公平、誠實及盡責之態度經營業務。選擇供應商時除了商業及品質考慮之外，環保、社會及管治因素亦是重要的評估準則。

除了要求供應產品（包括包裝物料）不可含有毒物質，集團亦在採購合約中亦訂明了行為標準，鼓勵供應商與本集團擁有一致的理念。行為標準的範疇包含了環保及社會責任的管治層面：

- 確保供應商及其上游實體不得以任何武力或威嚇形式強迫僱員工作及不得聘請童工；
- 僱傭決定僅依據工作能力，僱員不因種族、性別、年齡、殘障、性取向或婚姻狀況而遭受任何歧視；

- Salary is paid at fair value and all other entitled benefits;
 - Safe and healthy working environment shall be provided in compliance with the local laws;
 - Business decisions shall adhere to the principle of sustainable development. Business processes shall comply with the local regulations on environmental protection; and
 - Integration of the business and organization into the circumstances of the community.
- 支付僱員公平工資及其他法規要求的待遇；
 - 提供安全衛生及符合當地法例的工作環境；
 - 業務決策須秉持可持續發展原則及在業務過程中符合當地環保法規；及
 - 業務及組織融入社區的狀況。

The Group also encourages suppliers to achieve certification for management systems (Including but not limited to ISO 9001, ISO 14001, SA 8000, and ISO 22000). In addition, the Group shall regularly evaluate the performance of suppliers for defining strategies of continuous improvement.

As at 31 March 2018, there was a total of 40 suppliers distributed within the Greater China region. During the reporting period, the Group engaged 10 new suppliers, and has evaluated them on their product conformance with the relevant quality and safety requirements prior to the engagement. For some existing critical suppliers, the Group also evaluated them and where necessary arranged on-site assessment for assuring the comprehensive and reliable evaluation.

集團更鼓勵供應商獲取管理體系之認證（包括及不限於ISO 9001、ISO 14001、SA 8000、及ISO 22000等）。此外集團亦會定期評估供應商的表現，作為持續改善的策略。

截至2018年3月31日，共有40家供應商分佈在大中華地區。於報告期間，集團聘用10家新供應商，並在聘用前對它們進行評估，確保符合相關的質量與安全要求。對一些關鍵的現有供應商，集團亦會安排評估，在必要時更安排現場評審，確保評估的全面性及可靠度。

9) PRODUCT RESPONSIBILITY

Since the Group launches its own brands and acts as agency of personal care and health products for international brands, there is strict control in product quality. The scope of this report has adopted ISO 9001 quality management system to assure effective procedures and processes are adopted for production of excellent and safe products. Upon receipt of materials, quality inspection process is clearly defined and implemented according to the relevant regulations. Each batch of products shall only be formally released after it passed the inspection. All food, Chinese medicine products must go through the testing on remained pesticides, heavy metals, and micro-organisms. The Group also regularly monitors the production and quality inspection procedures of the suppliers for verifying and confirming the suppliers' capabilities in provision of compliant and safe products to the Group.

9) 產品責任

本集團推出自家品牌及代理銷售國際品牌等個人護理及健康產品，對產品質量有嚴謹的監管。本報告範圍已採用ISO 9001品質管理體系，保證有效程序及流程以製造優良及安全的產品。在收取材料時，品質檢定過程會根據相關法規去明確設定和執行。每一批產品需檢定合格才可以正式發放。所有食品、中成藥產品均有進行農藥殘留物、重金屬、微生物測試。本集團亦定期監察供應商的生產和質量檢查程序，查驗及確認供應商能提供合規及安全的產品給集團。

The Group has established the crisis management team for handling emergency issues and defining emergency instruction for remediation of any issues and potential risks incurred from product safety.

Fair Promotional Information

The Group requires staff to provide true and accurate product and service information to customers when selling the products. The Group would also provide adequate product information to customer service personnel, and arrange appropriate training to ensure they could acquire the accurate product information. Customer service hotline was also set up, and each box of product is printed with the company's customer service hotline for customer to make after-sales enquiries when necessary.

Handling of Customer Complaints

Being a responsible supplier of health and personal care products, the scope of this report has handled all matters relating to product quality in accordance with the ISO 9001 procedures, including customer complaints about product quality:

- When receiving customer's complaint or request for goods return, initial reply to customer will be given within the time frame specified in the procedure;
- The Group's customer service representative or sales team will resolve the complaint through phone, online or in person; and
- Serious complaints will be followed up by the crisis management team.

During the reporting period, the Group did not identify any customer complaints or violations against the relevant regulations in product responsibility, and no product was recalled for the reasons of safety and health concerns amongst all products sold.

集團成立危機處理小組處理緊急事宜，制定應急指引以處理因產品安全導致的問題或其他潛在風險。

公平宣傳訊息

集團要求員工在銷售時向客戶提供真實及準確的產品及服務訊息。集團會提供充分的產品資料予客戶服務員工，以及安排合適的培訓以確保他們能掌握準確的產品資訊。集團亦設立電話客戶服務熱線，並在每盒產品均印有公司的客戶服務熱線以供顧客在需要時提出售後查詢。

客戶投訴處理

作為負責任的健康產品及個人護理產品供應商，本報告範圍已按照ISO 9001程序嚴肅處理所有跟產品質量相關的事宜，包括客戶對產品質量的投訴：

- 於接獲客戶投訴或貨品退回要求，會於程序規定的時間內作初次回覆客戶；
- 客戶服務代表或銷售團隊透過電話／互聯網／親自探訪去解決有關投訴；及
- 嚴重投訴則由危機處理小組負責跟進。

於本報告期間，集團未有發現違反產品責任相關的法例或顧客投訴；並且在已售產品中未有發現有產品因安全與健康理由而需要回收。

Management of Intellectual Property Rights

Intellectual property rights managed by the Group mainly cover its own-branded products registered in the business regions. To protect the rights of the registered brands, the Group allocates resources to uphold confidential information like product specifications. The server storing such information is equipped with firewall which restricts access from external systems. Users are required to log in with passwords and are allowed to access the authorized information only.

Apart from protecting own intellectual property rights, the Group respects the intellectual property rights of the others and will not use third party's intellectual property without prior authorization.

Maintenance of Customer Information

Although the Group's direct customers are mainly enterprises, their information is strictly handled in the same manner as dealing with personal privacy. The Group bases on the "Personal Data Protection (Privacy) Ordinance Cap. 486 ("Ordinance") of Hong Kong Special Administrative Region for its own Privacy Policy, which ensures all collected, stored, transmitted or used personal/corporate information are handled according to the requirements specified by the Ordinance. The Group's management and staff maintain confidentiality and properly retain all personal/corporate information collected, stored, transmitted or used by the Group.

During the reporting period, the Group did not identify any complaint relating to the privacy issue.

10) ENVIRONMENTAL PROTECTION

The Group upholds environmental protection as corporate culture and recognizes the operational impact on the environment as an indispensable element in the decision-making process. The Group is committed to comply with all applicable local environmental regulations and other related requirements for promoting sustainable development and preventing environmental pollution.

a) Control of Emission

Although the operations do not discharge industrial effluents, the Group strives to identify sources of greenhouse gases (GHG) for defining the appropriate resolution to reduce emission, including reduction of GHG emission sources, improvement in efficiency of related processes with GHG emissions, reduction in use of gasoline and increase in use of more environmental-friendly fuels, etc.

知識產權的管理

集團管理的知識產權主要是業務所處地區的註冊自家品牌。為保障註冊品牌的權利，集團分配資源維護產品規格等保密資料。相關伺服器均設有防火牆及防止對外直接開放，使用者必須使用密碼登入及只能讀取其授權資訊。

除自身知識產權維護，集團亦尊重他人的知識產權，故此不會在未經授權下使用第三方的知識產權。

客戶資料維護

雖然集團直接客戶以企業為主，但仍按照處理個人私隱的方式保障客戶資料。集團根據香港特別行政區《個人資料(私隱)條例》—第486章(「條例」)編制私隱政策，確保所收集、儲存、傳送、使用的所有個人或企業資料遵照條例的要求處理。集團管理層及員工時刻對本集團所收集、儲存、傳送、使用的所有個人或企業資料保密，並妥善保存。

在報告期間，集團未有收到私隱相關的投訴。

10) 環境保護

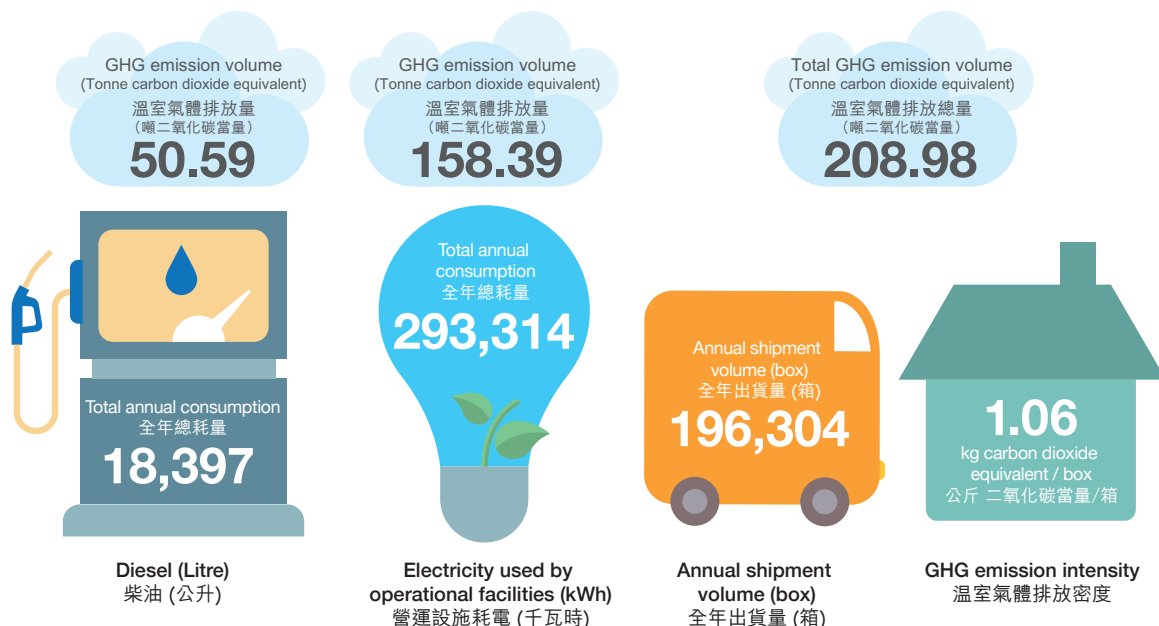
集團以環保為企業文化及確認營運對環境的影響是決策過程中必須考慮的要素。集團承諾遵守所有適用於當地的環境法例與相關要求，致力推動持續發展及預防環境污染。

a) 排放物的管控

雖然營運沒有產生工業污水，集團仍致力透過尋找產生溫室氣體的來源，設定合適的解決方案，包括減少排放溫室氣體的來源、改善溫室氣體排放相關工序的效率、減少使用汽油及增加使用較環保燃料等，以達至減少排放溫室氣體。

The Group's current emission reduction measures include the use of the EU 5 trucks across the board, adoption of detailed inventory plan to reduce the number of shipments in procurement, and maximization in the use of waterway transport.

集團目前的減排措施包括全線車隊使用歐盟5型貨車、使用詳細存貨的計劃以減少採購時使用航運的次數及盡量使用水路運輸。



b) Waste Disposal

During product design and sales planning, the Group adopts the principle of waste reduction through innovative product design, supply chain management, and waste recycling. The Group does not generate hazardous wastes from its current operations, however part of the operation areas had been renovated for layout rearrangement during the reporting period, this generated 91.72 tonnes of wastes, in which 72.7 tonnes belonged to the construction wastes and the remaining 19.02 tonnes were those discarded because of this renovation.

Recyclable materials are placed at the specified recycling locations, for instance the waste carton boxes would be handed over to the recycling agencies. As regards, employees are encouraged to engage in double-sided photocopying and single-sided used papers are collected for reuse in order to reduce wastage.

b) 廢棄物處理

集團在設計產品和計劃銷售時以減少廢物為原則，透過創新的產品設計、供應鏈管理和廢物回收，以減少產生廢棄物。集團在目前的營運過程中沒有產生危害廢棄物，但在本報告期間部分營運區域因須重新佈置而進行裝修工程，以致產生共91.72噸相關廢棄物，當中包括72.7噸建築廢料，及因裝修而須棄掉19.02噸其他雜物。

可循環再用物料會被放置到指定的回收處，如廢紙箱會交給回收商。在辦公室管理上鼓勵員工雙面影印及將單面用過的紙回收再用，藉此減少產生廢棄物。

c) Use of Resources

In addition to the efforts for reducing emissions, the Group has also taken appropriate measures to conserve natural resources for environmental protection. The Group's conservation measures are mainly conveyed through energy management.

The Group adopts both administrative practices and equipment installation for energy conservation as well as requesting staff to turn off the air conditioning and lighting during lunch time and after work hours. The office situated in Tsim Sha Tsui continued to adopt LED lights throughout the area, which compared on the energy efficiency with light bulbs in the past office, daily saving of 11.62 kWh was achieved.

For utilization of water, our operations do not consume significant amount of water and the major water consumption is general office usage. The Group is aware of scarcity of water resources and educates employees to save water.

For those operating sites located in Hong Kong, the main type of packaging materials used by the Group is paper and the total consumption in the reporting period was 71 tonnes.

c) 資源使用

除了致力減排，集團也採取適當措施節省天然資源，藉此保護環境。集團的節約措施主要體現於能源管理。

集團以行政手法及設備配置這兩方面實踐節能措施，要求員工在午飯時間及下班時關掉空調及照明設備。位於尖沙咀的辦公室亦繼續全面採用LED燈，節能效果與過往辦公室的燈泡相比，每天可節省11.62度電。

在水資源管理方面，我們的業務並無大量耗水，主要耗水量乃作一般辦公用途。集團深明水資源稀缺，亦教育員工節約用水。

本集團位於香港的營運地點，所使用的包裝材料種類主要是紙張，於本年度的用量共71噸。



Electricity
電

kWh
千瓦時

Water
水

Cubic metre
立方米



Total Annual Consumption
全年總耗量

d) Environment and the Natural Resources

To protect environment and enhance the utilization rate of natural resources, the Group has included the elements of environmental protection and sustainable development in its operations. Through supply chain management, the Group encourages suppliers to cooperate, jointly promote and adopt good environmental management measures, as well as to assess suppliers' operations for continuous monitoring and improvement of environmental performance.

The Group is also actively implementing green office management, for example use of ERP management system to promote the use of electronic files. For paper printing, the Group supports the use of Forest Stewardship Council certified paper ("FSC paper"), all the office papers consumed in the reporting period belong to the FSC paper, that reflected the Group's operation is fully supporting the environmental protection in the perspective of office paper consumption.

In addition, the Group organises employee trainings to promote environmental policies in order to enhance their environmental awareness and strengthen their competence in policy implementation. In this year, the number of employees participated in the environmental related trainings is 42 (including those newly recruited employees), and the associated trainings totally amounted to 42 hours in the whole year.

During the reporting period, the Group did not identify any violation or complaint against the relevant environmental regulations.

d) 環境及天然資源

為保護環境及提高天然資源的利用率，集團在營運方面加入環保和可持續發展的要素。藉著供應鏈的管理，集團鼓勵供應商合作，共同推廣及採取良好環保管理措施，並且評估供應商的運作情況，持續監察及改善環保績效。

集團積極實施綠色辦公室管理，如使用ERP管理系統以增加使用電子檔案及使用電子表格。在紙張打印方面，集團支持使用森林管理委員會認證的紙張（「FSC紙」），於本年度所有的辦公室用紙皆是FSC紙張，即在辦公室的用紙方面，集團的運作是全面支持環境保護。

此外，集團透過員工培訓宣揚環保政策，以提升他們對環保的認知，及加強他們的政策實踐能力。於本年度，曾參與環保相關的培訓有42人次（包括新入職員工），全年合共培訓42小時。

於本報告期間，集團沒有發現違反環境相關的法例或收到相關的投訴。

REFERENCE TO STOCK EXCHANGE ESG REPORTING GUIDE

Subject Areas, Aspects, General Disclosures and KPIs		Section in This Report
A.1	Emissions	10a. Control of Emission
A1.1	Types of emissions and respective emissions data	10a. Control of Emission
A1.2	Greenhouse gas emissions in total and intensity	10a. Control of Emission
A1.3	Total hazardous waste produced and intensity	10b. Waste Disposal
A1.4	Total non-hazardous waste produced and intensity	10b. Waste Disposal
A1.5	Description of measures to mitigate emissions and results achieved	10a. Control of Emission
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	10b. Waste Disposal
A.2	Use of Resources	10c. Use of Resources
A2.1	Direct and/or indirect energy consumption by type in total and intensity	10c. Use of Resources
A2.2	Water consumption in total and intensity	10c. Use of Resources
A2.3	Description of energy use efficiency initiatives and results achieved	10c. Use of Resources
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	10c. Use of Resources
A2.5	Total packaging material used for finished products and with reference to per unit produced	10c. Use of Resources
A.3	Environment and Natural Resources	10d. Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	10d. Environment and Natural Resources
B.1	Employment	5. Employment
B1.1	Total workforce by gender, employment type, age group and geographical region	5. Employment
B1.2	Employee turnover rate by gender, age group and geographical region	5. Employment
B.2	Health and Safety	6. Health and Safety
B2.1	Number and rate of work-related fatalities	6. Health and Safety
B2.2	Lost days due to work injury	6. Health and Safety
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	6. Health and Safety
B.3	Development and Training	7. Employee Training and Development
B3.1	The percentage of employees trained by gender and employee category	7. Employee Training and Development
B3.2	The average training hours completed per employee by gender and employee category	7. Employee Training and Development
B.4	Labour Standards	5. Employment
B4.1	Description of measures to review employment practices to avoid child and forced labour	5. Employment
B4.2	Description of steps taken to eliminate such practices when discovered	5. Employment
B.5	Supply Chain Management	8. Supply Chain Management
B5.1	Number of suppliers by geographical region	Partially Reported
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	8. Supply Chain Management
B.6	Product Responsibility	9. Product Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	9. Product Responsibility
B6.2	Number of products and service related complaints received and how they are dealt with	9. Product Responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights	9. Product Responsibility
B6.4	Description of quality assurance process and recall procedures	9. Product Responsibility
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	9. Product Responsibility
B.7	Anti-corruption	4. Corporate Governance
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	4. Corporate Governance
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	4. Corporate Governance
B.8	Community Investment	3. Community Service
B8.1	Focus areas of contribution	3. Community Service
B8.2	Resources contributed to the focus area	3. Community Service

聯交所環境、社會及管治報告指引對照表

主要範疇、層面、一般披露及關鍵績效指標

本報告的章節

A.1	排放物	10a.排放物的管控
A1.1	排放物種類及相關排放數據	10a.排放物的管控
A1.2	溫室氣體總排放量及密度	10a.排放物的管控
A1.3	所產生有害廢棄物總量及密度	10b.廢棄物處理
A1.4	所產生無害廢棄物總量及密度	10b.廢棄物處理
A1.5	描述減低排放量的措施及所得成果	10a.排放物的管控
A1.6	描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果	10b.廢棄物處理
A.2	資源使用	10c.資源使用
A2.1	按類型劃分的直接及／或間接能源總耗量及密度	10c.資源使用
A2.2	總耗水量及密度	10c.資源使用
A2.3	描述能源使用效益計劃及所得成果	10c.資源使用
A2.4	描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果	10c.資源使用
A2.5	製成品所用包裝材料的總量及每生產單位佔量	10c.資源使用
A.3	環境及天然資源	10d.環境及天然資源
A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動	10d.環境及天然資源
B.1	僱傭	5.僱傭
B1.1	按性別、僱傭類型、年齡組別及地區劃分的僱員總數	5.僱傭
B1.2	按性別、年齡組別及地區劃分的僱員流失比率	5.僱傭
B.2	健康與安全	6.健康與安全
B2.1	因工作關係而死亡的人數及比率	6.健康與安全
B2.2	因工傷損失工作日數	6.健康與安全
B2.3	描述所採納的職業健康與安全措施，以及相關執行及監察方法	6.健康與安全
B.3	發展及培訓	7.僱員培訓及發展
B3.1	按性別及僱員類別劃分的受訓僱員百分比	7.僱員培訓及發展
B3.2	按性別及僱員類別劃分，每名僱員完成受訓的平均時數	7.僱員培訓及發展
B.4	勞工準則	5.僱傭
B4.1	描述檢討招聘慣例的措施以避免童工及強制勞工	5.僱傭
B4.2	描述在發現違規情況時消除有關情況所採取的步驟	5.僱傭
B.5	供應鏈管理	8.供應鏈管理
B5.1	按地區劃分的供應商數目	部分匯報
B5.2	描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法	8.供應鏈管理
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B6.1	已售或已運送產品總數中因安全與健康理由而須回收的百分比	9.產品責任
B6.2	接獲關於產品及服務的投訴數目以及應對方法	9.產品責任
B6.3	描述與維護及保障知識產權有關的慣例	9.產品責任
B6.4	描述質量檢定過程及產品回收程序	9.產品責任
B6.5	描述消費者資料保障及私隱政策，以及相關執行及監察方法	9.產品責任
B.7	反貪污	4.企業管治
B7.1	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果	4.企業管治
B7.2	描述防範措施及舉報程序，以及相關執行及監察方法	4.企業管治
B.8	社區投資	3.社區服務
B8.1	專注貢獻範疇	3.社區服務
B8.2	在專注範疇所動用資源	3.社區服務

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board and senior management of the Group strive to maintain a high standard of corporate governance, to formulate sound corporate governance practice for improvement of accountability and transparency in operations, and to strengthen the internal control system from time to time so as to ensure Shareholders' expectations are met.

Compliance with Corporate Governance Code

Throughout the year ended 31 March 2018, the Company has applied the principles and complied with the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Listing Rules except for the below deviations:

Code Provision A.2.1

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Pang Siu Hin, is both the chairman and the chief executive officer of the Company. In view of the fact that Mr. Pang is one of the co-founders of the Group and has been operating and managing the Group effectively since 1996, the Board believes that it is in the best interest of the Group to have Mr. Pang taking up both roles for effective management and business development with his profound knowledge and experience in the industry. The Board therefore considers that the deviation from the CG Code provision A.2.1 is reasonably justified under such circumstances.

Code Provision F.1.1

Under the code provision F.1.1 of the CG Code, the Company engages Ms. Wong Ting Dan (resigned on 1 July 2017) and Ms. Kho Polien (“Ms. Kho”) (appointed on 1 July 2017) as Company Secretary during the Period. Ms. Kho is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators respectively and in performing her duties as the company secretary of the Company, she reports to the Board and maintains contact with the chief executive officer of the Company.

企業管治常規

本集團董事會及高級管理層致力維持高水平企業管治，制定良好企業管治常規以提高問責性及營運之透明度，並不時加強內部監控制度，確保符合股東之期望。

遵守企業管治守則

於截至2018年3月31日止年度，本公司已應用上市規則附錄十四所載之企業管治守則（「企管守則」）之原則並遵守守則條文，惟下列偏離除外：

守則條文A.2.1

企管守則條文第A.2.1條規定，主席與行政總裁的角色應有區分且不應由一人同時兼任。彭少衍先生為本公司的主席兼行政總裁。鑒於彭先生為本集團共同創辦人之一及自1996年以來一直經營與管理本集團，故董事會認為由彭先生憑藉彼在業內豐富的知識及經驗，兼任該兩個職位可以實現有效管理及業務發展，符合本集團的最佳利益。董事會因此認為偏離企管守則條文第A.2.1條就此情況而言屬合理而恰當。

守則條文F.1.1

根據企管守則條文第F.1.1條，本公司已於本期間委聘王廷丹女士（於2017年7月1日辭任）及郭寶琳女士（「郭女士」）（於2017年7月1日獲委任）為其公司秘書。郭女士分別為香港特許秘書公會及英國特許秘書及行政人員公會之會員，並就履行其作為本公司公司秘書之職責向董事會匯報及與本公司行政總裁保持聯絡。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiries with all Directors and all Directors confirmed that they have complied with the standards required by the Model Code during the Period.

BOARD OF DIRECTORS

Overall Accountability

The Board is accountable to the Shareholders and reports to them at general meetings. All Directors are required to pursue excellence in the interests of the Shareholders and fulfill his/her fiduciary duties by applying the required level of skills, care and diligence to a standard in accordance with the statutory requirements.

Composition of the Board

The Board currently comprises a total of seven Directors including two executive Directors, two non-executive Directors, and three independent non-executive Directors. The Board members for the Period and up to the date of this annual report were as follows:

Executive Directors

Mr. Pang Siu Hin	Chairman of the Board and Chief Executive Officer
Ms. Kwan Lai Man	Managing Director
Dr. Dong Meixian	(resigned on 1 March 2018)

Non-executive Directors

Ms. Wong Wai Ling
Mr. Yuen Chi Ping

Independent non-executive Directors

Mr. Lau Chi Kit	(appointed on 16 October 2017)
Mr. Lee Luk Shiu	
Dr. Tang Sing Hing, Kenny	
Mr. Tsui Nam Hung	(retired on 16 October 2017)

Mr. Pang Siu Hin, the Chairman, is the spouse of Ms. Kwan Lai Man. Save as disclosed, there is no other relationship (including financial, business, family or other material/relevant relationship), among the Directors.

董事的證券交易

本公司已採納上市規則附錄十所載之董事進行證券交易之標準守則（「**標準守則**」）。本公司已向所有董事作出特定查詢，而所有董事均確認彼等於本期間已遵守標準守則所規定之準則。

董事會

全面問責

董事會對股東負責，並於股東大會向彼等匯報。全體董事均須以股東利益為依歸，克盡其職追求卓越成績，並按法規所要求的技能，謹慎盡忠地履行其董事受信責任。

董事會的組成

董事會現時共由7名董事組成，包括2名執行董事、2名非執行董事及3名獨立非執行董事。於本期間及截至本年報日期，董事會成員如下：

執行董事

彭少衍先生	董事會主席兼行政總裁
關麗雯女士	董事總經理
董美仙博士	(於2018年3月1日辭任)

非執行董事

黃慧玲女士
袁志平先生

獨立非執行董事

劉智傑先生	(於2017年10月16日獲委任)
李祿兆先生	
鄧聲興博士	
徐南雄先生	(於2017年10月16日退任)

彭少衍先生（主席）為關麗雯女士之配偶。除以上披露者外，董事之間概無其他關係（包括財務、商業、親屬或其他重大／相關的關係）。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the Period, the Company at all times met the requirements of Rules 3.10(1) and (2), and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board and it exceeds the parameters of the CG Code.

Board Diversity

We believe diversity of the Board helps foster different perspectives and the existing Board composition means that the Board would be more alert to different opportunities and risks. Board diversity leads to a greater knowledge based, more creativity and innovation within the Board. This helps us to better understand the varied needs of our customers, which in turn results in a further multiplicity of customers, a richer and more extensive customer base and more opportunities to grow. During the Period, the Board has been diversified in terms of professional experience, industry experience, age and gender.

Board Meetings

During the Period, the Company held 4 regular board meetings, the AGM on 8 September 2017, one extraordinary general meeting (the “EGM”) on 16 October 2017, two audit committee meetings on 23 June 2017 and 22 November 2017, respectively, two remuneration committee meetings on 4 October 2017 and 21 December 2017, respectively and one nomination committee meeting on 4 October 2017. Details of each Director’s attendance in the aforesaid meetings are set out below.

於本期間，本公司一直遵守上市規則第3.10(1)及(2)條以及3.10A條有關委任至少三名獨立非執行董事且佔董事會人數三分之一之規定，而此人數已超出企管守則規定的比例。

董事會多元化

我們相信董事會多元化有助於培養不同的觀點，現時董事會的組成具有察覺不同機遇和風險的意義。董事會多元化增強董事會內的知識基礎，及帶來更多的創造力和創新。這樣有助我們深入解我們客戶多樣的需要，以開發更多不同的客戶層面、更豐富及更廣泛的客戶基礎和更多的增長機遇。於本期間，董事會在專業、行業經驗、年齡及性別方面具備其多元化。

董事會會議

於本期間，本公司舉行4次董事會定期會議，即2017年9月8日舉行之股東週年大會，2017年10月16日舉行之一次股東特別大會（「股東特別大會」），分別於2017年6月23日及2017年11月22日舉行之兩次審核委員會會議、分別於2017年10月4日及2017年12月21日舉行之兩次薪酬委員會會議以及於2017年10月4日舉行之一次提名委員會會議。有關各董事出席上述會議之詳情載列如下。

		Number of meetings attended/entitled to attend					
		已出席會議/有權出席會議之次數					
Directors		Regular Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meeting	AGM	EGM
董事		定期全體董事會會議	審核委員會會議	薪酬委員會會議	提名委員會會議	股東週年大會	股東特別大會
Executive Directors	執行董事						
Mr. Pang Siu Hin	彭少衍先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1
Ms. Kwan Lai Man	關麗雯女士	3/4	N/A 不適用	2/2	1/1	1/1	1/1
Dr. Dong Meixian (Note (i))	董美仙博士(附註(i))	3/3	N/A 不適用	N/A 不適用	N/A 不適用	0/1	0/1

CORPORATE GOVERNANCE REPORT

企業管治報告

Directors		Number of meetings attended/entitled to attend					
		已出席會議/有權出席會議之次數					
		Regular Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meeting	AGM	EGM
董事		定期全體董事會會議	審核委員會會議	薪酬委員會會議	提名委員會會議	股東週年大會	股東特別大會
Non-executive Directors 非執行董事							
Ms. Wong Wai Ling	黃慧玲女士	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1	0/1
Mr. Yuen Chi Ping	袁志平先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用	0/1	0/1
Independent non-executive Directors 獨立非執行董事							
Mr. Lau Chi Kit (Note(ii))	劉智傑先生(附註(ii))	2/2	1/1	1/1	0/0	0/0	0/1
Mr. Lee Luk Shiu	李祿兆先生	4/4	2/2	2/2	1/1	1/1	1/1
Dr. Tang Sing Hing, Kenny	鄧聲興博士	4/4	2/2	2/2	1/1	1/1	0/1
Mr. Tsui Nam Hung (Note(iii))	徐南雄先生(附註(iii))	2/2	1/1	0/1	0/1	1/1	0/1

Notes:

附註:

- (i) Dr. Dong Meixian resigned as an executive Director on 1 March 2018.
- (ii) Mr. Lau Chi Kit was appointed as an independent non-executive Director on 16 October 2017.
- (iii) Mr. Tsui Nam Hung retired as an independent non-executive Director on 16 October 2017.

- (i) 董美仙博士於2018年3月1日辭任執行董事。
- (ii) 劉智傑先生於2017年10月16日獲委任為獨立非執行董事。
- (iii) 徐南雄先生於2017年10月16日退任獨立非執行董事。

The Board and the Management

The Board is responsible for the overall conduct of the Group, formulating Group policies and business directions, and monitoring risk management, internal controls and performance of the management. The Board delegates and gives clear directions to the Management as to their powers and circumstances in which the Management should report back or obtain prior the Board approval.

董事會與管理層

董事會負責本集團的整體行事，制定集團政策及業務方向，以及監察風險管理、內部監控及管理層的表現。董事會授權管理層並明確指示管理層的權限以及管理層應向董事會匯報或事先取得董事會批准的情況。

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企業管治報告

Delegation by the Board

The Board undertakes responsibility for decision making in major company matters, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that board procedures and all applicable laws and regulations are followed. Each Director is able to seek independent professional advice in appropriate circumstances at the Company's expense upon making request to the Board.

Executive Directors delegate some day-to-day management, administration and operation to the senior management. Approval has to be obtained from the Board prior to significant transactions entered into by the aforesaid officers. The Board also has the full support of the executive Directors and the senior management for the discharge of its responsibilities.

Management for the purpose of this corporate governance report includes the executive Directors, senior management and departmental heads. They are responsible for the day-to-day operations, management and administration of the Group under the leadership of the executive Directors. They also execute and implement strategies and directions determined by the Board.

Members of our management are frequently invited to attend the Board meetings to report and engage in discussions with the Board in respect of strategy, budget planning, progress and performance updates to ensure that the Board has a general understanding of the Group's business and to enable them to make informed decisions for the benefit of the Group. They are required to answer any questions or challenges posed by the Board.

In addition to regular Board meetings, monthly management meetings were held to review, discuss and make decisions on financial and operational matters.

董事會授權

董事會負責主要公司事項的決策，包括對所有政策事項的審批和監督、整體的策略和預算、內部監控和風險管理系統、重大交易（特別是可能涉及利益衝突的事項）、財務資料、董事任命及其他重大財務和業務事項。

所有董事均可全面、及時地查閱所有相關資料以及獲公司秘書提供意見和服務，以確保董事會程序和所有適用的法律及規章得以遵守。各董事經向董事會提出要求後，可在適當情況下尋求獨立專業意見，費用由本公司支付。

執行董事授權部分日常管理、行政和營運由高級管理人員執行。在上述人員進行重大交易之前，必須經董事會批准。董事會還得到執行董事和高級管理人員的全面支持以履行職責。

就本企業管治報告而言，管理層包括執行董事、高級管理人員及部門主管。彼等於執行董事的領導下，負責本集團的日常營運、管理及行政。彼等亦會執行及落實董事會釐定的策略和指示。

管理層成員經常獲邀出席董事會會議，以就策略、預算規劃、進度及表現的最新情況作出匯報並與董事會討論，以確保董事會對本集團業務有大概的了解，並令董事會在知情的情況下作出有利於本集團的決定。管理層成員須回應董事會提出的任何問題或質詢。

除定期董事會會議外，管理層亦每月舉行會議以審閱、討論財務及營運事宜並就此作出決定。

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Board Meetings and Board Procedural Matters

The Board meets regularly and has formal procedures to include matters to be referred to it for consideration and decisions at the Board meetings. The formal notice and agenda of meetings are usually sent to all Directors at least 14 days before each meeting and they are consulted and given an opportunity to comment on the agenda.

Meeting materials are usually sent to Directors in advance of each meeting to ensure that the Directors have full and timely access to relevant information. With a view to becoming more environment-friendly by reducing paper consumption, meeting materials are distributed in electronic form and Directors are encouraged to read the electronic version.

Draft minutes recording substantive matters discussed and decisions resolved at the meetings are circulated to all Directors for their comments (if any) within a reasonable time (generally within seven business days) of each meeting. The final version of the minutes is approved at the subsequent meeting and a copy is sent to the Directors for their records. The final executed version is placed on record and made available for inspection.

The Company generally convenes at least four regular Board meetings a year. During the Period, four regular Board meetings were convened:

1. approved the appointment of the Directors and grant of share option;
2. reviewed and approved the 2016/17 annual report of the Company and its related results announcements and documents;
3. reviewed and approved the 2017/18 interim report of the Company and its related results announcements and documents;
4. reviewed the operational and financial reports of the Group;

董事會會議及董事會程序事項

董事會定期舉行會議，並遵循正式程序在董事會會議上就所提呈事宜進行審議及決定。正式會議通知及議程通常在召開各會議最少14天前發送予所有董事，並向董事進行諮詢，讓董事有機會就會議議程提出意見。

會議資料通常在召開各會議前發送予董事，確保董事全面及適時取得有關資料。為顧及環保和減低耗紙量，我們以電子形式將會議資料分發予董事，並鼓勵董事閱覽電子版本。

會議記錄之初稿記錄會上所討論的重大事宜及議決決策，並於各會議結束後之合理時間內（一般七個營業日內）交予全體董事傳閱及供其表達意見（如有）。會議記錄的定稿會於其後的會議上批准，而副本將發送予董事作記錄保存。最終簽立的版本將記錄在案，並可供查閱。

本公司每年一般至少召開四次定期董事會會議。於本期間，本公司召開四次定期董事會會議以：

1. 批准委任董事及授出購股權；
2. 審閱及批准本公司2016/17年年報及其相關業績公告及文件；
3. 審閱及批准本公司2017/18年中報及其相關業績公告及文件；
4. 審閱本集團經營及財務報告；

CORPORATE GOVERNANCE REPORT

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- | | |
|--|---|
| 5. formulated business development strategies and approved the budget for the financial year; | 5. 制定業務發展策略及批准財政年度之預算； |
| 6. discussed and considered recommendations made by the board committees; | 6. 討論及審議董事委員會作出的建議； |
| 7. reviewed, discussed and considered the Group's affairs, including strategic plans, financial affairs, progress and updates of business performance, and budget summary/proposals; and | 7. 審閱、討論及審議本集團事務，包括策略規劃、財政事務、業務表現進度及最新資料以及預算概要／提案；及 |
| 8. reviewed the effectiveness of corporate governance practices, internal control and risk management. | 8. 審閱企業管治常規、內部監控及風險管理之有效性。 |

Independence

We have strong elements of independence on the Board, providing independent and objective opinions on strategic issues and performance matters as well as extensive expertise, experience and insight of each Director to the integration of the Board. The Board follows the requirements set out in the Listing Rules to determine on the independence of Directors. The Board determines that the Directors do not have any direct or indirect material relationship with the Group. Furthermore, the Company has received an annual confirmation from each of its independent non-executive Directors of his independence pursuant to Rule 3.13 of the Listing Rules and considers all independent non-executive Directors are independent.

Directors' Continuous Training and Professional Development

All Directors have kept abreast of their responsibilities as a Director and of the conduct, business activities and development of the Company. Directors are continuously updated with the latest development regarding the Listing Rules and other applicable statutory requirements to ensure compliance with and upkeep of good corporate governance practices.

Directors are encouraged to participate in professional development courses and seminars to develop and refresh their knowledge and skills. The Company has devised a training record to assist the Directors in maintaining their training record.

獨立性

本公司董事會擁有強烈的獨立元素，能針對策略性及表現等事宜提供獨立及客觀的意見，且每名董事均為董事會整體提供其各自豐富的專業知識、經驗及見解。董事會遵守上市規則所載之規定以釐定董事之獨立性。董事會已釐定，董事與本集團並無任何直接或間接重大關係。此外，本公司已收到各獨立非執行董事根據上市規則第3.13條作出之年度獨立性確認書，並認為全體獨立非執行董事均為獨立人士。

董事之持續培訓及專業發展

所有董事均恪守作為董事之責任，並與本公司之操守、業務活動及發展並進。董事持續了解有關上市規則及其他適用法定要求的最新發展，以確保遵守及維持良好的企業管治常規。

本公司鼓勵董事參與專業發展課程及研討會，以發展及更新其知識及技能。本公司已備有培訓記錄以協助董事存備其參與培訓之記錄。

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All the Directors have confirmed that they participated in continuous professional developments to develop and refresh their knowledge and skills as Directors during the Period.

所有董事已確認其於本期間參與持續專業發展，以發展並更新其作為董事的知識及技能。

The below chart summarises the participation of Directors in training and continuous professional development during the Period under review.

下表概述董事於回顧期間內參加培訓及持續專業發展的情況。

Name of Directors 董事姓名	Types of Continuous Professional Development 持續專業發展類型	
	Reading Material regarding regulatory update and corporate governance matters 閱讀有關監管更新及 企業管治事宜之材料	Attending seminars/ conferences/forums 出席討論會/ 會議/論壇
Executive Directors 執行董事		
Mr. Pang Siu Hin 彭少衍先生	✓	✓
Ms. Kwan Lai Man 關麗雯女士	✓	✓
Dr. Dong Meixian (Note (i)) 董美仙博士 (附註(i))	✓	
Non-executive Directors 非執行董事		
Ms. Wong Wai Ling 黃慧玲女士	✓	✓
Mr. Yuen Chi Ping 袁志平先生	✓	✓
Independent non-executive Directors 獨立非執行董事		
Mr. Lau Chi Kit (Note (ii)) 劉智傑先生 (附註(ii))		
Mr. Lee Luk Shiu 李祿兆先生	✓	✓
Dr. Tang Sing Hing, Kenny 鄧聲興博士	✓	✓
Mr. Tsui Nam Hung (Note (iii)) 徐南雄先生 (附註(iii))	✓	✓

Notes:

附註：

(i) Dr. Dong Meixian resigned as an executive Director on 1 March 2018.

(i) 董美仙博士於2018年3月1日辭任執行董事。

(ii) Mr. Lau Chi Kit was appointed as an independent non-executive Director on 16 October 2017.

(ii) 劉智傑先生於2017年10月16日獲委任為獨立非執行董事。

(iii) Mr. Tsui Nam Hung retired as an independent non-executive Director on 16 October 2017.

(iii) 徐南雄先生於2017年10月16日退任獨立非執行董事。

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Directors' and Officers' Insurance

The Company has been maintaining an adequate Directors' and officers' ("D&O") Liability Insurance, which gives appropriate cover for any legal action brought against the Directors and officers since the Company went listed. To ensure sufficient and appropriate insurance cover is in place, we review the Company's D&O insurance policy annually based on recent trends in the insurance market and other relevant factors. The Insurance Policy is available for inspection by the Directors upon request. As at today's date, no claim has been made since the Insurance Policy came into effect.

Deed of Non-Competition

In order to protect the Group's interests, the deed of non-competition dated 25 September 2014 (the "Deed of Non-Competition") was executed by the Controlling Shareholders in favour of the Company. Pursuant to the terms of the Deed of Non-Competition, Mr. Pang, Mrs. Pang and the Controlling Shareholders have jointly and severally undertaken that they would not engage in any business or manufacturing any products which are in competition with those of the Group. The Company's independent non-executive Directors will review, at least on annual basis, the compliance with the Deed of Non-Competition by the Controlling Shareholders and their respective close associates on their existing or future competing business.

Conflicts of Interest

All Directors are required to comply with their common law duty to act in the best interests of the Company and Shareholders as a whole. Any perceived, potential or actual conflicts of interest between the Group and its Directors are to be avoided. The Directors are requested to disclose their interests, if any, in any transaction, arrangement or other proposal to be considered by the Board at Board meetings, and abstain from voting if any conflicts of interest arise or where they become aware of any perceived or potential conflicts of interest. All declared interests are properly recorded and made accessible by the Board members. Directors have a continuing duty to inform the Board of any changes to these conflicts.

董事及高級職員保險

本公司已投保足夠的董事及高級職員（「董事及高級職員」）責任保險，為自本公司上市以來任何針對董事及高級職員提出的法律行動提供適當保障。為確保提供充足及適當的保障，我們將會按照保險市場的近期趨勢及其他相關因素，按年審閱本公司的董事及高級職員保單。保單可應董事要求予以查閱。截至今日，自保單生效後並無發生任何索償。

不競爭契據

為保障本集團權益，控股股東以本公司為受益人簽立日期為2014年9月25日的不競爭契據（「不競爭契據」）。根據不競爭契據之條款，彭先生、彭太太以及控股股東已向本集團共同及個別承諾，其將不會從事或製造任何與本集團構成競爭的業務或產品。本公司獨立非執行董事將至少每年檢討一次控股股東及彼等各自之緊密聯繫人的現有或未來競爭業務是否遵守不競爭契據。

利益衝突

所有董事須履行普通法所訂明之責任，並按本公司及股東整體最佳利益為行動依歸。本集團與董事之間的任何被視為、潛在或實際利益衝突均應避免。董事須披露彼等在將由董事會於董事會議上審議之任何交易、安排或其他提案中的利益（如有），如果出現任何利益衝突或意識到任何被視為或潛在的利益衝突，則應放棄投票。所有申報利益將妥為記錄在案供董事會成員查閱。董事有持續責任通知董事會有關該等衝突的任何變動。

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Pang serves as the chairman and the chief executive officer of the Company. The reasons have been explained in the section headed “Compliance with Corporate Governance Code” of this annual report.

NON-EXECUTIVE DIRECTORS (INCLUDING INEDS)

Non-executive Directors (“**NEDs**”) (including independent non-executive Directors (“**INEDs**”)) make a positive contribution to the development of the Group’s strategy and policies and scrutinise the Group’s performance through informed insight and independent judgement. They constructively challenge the management, which is vital to fulfill the objectives set out by the Board. In order to preserve well-balanced governance, the Board has ensured that all members of the Audit Committee are INEDs, majority of the members of the Nomination and Remuneration Committees are INEDs, and that each committee is chaired by an INED.

Appointment and Re-election of Directors

All our NEDs (including INEDs) are appointed for a term of one year and are required to offer themselves for re-election at the first AGM following their appointments. Under the Articles of Association of the Company, at least one-third of the Directors are subject to retirement by rotation at the AGM at least once every three years. Retiring Directors are eligible for re-election at the AGM at which he or she retires. We confirm that all Directors’ appointments and re-elections were conducted in compliance with the Articles of Association of the Company and the CG Code for the period under review.

主席兼行政總裁

彭先生為本公司之主席兼行政總裁。彼兼任之理由已於本年報「遵守企業管治守則」一節闡述。

非執行董事（包括獨立非執行董事）

非執行董事（「**非執行董事**」）（包括獨立非執行董事（「**獨立非執行董事**」））為本集團之策略及政策發展作出積極貢獻，透過提供知情見解及獨立判斷審視本集團的表現。彼等為管理層帶來建設性的挑戰，對於實現董事會制定的目標而言甚為關鍵。為保持均衡的管治，董事會已確保審核委員會的所有成員為獨立非執行董事，而提名委員會及薪酬委員會則以獨立非執行董事佔大多數，且每一個委員會均由獨立非執行董事擔任主席。

委任及重選董事

全體非執行董事（包括獨立非執行董事）的任期均為一年，須於獲委任後首屆股東週年大會上膺選連任。根據本公司章程細則，不少於三分之一的董事須至少每三年輪流於股東週年大會上退任一次。退任董事合資格於其退任的股東週年大會上重選連任。我們確認，於回顧期內，全體董事的委任及膺選連任均遵照公司章程細則及企管守則進行。

CORPORATE GOVERNANCE REPORT

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BOARD COMMITTEES

As an integral part of good corporate governance and to enhance the function of the Board, the Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing specific aspects of the Company's affairs under its defined scope of duties and terms of reference. The terms of reference of each of the Board Committees are available on the websites of the Company and the Stock Exchange. Details of the Board Committees are discussed below.

Audit Committee

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 5 November 2010 with written terms of reference in compliance with the CG Code. Under its terms of reference, the Audit Committee is required, amongst other things to review and monitor the Group's relationship with the external auditors and the auditors' independence; monitor the integrity of the Group's financial information and review significant reporting judgments contained in it; oversee the Group's financial reporting and review the effectiveness of internal controls and risk management procedures; and consider major investigation findings on internal control matters and management's response to these findings.

As at 31 March 2018, the Audit Committee consisted of three members who are the INEDs, namely Mr. Lau Chi Kit, Mr. Lee Luk Shiu and Dr. Tang Sing Hing, Kenny. The chairman of the Audit Committee is Mr. Lee Luk Shiu.

During the Period, the Audit Committee convened two meetings and performed the following work:

1. reviewed the 2016/17 annual report of the Company and its related preliminary results announcements;
2. reviewed the 2017/18 interim report of the Company and its related preliminary results announcements;
3. reviewed and recommended the re-appointment of the external auditors, taking into account its independence;

董事會轄下的委員會

作為良好企業管治不可或缺的一環且旨在提升董事會的職能，董事會已成立審核委員會、薪酬委員會及提名委員會，按其指定職務範疇及職權範圍監督本公司事務的特定事項。各董事委員會之職權範圍於本公司及聯交所網站可供查閱。各董事委員會之詳情載述如下。

審核委員會

本公司已根據於2010年11月5日通過之董事決議案成立審核委員會，其書面職權範圍符合企管守則。根據其職權範圍，審核委員會須（其中包括）審閱及監督本集團與外部核數師的關係及核數師獨立性；監控本集團財務資料真實性並審閱其中所載的重大報告判斷；監督本集團之財務報告及檢討內部監控及風險管理程序的有效性；及審議內部監控事項的主要調查結果及管理層對該等調查結果的回覆。

於2018年3月31日，審核委員會由3名成員（均為獨立非執行董事）組成，分別為劉智傑先生、李祿兆先生及鄧聲興博士。李祿兆先生為審核委員會主席。

期內，審核委員會已舉行兩次會議並開展下列工作：

1. 審閱本公司之2016/17年年度報告及其相關的初步業績公告；
2. 審閱本公司之2017/18年中期報告及其相關的初步業績公告；
3. 檢討並就續聘外部核數師作出推薦建議（經考慮其獨立性）；

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| 4. reviewed the changes in accounting standards and assessed their potential impacts on the Group's financial statements; | 4. 檢討會計準則之變動及評估其對本集團財務報表之潛在影響； |
| 5. approved terms of engagement including the remuneration of the external auditors and audit service plan; | 5. 批准委聘條款（包括外聘核數師酬金及審核服務計劃）； |
| 6. assessed and evaluated the effectiveness of the Group's risk management procedures and internal control systems; and | 6. 評估本集團風險管理程序及內部監控系統的有效性；及 |
| 7. reviewed and discussed the internal control review projects conducted by the Internal Audit function, including: | 7. 審閱及討論內部審核職能進行的內部監控審閱項目，包括： |
| i. internal audit function and progress; | i. 內部審核職能及過程； |
| ii. significant internal audit findings and follow-up remediation status; | ii. 重大內部審核結果及跟進整改情況； |
| iii. annual internal audit planning memorandum; and | iii. 年度內部審核計劃備忘錄；及 |
| iv. major investigation findings on internal controls and management's response to those findings. | iv. 內部監控的主要調查結果及管理層對該等調查結果的回覆。 |

Remuneration Committee

The Company established the Remuneration Committee pursuant to a resolution of the Directors passed on 5 November 2010 with written terms of reference in compliance with the CG Code. Under its terms of reference, the Remuneration Committee is required, among other things, to review, determine and make recommendation to the Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

The Remuneration Committee has also taken into account a number of relevant factors such as remuneration packages offered by companies of comparable business and scale, market practices, and the financial and non-financial performance of the Group to ensure that the remuneration packages offered remain appropriate and competitive.

The Remuneration Committee ensures that no individual Director or senior management approves his or her own remuneration.

薪酬委員會

本公司已根據於2010年11月5日通過之董事決議案成立薪酬委員會，其書面職權範圍符合企管守則之規定。根據其職權範圍，薪酬委員會須（其中包括）審閱、釐定應付董事及高級管理層的薪酬待遇、紅利及其他補償及就此向董事會作出推薦建議。

薪酬委員會亦考慮到多項相關因素，如業務及規模相若的公司所提供的薪酬待遇、市場慣例及本集團的財務及非財務表現，以確保提供合適及具競爭力的薪酬待遇。

薪酬委員會確保概無個別董事或高級管理層批准其自身薪酬。

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As at 31 March 2018, the Remuneration Committee consisted of four members (one executive Director and three independent non-executive Directors), namely Ms. Kwan Lai Man, Mr. Lau Chi Kit, Mr. Lee Luk Shiu and Dr. Tang Sing Hing, Kenny. The chairman of the Remuneration Committee is Mr. Lau Chi Kit.

During the Period, the Remuneration Committee convened 2 meetings and performed the following work:

1. reviewed and approved the management's remuneration proposals with reference to the Board's corporate goals and objectives; and
2. reviewed the remuneration of the Directors.

Nomination Committee

The Company established the Nomination Committee pursuant to a resolution of the Directors passed on 5 November 2010 with written terms of reference in compliance with the CG Code. Under its term of reference, the Nomination Committee is, among other things, to make recommendations to the Board on the appointment or reappointment of Directors and the management of the Board succession; to make recommendations to the Board for potential Board members; to review the structure, size and composition of the Board; and to assess the independence of INEDs.

As at 31 March 2018, the Nomination Committee consisted of four members (one executive Director and three independent non-executive Directors), namely Ms. Kwan Lai Man, Mr. Lau Chi Kit, Mr. Lee Luk Shiu and Dr. Tang Sing Hing, Kenny. The chairman of the Nomination Committee is Dr. Tang Sing Hing, Kenny.

During the Period, the Nomination Committee convened 1 meeting and performed the following work:

1. reviewed the structure, size and composition of the Board;
2. assessed the independence of INEDs;

於2018年3月31日，薪酬委員會由四名成員（一名執行董事及三名獨立非執行董事）組成，分別為關麗雯女士、劉智傑先生、李祿兆先生及鄧聲興博士。劉智傑先生為薪酬委員會主席。

期內，薪酬委員會已舉行兩次會議，並進行下列工作：

1. 根據董事會的企業目標及宗旨，審核及批准管理層的薪酬方案；及
2. 審閱董事之薪酬。

提名委員會

本公司已根據於2010年11月5日通過之董事決議案成立提名委員會，其書面職權範圍符合企管守則之規定。根據其職權範圍，提名委員會須（其中包括），就委任或重新委任董事及管理董事會繼任人選事宜向董事會提出建議；就潛在董事會成員向董事會提出建議；審閱董事會架構、人數及組成及評估獨立非執行董事之獨立性。

於2018年3月31日，提名委員會由四名成員（一名執行董事及三名獨立非執行董事）組成，分別為關麗雯女士、劉智傑先生、李祿兆先生及鄧聲興博士。鄧聲興博士為提名委員會主席。

期內，提名委員會已舉行一次會議，並進行下列工作：

1. 審閱董事會架構、人數及組成；
2. 評估獨立非執行董事之獨立性；

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| 3. nominated suitable and qualified individual for directorships; and | 3. 就董事職位提名合適及合資格人士；及 |
| 4. made recommendations to the Board on the appointment or reappointment of Directors and succession planning for the Directors. | 4. 就董事委任或重新委任以及董事繼任計劃向董事會提出建議。 |

Corporate Governance Functions

During the Period under review, the Board as a whole is responsible for performing the corporate governance duties including:

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

企業管治職能

於回顧期間內，董事會整體負責履行企業管治職能，該等職能包括：

- 1) 制定及檢討本公司之企業管治政策及常規及向董事會提出建議；
- 2) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- 3) 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；
- 4) 制定、檢討及監察僱員及董事適用的企管守則及合規手冊（如有）；及
- 5) 檢討本公司遵守企管守則之情況及於企業管治報告內之披露。

INDEPENDENT AUDITORS' REMUNERATION

The Company's independent external auditors is HLB Hodgson Impey Cheng Limited. The roles and responsibilities of our external auditors are stated in the Independent Auditors' Report.

獨立核數師酬金

本公司之獨立外部核數師為國衛會計師事務所有限公司。有關外部核數師的職責及責任載列於獨立核數師報告。

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The remuneration paid or payable to HLB Hodgson Impey Cheng Limited in respect of the audit services and non audit services for year ended 31 March 2018 are as follows:

截至2018年3月31日止年度，就國衛會計師事務所有限公司審核服務及非審核服務而已付或應付酬金如下：

Nature of services 服務性質		2018	2017
		Fee paid/ payable 已付／應付費用 HK\$'000 港幣千元	Fee paid/ payable 已付／應付費用 HK\$'000 港幣千元
Audit services	審核服務	850	750
Non-audit services	非審核服務		
– Review services	– 審閱服務	150	150
– Other services	– 其他服務	190	–
Total	合計	1,190	900

Directors' Accountability and Auditing

The Directors are collectively responsible for preparing the consolidated financial statements of the Group for the year ended 31 March 2018 to reflect a true and fair view of the Group's financial position as at 31 March 2018 and of its results and cash flows for the Period.

In preparing of the consolidated financial statements for the year ended 31 March 2018, the generally accepted accounting principles in Hong Kong, the Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards are adopted, with consistent use of appropriate accounting policies, for making reasonable and prudent judgments and estimates. The consolidated financial statements for the year ended 31 March 2018 were prepared on a going concern basis.

The statement of the auditors of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditors' Report in this annual report.

董事問責及核數

董事共同負責編製本集團截至2018年3月31日止年度的綜合財務報表，以真實公平反映本集團於2018年3月31日的財務狀況及其於期內的業績與現金流。

編製截至2018年3月31日止年度的綜合財務報表時，已採納香港一般公認的會計準則、香港財務報告準則及香港會計準則，並貫徹運用合適的會計政策，以作出合理審慎的判斷及估計。截至2018年3月31日止年度的綜合財務報表乃按持續經營基準編製。

本年度報告之獨立核數報告載列本公司核數師關於綜合財務報表的報告責任之聲明。

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COMPANY SECRETARY

Company Secretary is responsible for ensuring the effective conduct of meetings and that proper procedures are followed (including organising meetings, preparing agendas and the written resolutions or minutes, collating and distributing meeting materials, and keeping records of substantive matters discussed and decisions resolved at the meetings). She also advises the Board on compliance and corporate governance matters (including updating the Board on any legal and regulatory changes and facilitating the induction and professional development of the Directors).

The Board has access to the advice and services of the Company Secretary at all times. Ms. Kho has confirmed that she has attended not less than 15 hours of relevant professional training during the Period.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to Article 64 of the Articles of Association of the Company, an extraordinary general meeting can be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth (10%) of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary of the Company for the purpose of requiring 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 requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

公司秘書

公司秘書負責確保會議有效進行，且已妥善遵循程序（包括籌劃會議、編製議程及書面決議案或會議記錄、整理及分發會議資料，並保存會議上所討論重大事務及議決決策的記錄）。彼亦會就合規及企業管治事宜向董事會提出建議（包括向董事會提供有關任何法律及監管變動的最新資訊，以及促進董事的就任及專業發展）。

董事會可隨時獲公司秘書提供建議及服務。郭女士已確認彼於期內已參加不少於15小時之相關專業培訓。

股東權利

股東召開股東特別大會之程序

根據本公司組織章程細則第64條，一名或以上於遞交要求當日持有有權於股東大會投票的本公司實繳股本不少於十分之一(10%)的股東可要求召開股東特別大會。該項要求須以書面向董事會或本公司之公司秘書呈，述明要求董事會召開股東特別大會以處理要求內訂明的任何事項。該大會須於該項要求遞交後兩個月內舉行。倘於有關要求遞交後21日內，董事會未召開該大會，則遞交要求人士可以相同方式召開大會，而本公司須向遞交要求人士償付所有由遞交要求人士因董事會未能召開大會而產生之所有合理開支。

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Procedures for Putting Forward Proposals at Shareholders' Meeting

There are no provisions in the Articles of Association of the Company or the Companies Law of the Cayman Islands for Shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph.

Procedures for Raising Enquiries to the Board

Shareholders may send their enquiries and concerns together with their names and contact information to the Board by addressing them to the head office in Hong Kong at Unit 1213-1215, 12/F, Seapower Tower, Concordia Plaza, No. 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong by post or by e-mail to contact@hinsanggroup.com for the attention of the Company Secretary.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

INVESTOR RELATIONS

Constitutional Documents

During the Period, the Company has not made any changes to its Memorandum and Articles of Association. The updated version of Memorandum and Articles of Association is available on the websites of the Company and the Stock Exchange.

Communication with Shareholders

The Company believes that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparency and timely disclosure of corporate information, which enables Shareholders and investors to make appropriate investment decisions.

於股東大會提呈建議之程序

本公司組織章程細則或開曼群島公司法概無條文規定股東可於股東大會動議新決議案。有意動議決議案之股東可依據上一段所載程序要求本公司召開股東大會。

向董事會提出查詢的程序

股東可將其對董事會查詢及關注連同彼等姓名及聯繫信息通過郵寄方式寄至香港總辦事處：香港九龍尖沙咀科學館道1號康宏廣場航天科技大廈12樓1213-1215室或通過電郵發送至contact@hinsanggroup.com，收件人為公司秘書。

股東亦可在本公司股東大會上向董事會提出查詢。

投資者關係

章程文件

期內，本公司未對其組織章程大綱及細則作出任何變更。組織章程大綱及細則的更新版本可於本公司網站及聯交所網站上查閱。

與股東之溝通

本公司相信與股東有效溝通對加深與投資者的關係及投資者對本集團業務表現及策略之了解而言至關重要。本集團亦深明公開並及時披露企業資料以讓股東及投資者作出適當投資決定之重要性。

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The members of the Board, the Board committees and the external auditors will be present to answer Shareholders' questions in the annual general meetings of the Company. Circulars will be distributed to all Shareholders before the annual general meeting and any extraordinary general meetings in accordance with the timeline requirement as laid down in the Listing Rules and the Articles of Association of the Company. All the resolutions proposed to be approved at the general meetings will be taken by poll and poll voting results will be published on the websites of the Stock Exchange and the Company after the relevant general meetings.

As a channel to promote effective communication, the Group maintains a website where information on the Company's announcements, financial information and other information are posted. Shareholders and investors may write directly to the Company at its principal place of business in Hong Kong with any enquires.

RISK MANAGEMENT AND INTERNAL CONTROL

Goals and Objectives

The Board is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. The Board acknowledged that the risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Main Features of the Risk Management and Internal Control Systems

The Board places great importance on the Group's risk management and internal control systems and has ultimate responsibilities for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board is also responsible for overseeing in the design, implementation and monitoring of the risk management and internal control systems on an ongoing basis. The Board is committed to review the adequacy and effectiveness of the Group's risk management and internal control systems at least annually.

董事會及董事委員會成員以及外部核數師將出席本公司之股東週年大會以回答股東疑問。通函將按照上市規則及本公司組織章程細則所規定的時限，於股東週年大會及任何股東特別大會前派發予全體股東。全部提呈以於股東大會上審批的決議案將以投票方式進行表決且投票結果將於相關股東大會後在聯交所及本公司網站刊登。

作為促進有效溝通的渠道，本集團設立網站以刊登本公司公告的資料、財務資料及其他資料。股東和投資者可將任何查詢以書面形式直接寄往本公司的香港主要營業地點。

風險管理及內部監控

目標與方針

董事會負責風險管理和內部監控系統，並持續檢討彼等有效性。董事會承認風險管理和內部監控系統旨在管理而不是消除業務目標未能實現的風險，只能提供合理而不絕對的保證，防止重大錯報或損失。

風險管理和內部監控系統的主要特點

董事會高度重視本集團的風險管理和內部監控系統，對評估和決定其在實現本集團之策略性目標時願意承擔的風險的性質和程度負有最終責任，並確保本集團建立並維持適當及有效的風險管理和內部監控系統。董事會還負責持續監督風險管理和內部監控系統的設計，實施和監控工作。董事會亦致力至少每年檢討本集團風險管理及內部監控系統的充分性及有效性。

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The Board, through the Audit Committee, has conducted a review of the effectiveness of the system of risk management and internal control system of the Group, including the adequacy of resources, the qualifications and experience of staff of the Company's accounting and financial reporting functions. The Audit Committee oversees the systems of risk management and internal control of the Group and continuously communicates any significant matters to the Board.

Risk Management Framework

The Group's risk management framework comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives;
- Evaluation: Analyze the likelihood and impact of risks and evaluate the risk portfolio according to such analysis; and
- Management: Consider the risk responses, ensure effective communication to the Board and ongoing monitor the residual risks.

Such framework provides a systematic approach to risk management process, which is embedded in the system of internal controls as an integral part of corporate governance. The risk management framework helps sustain business success, creates value for stakeholders and supports the Board in discharging its corporate governance responsibilities by proactively identifying, addressing and managing key risks within the Group. The Risk Management framework is aligned with the Committee of the Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework. The components of the framework are as follows:

- Control Environment: A set of standards, processes and structures that provide the basis for internal control across the Group;

董事會已通過審核委員會對本集團風險管理及內部監控系統的有效性進行檢討，包括本公司會計及財務報告職能的資源充足性、資質及經驗。審核委員會監督本集團風險管理及內部監控系統，持續向董事會通報任何重大事宜。

風險管理架構

本集團的風險管理架構包括下列階段：

- 識別：識別風險所屬、業務目標及可能影響目標達成之風險；
- 評估：分析風險的可能性及影響，並根據此分析評估風險組合；及
- 管理：考慮風險應對措施，確保與董事會的有效溝通及持續監察剩餘風險。

此架構為風險管理提供系統化的程序，而有關程序內嵌於內部監控制度，是企業管治中不可或缺的重要一環。風險管理架構前瞻性地識別、應對及管理本集團內主要風險來保持業務成功，為持份者創造價值及支援董事會履行其企業管治責任。風險管理架構符合Committee of the Sponsoring Organizations of the Treadway Commission (COSO)的《內部監控－綜合架構》(Internal Control – Integrated Framework)。架構之組成部分如下：

- 控制環境：一套標準、程序及架構，成為本集團實行內部監控的基礎；

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- Risk Assessment: A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed;
 - Control Activities: Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out;
 - Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls; and
 - Monitoring: Ongoing and separate evaluations to ascertain whether each component of internal control is in place and functions.
- 風險評估：動態及常設的程序，以識別及分析達成本集團目標的風險，作為判定如何管理該等風險的依據；
 - 控制活動：根據政策及程序訂立之行動，以確保管理層為減低風險以達成目標所作的指示正在執行；
 - 資訊及溝通：內部與外部溝通以提供本集團日常監控所需的資訊；及
 - 監督：持續及個別評估以確定內部監控的各項要素存在並正在運作。

The management takes direct risk management responsibilities as risk owners.

管理層作為風險負責人須直接承擔風險管理責任。

Risk Assessment

During the year, management of the Company: 1) conducted risk assessment to identify, filter and prioritize the key risks faced by the Group; 2) established a risk register to document the Group's key risks and their respective risk levels; and 3) identified the mitigating measures for the identified key risks, and the person-in-charge to monitor and follow up the implementation progress of the mitigating measures.

風險評估

本公司管理層在本年度：1) 舉行風險評估篩選本集團面對的主要風險，並對這些風險加以整理及排序以識別出重大風險；2) 建立本集團的風險管理登記冊，用以記錄主要風險和風險具體評級；及3) 就已確定之主要風險識別緩解措施，以及其監察及跟進實施進度的負責人。

Moreover, there are top eight priority risks which have been identified under four categories: 1) business and strategic risk; 2) operational risk; 3) regulatory compliance risk; and 4) financial & reporting risk.

此外，本集團從風險評估識別出八大風險，其主要分為四大類：1) 商業及戰略風險；2) 營運風險；3) 合規及監管風險；及4) 財務及報告風險。

Internal Audit Function

The Internal Audit Department ("IAD") is an independent and objective body, which performs the Group's internal audit function and directly reports to the Audit Committee and the Board at least annually. The manager of IAD has a direct access to the Chairman of the Audit Committee and the Board.

內部審核職能

內部審核及管理服務部（「內審部」）是一個客觀及職能獨立的部門，發揮本集團的內部審核職能並至少每年直接向審核委員會及董事會匯報，而內審部總監亦可直接與審核委員會主席及董事會接觸。

CORPORATE GOVERNANCE REPORT

企業管治報告

The IAD has an unlimited access to reviewing the Group's activities, internal control, risk management, and corporate governance related issues. One of the functions is to assist the Board in independently assessing the effectiveness and adequacy of the internal control systems, risk management process, and more importantly seeking continuous improvement.

To align with the Group's growth and latest business developments, the IAD will always review its adequacy and competency of knowledge and attend corresponding workshops and/or seminars whenever thinks fit.

Internal Audit Activities

The IAD has adopted a risk-management based approach in developing the annual internal audit planning memorandum, which corresponds to the risk management framework. Risk assessment, which is regarded as a major and dynamic process, is performed on a regular basis so as to identify, prioritize and scope business activities and simultaneously cover business activities with significant risks across the Group. The Audit Committee reviews and approves the annual internal audit planning memorandum. In each individual audit assignment, significant risk areas such as finance, operation, compliance and fraud risk would further be assessed in order to evaluate internal control effectiveness and the mitigation efforts made by the management.

All audit findings and corresponding recommendations on control deficiencies of each audit assignment would be well communicated to the management, who needs to initiate any remedial actions to correct those control deficiencies within a reasonable period of time. Subsequent reviews are purposefully done to monitor whether those remedial actions have been performed right on time and correctly. Significant deficiencies of individual assignment are reported to and reviewed by the Audit Committee.

Through the ongoing reviewing the adequacy and effectiveness of the management's awareness of some key operational processes, the IAD discharges its duties of performing audit assignment on those areas on an ad hoc basis if necessary.

內審部可不受約束地審閱本集團的活動、內部監控、風險管理及企業管治相關事宜。其職能之一為協助董事會獨立評核內部監控系統及風險管理程序的有效性及充足性，以致力推動持續的改善。

為配合本集團的發展及最新業務的發展，內審部將經常審查其知識的充足性及能力，並在適當時候參加相應的討論會及／或研討會。

內部審核活動

內審部已採納風險管理為基礎方法，配合風險管理架構，以制定年度內部審核計劃大綱。風險評估被視為重要及關鍵的程序，將定期執行以識別、排序及區劃業務活動，同時覆蓋本集團中有重大風險的業務活動。審核委員會審閱及批准年度內部審核計劃大綱。在個別審核項目中會進一步評估重大風險範疇如財務、營運、合規及欺詐風險等，從而評核內部監控成效及管理層所採取的緩解措施。

各審核項目所得出有關內部監控不足的所有審核調查結果及相應建議，均與管理層詳細討論，並由管理層制訂改善計劃，務求於合理時間內改善內部監控的不足。後續審核工作會有針對進行，以監督該等改正措施已及時正確地進行。個別審核項目的重大不足會向審核委員會匯報及由其審閱。

通過持續檢討管理層對若干關鍵業務流程意識的充分性及有效性，內審部在必要時可臨時按照這些領域履行審核任務的職責。

CORPORATE GOVERNANCE REPORT

企業管治報告

Review of Risk Management and Internal Control Effectiveness

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and Company's assets and with the support of the Audit Committee, reviewing the effectiveness of such system on an annual basis. The Audit Committee oversees the system of risk management and internal control of the Group and continuously communicates any significant matters to the Board. The IAD has submitted its internal control review reports for the Group to the Audit Committee and the Board in November 2017. Findings and recommendations concerning improvements to the Group's internal controls have been reviewed by the Audit Committee and the Board. The Board considered that the Group's risk management and internal control systems were effective and adequate during the Period under review.

The Audit Committee has annually reviewed the adequacy of resources, qualifications, experience and training programs of the Group's IAD and accounting and financial reporting staff and considered that staffing is adequate. All staff has sufficient competence to carry out their roles and responsibilities.

Findings and recommendations concerning improvements to the Group's internal controls have been reviewed by the Audit Committee and the Board. The Board considered the Group's risk management system and internal control system of the Group, including the adequacy of resources, qualifications and experience of staff of the accounting, internal audit, and financial reporting function, and their training programs and budget, are effective and adequate, and have complied with provisions of the CG Code during the Period.

審閱風險管理及內部監控的有效性

董事會負責維護適當的內部監控系統，維護股東投資和公司資產，並在審核委員會的支持下，每年審閱該系統的有效性。審核委員會監督本集團風險管理和內部監控系統，持續向董事會通報任何重大事宜。內審部已於2017年11月向審核委員會及董事會提交本集團內部監控審查報告。審核委員會及董事會已審閱有關改善本集團內部監控的調查結果及建議。董事會認為本集團於回顧期間內的風險管理及內部監控系統屬有效及充足。

審核委員會已就本集團內審部、會計及財務匯報員工的資源、資歷、經驗及培訓計劃是否足夠作年度檢討，並認為員工數目足夠及全體員工足以勝任其職務及履行職責。

有關改善本集團內部監控的調查結果和建議已由審核委員會和董事會審閱。董事會審議了本集團的風險管理和內部監控系統，包括會計、內部審計和財務報告職能員工資源，資歷和經驗的充足性，以及其培訓計劃和預算屬有效充分，並在本期間遵守了企管守則條文的規定。

REPORT OF THE DIRECTORS

董事會報告

The Board is pleased to present to the Shareholders their annual report together with the audited financial statements of the Group for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the marketing, selling and manufacturing of healthcare products primarily targeting at children, among which “Hin Sang (衍生)” has been a long established reputable brand. To align with the consumer’s trend, the Group continues to expand the e-commerce business through electronic platforms. To leverage on existing resources to increase profit, the Group also trades in skin care, personal care and slimming products of reputable brands. It is also developing its business in mother-infant Chinese medical healthcare as well as diagnosis and treatment services projects. Details of principal activities of the Company’s principal subsidiaries are set out in note 36 to the consolidated financial statements. There has been no significant change in the principal business of the Group during the Period. The segment information of the operations of the Group for the year ended 31 March 2018 is set out in note 5 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2018 including a fair review of the business and discussion of the principal risks and uncertainties facing the Group, indication of likely future developments in the Group’s business, and the environmental policies and performance of the Group are set out in the “Chairman’s Statement”, “Management Discussion and Analysis”, “Corporate Governance Report”, “Five Years Financial Summary”, and “Environmental, Social and Governance Report” sections of this Annual Report. These discussions form part of this Report of the Directors.

The Group complies with the requirements under the Companies Ordinance, the Listing Rules and the Securities and Futures Ordinance (the “SFO”) for the disclosure of information and corporate governance. Event affecting the Group occurred since the end of the financial year is set out in note 38 of the consolidated financial statements.

董事會欣然向各位股東提呈彼等之年報連同本集團截至2018年3月31日止年度之經審核財務報表。

主要業務

本集團主要從事主要面向兒童的保健產品的營銷、銷售及製造，其中「衍生」為長期享有聲譽的知名品牌。本集團繼續透過電子平台擴展電子商貿業務，以迎合消費趨勢。為利用現有資源以增加利潤，本集團亦銷售知名品牌的護膚、個人護理及纖體產品。婦嬰中醫保健以及診斷及治療服務項目亦正在開展。有關本公司主要附屬公司的主要業務詳情載於綜合財務報表附註36。於本期間內，本集團之主要業務並無重大變動。本集團截至2018年3月31日止年度之營運之分部資料載於綜合財務報表附註5。

業務回顧

本集團於截至2018年3月31日止年度之業務回顧，包括業務之公平審閱、本集團所面臨主要風險及不明朗因素之討論、本集團業務未來可能發展之揭示及本集團環境政策和表現，均載於本年報「主席報告」、「管理層討論及分析」、「企業管治報告」、「五年財務概要」及「環境、社會及管治報告」各節。該等討論構成本董事會報告之一部分。

於資料披露及企業管治而言，本集團遵守公司條例、上市規則及證券及期貨條例（「證券及期貨條例」）。自財政年度結束以來發生及影響本集團的事件載於綜合財務報表附註38內。

REPORT OF THE DIRECTORS

董事會報告

USE OF PROCEEDS FROM LISTING AND PLACING

The shares of the Company became listed on the Stock Exchange on 16 October 2014. The offer price was HK\$1.18 per share and 200,000,000 Shares were allotted. The net proceeds from the Listing was approximately HK\$217.3 million after deducting underwriting fees and related expenses.

As at 31 March 2018, the net proceeds from the Listing were utilized as follows:

上市及配售的所得款項用途

本公司之股份已於2014年10月16日在聯交所上市。發售價為每股1.18港元及已配發200,000,000股股份。上市的所得款項淨額約為217.3百萬港元（經扣除包銷費用及相關開支）。

於2018年3月31日，上市所得款項淨額用途如下：

		Balance of the Proceeds as at 19 February 2016 所得款項結餘 於2016年 2月19日	Proceeds used 已用所得款項	Balance 結餘
		HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元
Exploring business collaboration opportunities with new brand proprietors	尋求與新品牌擁有人之業務合作機會	2.0	2.0	-
Expanding the sales and distribution network	擴大銷售及分銷網絡	24.1	12.0	12.1
Expanding the product portfolio	擴大產品組合	1.3	1.3	-
Expanding the manufacturing arm of the Group and exploring opportunities in health industry	擴充本集團的製造業務及於保健行業尋求機會	41.5	29.7	11.8
Acquiring commercial property in Hong Kong to use as Group's own Office	於香港收購商業物業以用作本集團自身辦事處	80.0	80.0	-
General working capital	一般營運資金	8.7	8.7	-
		157.6	133.7	23.9

As at 31 March 2018, the unused net proceeds were placed with banks in Hong Kong as short-term deposits.

於2018年3月31日，未使用之所得款項淨額存放於香港之銀行作短期存款。

OPERATING RESULTS AND RESERVES

The results of the Group for the year ended 31 March 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 104 of this annual report. The details of the reserves of the Group and the Company during the Period are set out in the consolidated statement of changes in equity on page 107 and note 37 to the consolidated financial statements respectively.

DIVIDENDS

The Board recommends the payment of a final dividend of HK\$0.01 per Share for the year ended 31 March 2018 (the “2018 Final Dividend”) with a sum of approximately HK\$10,935,080, which is subject to the Shareholders’ approval at the forthcoming 2018 annual general meeting of the Company to be held on Monday, 3 September 2018 (the “AGM”). The 2018 Final Dividend will be distributed on or about Tuesday, 2 October 2018 to Shareholders whose names appear on the register of members of the Company on Wednesday, 12 September 2018.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to its Shareholders by reason of their holding of the Company’s securities.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

INVESTMENT PROPERTY

Details of the movement in the investment property of the Group are set out in note 17 to the consolidated financial statements.

SUBSEQUENT EVENT

Details of the subsequent event are set out in note 38 to the consolidated financial statements.

經營業績及儲備

本集團截至2018年3月31日止年度的業績載於本年報第104頁之綜合損益及其他全面收益表。有關本集團及本公司於本期間之儲備詳情分別載於第107頁之綜合權益變動表及綜合財務報表附註37。

股息

董事會建議派付截至2018年3月31日止年度之末期股息每股股份0.01港元（「2018年末期股息」），總額約為10,935,080港元，惟須待股東於本公司將於2018年9月3日（星期一）舉行之2018年應屆股東週年大會（「股東週年大會」）上批准後，方可作實。2018年末期股息將於2018年10月2日（星期二）或前後派發予於2018年9月12日（星期三）名列本公司股東名冊之股東。

稅務寬減及豁免

本公司概不知悉有任何因本公司股東持有本公司證券而向彼等提供之稅務寬減及豁免。

物業、廠房及設備

本集團的物業、廠房及設備變動詳情詳載於綜合財務報表附註15。

投資物業

本集團的投資物業變動詳情載於綜合財務報表附註17。

報告期後事件

報告期後事件之詳情載於綜合財務報表附註38。

REPORT OF THE DIRECTORS

董事會報告

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming AGM of the Company, the register of members of the Company will be closed from Wednesday, 29 August 2018 to Monday, 3 September 2018, both days inclusive, during which period no transfer of Shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 28 August 2018.

Subject to the approval of the proposed 2018 Final Dividend by the Shareholders at the AGM, the register of members of the Company will be closed from Monday, 10 September 2018 to Wednesday, 12 September 2018, both days inclusive, during which period no transfer of Shares will be registered for ascertaining Shareholders' entitlement to the proposed 2018 Final Dividend. In order to qualify for the proposed 2018 Final Dividend, all transfer forms, accompanied by the relevant share certificates must be lodged with the Company's branch share register in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Friday, 7 September 2018.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on 3 September 2018 and the notice of AGM will be published and dispatched to Shareholders of the Company in due course.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 212 of this annual report.

SHARE CAPITAL

Details of the movements in share capital of the Company during the Period are set out in note 27 to the consolidated financial statements.

暫停辦理股份過戶登記

為釐定有權出席本公司應屆股東週年大會及於會上投票之資格，本公司將於2018年8月29日（星期三）至2018年9月3日（星期一）（包括首尾兩日）期間暫停辦理股份過戶登記手續，期間本公司不會進行任何股份過戶登記。為合資格出席上述大會及於會上投票，所有過戶表格連同相關股票須不遲於2018年8月28日（星期二）下午四時三十分送交本公司之香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓）進行登記。

待股東於股東週年大會上批准建議2018年末期股息後，本公司將於2018年9月10日（星期一）至2018年9月12日（星期三）（包括首尾兩日）期間暫停辦理股份過戶登記手續，期間不會進行股份過戶登記，以確定有權獲派建議2018年末期股息之股東。為合資格獲派建議2018年末期股息，所有過戶表格連同相關股票須不遲於2018年9月7日（星期五）下午四時三十分送交本公司之香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓）進行登記。

股東週年大會

本公司將於2018年9月3日舉行股東週年大會，並將於適當時候刊發股東週年大會通告及寄發予股東。

五年財務概要

本集團最近五個財政年度的業績、資產及負債的概要載於本年報第212頁。

股本

本公司於本期間股本的變動詳情載於綜合財務報表附註27。

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to Shareholders as at 31 March 2018 were approximately HK\$731.9 million. Under the Companies Law of the Cayman Islands, subject to the provisions of memorandum of association of the Company or the articles of association (the "Articles of Association"), the Company's share premium account may be applied to pay distributions or dividends to shareholders provided that immediately following the date of distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company repurchased a total of 1,336,000 Shares on the stock Exchange during the period and details of which are as follows:

本公司之可供分派儲備

於2018年3月31日，本公司可供分派予股東的儲備約為731.9百萬港元。根據開曼群島公司法及在本公司組織章程大綱或組織章程細則（「章程細則」）的條文規限下，本公司股份溢價賬可用作分派或支付予股東之股息，前提為於緊隨建議作出分派或支付股息當日後，本公司有能力償還其在一般業務過程中到期的債務。

優先購買權

章程細則或開曼群島法例下並無有關優先購買權的條文規定本公司須按現有股東的持股比例提呈發售新股份。

購買、出售或贖回股份

於本期間，本公司於聯交所購回合共1,336,000股股份，其詳情如下：

Date of Repurchase	購回日期	Number of Shares Repurchased 已購回股份數目	Purchase Price per Share 每股股份購買價	
			Highest 最高	Lowest 最低
		HK\$ 港元	HK\$ 港元	HK\$ 港元
25 April 2017	2017年4月25日	1,142,000	1.35	1.33
26 April 2017	2017年4月26日	186,000	1.35	1.35
27 April 2017	2017年4月27日	8,000	1.35	1.35
		1,336,000		

REPORT OF THE DIRECTORS

董事會報告

The Shares repurchased were subsequently cancelled on 19 May 2017. Save as disclosed above, the Company has not made any repurchase of the Shares (whether on the Stock Exchange or otherwise) during the Period.

CHARITABLE DONATIONS

The Group's total charitable donations for the Period amounted to approximately HK\$2.1 million.

MAJOR CUSTOMERS AND SUPPLIERS

The followings are the percentage of sales and purchases attributable to the major customers and suppliers of the Group for the Period:

Sales

– the largest customer	17.5%
– the five largest customers	39.6%

Purchases

– the largest supplier	41.8%
– the five largest suppliers	68.8%

During the Period, none of the Directors, or any of the associates or any Shareholders who, to the knowledge of the Directors, hold over 5% of the issued share capital of the Company, had any beneficial interest in the major customers or suppliers of the Group noted above.

已購回股份隨後乃於2017年5月19日註銷。除上文所披露者外，於本期間本公司概無購回任何股份（不論是在聯交所以其他途徑）。

慈善捐款

於本期間，本集團的慈善捐款合共約2.1百萬港元。

主要客戶及供應商

於本期間內，本集團主要客戶及供應商所佔銷售及採購百分比如下：

銷售

– 最大客戶	17.5%
– 五大客戶	39.6%

購買

– 最大供應商	41.8%
– 五大供應商	68.8%

於本期間，董事或其任何聯繫人或任何股東（其就董事所知於本公司已發行股本中擁有超過5%權益）概無於上述本集團主要客戶或供應商擁有任何實益權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

The Directors of the Company during the Period were as follows:

Executive Directors

Mr. Pang Siu Hin (*Chairman and Chief Executive Officer*)

Ms. Kwan Lai Man

Dr. Dong Meixian (resigned on 1 March 2018)

Non-executive Directors

Ms. Wong Wai Ling

Mr. Yuen Chi Ping

Independent non-executive Directors

Mr. Lau Chi Kit (appointed on 16 October 2017)

Mr. Lee Luk Shiu

Dr. Tang Sing Hing, Kenny

Mr. Tsui Nam Hung (retired on 16 October 2017)

Pursuant to Article 108(a) and (b) of the Articles of Association, at each AGM one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. In addition, code provision A.4.2 of the CG Code also stipulates that each Director should be subject to retirement by rotation at least once every three years.

Pursuant to Article 112 of the Articles, any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting.

Ms. Kwan Lai Man, Ms. Wong Wai Ling and Mr. Lau Chi Kit will be retired at the forthcoming AGM and, being eligible, will be available for re-election as Directors.

The Company has received annual confirmation of independence from the three independent non-executive Directors pursuant with Rule 3.13 of the Listing Rules and considers them are independent.

董事

本公司於本期間之董事如下：

執行董事

彭少衍先生 (*主席兼行政總裁*)

關麗雯女士

董美仙博士 (於2018年3月1日辭任)

非執行董事

黃慧玲女士

袁志平先生

獨立非執行董事

劉智傑先生 (於2017年10月16日獲委任)

李祿兆先生

鄧聲興博士

徐南雄先生 (於2017年10月16日退任)

根據章程細則第108(a)及(b)條，於每屆股東週年大會，三分之一現任董事（或倘人數並非三或三的倍數，則最接近但不少於三分之一的數目）須輪席告退，惟每名董事（包括該等有指定任期的董事）須至少每三年輪席告退一次。退任董事將符合資格重選連任。輪席告退的董事包括（就湊足至所需數目而言）任何有意退任而不作重選連任的董事。此外，企管守則之守則條文第A.4.2條亦訂明各董事須至少每三年輪席告退一次。

根據細則第112條，由董事會委任以填補臨時空缺的任何董事任期僅直至其獲委任後本公司第一次的股東大會，並須在該會議上重新選舉。

關麗雯女士、黃慧玲女士及劉智傑先生將於應屆股東週年大會告退，並符合資格且願意重選連任董事。

本公司已接獲三名獨立非執行董事根據上市規則第3.13條發出的獨立身份年度確認書，並確認彼等為獨立人士。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHIES DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 26 to 32 of this annual report.

DIRECTORS' SERVICE CONTRACT

Each of the executive Directors and non-executive Directors has entered into a service agreement with the Company. Each service contract is for an initial term of three years and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

Each of the independent non-executive Directors has entered into a service agreement with the Company under which each of them is appointed for a period of one year. None of the Directors has or is proposed to have any service agreement with the Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

董事及高級管理層履歷詳情

本集團董事及高級管理層履歷詳情載於本年報第26至32頁。

董事服務合約

執行董事及非執行董事已各自與本公司訂立服務協議。各服務合約的初步年期為三年及於其後自動續約，除非及直至合約由本公司或董事向另一方發出不少於三個月事先書面通知而終止為止。

獨立非執行董事各自已與本公司訂立服務協議，據此，彼等各自獲委任，任期為一年。概無董事與本公司或其任何附屬公司訂立或擬訂立任何服務協議（於一年內屆滿或僱主於一年內終止而毋須支付賠償（法定賠償除外）的合約除外）。

REPORT OF THE DIRECTORS 董事會報告

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

董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

As at 31 March 2018, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which had been 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 of which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be disclosed, under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules were as follows:

於2018年3月31日，董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中，擁有已根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及淡倉）；或根據證券及期貨條例第352條須記入本公司所備存登記冊內的權益及淡倉；或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則須予披露的權益及淡倉如下：

(a) Long position in Shares

(a) 於股份中的好倉

Name of Director 董事姓名	Capacity 身份	Number of Shares held 所持股份數目	Approximate percentage of shareholding (Note 3) 概約持股百分比 (附註3)
Mr. Pang Siu Hin 彭少衍先生	Beneficial owner 實益擁有人	8,385,000	0.77%
	Interest of spouse (Note 1) 配偶權益 (附註1)	5,025,000	0.46%
	Interest of a controlled corporation and family interest (Note 2) 受控制法團權益及家族權益 (附註2)	554,242,000	50.68%
Ms. Kwan Lai Man 關麗雯女士	Beneficial owner 實益擁有人	5,025,000	0.46%
	Interest of spouse (Note 1) 配偶權益 (附註1)	8,385,000	0.77%
	Interest of a controlled corporation and family interest (Note 2) 受控制法團權益及家族權益 (附註2)	554,242,000	50.68%

REPORT OF THE DIRECTORS

董事會報告

Note 1: Mr. Pang Siu Hin and Ms. Kwan Lai Man are married couple. Each of Mr. Pang Siu Hin and Ms. Kwan Lai Man is therefore deemed to be interested in the underlying Shares held by each other.

Note 2: Genwealth is beneficially owned as to 90% by Mr. Pang Siu Hin and 10% by Ms. Kwan Lai Man. Accordingly, Mr. Pang Siu Hin and Ms. Kwan Lai Man are deemed to be interested in the 554,242,000 Shares held by Genwealth under the SFO.

Note 3: This percentage was compiled based on the Shares in issue as at 31 March 2018 (i.e. 1,093,508,000 shares).

附註1：彭少衍先生為關麗雯女士之配偶。因此，彭少衍先生及關麗雯女士均被視為於對方所持相關股份中擁有權益。

附註2：衍富分別由彭少衍先生及關麗雯女士實益擁有90%及10%權益。因此，根據證券及期貨條例，彭少衍先生及關麗雯女士被視為於衍富持有的554,242,000股股份中擁有權益。

附註3：該百分比乃基於2018年3月31日的已發行股份（即1,093,508,000股股份）計算。

(b) Long position in the underlying shares of the Company

(b) 於本公司相關股份中的好倉

Name of Director	Capacity	Number of options held	Approximate percentage of shareholding Interest of spouse (Note 2)
董事姓名	身份	所持購股權數目	股權概約百分比 (附註2)
Mr. Pang Siu Hin 彭少衍先生	Beneficial owner	8,125,000	0.74
	Interest of spouse (Note 1)	5,885,000	0.54
	配偶權益 (附註1)		
		14,010,000	1.28
Ms. Kwan Lai Man 關麗雯女士	Beneficial owner	5,885,000	0.54
	Interest of spouse (Note 1)	8,125,000	0.74
	配偶權益 (附註1)		
		14,010,000	1.28

Note 1: Mr. Pang Siu Hin and Ms. Kwan Lai Man are married couple. Each of Mr. Pang Siu Hin and Ms. Kwan Lai Man is therefore deemed to be interested in the underlying Shares held by each other.

Note 2: This percentage was compiled based on the Shares in issue as at 31 March 2018 (i.e. 1,093,508,000 shares).

附註1：彭少衍先生為關麗雯女士之配偶。因此，彭少衍先生及關麗雯女士均被視為於對方所持相關股份中擁有權益。

附註2：該百分比乃基於2018年3月31日的已發行股份（即1,093,508,000股股份）計算。

REPORT OF THE DIRECTORS 董事會報告

Long position in Genwealth, an associated corporation of the Company

於本公司相聯法團衍富中的好倉

Name of Director 董事姓名	Capacity 身份	Number of Shares held 所持股份數目	Approximate percentage of shareholding 概約持股百分比
Mr. Pang Siu Hin 彭少衍先生	Beneficial owner 實益擁有人	9,000	90%
Ms. Kwan Lai Man 關麗雯女士	Beneficial owner 實益擁有人	1,000	10%

Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required 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 therein that they shall be deemed to have pursuant to such provisions of the SFO), or any interests or short positions which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or any interests or short positions which have to be notified to the Company and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

除上文所披露者外，概無董事或本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之任何權益或淡倉（包括根據證券及期貨條例有關條文彼等被視為擁有之權益或淡倉），或根據證券及期貨條例第352條記入本公司須予存置之登記冊內之任何權益或淡倉，或根據上市規則附錄十所載之上市發行人董事進行證券交易之標準守則須知會本公司及聯交所之任何權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

主要股東於本公司及其相聯法團的股份、相關股份及債權證中的權益及淡倉

As at 31 March 2018, so far as it is known to the Directors, the following persons, not being a Director or chief executive of the Company, will have an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

於2018年3月31日，就董事所知，以下人士（並非董事或本公司主要行政人員）將於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露的權益或淡倉，或直接或間接擁有附帶權利可於所有情況下在本集團任何成員公司股東大會上投票的任何類別股本面值10%或以上之權益：

Long position in Shares

於股份中的好倉

Name	Capacity	Number of Shares held	Approximate percentage of interest (Note 2)
名稱／姓名	身份	所持股份數目	權益概約百分比 (附註2)
Genwealth 衍富	Beneficial owner 實益擁有人	554,242,000	50.68%
Viewforth Limited	Beneficial owner (Note 1) 實益擁有人 (附註1)	250,000,000	22.86%
Fullshare Holdings Limited 豐盛控股有限公司	Interest in a corporation (Note 1) 法團權益 (附註1)	250,000,000	22.86%
Magnolia Wealth International Limited	Interest in a corporation (Note 1) 法團權益 (附註1)	250,000,000	22.86%
Ji Changqun 季昌群	Interest in a corporation (Note 1) 法團權益 (附註1)	250,000,000	22.86%

REPORT OF THE DIRECTORS

董事會報告

Note 1: The 250,000,000 Shares are held by Viewforth Limited, a Company which is wholly owned by Fullshare Holdings Limited, which in turn is owned as to 46.58% by Magnolia Wealth International Limited, which in turn is wholly owned by Ji Changqun. Ji Changqun also directly owns 4.75% of Fullshare Holdings Limited.

Note 2: This percentage was compiled based on the Shares in issue as at 31 March 2018 (i.e. 1,093,508,000 shares).

Save as disclosed above, so far as it is known to the Directors, there was no other person (other than a Director or chief executive of the Company) who had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of the Company required to be kept under section 336 of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the year ended 31 March 2018 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective associates nor was the Company and any of its subsidiaries a party to any arrangement to enable the Directors or their respective associates to acquire such rights in any other body corporate.

SHARE OPTION SCHEMES

The Company adopted two share option schemes on 25 September 2014, namely the Pre-IPO Share Option Scheme and Share Option Scheme under the written resolutions of the sole shareholder of the Company.

附註1：該250,000,000股股份乃由豐盛控股有限公司全資擁有之公司Viewforth Limited持有，而豐盛控股有限公司由Magnolia Wealth International Limited擁有46.58%的權益，Magnolia Wealth International Limited由季昌群全資擁有。季昌群亦直接持有豐盛控股有限公司4.75%的權益。

附註2：該百分比乃基於2018年3月31日的已發行股份（即1,093,508,000股股份）計算。

除上文所披露者外，就董事所知，概無其他人士（除董事或本公司主要行政人員外）於股份或相關股份中擁有或被視為或被當作擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露，或記錄於本公司須根據證券及期貨條例第336條存置之登記冊之權益或淡倉，或直接或間接擁有附帶權利可於所有情況下在本集團任何成員公司股東大會上投票的任何類別股本面值5%或以上之權益。

董事購買股份或債權證的權利

除本年報所披露者外，於截至2018年3月31日止年度內的任何時間，本公司並無向任何董事或彼等各自的聯繫人授出權利以購買本公司股份或債權證方式獲取利益，本公司及其任何附屬公司亦無訂立任何安排，致使董事或彼等各自的聯繫人於任何其他法人團體取得有關權利。

購股權計劃

本公司已於2014年9月25日採納兩項購股權計劃，即本公司唯一股東之書面決議案項下之首次公開發售前購股權計劃及購股權計劃。

REPORT OF THE DIRECTORS

董事會報告

(1) Pre-IPO Share Option Scheme

The purpose of Pre-IPO Share Option Scheme is to recognize the contribution of certain employees, executives or officers of the Group made or will make to the growth of the Group and/or the listing of Shares on the Stock Exchange. The Pre-IPO Share Option Scheme is valid and effective for a period from 25 September 2014 to 15 October 2014, after which no further options will be granted. Each option gives the holder the right to subscribe for one Share. The total number of Shares which may be issued upon exercise of all options to be granted under the Pre-IPO Share Option Scheme shall not in aggregate exceed 24,640,000 Shares, representing 3.1% of total number of Shares in issue as at 30 September 2014. The offer of a grant of share options shall be accepted when the offer letter has been duly signed and a consideration of HK\$1 in total has been paid by the grantee.

The exercise price per option under the Pre-IPO Share Option Scheme is HK\$0.826, being 30% discount of the offering price per Share in the initial public offer on 16 October 2014.

During the Period, total 120,000 options was forfeited and total 4,728,000 options was exercised. Details of the Pre-IPO Share Option Scheme has been disclosed in the Company's prospectus dated 30 September 2014.

(1) 首次公開發售前購股權計劃

首次公開發售前購股權計劃旨在肯定本集團若干僱員、行政人員或高級人員對本集團的發展及／或股份於聯交所上市所作出或將會作出的貢獻。首次公開發售前購股權計劃自2014年9月25日起至2014年10月15日止期間內有效及生效，該期間後將不會進一步授出購股權。每份購股權賦予持有人認購一股股份之權利。根據首次公開發售前購股權計劃將予授出的所有購股權獲行使後可予發行的股份總數合共不得超過24,640,000股股份，相當於2014年9月30日已發行股份總數的3.1%。授出購股權之要約將於要約函件已獲正式簽署且承授人已支付1港元之總代價後方獲接納。

首次公開發售前購股權計劃項下每份購股權的行使價為0.826港元，較2014年10月16日首次公開發售每股股份發售價折讓30%。

於本期間，共120,000份購股權被沒收及共4,728,000份購股權獲行使。首次公開發售前購股權計劃之詳情已於本公司日期為2014年9月30日之招股章程內披露。

REPORT OF THE DIRECTORS

董事會報告

The following table discloses movements in the Company's share options granted under the Pre-IPO Share Option Scheme during the year ended 31 March 2018:

下表披露於截至2018年3月31日止年度根據首次公開發售前購股權計劃授出之本公司購股權的變動：

Category or name of participant	Date of grant	Exercise price per share	Exercise period	As at 1 April 2017	Grant during the period	Forfeited during the period	Exercised during the period	As at 31 March 2018
參與者的類別或姓名	授出日期	每股股份之行使價 (HK\$) (港元)	行使期	於2017年 4月1日	期內授出	期內沒收	期內行使	於2018年 3月31日
Directors								
董事								
Mr. Pang Siu Hin	25/9/2014	0.826	16/10/2015 – 24/9/2024	-	-	-	-	-
彭少衍先生	25/9/2014	0.826	16/10/2016 – 24/9/2024	-	-	-	-	-
	25/9/2014	0.826	16/10/2017 – 24/9/2024	2,720,000	-	-	(2,720,000)	-
	25/9/2014	0.826	16/10/2018 – 24/9/2024	2,720,000	-	-	-	2,720,000
	25/9/2014	0.826	16/10/2019 – 24/9/2024	2,720,000	-	-	-	2,720,000
				8,160,000	-	-	(2,720,000)	5,440,000
Ms. Kwan Lai Man								
關麗雯女士								
	25/9/2014	0.826	16/10/2015 – 24/9/2024	-	-	-	-	-
	25/9/2014	0.826	16/10/2016 – 24/9/2024	-	-	-	-	-
	25/9/2014	0.826	16/10/2017 – 24/9/2024	1,600,000	-	-	(1,600,000)	-
	25/9/2014	0.826	16/10/2018 – 24/9/2024	1,600,000	-	-	-	1,600,000
	25/9/2014	0.826	16/10/2019 – 24/9/2024	1,600,000	-	-	-	1,600,000
				4,800,000	-	-	(1,600,000)	3,200,000
Employees								
僱員								
Employees at aggregate	25/9/2014	0.826	16/10/2016 – 24/9/2024	-	-	-	-	-
僱員(合共)	25/9/2014	0.826	16/10/2017 – 24/9/2024	528,000	-	(120,000)	(408,000)	-
	25/9/2014	0.826	16/10/2018 – 24/9/2024	288,000	-	-	-	288,000
	25/9/2014	0.826	16/10/2019 – 24/9/2024	288,000	-	-	-	288,000
				1,104,000	-	(120,000)	(408,000)	576,000
Total				14,064,000	-	(120,000)	(4,728,000)	9,216,000
總計								

REPORT OF THE DIRECTORS

董事會報告

(2) Share Option Scheme

The Share Option Scheme is a share incentive scheme and is established to recognize and acknowledge the contributions that Eligible Participants (as defined below) have made or may make to the Group so as to motivate the Eligible Participants to optimize their performance and efficiency for the benefit of the Group, and attract, retain or otherwise maintain ongoing business relationship with the Eligible Participants whose contributions are, will or expected to be beneficial to the Group. The Share Option Scheme shall be valid and effective for a period of ten years commencing on 16 October 2014, after which no further options will be issued. Each option gives the holder the right to subscribe for one Share. The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes shall not in aggregate exceed 80,000,000 Shares (10% of the Shares in issue as at the date of listing of the Shares), unless approved by the shareholders in general meeting (the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time). No option may be granted to any Eligible Participant which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the options already granted or to be granted to such Eligible Participant under the Share Option Scheme (including exercised, cancelled and outstanding share options) in any 12-month period up to and including the date of such grant exceeding 1% in aggregate of the Shares in issue as at the date of such grant. The offer of a grant of share options shall be accepted when the offer letter has been duly signed and a consideration of HK\$1 in total has been paid by the grantee. The exercise period of the share options granted is determinable by the Directors and ends on a date which is not later than ten years from the date of the acceptance of the offer of share options.

(2) 購股權計劃

購股權計劃是為表彰及嘉許合資格參與者（定義見下文）已經或可能對本集團作出的貢獻而成立的股份激勵計劃，以鼓勵合資格參與者盡量發揮才能及提高效率，以令本集團得益，吸引及挽留其貢獻有利於、將會或預期有利於本集團之合資格參與者或以其他方式維持與其之持續業務關係。購股權計劃將於自2014年10月16日起計十年內之期間有效及生效，此後並無進一步發行購股權。每份購股權賦予持有人認購一股股份之權利。根據購股權計劃及任何其他計劃將予授出之所有購股權獲行使後可予發行之股份總數合共不得超過80,000,000股股份（佔股份上市日期已發行股份之10%），除非在股東大會獲得股東批准（因行使根據購股權計劃及本公司任何其他購股權計劃已授出而尚未行使之所有購股權而可發行之股份數目，最多不得超過不時已發行股份總數之30%）。倘購股權獲悉數行使，將導致在任何12個月期間（直至及包括授出該購股權當日）已發行股份及因行使根據購股權計劃已授予或將授予該合資格參與者之購股權（包括已行使、已註銷及尚未行使之購股權）獲行使而將予發行之股份總數，超過授出該購股權當日已發行股份總數之1%，則不可向任何合資格參與者授出購股權。授出購股權之要約將於要約函件已獲正式簽署且承授人已支付1港元之總代價後方獲接納。已授出購股權之行使期乃由董事釐定，並於不遲於接納購股權要約日期起計十年之日結束。

REPORT OF THE DIRECTORS 董事會報告

Eligible Participants include: (i) any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (the "Affiliate"); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

The exercise price of options shares shall not be less than the highest of: (i) the closing price of the Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day; (ii) an amount equivalent to the average closing price of the Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option; and (iii) the nominal value of the Share on the date of grant.

During the Period, total 2,160,000 under the Share Option Scheme was granted, none options was forfeited and none options was exercised. Details of the Share Option Scheme has been disclosed in the Company's prospectus dated 30 September 2014.

合資格參與者包括：(i)本集團或本集團持有權益之公司或該公司之附屬公司（「聯屬公司」）之任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人或諮詢人或承包商；或(ii)任何受益人包括下述人士之信託或任何全權受益人包括下述人士之全權信託之受託人：本集團或一間聯屬公司之任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人或諮詢人或承包商；或(iii)本集團或一間聯屬公司之任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人、諮詢人或承包商實益擁有之公司。

購股權股份之行使價應不低於以下所列最高者：(i)於授出有關購股權當日（該日必須為營業日）聯交所每日報價表所列之股份收市價；(ii)相等於緊接有關購股權授出日期前五個營業日聯交所每日報價表所列之股份平均收市價之金額；及(iii)授出日期之股份面值。

於本期間，購股權計劃項下合共2,160,000份購股權已獲授出、無購股權已沒收及無購股權已獲行使。購股權計劃之詳情已於本公司日期為2014年9月30日之招股章程內披露。

REPORT OF THE DIRECTORS

董事會報告

The following table discloses the movements in the Company's share options granted under the Share Option Scheme during the year ended 31 March 2018:

下表披露於截至2018年3月31日止年度根據購股權計劃授出之本公司購股權的變動：

Category or name of participant	Date of grant	Exercise price per share 每股股份之行使價 (HK\$) (港元)	Exercise period	As at 1 April 2017 於2017年4月1日	Grant during the period 期內授出	Forfeited during the period 期內沒收	Exercised during the period 期內行使	As at 31 March 2018 於2018年3月31日
Directors								
董事								
Mr. Pang Siu Hin	28/4/2015	1.46	28/4/2017-27/4/2025	225,000	-	-	-	225,000
彭少衍先生	28/4/2015	1.46	28/4/2018-27/4/2025	300,000	-	-	-	300,000
	3/10/2016	2.144	3/10/2017-2/10/2026	324,000	-	-	-	324,000
	3/10/2016	2.144	3/10/2018-2/10/2026	324,000	-	-	-	324,000
	3/10/2016	2.144	3/10/2019-2/10/2026	432,000	-	-	-	432,000
	21/12/2017	1.412	21/12/2018-20/12/2027	-	324,000	-	-	324,000
	21/12/2017	1.412	21/12/2019-20/12/2027	-	324,000	-	-	324,000
	21/12/2017	1.412	21/12/2020-20/12/2027	-	432,000	-	-	432,000
				1,605,000	1,080,000	-	-	2,685,000
Ms. Kwan Lai Man	28/4/2015	1.46	28/4/2017-27/4/2025	225,000	-	-	-	225,000
關麗雯女士	28/4/2015	1.46	28/4/2018-27/4/2025	300,000	-	-	-	300,000
	3/10/2016	2.144	3/10/2017-2/10/2026	324,000	-	-	-	324,000
	3/10/2016	2.144	3/10/2018-2/10/2026	324,000	-	-	-	324,000
	3/10/2016	2.144	3/10/2019-2/10/2026	432,000	-	-	-	432,000
	21/12/2017	1.412	21/12/2018-20/12/2027	-	324,000	-	-	324,000
	21/12/2017	1.412	21/12/2019-20/12/2027	-	324,000	-	-	324,000
	21/12/2017	1.412	21/12/2020-20/12/2027	-	432,000	-	-	432,000
				1,605,000	1,080,000	-	-	2,685,000
Employees								
僱員								
Employees at aggregate	28/4/2015	1.46	28/4/2016-27/4/2025	-	-	-	-	-
僱員(合共)	28/4/2015	1.46	28/4/2017-27/4/2025	90,000	-	-	-	90,000
	28/4/2015	1.46	28/4/2018-27/4/2025	120,000	-	-	-	120,000
	18/11/2016	2.264	18/11/2017-17/11/2026	27,000	-	-	-	27,000
	18/11/2016	2.264	18/11/2018-17/11/2026	27,000	-	-	-	27,000
	18/11/2016	2.264	18/11/2019-17/11/2026	36,000	-	-	-	36,000
				300,000	-	-	-	300,000
Consultant								
顧問								
Consultant	28/4/2015	1.46	28/4/2016-27/4/2025	180,000	-	-	-	180,000
顧問	28/4/2015	1.46	28/4/2017-27/4/2025	180,000	-	-	-	180,000
	28/4/2015	1.46	28/4/2018-27/4/2025	240,000	-	-	-	240,000
				600,000	-	-	-	600,000
Total				4,110,000	2,160,000	-	-	6,270,000
總計								

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTION, ARRANGEMENT AND CONTRACT OF SIGNIFICANCE

Other than those transactions disclosed in note 30 to the consolidated financial statements, no transaction, arrangement or contract of significance to which the Company, its holding company or any of its subsidiaries was a party and in which any Director or Controlling Shareholder of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2018.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2018, the Directors were not aware of any business or interest of the Directors and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

REMUNERATION FOR DIRECTORS

In compliance with the CG Code, the Company has established the Remuneration Committee to formulate remuneration policies. Directors' remuneration are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties and responsibilities, the recommendations of the Remuneration Committee and the performance and results of the Group. Details of the remuneration of the Company's Directors are set out in Note 11 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISIONS

The Articles of Association provides that the Directors, secretary or other officers of the Company shall be entitled to be indemnified out of the assets and profit of the Company from and against all actions, costs, charges, losses, damages and expenses which he or she may incur or sustain or about the execution of their duties in their respective offices. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of the relevant legal actions against the Directors.

董事及控股股東於重大交易、安排及合約的權益

除綜合財務報表附註30所披露之該等交易外，任何董事或本公司控股股東概無在本公司、其控股公司或其任何附屬公司所訂立任何於年度末或截至2018年3月31日止年度內的任何時間內仍然生效的重大交易、安排及合約中直接或間接擁有重大權益。

董事於競爭業務的權益

於2018年3月31日，董事並不知悉董事及彼等各自的聯繫人有任何業務或權益已經或可能與本集團業務構成競爭，及任何該等人士已經或可能與本集團存在任何其他利益衝突。

董事薪酬

為遵守企管守則，本公司已成立薪酬委員會以制訂薪酬政策。董事薪酬須於股東大會上獲股東批准。其他酬金乃由董事會參照董事職務及職責、薪酬委員會的建議以及本集團的表現及業績後釐定。有關本公司董事薪酬的詳情載於綜合財務報表附註11。

獲准許的彌償條文

根據組織章程細則規定，董事、本公司秘書或其他高級人員就彼等於彼等執行各自的職責時可能承擔或蒙受之所有訴訟、成本、費用、損失、損害賠償及開支，有權獲得由本公司之資產及溢利中提供彌償。此外，本公司已就董事面對有關法律訴訟安排適當的董事及高級人員責任保險。

REPORT OF THE DIRECTORS

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company, and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained a sufficient public float under the Listing Rules since the date of the Listing to 31 March 2018.

DEED OF NON-COMPETITION

The Controlling Shareholders, including the company wholly owned by each of them respectively, have confirmed to the Company of their compliance with the non-competition undertakings provided to the Company under a deed of non-competition dated 25 September 2014. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the deed of non-competition have been complied with by the Controlling Shareholders and duly enforced since the Listing Date and up to the date of this annual report.

CORPORATE GOVERNANCE

Please see the “Corporate Governance Report” set out on pages 53 to 74 of this annual report for details of its compliance with the Corporate Governance Code.

AUDITORS

HLB Hodgson Impey Cheng Limited will retire as auditors of the Company at the forthcoming annual general meeting of the Company and a resolution for its re-appointment will be proposed at the said meeting. Save as disclosed above, there was no change in auditor during the past three years.

ANNUAL REPORT

This annual report is printed in English and Chinese and is available on the Stock Exchange’s website at www.hkexnews.hk under the “Listed Company Information” and our Company’s website at www.hinsanggroup.com. Printed copies in both languages are posted to Shareholders.

充足公眾持股量

根據本公司公開可得之資料及據董事所知，於本年報日期，本公司自上市日期至2018年3月31日已根據上市規則維持充足公眾持股量。

不競爭契據

控股股東（包括彼等各自全資擁有的公司）已向本公司確認遵守根據日期為2014年9月25日的不競爭契據向本公司作出的不競爭承諾。獨立非執行董事已審查合規情況，並確認控股股東自上市日期起至本年報日期止已遵守及確實執行所有不競爭契據下的承諾。

企業管治

有關本公司遵守企業管治守則的詳情，請參閱本年報第53至第74頁的「企業管治報告」。

核數師

國衛會計師事務所有限公司將於本公司應屆股東週年大會退任本公司核數師，就其重新委任的決議案將於上述大會上提呈。除上文披露者外，於過去三年間並無更換核數師。

年報

本年報以中、英文印發，並登載於聯交所之網站www.hkexnews.hk之「上市公司資料」項下及本公司網站www.hinsanggroup.com。本公司將向股東同時寄發年報之中文本及英文本。

REPORT OF THE DIRECTORS 董事會報告

CONNECTED TRANSACTIONS

Set out below are the details of the continuing connected transactions of the Company as required to be reported under the Listing Rules (including the significant related party transactions as set out in note 30 to the consolidated financial statements during the Period).

Non-exempt Continuing Connected Transactions

1. *Sale of products under the Group brands to Brighten Hong Limited*

Date of Agreement	:	30 March 2017
Parties	:	Hin Sang Hong (HK) and Brighten Hong Limited
Term	:	Commenced from 1 April 2017 until 31 March 2020
Objective	:	Brighten Hong Limited sources the Group products for sales and distribution to anywhere in the World save for Hong Kong, Macau, Malaysia, Singapore and Taiwan
Annual cap for the year ended 31 March 2018	:	HK\$9,900,000
Actual consideration for the year ended 31 March 2018	:	HK\$3,056,921

For details of the connected transactions, please refer to the announcement of the Company dated 30 March 2017.

關連交易

以下載列本公司根據上市規則須申報的持續關連交易的詳情（包括載於綜合財務報表附註30內本期間的主要關聯方交易）。

不獲豁免持續關連交易

1. 向銘輝行有限公司出售本集團品牌產品

協議日期	:	2017年3月30日
訂約方	:	衍生行(香港)及銘輝行有限公司
年期	:	自2017年4月1日起至2020年3月31日
目的	:	銘輝行有限公司採購本集團產品以向世界各地(除香港、澳門、馬來西亞、新加坡及台灣)出售及分銷
截至2018年3月31日止年度之年度上限	:	9,900,000港元
截至2018年3月31日止年度之實際代價	:	3,056,921港元

有關關連交易之詳情，請參閱本公司日期為2017年3月30日之公告。

REPORT OF THE DIRECTORS

董事會報告

All the above continuing connected transactions did not exceed the relevant annual cap amounts. The Directors, including the independent non-executive Directors, have reviewed the continuing connected transactions of the Company and confirmed that they were:

- i. entered into on normal commercial terms;
- ii. in the ordinary and usual course of business and are fair and reasonable to the Group; and
- iii. the terms of the agreements are no less favourable to the Group than terms offered by Independent Third Parties, and therefore are in the interests of the Company and the Shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board has appointed the auditor of the Company to carry out certain procedures on the above continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by Hong Kong Institute of Certified Public Accountants.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above continuing connected transactions.

By order of the Board
Pang Siu Hin
Chairman
Hong Kong, 25 June 2018

所有上述持續關連交易並未超過相關年度上限金額。董事（包括獨立非執行董事）已審閱本公司之持續關連交易並確認有關交易為：

- i. 按照一般商業條款訂立；
- ii. 於一般及日常業務過程中訂立並對本集團而言屬公平合理；及
- iii. 協議條款對本集團而言不遜於獨立第三方所提供的條款，因此符合本公司及股東的整體利益。

根據上市規則第14A.56條，董事會委聘本公司核數師根據香港會計師公會頒佈的香港鑒證業務準則第3000號（修訂本）「歷史財務資料審核或審閱以外之鑒證業務」及參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」就上述持續關連交易進行若干程序。

本公司已就上述持續關連交易遵守上市規則第14A章項下之披露規定。

承董事會命
主席
彭少衍
香港，2018年6月25日

INDEPENDENT AUDITORS' REPORT 獨立核數師報告



國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower 香港
The Landmark 中環
11 Pedder Street 畢打街11號
Central 置地廣場
Hong Kong 告羅士打大廈31樓

TO THE MEMBERS OF HIN SANG GROUP (INTERNATIONAL) HOLDING CO. LTD.

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Hin Sang Group (International) Holding Co. Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 104 to 211, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致衍生集團(國際)控股有限公司 各股東

(於開曼群島註冊成立之有限公司)

意見

吾等已審核載於第104頁至第211頁的衍生集團(國際)控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於2018年3月31日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公允地反映 貴集團於2018年3月31日的綜合財務狀況及截至該日止年度 貴集團的綜合財務表現和綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見基準

吾等已根據香港會計師公會頒佈的《香港審核準則》(「香港審核準則」)進行審核。吾等在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「守則」)，吾等獨立於 貴集團，並已履行守則中的其他專業道德責任。吾等相信，吾等所獲得的審核憑證能充足及適當地為吾等的審核意見提供基礎。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

Key audit matter 關鍵審核事項

Recoverability of trade receivables 貿易應收款項的可收回性

Refer to note 22 to the consolidated financial statements.
參閱綜合財務報表附註22。

The carrying amount of trade receivables is approximately HK\$21,780,000 as at 31 March 2018.
於2018年3月31日，貿易應收款項的賬面值約為21,780,000港元。

We identified the recoverability of trade receivables as a key audit matter due to the use of judgement and estimates by management in assessing the recoverability of trade receivables.

吾等確認貿易應收款項的可收回性為關鍵審計事項乃由於管理層評估貿易應收款項的可收回性時須運用判斷及估計。

In determining not to make allowance for trade receivables, management considers the credit quality of individual trade receivables, including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables.
於釐定是否就貿易應收款項作出撥備時，管理層會考慮個別貿易應收款項的信貨質素，包括拖欠或延遲付款、還款記錄、後續還款情況及貿易應收款項的賬齡分析。

關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核於本期間的綜合財務報表中最重要的事項。吾等在審核整體綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。

How our audit addressed the key audit matter 吾等之審核如何解決關鍵審核事項

Our procedures in relation to the recoverability of trade receivables included:

吾等有關貿易應收款項可收回性的程序包括：

- Testing the aging analysis of the trade receivables, on a sample basis, to the source documents, including sales invoices and good delivery notes.
按抽樣基準將貿易應收款項的賬齡分析與源文件（包括銷售發票及交貨單）進行核查。
- Assessing the reasonableness of recoverability of trade receivables with reference to the credit profile including default or delay in payments, settlement records, subsequent settlements and aging analysis of individual customers.
參考個別客戶的信貸記錄（包括拖欠或延遲付款、還款記錄、後續還款情況及賬齡分析）評估貿易應收款項可收回性的合理性。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

Key audit matter

關鍵審核事項

Valuation of inventories

存貨的估值

Refer to note 21 to the consolidated financial statements.

參閱綜合財務報表附註21。

The inventories comprised of raw materials and finished goods for resale amounting to approximately HK\$9,590,000 as at 31 March 2018.

於2018年3月31日，存貨（包括原材料及供重售成品）約為9,590,000港元。

We identified the valuation of inventories as a key audit matter due to the management judgement required in estimating the allowance for inventories.

吾等確認存貨估值為關鍵審計事項乃由於估計存貨撥備時需要作出管理層判斷。

Management assessed the recoverability of the amount based on an estimation of the net realisable value of the inventories which involves the analyses of the status of the subsequent sales and the current market price of the inventories. If the actual net realisable values of the inventories are less than expected as a result of change in market condition, material allowances for inventories may result.

管理層根據估計存貨可變現淨值評估款項的可收回性，有關評估涉及存貨後續銷售狀況及目前市價的分析。倘因市況變動而導致存貨的實際可變現淨值低於預期，則可能導致存貨重大撥備。

How our audit addressed the key audit matter

吾等之審核如何解決關鍵審核事項

Our procedures in relation to the valuation of inventories included:

吾等有關於存貨估值的程序包括：

- Obtaining an understanding of how the allowance for inventories is estimated by management.
了解管理層如何估計存貨撥備。
- Assessing the reasonableness and sufficiency of allowance for inventories with reference to the subsequent usage and movement of raw materials, historical sales records, current market conditions, aging analysis and subsequent selling prices of the finished goods; and challenging management for long aged inventories without any provision.
參考原材料的後續使用情況及變動、過往銷售記錄、目前市況、賬齡分析及成品的其後售價評估存貨撥備是否合理及充足；並就無撥備的長期存貨向管理層提出質詢。
- Testing the aging analysis of the inventories, on a sample basis, to the source documents.
按抽樣基準將存貨的賬齡分析與源文件進行核查。
- Tracing a selection of finished goods with subsequent selling prices to the source documents to test the net realisable values.
溯查選定成品的後續售價至源文件以測試可變現淨值。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The audit committee is responsible for overseeing the Group's financial reporting process.

其他資料

貴公司董事須對其他資料負責。其他資料包括年度報告內的所有資料，但不包括綜合財務報表及吾等發出的核數師報告。

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

結合吾等對綜合財務報表的審核，吾等的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於吾等已執行的工作，如果吾等認為其他資料存在重大錯誤陳述，吾等需要報告該事實。吾等在此方面並無任何情況需要報告。

董事及審核委員會就綜合財務報表須承擔責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露要求編製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

核數師就審核綜合財務報表承擔的責任

吾等的目的是獲取綜合財務報表作為一個整體是否不存在由於欺詐或錯誤而導致重大錯誤陳述的合理保證，並僅向閣下（作為整體）出具一份包含吾等意見的核數師報告而別無其他目的。吾等不會就本報告之內容向任何其他人士承擔或接受責任。合理確定屬高層次的核證，惟根據香港審核準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

依據香港審核準則，作為吾等審核的一部分，吾等在整個審核過程中進行職業判斷並保持職業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審核程式以應對該等風險，以及獲取充足和適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計就該情況而言屬適當的審核程式，但目的並非對貴集團內部控制的有效性發表意見。
- 評估所使用的會計政策的恰當性和作出會計估計的合理性以及董事所披露的相關內容。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審核憑證，確定是否存在與可能導致對 貴集團的持續經營能力產生重大疑慮之事項或情況有關的重大不確定性。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則吾等應當修改意見。吾等的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表（包括披露資料）的整體列報方式、結構和內容，以及綜合財務報表是否中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。吾等負責集團審核的方向、監督和執行。吾等僅為審核意見承擔責任。

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

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

吾等與審核委員會溝通了（其中包括）計劃的審核範圍、時間安排及重大審核發現等，包括吾等在審核中發現的內部控制的任何重大缺陷。

吾等還向審核委員會提交聲明，說明吾等已符合有關獨立性的相關道德要求，並與他們溝通有可能合理地被認為會影響吾等獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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

The engagement director on the audit resulting in the independent auditors' report is Chan Ching Pang.

從與審核委員會溝通的事項中，吾等確定哪些事項對本期綜合財務報表的審核最為重要，因而構成主要審核事項。吾等在核數師報告中描述此等事項，除非法律法規不允許公開披露此等事項，或在極端罕見的情況下，如果合理預期在吾等報告中溝通某事項造成的負面後果超過產生的公眾利益，吾等決定不應在報告中溝通該事項。

出具獨立核數師報告的審核董事為陳展鵬。

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Chan Ching Pang

Practising Certificate Number: P05746

Hong Kong, 25 June 2018

國衛會計師事務所有限公司

香港執業會計師

陳展鵬

執業證書編號：P05746

香港，2018年6月25日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

		Notes 附註	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Revenue	收入	5	188,550	201,815
Cost of sales	銷售成本		(57,375)	(68,572)
Gross profit	毛利		131,175	133,243
Other income	其他收入	6	6,409	5,141
Other gains and losses	其他收益及虧損	7	(11,587)	(6,676)
Selling and distribution expenses	銷售及分銷開支		(37,854)	(41,006)
Administrative expenses	行政開支		(87,082)	(77,679)
Finance costs	融資成本	8	-	(8)
Profit before tax	除稅前溢利		1,061	13,015
Income tax expense	所得稅開支	9	(8,282)	(4,707)
(Loss)/Profit for the year	年內(虧損)/溢利	10	(7,221)	8,308
Other comprehensive income/ (expense)	其他全面收入/ (開支)			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至 損益之項目:</i>			
Exchange differences on translating foreign operations	換算外國業務之 匯兌差額		15,417	(3,980)
Fair value gain on available-for-sale investments	可供出售投資之 公平值收益		91,728	8,314
Reclassification adjustment on impairment of available-for-sale investments	於可供出售 投資減值時之 重新分類調整		16,348	-
			123,493	4,334
Total comprehensive income for the year	年內全面收入總額		116,272	12,642
Profit/(Loss) for the year attributable to:	以下各方應佔年內 溢利/(虧損):			
- Owners of the Company	- 本公司擁有人		530	9,798
- Non-controlling interests	- 非控股權益		(7,751)	(1,490)
			(7,221)	8,308
Total comprehensive income/ (expense) for the year attributable to:	以下各方應佔年內全 面收入/(開支)總 額:			
- Owners of the Company	- 本公司擁有人		120,216	14,094
- Non-controlling interests	- 非控股權益		(3,944)	(1,452)
			116,272	12,642
Earnings per share	每股盈利	13		
- Basic (HK cents)	- 基本(港仙)		0.05	0.96
- Diluted (HK cents)	- 攤薄(港仙)		0.05	0.95

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 MARCH 2018 於2018年3月31日

		Notes	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	125,584	117,399
Prepaid lease payments	預付租賃款項	16	53,728	30,268
Intangible assets	無形資產	18	-	1,548
Deposit and prepayments for life insurance policies	人壽保單之按金及預付款項	19	5,113	4,954
Deposits for acquisition of property, plant and equipment	收購物業、廠房及設備之按金		6,441	2,871
Available-for-sale investments	可供出售投資	20	573,392	408,552
			764,258	565,592
Current assets	流動資產			
Inventories	存貨	21	9,590	8,899
Trade and other receivables	貿易及其他應收款項	22	48,636	33,562
Held for trading investments	持作買賣投資	23	8,986	-
Tax refundable	可退還稅款		14	2,983
Bank balances and cash	銀行結餘及現金	24	186,030	288,851
			253,256	334,295
Total assets	資產總值		1,017,514	899,887
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	25	30,304	28,937
Current tax liabilities	即期稅項負債		3,399	395
			33,703	29,332
Net current assets	流動資產淨值		219,553	304,963
Total assets less current liabilities	資產總值減流動負債		983,811	870,555

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 MARCH 2018 於2018年3月31日

		Notes 附註	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Capital and reserves	資本及儲備			
Share capital	股本	27	109,351	109,012
Reserves	儲備		828,421	725,573
Equity attributable to owners of the Company	本公司擁有人應佔權益		937,772	834,585
Non-controlling interests	非控股權益		46,039	35,970
Total equity	權益總額		983,811	870,555

The consolidated financial statements on pages 104 to 211 were approved and authorised for issue by the Board of Directors on 25 June 2018 and are signed on its behalf by:

第104頁至第211頁所載之綜合財務報表已於2018年6月25日獲董事會批准及授權刊發，並由以下代表簽署：

Pang Siu Hin
彭少衍
Director
董事

Kwan Lai Man
關麗雯
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium	Merger reserve	Investments revaluation reserve	Foreign currency translation reserve	Share options reserve	Retained profits	Total	Non-controlling interests	Total
		股本 HK\$'000 港幣千元 (附註27)	股份溢價 HK\$'000 港幣千元	合併儲備 HK\$'000 港幣千元 (附註)	投資重估儲備 HK\$'000 港幣千元	匯兌儲備 HK\$'000 港幣千元	購股權儲備 HK\$'000 港幣千元	保留溢利 HK\$'000 港幣千元	總計 HK\$'000 港幣千元	非控股權益 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
At 1 April 2016	於2016年4月1日	80,047	219,949	(71,463)	-	(4,510)	8,286	110,988	343,297	3,201	346,498
Profit/(Loss) for the year	年內溢利/(虧損)	-	-	-	-	-	-	9,798	9,798	(1,490)	8,308
Other comprehensive income/(expense) for the year	年度其他全面收入/(開支)	-	-	-	-	-	-	-	-	-	-
Exchange differences on translating foreign operations	換算外國業務之匯兌差額	-	-	-	-	(4,018)	-	-	(4,018)	38	(3,980)
Fair value gain on available-for-sale investments	可供出售投資之公平值收益	-	-	-	8,314	-	-	-	8,314	-	8,314
Total comprehensive income/(expense) for the year	年度全面收入/(開支)總額	-	-	-	8,314	(4,018)	-	9,798	14,094	(1,452)	12,642
Dividends recognised as distribution	確認為分派的股息	-	-	-	-	-	-	(32,569)	(32,569)	-	(32,569)
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	34,418	34,418
Changes in ownership interests in subsidiaries without change of control	於附屬公司的擁有權權益變動而未改變控制權	-	-	-	-	-	-	197	197	(197)	-
Issue of shares by subscription	以認購方式發行股份	28,000	469,512	-	-	-	-	-	497,512	-	497,512
Issue of shares on exercise of share options	因行使購股權而發行股份	965	12,832	-	-	-	(5,486)	-	8,311	-	8,311
Recognition of equity-settled share-based payments	確認權益結算以股份為基礎的付款	-	-	-	-	-	3,743	-	3,743	-	3,743
At 31 March 2017	於2017年3月31日	109,012	702,293	(71,463)	8,314	(8,528)	6,543	88,414	834,585	35,970	870,555
Profit/(Loss) for the year	年內溢利/(虧損)	-	-	-	-	-	-	530	530	(7,751)	(7,221)
Other comprehensive income/(expense) for the year	年度其他全面收入/(開支)	-	-	-	-	-	-	-	-	-	-
Exchange differences on translating foreign operations	換算外國業務之匯兌差額	-	-	-	-	11,610	-	-	11,610	3,807	15,417
Fair value gain on available-for-sale investments	可供出售投資之公平值收益	-	-	-	91,728	-	-	-	91,728	-	91,728
Reclassification adjustment on impairment of available-for-sale investments	於可供出售投資減值時之重新分類調整	-	-	-	16,348	-	-	-	16,348	-	16,348
Total comprehensive income/(expense) for the year	年度全面收入/(開支)總額	-	-	-	108,076	11,610	-	530	120,216	(3,944)	116,272
Dividends recognised as distribution	確認為分派的股息	-	-	-	-	-	-	(21,823)	(21,823)	-	(21,823)
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	14,013	14,013
Shares repurchased and cancelled	購回及註銷股份	(134)	(1,656)	-	-	-	-	-	(1,790)	-	(1,790)
Issue of shares on exercise of share options	因行使購股權而發行股份	473	6,090	-	-	-	(2,658)	-	3,905	-	3,905
Recognition of equity-settled share-based payments	確認權益結算以股份為基礎的付款	-	-	-	-	-	2,679	-	2,679	-	2,679
At 31 March 2018	於2018年3月31日	109,351	706,727	(71,463)	116,390	3,082	6,564	67,121	937,772	46,039	983,811

Note: The merger reserve represents the difference between the share capital of the Company and the aggregate amount of share capital of other companies comprising the Group pursuant to the group reorganisation, after elimination of intra-group investments.

附註：合併儲備指根據集團重組本公司的股本及本集團旗下其他公司股本的總金額（抵銷集團內公司間投資後）之間的差額。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Cash flows from operating activities	經營活動所得現金流量		
Profit before tax	除稅前溢利	1,061	13,015
Adjustments for:	已就下列各項調整：		
Finance costs	融資成本	-	8
Interest income	利息收入	(3,581)	(4,655)
Dividend income	股息收入	(2,013)	-
Gain on fair value change of investment property	投資物業公平值變動收益	-	(729)
Loss/(Gain) on disposal of property, plant and equipment	出售物業、廠房及設備之(虧損)/收益	68	(97)
Reversal of write-down of inventories	存貨撇減撥回	-	(522)
Share-based payment expenses	以股份為基礎的付款開支	2,679	3,743
Amortisation of prepaid lease payments	預付租賃款項之攤銷	1,112	954
Amortisation of intangible assets	無形資產之攤銷	1,548	1,932
Amortisation of premium and charges on life insurance	人壽保險保費及支出之攤銷	58	57
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	9,040	6,431
Loss on fair value change of held for trading investments	持作買賣投資之公平值變動之虧損	994	-
Impairment loss on available-for-sale investments	可供出售投資之減值虧損	16,348	-
Operating cash flows before movements in working capital	營運資本變動前之經營現金流量	27,314	20,137
(Increase)/Decrease in inventories	存貨(增加)/減少	(507)	4,626
(Increase)/Decrease in trade and other receivables	貿易及其他應收款項(增加)/減少	(12,926)	4,364
Increase in held for trading investments	持作買賣投資增加	(9,980)	-
(Decrease)/Increase in trade and other payables	貿易及其他應付款項(減少)/增加	(170)	2,918
Cash generated from operations	經營業務所得現金	3,731	32,045
Income tax refunded	退回所得稅	415	-
Income tax paid	已付所得稅	(2,724)	(8,365)
Net cash generated from operating activities	經營活動所得現金淨額	1,422	23,680

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Cash flows from investing activities 投資活動所得現金流量		
Interest received 已收利息	3,363	4,438
Dividends received 已收股息	2,013	-
Decrease/(Increase) in short-term deposits with original maturity over three months 原到期日超過三個月的短期存款減少／(增加)	20,224	(1,131)
Proceeds from disposal of property, plant and equipment 出售物業、廠房及設備所得款項	-	131
Purchases of property, plant and equipment 購買物業、廠房及設備	(12,956)	(82,541)
Deposit for acquisition of property, plant and equipment 收購物業、廠房及設備之按金	(5,735)	(2,880)
Purchases of available-for-sale investments 購買可供出售投資	(73,112)	-
Purchases of leasehold land 購買租賃土地	(21,300)	-
Net cash used in investing activities 投資活動所用現金淨額	(87,503)	(81,983)
Cash flows from financing activities 融資活動所得現金流量		
Dividends paid 已付股息	(21,823)	(32,569)
Interest paid 已付利息	-	(8)
Capital contribution from non-controlling interests 非控股權益注資	14,013	34,418
Repurchase of shares 購回股份	(1,790)	-
Proceeds from issue of shares 發行股份所得款項	3,905	105,585
Net cash (used in)/generated from financing activities 融資活動(所用)／所得現金淨額	(5,695)	107,426
Net (decrease)/increase in cash and cash equivalents 現金及現金等價物(減少)／增加淨額	(91,776)	49,123
Cash and cash equivalents at the beginning of year 年初的現金及現金等價物	266,542	217,195
Effect of foreign exchange rates changes 匯率變動影響	6,328	224
Cash and cash equivalents at the end of year 年終的現金及現金等價物	181,094	266,542
Representing:		
Bank balances and cash 代表：銀行結餘及現金	186,030	288,851
Short-term deposits with maturity over three months 三個月以上到期的短期存款	(4,936)	(22,309)
	181,094	266,542

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

1. GENERAL

The Company is a public limited company incorporated in the Cayman Island and its shares are listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate parent is Genwealth Group Holding Company Limited, a company incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Group is principally engaged in developing, marketing, selling and distributing of personal care products, healthcare products and household products as well as provision of Chinese medical healthcare related services.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

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

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

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle

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

1. 一般資料

本公司為於開曼群島註冊成立之公眾有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。其母公司及其最終母公司為衍富集團控股有限公司（一間於英屬處女群島註冊成立之公司）。本公司之註冊辦事處及主要營業地點地址披露於年報之公司資料一節。

本集團主要從事開發、營銷、銷售及分銷個人護理產品、保健產品及家居產品以及提供中醫保健及相關服務。

綜合財務報表以港元（「港元」）呈列，而港元亦為本公司的功能貨幣。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已首次應用下列由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則修訂本：

香港會計準則第7號之	披露計劃
修訂本	
香港會計準則第12號之	就未變現虧損確認
修訂本	遞延稅項資產
香港財務報告準則	作為香港財務報告準則
第12號之修訂本	2014年至2016年
	週期之年度改進
	之一部分

於本年度應用該等香港財務報告準則修訂本並無對本集團於本年度及過往年度之財務表現及狀況及／或本綜合財務報表所載披露造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

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

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

HKFRS 9	Financial Instruments ¹	香港財務報告準則第9號	金融工具 ¹
HKFRS 15	Revenue from Contracts with Customers and the Related Amendments ¹	香港財務報告準則第15號	客戶合約收入及相關修訂 ¹
HKFRS 16	Leases ²	香港財務報告準則第16號	租賃 ²
HKFRS 17	Insurance Contracts ⁴	香港財務報告準則第17號	保險合約 ⁴
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹	香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及墊付代價 ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²	香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理的不確定性 ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹	香港財務報告準則第2號之修訂本	以股份為基礎付款的交易的分類及計量 ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹	香港財務報告準則第4號之修訂本	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²	香港財務報告準則第9號之修訂本	具有負補償的提前還款特性 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³	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企業間的資產出售或注資 ³
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ²	香港會計準則第19號之修訂本	計劃修訂、削減或結算 ²
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²	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 ²
Amendments to HKAS 40	Transfers of Investment Property ¹	香港會計準則第40號之修訂本	轉讓投資物業 ¹
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle ¹	香港會計準則第28號之修訂本	作為香港財務報告準則2014年至2016年週期之年度改進之一部分 ¹
Amendments to HKFRS 1	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle ¹	香港財務報告準則第1號之修訂本	作為香港財務報告準則2014年至2016年週期之年度改進之一部分 ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle ²	香港財務報告準則之修訂本	香港財務報告準則2015年至2017年週期之年度改進 ²

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團尚未提前應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收入及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ⁴
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及墊付代價 ¹
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理的不確定性 ²
香港財務報告準則第2號之修訂本	以股份為基礎付款的交易的分類及計量 ¹
香港財務報告準則第4號之修訂本	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 ¹
香港財務報告準則第9號之修訂本	具有負補償的提前還款特性 ²
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營企業間的資產出售或注資 ³
香港會計準則第19號之修訂本	計劃修訂、削減或結算 ²
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 ²
香港會計準則第40號之修訂本	轉讓投資物業 ¹
香港會計準則第28號之修訂本	作為香港財務報告準則2014年至2016年週期之年度改進之一部分 ¹
香港財務報告準則第1號之修訂本	作為香港財務報告準則2014年至2016年週期之年度改進之一部分 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年週期之年度改進 ²

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

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

- 1 Effective for annual periods beginning on or after 1 January 2018.
- 2 Effective for annual periods beginning on or after 1 January 2019.
- 3 Effective for annual periods beginning on or after a date to be determined.
- 4 Effective for annual periods beginning on or after 1 January 2021.

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 and interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

- 1 於2018年1月1日或之後開始之年度期間生效。
- 2 於2019年1月1日或之後開始之年度期間生效。
- 3 於待釐定之日期或之後開始之年度期間生效。
- 4 於2021年1月1日或之後開始之年度期間生效。

除下文所述新訂及經修訂香港財務報告準則外，本公司董事預期，應用所有其他新訂及經修訂香港財務報告準則及詮釋於可見將來不會對綜合財務報表造成重大影響。

香港財務報告準則第9號金融工具

香港財務報告準則第9號引入金融資產及金融負債分類及計量、一般對沖會計處理及金融資產減值規定的新規定。

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

HKFRS 9 Financial Instruments (Continued)

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融工具（續）

與本集團有關之香港財務報告準則第9號的主要規定載述如下：

- 所有屬香港財務報告準則第9號範圍內之已確認金融資產其後均須按攤銷成本或公平值計量。具體而言，於目的為收取合約現金流量的業務模式下持有以及附有純粹作本金及尚未償還本金利息付款的合約現金流量的債務投資，一般於其後會計期間結束時按攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產的業務模式下持有的債務工具，以及合約條款令於特定日期產生的現金流量純粹為支付本金及未償還本金的利息的債務工具，一般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。所有其他金融資產均於其後會計期間按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇，於其他全面收益呈列並非持作買賣的股本投資公平值的其後變動，僅股息收入一般於損益確認。

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

HKFRS 9 Financial Instruments (Continued)

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 *Financial Instruments: Recognition and Measurement*. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

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

Classification and measurement:

- Listed equity securities classified as available-for-sale investments carried at fair value as disclosed in note 20: these securities qualified for designation as measured at FVTOCI under HKFRS 9, however, the fair value gains or losses accumulated in the investments revaluation reserve amounting to approximately HK\$116,390,000 as at 1 April 2018 will no longer be subsequently reclassified to profit or loss under HKFRS 9, which is different from the current treatment. This will affect the amounts recognised in the Group's profit or loss and other comprehensive income but will not affect total comprehensive income.
- Deposit and prepayments for life insurance policies have contractual right to cash flows that do not represent contractual cash flows that are solely payments of principal and interest on the principal outstanding. Upon initial application of HKFRS 9, deposit and prepayments for life insurance policies will be classified as financial assets as at FVTPL. The directors of the Company consider that the carrying value of deposit and prepayments for life insurance policies as at 31 March 2018 approximate its fair value.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融工具（續）

- 就金融資產之減值而言，與香港會計準則第39號金融工具：確認及計量下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

根據本集團於2018年3月31日之金融工具及風險管理政策，本公司董事預期於首次應用香港財務報告準則第9號時將產生以下潛在影響：

分類及計量：

- 附註20所披露的按公平值計量的分類為可供出售投資的上市股本證券：該等證券符合根據香港財務報告準則第9號指定為按公平值計入其他全面收益計量的資格。然而，於2018年4月1日累計於投資重估儲備之公平值損益約116,390,000港元，按香港財務報告準則第9號將不會於其後重新分類至損益，與現有處理方式不同。此舉會影響本集團的損益及其他全面收益已確認的金額，但並不會影響全面收益總額。
- 人壽保單之按金及預付款項之合約權利現金流量不代表其僅限於本金及尚餘本金利息支付之合約現金流量。於應用香港財務報告準則第9號時，人壽保單之按金及預付款項將分類為按公平值計入損益之金融資產。本公司董事認為人壽保單之按金及預付款於2018年3月31日的賬面值與其公平值相若。

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

HKFRS 9 Financial Instruments (Continued)

Classification and measurement: (Continued)

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

Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Group.

Based on the assessment by the directors of the Company, the application of the expected credit loss model of HKFRS 9 will have no material impacts on the results and the financial position of the Group.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融工具（續）

分類及計量：（續）

- 所有其他金融資產及金融負債將繼續按與香港會計準則第39號下現行計量相同的基準進行計量。

減值

總體而言，本公司董事預期應用香港財務報告準則第9號的預期信貸虧損模式將導致本集團於應用香港財務報告準則第9號後，就本集團按攤銷成本計量之金融資產以及其他須作出減值撥備的項目的尚未產生的信貸虧損提前計提撥備。

根據本公司董事之評估，應用香港財務報告準則第9號的預期信貸虧損模式將不會對本集團業績及財務狀況造成重大影響。

香港財務報告準則第15號客戶合約收入

香港財務報告準則第15號已獲頒佈，其制定一項單一全面模式供實體用作將自客戶合約所產生的收入入賬。於香港財務報告準則第15號生效後，其將取代現行收入確認指引包括香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋。

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

HKFRS 15 Revenue from Contracts with Customers (Continued)

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

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

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號客戶合約收入（續）

香港財務報告準則第15號的核心原則為實體所確認描述向客戶轉讓承諾貨品或服務的收入金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收入的五個步驟：

- 第一步：識別與客戶訂立的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中的履約責任
- 第五步：於實體完成履約責任時（或就此）確認收入

根據香港財務報告準則第15號，實體於完成履約責任時（或就此）確認收入，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號要求更詳盡的披露。

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

HKFRS 15 Revenue from Contracts with Customers (Continued)

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

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. 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.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號客戶合約收入（續）

於2016年，香港會計師公會頒佈香港財務報告準則第15號之澄清，涉及識別履約義務、主事人與代理考慮以及許可申請指引。

本公司董事預期，於日後採用香港財務報告準則第15號可能會導致更多的披露。然而，本公司董事預期採用香港財務報告準則第15號並不會對於相關報告期間內確認收入之時間及金額造成重大影響。

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，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。除短期租賃及低價值資產租賃外，經營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。

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

HKFRS 16 Leases (Continued)

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. 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 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.

In contrast to lessee accounting, 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.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

使用權資產初步按成本計量，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，並就租賃負債的任何重新計量而作出調整。租賃負債初步按租賃款項（非當日支付）之現值計量。隨後，租賃負債會就（其中包括）利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團現時將有關自用租賃土地之前期預付租賃款項呈列為投資現金流量。應用香港財務報告準則第16號後，本集團將有關租賃負債之租賃款項分配為本金及利息部分，並按融資現金流量呈列。

根據香港會計準則第17號，本集團已就本集團作為承租人的租賃土地確認預付租賃款項。應用香港財務報告準則第16號可能導致該等資產之分類發生潛在變動，視乎本集團是否單獨或於倘擁有資產時將予以呈列相應有關資產的同一項目內呈列使用權資產而定。

與承租人會計處理方法相反，香港財務報告準則第16號大致轉承了香港會計準則第17號的出租人會計法規定，並繼續規定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號亦要求較廣泛的披露。

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

HKFRS 16 Leases (Continued)

As at 31 March 2018, the Group has non-cancellable operating lease commitments of approximately HK\$35,711,000 as disclosed in note 31. 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.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

於2018年3月31日，本集團有不可撤銷的經營租賃承擔約35,711,000港元（誠如附註31所披露）。初步評估顯示該等安排可能符合租賃的定義。於應用香港財務報告準則第16號時，本集團將就所有該等租賃確認使用權資產及相應負債，除非該等租賃符合低價值或短期租賃。

此外，應用新規定可能導致上文所述計量、呈列及披露發生變動。

3. 主要會計政策

綜合財務報表乃根據香港會計師公會所頒佈的香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例規定的適用披露。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

3. 主要會計政策 (續)

誠如下文所載之會計政策所闡釋，綜合財務報表乃根據歷史成本基準編製，惟於各報告期末若干以公平值計量的金融工具除外。

歷史成本一般以交換貨品及服務時給予代價的公平值為基準計算。

公平值為在市場參與者於計量日期進行之有序交易中出售資產所收取或轉讓負債所支付之價格，而不論該價格是否直接可觀察或使用另一估值技術估計所得。在對資產或負債的公平值作出估計時，本集團會考慮市場參與者於計量日期為該資產或負債進行定價時將會考慮的該等特徵。本綜合財務報表中作計量及／或披露用途的公平值均按此基準予以釐定，惟香港財務報告準則第2號以股份為基礎的付款範圍內的以股份為基礎的付款交易、香港會計準則第17號租賃範圍內的租賃交易及與公平值類似但並非公平值的計量（例如香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值）除外。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

3. 主要會計政策 (續)

此外，就財務報告而言，公平值計量乃根據公平值計量的輸入數據的可觀察程度及該等輸入數據對整體公平值計量的重要性分為第一、第二或第三層，說明如下：

- 第一層輸入數據為實體於計量日期可獲取的相同資產或負債於活躍市場的報價（未經調整）；
- 第二層輸入數據為除第一層所包括的報價以外可直接或間接觀察的資產或負債的輸入數據；及
- 第三層輸入數據為不可觀察的資產或負債的輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表載有本公司及本公司及其附屬公司控制的實體的財務報表。當本公司符合以下各項時，即取得控制權：

- 有權控制被投資方；
- 須承受或擁有自參與被投資方營運所得浮動回報的風險或權利；及
- 有能力運用其對被投資方的權力影響其回報。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

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

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

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

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

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

3. 主要會計政策 (續)

綜合基準 (續)

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否對被投資方擁有控制權。

當本集團取得附屬公司控制權時，開始綜合其附屬公司的賬目，並於本集團失去對該附屬公司的控制權時終止綜合入賬。具體而言，年內收購或出售的附屬公司收入及開支由本集團取得控制權當日起直至本集團失去對該附屬公司的控制權之日止計入綜合損益及其他全面收益表。

損益及其他全面收益各組成部分歸屬至本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬至本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

如有必要，附屬公司的財務報表會作出調整，使其會計政策與本集團的會計政策保持一致。

與本集團各成員公司之間的交易有關之所有集團內資產及負債、權益、收入、開支及現金流量均於綜合入賬時全數對銷。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Service income is recognised when services are provided.

Dividend income from investments is recognised when the rights to receive payment have been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. 主要會計政策 (續)

收益確認

收益按已收或應收代價的公平值計量。收益扣除估計客戶退貨、回扣及其他類似撥備。

誠如下文所述，收益於收益金額可可靠地計量時；倘未來經濟利益將流入本集團且當本集團以下各業務均已達成特定標準時，予以確認。

出售貨物之收益乃於貨物交付及所有權轉移時確認。

服務收益乃於提供服務時確認。

投資之股息收入乃於有權收取股息款項時確認。

利息收入乃參照未償還本金額及實際適用利率按時間基準累算，實際適用利率為於金融資產的預期年期內將估計日後現金收入準確折算至該資產於初步確認時的賬面淨值的利率。

本集團有關確認經營租賃之收益之會計政策載於以下有關租賃之會計政策。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasing

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

The Group as lessor

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. Other than investment properties measured under fair value model, such costs are recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. 主要會計政策 (續)

租賃

凡租賃條款規定將擁有權的絕大部分風險及回報撥歸承租人時，則此租賃分類作融資租賃。所有其他租賃則分類作經營租賃。

本集團作為出租人

來自經營租賃之租金收入按直線法於有關租賃年期在損益內確認。於磋商和安排經營租賃時產生之初始直接費用，乃加至租賃資產之賬面值。除投資物業根據公平值模式測量外，該等成本按租賃年期以直線法確認作開支。

本集團作為承租人

經營租賃款項（包括根據經營租賃持有之收購土地成本）乃按租期以直線法確認為開支，除非另有系統基準更能代表租賃資產使用所產生經濟利益之消耗時間模式則作別論。經營租賃產生之或然租金於產生期間確認為開支。

倘訂立經營租賃可以獲得租賃優惠，則該等優惠會確認為負債。優惠的利息總額乃以直線法確認為租金開支減少，除非另有系統基準更能代表租賃資產使用所產生經濟利益之消耗時間模式則作別論。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasing (Continued)

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease.

3. 主要會計政策 (續)

租賃 (續)

租賃土地及樓宇

倘租約包括土地及樓宇部分，本集團根據對附於各部分所有權之絕大部分風險及回報是否已轉移至本集團之評估，分別將各部分之分類評定為融資或經營租賃，惟該兩部分均明顯為經營租賃則除外，在此情況下，整項租賃乃分類為經營租賃。具體而言，最低租賃款項（包括任何一次性支付的預付款項）於租約訂立時，按租約土地部分及樓宇部分中之租賃權益相對公平值比例，於土地與樓宇部分間分配。

在租賃款項能可靠分配之情況下，入賬列作經營租賃之租賃土地權益，於綜合財務狀況表呈列為「預付租賃款項」，並於租期內以直線法攤銷，惟按公平值模型分類及入賬列為投資物業者除外。倘租賃款項不能於土地與樓宇部分間可靠分配，則整項租賃一般分類為融資租賃。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

3. 主要會計政策 (續)

外幣

於編製各個別集團實體的財務報表時，以該實體的功能貨幣以外之貨幣（外幣）進行之交易，均按交易日之適用匯率確認。於報告期末，以外幣計值的貨幣項目按於該日的適用匯率重新換算。以外幣計值按公平值列賬的非貨幣項目按釐定公平值當日的適用匯率重新換算。按過往成本以外幣計量的非貨幣項目不予重新換算。

結算貨幣項目及換算貨幣項目產生之匯兌差額乃於產生期間內於損益確認，惟既不擬亦很可能不會結算的應收或應付海外業務貨幣項目的匯兌差額（屬海外業務淨投資一部分）初次於其他全面收益確認，並在出售或部分出售本集團權益時由權益重新分類至損益。

就呈列綜合財務報表而言，本集團境外業務的資產與負債均按各報告期末的適用匯率換算為本集團的呈報貨幣（即港元）。收入及開支項目按期內的平均匯率換算。所產生匯兌差額（如有）於其他全面收入確認並於外幣換算儲備項目下的權益（倘合適歸屬於非控股權益）內累計。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

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

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. 主要會計政策 (續)

外幣 (續)

出售境外業務時(即出售本集團於境外業務的全部權益,或出售涉及失去對擁有境外業務的附屬公司的控制權,或出售擁有境外業務而保留權益成為金融資產的合營安排或聯營公司的部分權益),本公司擁有人應佔有關該業務的所有於權益累計的匯兌差額,則重新分類至損益。

此外,就部分出售附屬公司而並未導致本集團失去該附屬公司控制權而言,按比例分佔的累計匯兌差額乃重新歸類為非控股權益,而並不於損益內確認。就所有其他部分出售(即出售部分聯營公司或合營安排但並不引致本集團失去重大影響力或共同控制權)而言,按比例分佔的累計匯兌差額乃重新分類至損益。

借貸成本

直接用作收購、建設或製造合資格資產(即需要一段長時間方可達致擬定用途或出售之資產)之借貸成本歸入該等資產之成本,直至該等資產大致可作預定用途或出售為止。

因暫時投資有待用於合資格資產之特定借貸所賺取之投資收入自符合資本化資格之借貸成本中扣除。

所有其他借貸成本於產生期間之損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Retirement benefit costs

Payments to defined contribution retirement plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

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

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

3. 主要會計政策 (續)

退休福利成本

定額供款退休福利計劃之付款乃於僱員提供有權享有該等供款的服務時確認為開支。

短期僱員福利

短期僱員福利乃按僱員提供服務時預期將予支付之未貼現福利金額確認。所有短期僱員福利均確認為開支，除非另有香港財務報告準則要求或允許在資產成本中納入福利。

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Share-based payment arrangements

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

3. 主要會計政策 (續)

以股份為基礎的付款安排

授予僱員之購股權

向僱員及其他提供類似服務的人士作出之權益結算以股份為基礎的付款乃按權益工具於授出日期的公平值計量。

權益結算以股份為基礎的付款於授出日期釐定的公平值根據本集團對最終歸屬的權益工具之估計，按歸屬期以直線法基準支銷，並於權益（購股權儲備）內作相應增加。於各報告期末，本集團會修訂預期歸屬之權益工具數目之估計。修訂原有估計之影響（如有）於損益中確認，以致累計開支反映修訂後之估計，並對購股權儲備作相應調整。就於授出日期立即歸屬之購股權而言，所授出購股權之公平值立即於損益中支銷。

當購股權獲行使時，過往於購股權儲備中確認之金額將轉撥至股份溢價。倘購股權於歸屬日後被沒收或於屆滿日仍未獲行使，則過往於購股權儲備中確認之金額將轉撥至保留溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Share-based payment arrangements (Continued)

Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

Taxation

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

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

3. 主要會計政策 (續)

以股份為基礎的付款安排 (續)

授予顧問之購股權

與僱員以外人士進行之權益結算以股份為基礎的付款交易乃按實體獲得貨品或交易方提供服務當日所收取貨品或服務之公平值計量，惟公平值未能可靠地計量除外，於該情況下，則以授出股權工具的公平值計量。除非貨品或服務符合資格確認為資產，所收取貨品或服務之公平值確認為開支。

稅項

所得稅開支指應付即期稅項及遞延稅項的總和。

應付即期稅項乃按年內之應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中所呈報的除稅前溢利不同，原因為應課稅溢利不包括其他年度的應課稅收入項目或可扣稅開支項目，亦不包括毋須課稅或不可扣稅的項目。本集團的即期稅項負債乃按報告期末已頒佈或實際上已頒佈的稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

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

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

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

3. 主要會計政策 (續)

稅項 (續)

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用的相應稅基之間的暫時性差額予以確認。遞延稅項負債通常會就所有應課稅暫時性差額確認，而遞延稅項資產通常就所有可扣減暫時性差額，在很可能會有應課稅溢利可利用可扣減暫時性差額予以抵銷時確認。若暫時性差額因初步確認一項不影響應課稅溢利或會計溢利的交易（除業務合併外）的資產及負債而引致，則不會確認該等遞延稅項資產及負債。此外，若暫時性差額因初步確認商譽而引致，則不會確認遞延稅項負債。

遞延稅項負債乃按與於附屬公司的投資相關的應課稅暫時性差額予以確認，惟倘本集團可控制撥回暫時性差額且該暫時性差額很可能不會於可見將來撥回則除外。與該等投資相關的可扣減暫時性差額所產生的遞延稅項資產，僅於很可能有足夠應課稅溢利可以使用暫時性差額的利益予以抵銷且預計於可見將來可以撥回時方予以確認。

遞延稅項資產的賬面值於各報告期末均會予以審閱，並於不大可能有足夠應課稅溢利收回全部或部分資產時作出調減。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment including buildings and leasehold land (classified as finance leases) held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產及負債乃按償還負債或變現資產的期間內預期適用的稅率，根據報告期末已頒佈或實際上已頒佈的稅率（及稅法）予以計量。

遞延稅項負債及資產的計量反映本集團按在報告期末預期可以收回或清償其資產及負債的賬面值的方式計算而得出的稅務結果。

即期及遞延稅項於損益內確認，惟當涉及於其他全面收益中或直接於權益中確認的有關項目除外，屆時即期及遞延稅項亦分別於其他全面收益或直接於權益確認。當因業務合併的初步會計方法而產生即期或遞延稅項，有關稅務影響會計入該業務合併的會計方法內。

物業、廠房及設備

物業、廠房及設備包括持作生產或供應貨品或提供服務或作行政用途的樓宇及租賃土地（分類為融資租賃）（不包括下文所述之在建物業），乃於綜合財務狀況表內按成本減其後累計折舊及其後累計減值虧損（如有）列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

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

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

3. 主要會計政策 (續)

物業、廠房及設備 (續)

作生產、供應或行政用途的在建物業按成本值減任何確認減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化之借款成本。該物業竣工後並可供用於擬定用途時分類為物業、廠房及設備之合適類別。該等資產按與其他物業資產相同之基準，於達致擬定用途時開始計提折舊。

折舊乃根據資產(不包括在建物業)之估計可使用年期以直線法確認，以撇銷其減去剩餘價值後之成本。估計可使用年期、剩餘價值及折舊法於各報告期末作檢討，並按前瞻基準將任何估計變更的影響入賬。

物業、廠房及設備項目於出售或當預期持續使用該資產將不會產生未來經濟收益時終止確認。出售或棄置物業、廠房及設備項目產生的任何收益或虧損乃以銷售所得款項與該資產賬面值之間的差額釐定，並於損益中確認。

倘發展中樓宇作生產或行政用途，則興建期間就預付租賃款項之攤銷列作在建樓宇成本之一部分。在建樓宇按成本減任何已識別減值虧損列賬。樓宇於可供使用時(即樓宇可達致按管理層擬定方式運作所需地點及狀況時)開始計提折舊。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

Intangible assets

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

3. 主要會計政策 (續)

投資物業

投資物業指持作賺取租金及／或資本升值之物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於初步確認後,投資物業按其公平值計量。本集團之所有物業權益乃以經營租約持有,藉以賺取租金或達致資本增值。該等物業權益乃分類為投資物業及按此入賬,並以公平值模式計量。投資物業公平值變動所產生之收益或虧損於其產生期間計入損益。

投資物業於出售或永久停止使用及預計不會從其出售中獲得未來經濟收益時,予以終止確認。終止確認該物業所產生之任何收益或虧損(按出售所得款項淨額與該資產之賬面值差額計算)於該物業終止確認之期間內計入損益。

無形資產

業務合併所收購之無形資產與商譽分開確認,初步按收購當日之公平值(被視為其成本)確認。

於初步確認後,業務合併所收購之具有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。而業務合併所收購之具無限可使用年期之無形資產按成本減任何其後累計減值虧損列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Intangible assets (Continued)

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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

3. 主要會計政策 (續)

無形資產 (續)

無形資產於出售或預計不會從使用或出售中獲得未來經濟收益時，予以終止確認。終止確認無形資產所產生之收益及虧損（按出售所得款項淨額與該資產之賬面值差額計量）於該資產終止確認時於損益中確認。

有形及無形資產之減值虧損

本集團於報告期末審閱有形資產及具有限可使用年期的無形資產之賬面值，以釐定該等資產是否出現任何減值虧損跡象。如出現任何該等跡象，則會估計有關資產之可收回金額，以釐定減值虧損（如有）之程度。具有無限可使用年期之無形資產及尚不可使用之無形資產最少每年進行減值測試，並於出現減值跡象時進行減值測試。

當不可能個別地估計資產的可收回金額時，本集團估計該資產所屬的現金產生單位的可收回金額。當可識別合理及一致的分配基準，公司資產亦獲分配至個別現金產生單位，或以其他方式分配至最小組別的現金產生單位，以致可識別合理及一致的分配基準。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment losses on tangible and intangible assets (Continued)

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

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

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

3. 主要會計政策 (續)

有形及無形資產之減值虧損 (續)

可收回金額乃於公平值減出售成本及使用價值中之較高者。於評估使用價值時，估計未來現金流量採用除稅前貼現率貼現至其現值，該貼現率反映對貨幣時間價值之現時市場評估及資產（或現金產生單位）之特定風險（並無就此對未來現金流量估計予以調整）。

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

倘減值虧損其後撥回，資產（或現金產生單位）之賬面值將調高至其經修訂之估計可收回金額，惟該調高之賬面值不得超過假設以往年度並無就資產（或現金產生單位）確認減值虧損而應釐定之賬面值。撥回減值虧損即時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

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

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

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

3. 主要會計政策 (續)

存貨

存貨按成本與可變現淨值兩者之較低者列賬。存貨成本以先進先出法釐定。可變現淨值指存貨的估計售價減所有估計竣工成本及進行銷售的所需成本。

撥備

倘本集團因過往事件引致當前法律或推定責任，及本集團將有可能須清償該責任，並能可靠估計該責任之金額時，則確認撥備。

確認為撥備之金額為對清償報告期末當前責任之所需代價之最佳估計，並計及有關責任之風險及不確定因素。倘撥備以估計清償當前責任之現金流量計量，而當貨幣時間價值之影響屬重大時，則其賬面值為該等現金流量之現值。

金融工具

金融資產及金融負債乃當集團實體成為工具合約條文之訂約方時予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (“FVTPL”), held-to-maturity investments, available-for-sale (“AFS”) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策 (續)

金融工具 (續)

金融資產及金融負債初步以公平值計量。收購或發行金融資產及金融負債（按公平值計入損益的金融資產或金融負債除外）直接應佔之交易成本於初步確認時加入金融資產公平值內或自金融負債公平值內扣除（按適用者而定）。收購按公平值計入損益的金融資產或金融負債直接應佔之交易成本即時於損益中確認。

金融資產

金融資產乃分類為以下特定類別：按公平值計入損益（「按公平值計入損益」）的金融資產、持有至到期投資、可供出售（「可供出售」）金融資產以及貸款及應收款項。分類視乎金融資產之性質及用途而定，並於初步確認時釐定。所有常規買賣金融資產於交易日期確認及終止確認。常規買賣為須於市場規則或慣例所制定之時限內交收資產之金融資產買賣。

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FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading or (ii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

實際利率法

實際利率法乃計算債務工具之攤銷成本及於相關期間分配利息收入之方法。實際利率乃將估計日後現金收入（包括所付或所收之構成實際利率組成部分之一切費用及貼息、交易成本及其他溢價或折讓）按債務工具之預期年期或（如適用）較短期間準確貼現至初步確認時的賬面淨值之利率。

債務工具按實際利率基準確認利息收入。

按公平值計入損益的金融資產

當金融資產為(i)持作買賣或(ii)指定為按公平值計入損益，則分類為按公平值計入損益。

在下列情況下，金融資產被分類為持作買賣：

- 購入主要為於不久將來出售；或
- 於初始確認時構成本集團合併管理之已識別金融工具之一部分，且具有近期實際短期獲利模式；或
- 其屬於未被指定且為有效對沖工具之衍生工具。

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FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the 'other gains and losses' line item.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

按公平值計入損益的金融資產 (續)

除持作買賣之金融資產外，倘金融資產屬下列情況，則可能在初次確認時指定為按公平值計入損益：

- 有關指定能消除或大幅減少另外可能出現計量或確認之不一致；
- 該金融資產構成可根據本集團之書面風險管理或投資策略管理及按公平值評估其表現之一組金融資產或一組金融負債或兩者，並按該基準在公司內部提供有關如何分組之資料；或
- 其構成載有一種或以上內含衍生工具之合約，而香港會計準則第39號准許整個合併合約（資產或負債）指定為按公平值計入損益。

按公平值計入損益的金融資產均以公平值列賬，連同重新計量所產生之任何收益或虧損，於損益確認。於損益確認之收益或虧損淨額不包括金融資產賺取之任何股息或利息，並計入「其他收益及虧損」一項。

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FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method, are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

可供出售金融資產

可供出售金融資產乃指定為可供出售或並未分類為(a)貸款及應收款項、(b)持有至到期投資或(c)按公平值計入損益的金融資產之非衍生工具。

本集團所持分類為可供出售金融資產的股本及債務證券按於各報告期間結束的公平值計量，惟公平值無法可靠計量之無報價股本投資除外。與按實際利率法計算之利息收入有關之可供出售債務工具之賬面值變動於損益中確認。可供出售權益工具的股息於本集團收取該等股息的權利獲確立時於損益確認。可供出售金融資產賬面值之其他變動於其他全面收益確認，並累計至投資重估儲備。當有關投資被出售或釐定為減值時，先前於投資重估儲備中累計的累計收益或虧損重新分類至損益。

貸款及應收款項

貸款及應收款項為固定或可釐定付款之非衍生金融資產，而其在活躍市場並無報價。於初步確認後，貸款及應收款項乃使用實際利率法按攤銷成本減任何減值計量。

除利息確認屬不重大的短期應收款項外，利息收入通過應用實際利率予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的減值

金融資產(按公平值計入損益的金融資產除外)會於各報告期末評定是否有減值跡象。於有客觀證據顯示金融資產的估計未來現金流量因於初步確認該金融資產後發生的一項或多項事件而受到影響時，則金融資產會被視為減值。

就可供出售股本投資而言，證券公平值大幅或長時間低於其成本被視為減值之客觀證據。

就所有其他金融資產而言，減值的客觀證據可包括：

- 發行人或對手方出現嚴重財務困難；或
- 違反合約，如未能支付或延遲支付利息或本金；或
- 借款人很有可能破產或進行財務重組。

應收款項組合之客觀減值證據可包括本集團的過往收款經驗、組合內超過平均信貸期之延遲付款數目有所增加，以及與拖欠應收款項相關之國家或當地經濟狀況出現可觀察變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets (Continued)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的減值 (續)

就按攤銷成本列賬的金融資產而言，已確認之減值虧損數額為該資產的賬面值與按該金融資產原實際利率貼現的估計未來現金流量現值之間的差額。

就所有金融資產而言，金融資產的賬面值直接按減值虧損減少，惟貿易應收款項除外，其賬面值乃透過使用撥備賬而減少。撥備賬的賬面值變動於損益內確認。倘貿易應收款項被視為無法收回，則於撥備賬撇銷。其後收回過往撇銷的款項會計入損益。

當可供出售金融資產被視為減值，先前於其他全面收益中確認的累計收益或虧損於期間重新分類至損益。

就按攤銷成本列賬之金融資產而言，倘於往後期間減值虧損金額減少，而該減少客觀上與確認減值後發生的事件有關，則先前確認的減值虧損透過損益撥回，惟該投資於撥回減值日期的賬面值不得超過在並無確認減值之情況下應有的攤銷成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets (Continued)

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

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

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的減值 (續)

就可供出售股本投資而言，先前於損益確認之減值虧損不會透過損益撥回。公平值於減值虧損後之任何增加均會在其他全面收益中確認，並累計於投資重估儲備項下。就可供出售債務投資而言，倘投資公平值增加客觀上與確認減值虧損後發生之事項有關連，則減值虧損於其後透過損益撥回。

金融負債及權益工具

由集團實體所發行之債務及權益工具乃根據合約安排之內容及金融負債及權益工具之定義分類為金融負債或權益。

權益工具

權益工具乃證明一間實體的資產於扣除其所有負債後之剩餘權益的任何合約。本集團所發行之權益工具乃按已收取之所得款項（扣除直接發行成本）確認。

購回本公司本身之權益工具直接於權益內確認並扣減。購買、出售、發行或註銷本公司本身之權益工具不得於損益內確認收益或虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments *(Continued)*

Financial liabilities and equity instruments (Continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities at amortised cost

Financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition

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

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

實際利率法

實際利率法乃計算金融負債之攤銷成本及將利息開支分配予相關期間的方法。實際利率乃估計未來現金付款（包括所付或所收構成實際利率組成部分之一切費用及貼息、交易成本及其他溢價或折讓）按金融負債之預期年期或（如適用）較短期間準確貼現至初步確認時的賬面淨值之利率。

利息開支按實際利率基準確認。

按攤銷成本計算之金融負債

金融負債其後使用實際利率法按攤銷成本計量。

終止確認

本集團僅於從資產收取現金流的合約權利屆滿時，或轉移金融資產及該項資產所有權的絕大部分風險及回報至另一實體時，方會終止確認該項金融資產。倘本集團並無轉移亦無保留所有權的絕大部分風險及回報，並繼續控制已轉移資產，則本集團會確認其於資產的保留權益及可能需要支付的相關負債款項。倘本集團保留已轉移金融資產所有權的絕大部分風險及回報，本集團繼續確認該項金融資產，亦就所收到的所得款項確認抵押借款。

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綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Derecognition (Continued)

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

3. 主要會計政策 (續)

金融工具 (續)

終止確認 (續)

一旦終止確認金融資產，資產的賬面值與已收及應收的代價及已於其他全面收益中確認及在權益累積的累計收益或虧損之間的差額會在損益中確認。

本集團於且僅於本集團的責任解除、取消或屆滿時終止確認金融負債。終止確認的金融負債的賬面值與已付及應付的代價之間的差額會在損益中確認。

關聯方

倘任何人士符合以下條件，則被視為與本集團有關聯：

- (a) 該方為一名人士或該名人士之近親家族成員，且該人士
 - (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力；或
 - (iii) 為本集團或本集團母公司主要管理人員的成員；

或

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either 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 the key management personnel of the entity (or of a parent of the entity); and
 - (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 parent of the Group.

3. 主要會計政策 (續)

關聯方 (續)

- (b) 該方為符合下列任何條件之實體：
- (i) 該實體及本集團屬同一集團的成員公司；
 - (ii) 一個實體為另一實體（或該另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；
 - (iii) 該實體及本集團皆為相同第三方的合營企業；
 - (iv) 一個實體為第三方的合營企業而另一實體為該第三方的聯營公司；
 - (v) 該實體為就本集團或與本集團有關聯的實體的僱員福利而設的離職後福利計劃；
 - (vi) 該實體受(a)所界定之人士控制或共同控制；
 - (vii) (a)(i)段所界定人士對該實體有重大影響力，或是該實體（或該實體的母公司）主要管理人員的成員；及
 - (viii) 該實體或該實體所屬集團任何成員公司為本集團或本集團的母公司提供主要管理人員服務。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

The following are the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowances for inventories

Management of the Group reviews the inventories listing on a product-by-product basis at the end of each reporting period and makes allowance for obsolete and slow moving inventory items. Management estimates the net realisable value for such items based primarily on the latest invoice prices and current market conditions.

4. 估計不明朗性的主要來源

管理層在應用附註3載述的本集團會計政策時，須就未能即時明顯從其他來源得知的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃根據以往經驗及其他被認為屬相關的因素作出，實際結果可能會與該等估計不同。

估計及有關假設會持續予以檢討。倘會計估計修訂只影響修訂估計期間，則僅在該期間確認，倘修訂同時影響現時及未來期間，則會在修訂期間及未來期間確認。

以下是於報告期末估計不明朗因素的主要來源，有關不明朗因素或具有導致資產及負債的賬面值於下一財政年度內作出大幅調整的重大風險。

存貨撥備

本集團管理層於各報告期末按逐項產品基準審閱存貨清單並就過時及滯銷存貨項目計提撥備。管理層主要根據最近的發票價格及目前市況估計有關項目的可變現淨值。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated impairment of trade receivables

A considerable amount of judgement is required in assessing the ultimate realisation of trade receivables, including the current creditworthiness and the past collection history of each customer.

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

5. REVENUE AND SEGMENT INFORMATION

The following is an analysis of the Group's revenue:

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Sales of goods	銷售貨物	187,989	201,815
Provision of healthcare services	提供保健服務	561	-
		188,550	201,815

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Specifically, the Group's reportable and operating segments under "HKFRS 8 Operating Segments" are as follows:

4. 估計不明朗性的主要來源 (續)

貿易應收款項的估計減值

於評估此等貿易應收款項最終實現與否時，須作出大量判斷，包括各客戶之信貸狀況及過往收款記錄。

當發現減值虧損的客觀證據時，本集團會考慮估計未來現金流量。減值虧損的金額會按資產賬面值與以金融資產的原來實際利率（即按初步確認計算的實際利率）折現的估計未來現金流量現值（不包括未產生的未來信貸虧損）的差額計量。倘實際未來現金流量低於預期，則或會出現重大減值虧損。

5. 收入及分部資料

下列為本集團的收入分析：

向本公司董事會（即主要經營決策者）報告以分配資源及評估分部表現的資料，著重交付或提供的貨品或服務類別。具體而言，根據「香港財務報告準則第8號經營分部」，本集團的可報告及經營分部如下：

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5. REVENUE AND SEGMENT INFORMATION

(Continued)

1. Product Development Segment – sales of products developed by the Group under own brands
2. Brand Development and Management Segment – sales and distribution of products with exclusive distribution rights
3. Trading of Goods Segment – sales and distribution of products purchased from authorised dealers, independent traders, manufacturers or parallel importers
4. Healthcare Segment – development of mother and child related health products, hospital, medical center and related services

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 March 2018

		Product Development Segment 產品開發分部 HK\$'000 港幣千元	Brand Development and Management Segment 品牌開發及管理分部 HK\$'000 港幣千元	Trading of Goods Segment 貨品買賣分部 HK\$'000 港幣千元	Healthcare Segment 健康分部 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Revenue	收入					
External sales	對外銷售	180,574	6,341	700	935	188,550
Segment profit/(loss)	分部溢利/(虧損)	36,784	573	(71)	(15,775)	21,511
Interest income	利息收入					3,581
Dividend income	股息收入					2,013
Loss on fair value change of held for trading investments	持作買賣投資之公平值變動之虧損					(994)
Impairment loss on available-for-sale investments	可供出售投資之減值虧損					(16,348)
Unallocated expenses	未分配開支					(8,702)
Profit before tax	除稅前溢利					1,061

5. 收入及分部資料 (續)

1. 產品開發分部－銷售本集團開發之自家品牌產品
2. 品牌開發及管理分部－銷售及分銷獨家分銷權產品
3. 貨品買賣分部－銷售及分銷自特約經銷商、獨立商號、製造商或水貨商購買之產品
4. 健康分部－發展婦嬰相關健康產品、醫院、醫療中心及相關服務

分部收入及業績

下列為按可報告及經營分部劃分對本集團收入及業績的分析。

截至2018年3月31日止年度

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5. REVENUE AND SEGMENT INFORMATION 5. 收入及分部資料 (續)

(Continued)

Segment revenue and results (Continued)

For the year ended 31 March 2017

分部收入及業績 (續)

截至2017年3月31日止年度

		Product Development Segment 產品開發 分部 HK\$'000 港幣千元	Brand Development and Management Segment 品牌開發及 管理分部 HK\$'000 港幣千元	Trading of Goods Segment 貨品買賣 分部 HK\$'000 港幣千元	Healthcare Segment 健康 分部 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Revenue	收入					
External sales	對外銷售	178,931	19,042	3,842	-	201,815
Segment profit/(loss)	分部溢利/(虧損)	24,242	(2,562)	(371)	(3,801)	17,508
Interest income	利息收入					4,655
Unallocated expenses	未分配開支					(9,140)
Finance costs	融資成本					(8)
Profit before tax	除稅前溢利					13,015

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit/loss represents the profit earned by/loss from each segment without allocation of corporate expenses, loss on fair value change of held for trading investments, impairment loss on available-for-sale investments, dividend income, interest income and finance costs. This is the measure reported to the board of directors for the purposes of resource allocation and assessment of segment performance.

經營分部之會計政策與附註3所述本集團之會計政策相同。分部溢利/虧損指各分部賺取之溢利/產生之虧損(並無分配企業開支、持作買賣投資之公平值變動之虧損、可供出售投資之減值虧損、股息收入、利息收入及融資成本)。此乃向董事會就資源分配及評估分部表現而報告之措施。

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FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

5. REVENUE AND SEGMENT INFORMATION

(Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment.

5. 收入及分部資料 (續)

分部資產及負債

下列為按可報告及經營分部劃分對本集團的資產及負債的分析。

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Segment assets	分部資產		
Product Development Segment	產品開發分部	212,715	182,302
Brand Development and Management Segment	品牌開發及管理分部	1,626	4,098
Trading of Goods Segment	貨品買賣分部	200	456
Healthcare Segment	健康分部	29,381	7,635
Total segment assets	分部資產總值	243,922	194,491
Unallocated	未分配	773,592	705,396
Consolidated assets	綜合資產	1,017,514	899,887
Segment liabilities	分部負債		
Product Development Segment	產品開發分部	27,463	26,968
Brand Development and Management Segment	品牌開發及管理分部	1,011	1,780
Trading of Goods Segment	貨品買賣分部	172	76
Healthcare Segment	健康分部	1,658	113
Total segment liabilities	分部負債總額	30,304	28,937
Unallocated	未分配	3,399	395
Consolidated liabilities	綜合負債	33,703	29,332

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5. REVENUE AND SEGMENT INFORMATION 5. 收入及分部資料 (續)

(Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than available-for-sale investments, bank balances and cash, deposit and prepayments for life insurance policies, held for trading investments and tax refundable.
- all liabilities are allocated to operating segments other than current tax liabilities.

Other segment information

For the year ended 31 March 2018

分部資產及負債 (續)

為監察分部表現及就分部間作出資源分配：

- 所有資產已分配入經營分部（可供出售投資、銀行結餘及現金、人壽保單之按金及預付款項、持作買賣投資及可退還稅款除外）。
- 所有負債已分配入經營分部（即期稅項負債除外）。

其他分部資料

截至2018年3月31日止年度

		Product Development Segment 產品開發 分部 HK\$'000 港幣千元	Brand Development and Management Segment 品牌開發及 管理分部 HK\$'000 港幣千元	Trading of Goods Segment 貨品買賣 分部 HK\$'000 港幣千元	Healthcare Segment 健康 分部 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Amounts included in the measure of segment profit or loss or segment assets:	計量分部溢利或虧損或分部資產時計入的金額：					
Addition to non-current assets	非流動資產添置	31,679	11	1	11,629	43,320
Amortisation of intangible assets	無形資產之攤銷	1,548	-	-	-	1,548
Amortisation of prepaid lease payments	預付租賃款項之攤銷	1,360	-	-	-	1,360
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	7,983	105	12	940	9,040
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	68	-	-	-	68

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5. REVENUE AND SEGMENT INFORMATION

(Continued)

Other segment information (Continued)

For the year ended 31 March 2017

5. 收入及分部資料 (續)

其他分部資料 (續)

截至2017年3月31日止年度

	Product Development Segment 產品開發 分部 HK\$'000 港幣千元	Brand Development and Management Segment 品牌開發及 管理分部 HK\$'000 港幣千元	Trading of Goods Segment 貨品買賣 分部 HK\$'000 港幣千元	Healthcare Segment 健康 分部 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>	<i>計量分部溢利或虧損或 分部資產時計入的金 額:</i>				
Addition to non-current assets	83,046	681	138	1,934	85,799
Amortisation of intangible assets	1,932	-	-	-	1,932
Amortisation of prepaid lease payments	954	-	-	-	954
Depreciation of property, plant and equipment	6,139	235	48	9	6,431
Gain on fair value change of investment property	729	-	-	-	729
Gain on disposal of property, plant and equipment	94	3	-	-	97
Reversal of write-down of inventories	522	-	-	-	522

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5. REVENUE AND SEGMENT INFORMATION 5. 收入及分部資料 (續)

(Continued)

Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China (the "PRC") and Taiwan.

Information about the Group's revenue from external customers is presented based on location of the operations. Information about the Group's non-current assets (excluding available-for-sale investments and deposit and prepayments for life insurance policies) is presented based on the geographical location of the assets.

地域資料

本集團於香港、中華人民共和國（「中國」）及台灣經營業務。

有關本集團來自外部客戶的收入資料按經營業務的位置劃分呈列。有關本集團非流動資產（不包括可供出售投資及人壽保單之按金及預付款項）的資料按資產的地理位置劃分呈列。

		Revenue from external customers 來自外部客戶的收入		Non-current assets 非流動資產	
		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Hong Kong	香港	145,912	155,327	101,018	106,367
PRC	中國	41,006	42,161	84,735	45,645
Taiwan	台灣	1,632	4,327	-	74
		188,550	201,815	185,753	152,086

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5. REVENUE AND SEGMENT INFORMATION

(Continued)

Information about major customers

Revenues from customers for the corresponding years contributing over 10% of the total revenue of the Group are as follows:

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Customer A ¹	客戶A ¹	33,064	36,843
Customer B ¹	客戶B ¹	19,367	21,701

¹ Revenue from Product Development Segment and Brand Development and Management Segment.

5. 收入及分部資料 (續)

有關主要客戶的資料

於相關年度佔本集團總收入超過10%的客戶的收入如下：

	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Customer A ¹	33,064	36,843
Customer B ¹	19,367	21,701

¹ 來自產品開發分部以及品牌開發及管理分部的收入。

6. OTHER INCOME

6. 其他收入

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Interest income on bank deposits	銀行存款利息收入	3,363	4,014
Interest income on deposit and prepayments for life insurance policies	人壽保單之按金及預付款項之利息收入	218	217
Interest income on loan receivables	應收貸款之利息收入	-	424
Consultancy income	顧問收入	307	-
Dividend income	股息收入	2,013	-
Rental income	租金收入	-	199
Forfeiture of customers' deposits	沒收客戶按金	351	199
Others	其他	157	88
		6,409	5,141

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7. OTHER GAINS AND LOSSES

7. 其他收益及虧損

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Gain on fair value change of investment property	投資物業公平值變動之收益	-	729
Loss on fair value change of held for trading investments	持作買賣投資之公平值變動之虧損	(994)	-
(Loss)/Gain on disposal of property, plant and equipment	出售物業、廠房及設備之(虧損)/收益	(68)	97
Impairment loss on available-for-sale investments	可供出售投資之減值虧損	(16,348)	-
Net foreign exchange gain/(loss)	外匯淨收益/(虧損)	5,823	(7,502)
		(11,587)	(6,676)

8. FINANCE COSTS

8. 融資成本

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Interest on bank loans	銀行貸款利息	-	8

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9. INCOME TAX EXPENSE

9. 所得稅開支

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅		
– Current year	– 本年度	7,486	3,646
– Under provision in prior year	– 過往年度撥備不足	796	666
		8,282	4,312
PRC Enterprise Income Tax	中國企業所得稅		
– Current year	– 本年度	–	395
Total income tax recognised in profit or loss	於損益確認之 所得稅總額	8,282	4,707

Hong Kong Profits Tax has been provided at 16.5% on the estimated assessable profits arising in or derived from Hong Kong for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

No provision for taxation has been provided for companies in the Cayman Islands and the British Virgin Islands as they are not subject to any tax during the current and prior years.

No provision for Taiwan Enterprise Income Tax has been provided for the Taiwan subsidiary as there was no assessable profits for both years.

於該兩個年度於香港產生或源自香港的估計應課稅溢利按16.5%稅率計提香港利得稅撥備。

根據中華人民共和國企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，中國附屬公司於兩個年度的稅率均為25%。

由於本年度及過往年度開曼群島及英屬處女群島的公司毋須繳納任何稅項，故並無就該等公司計提稅項撥備。

由於台灣附屬公司於該兩個年度並無任何應課稅溢利，故並無計提台灣企業所得稅撥備。

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9. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

9. 所得稅開支 (續)

年度稅項支出與綜合損益及其他全面收益表的除稅前溢利對賬如下：

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Profit before tax	除稅前溢利	1,061	13,015
Tax at Hong Kong Profits Tax rate of 16.5%	按香港利得稅稅率16.5%計算的稅項	175	2,147
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	4,242	2,337
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(1,839)	(588)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	5,152	1,103
Utilisation of tax losses not previously recognised	動用未預先確認的稅項虧損	-	(446)
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營的附屬公司按不同稅率繳稅的影響	(867)	39
Under provision in prior year	過往年度撥備不足	796	666
Others	其他	623	(551)
Tax charge for the year	年度稅項支出	8,282	4,707

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10. (LOSS)/PROFIT FOR THE YEAR

(Loss)/Profit for the year has been arrived at after charging/
(crediting):

10. 年內(虧損)/溢利

年內(虧損)/溢利乃經扣除/(計入)
下列各項後達致:

	2018	2017
	HK\$'000	HK\$'000
	港幣千元	港幣千元
Amortisation of prepaid lease payments	1,360	954
Less: amounts capitalised in construction in progress	(248)	-
	1,112	954
Staff costs, including directors' emoluments	46,456	42,971
Amortisation of intangible assets (included in cost of sales)	1,548	1,932
Depreciation of property, plant and equipment	9,040	6,431
Cost of inventories recognised as an expense	49,805	65,332
Auditors' remuneration	850	750
Reversal of write-down of inventories (included in cost of sales)	-	(522)
Gross rental income from investment property	-	(199)
Less: direct operating expenses	-	50
Net rental income from investment property	-	(149)

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11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to the directors and chief executive of the Company were as follows:

For the year ended 31 March 2018

11. 董事及主要行政人員酬金

已付或應付本公司董事及主要行政人員的酬金如下：

截至2018年3月31日止年度

		Other emoluments 其他酬金				
		Salaries and other benefits	Share-based payments	Contributions to retirement benefits schemes	Total	
		Fees	以股份為 基礎的付款	退休福利計劃 供款		
		袍金	薪金及 其他福利		合計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	
Executive directors	執行董事					
Mr. Pang Siu Hin (Note (i))	彭少衍先生 (附註(i))	-	2,715	1,447	21	4,183
Ms. Kwan Lai Man	關麗雯女士	-	2,184	1,050	18	3,252
Ms. Dong Mei Xian (Note (ii))	董美仙女士 (附註(ii))	-	165	-	-	165
Non-executive director	非執行董事					
Ms. Wong Wai Ling	黃慧玲女士	180	-	-	-	180
Mr. Yuen Chi Ping (Note (iii))	袁志平先生 (附註(iii))	180	-	-	-	180
Independent non-executive directors	獨立非執行董事					
Mr. Lee Luk Shiu	李祿兆先生	240	-	-	-	240
Dr. Tang Sing Hing Kenny	鄧聲興博士	180	-	-	-	180
Mr. Lau Chi Kit Edwin (Note (iv))	劉智傑先生 (附註(iv))	83	-	-	-	83
Mr. Tsui Nam Hung (Note (v))	徐南雄先生 (附註(v))	97	-	-	-	97
		960	5,064	2,497	39	8,560

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11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

For the year ended 31 March 2017

11. 董事及主要行政人員酬金 (續)

截至2017年3月31日止年度

	Fees 袍金 HK\$'000 港幣千元	Other emoluments 其他酬金			Total 合計 HK\$'000 港幣千元
		Salaries and other benefits 薪金及其他福利 HK\$'000 港幣千元	Share-based payments 以股份為基礎的付款 HK\$'000 港幣千元	Contributions to retirement benefits schemes 退休福利計劃供款 HK\$'000 港幣千元	
Executive directors 執行董事					
Mr. Pang Siu Hin (Note (i))	-	2,368	1,987	25	4,380
Ms. Kwan Lai Man	-	1,939	1,322	18	3,279
Ms. Dong Mei Xian (Note (ii))	-	134	-	-	134
Non-executive director 非執行董事					
Ms. Wong Wai Ling	180	-	-	-	180
Mr. Yuen Chi Ping (Note (iii))	133	-	-	-	133
Independent non-executive directors 獨立非執行董事					
Mr. Lee Luk Shiu	240	-	-	-	240
Dr. Tang Sing Hing Kenny	180	-	-	-	180
Mr. Tsui Nam Hung (Note (v))	180	-	-	-	180
	913	4,441	3,309	43	8,706

Notes:

- (i) Mr. Pang Siu Hin is the chief executive officer of the Company.
- (ii) Appointed on 4 July 2016 and resigned on 1 March 2018.
- (iii) Appointed on 4 July 2016.
- (iv) Appointed on 16 October 2017.
- (v) Retired on 16 October 2017.

附註：

- (i) 彭少衍先生為本公司的行政總裁。
- (ii) 於2016年7月4日獲委任及於2018年3月1日辭任。
- (iii) 於2016年7月4日獲委任。
- (iv) 於2017年10月16日獲委任。
- (v) 於2017年10月16日退任。

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11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

The executive directors' emoluments shown above were mainly for their services in connection the management of the affairs of the Company and the Group. The non-executive directors' emoluments and the independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

None of the Company's directors waived any emoluments during the year (2017: Nil).

During the year, no emoluments were paid by the Group to any of the Company's directors as an inducement to join or upon joining the Group or as compensation for loss of office (2017: Nil).

11. 董事及主要行政人員酬金 (續)

上文所示執行董事之酬金主要針對彼等對本公司及本集團管理事務提供之服務。上文所示非執行董事及獨立非執行董事酬金主要針對彼等作為本公司董事提供之服務。

年內，本公司董事概無放棄任何酬金(2017年：無)。

年內，本集團並無向本公司任何董事支付酬金，以作為邀請加入或加入本集團後的獎勵或離職補償(2017年：無)。

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12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two (2017: two) directors, details of whose remuneration are set out in note 11 above. Details of the remuneration for the year of the remaining three (2017: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他福利	1,781	2,234
Share-based payments	以股份為基礎的付款	39	-
Contributions to retirement benefits schemes	退休福利計劃供款	49	54
Total emoluments	酬金總額	1,869	2,288

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

		2018 (Number of employees) (僱員人數)	2017 (Number of employees) (僱員人數)
Nil to HK\$1,000,000	零至1,000,000港元	3	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	-	1
		3	3

During the year, no emoluments were paid by the Group to any of the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2017: Nil).

12. 五名最高薪酬僱員

年內，本集團的五名最高薪酬僱員包括兩名（2017年：兩名）董事，其薪酬詳情載於上文附註11。年內其餘三名（2017年：三名）非本公司董事及主要行政人員的最高薪酬僱員的薪酬詳情載列如下：

薪酬介於以下範圍的非本公司董事最高薪酬僱員人數如下：

年內，本集團並無向任何本集團五名最高薪酬人士支付酬金，以作為邀請加入或加入本集團後的獎勵或離職補償（2017年：無）。

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13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃基於下列數據計算得出：

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Earnings	盈利		
Earnings for the purpose of basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	用以計算每股基本及攤薄盈利之盈利(本公司擁有人應佔年內溢利)	530	9,798
		2018 '000 千股	2017 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利之普通股加權平均數	1,090,847	1,020,672
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之影響：		
– Share options	– 購股權	3,794	9,397
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利之普通股加權平均數	1,094,641	1,030,069

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14. DIVIDENDS

14. 股息

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Dividends recognised as distribution during the year	於年內確認作分派的股息		
– 2017 Final – HK\$0.01 (2016: HK\$0.01) per share	– 2017年末期股息 – 每股0.01港元 (2016年: 0.01港元)	10,888	10,853
– 2018 Interim – HK\$0.01 (2017: HK\$0.01) per share	– 2018年中期股息 – 每股0.01港元 (2017年: 0.01港元)	10,935	10,858
– 2017 Special – HK\$0.01 per share	– 2017年特別股息 – 每股0.01港元	–	10,858
		21,823	32,569

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2018 of HK\$0.01 (2017: HK\$0.01) per ordinary share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

於報告期末後，董事已建議派付截至2018年3月31日止年度之末期股息每股普通股0.01港元（2017年：0.01港元），惟須獲股東於應屆股東大會上批准。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Leasehold land held for own use 持作自用的 租賃土地 HK\$'000 港幣千元	Building held for own use 持作自用 的樓宇 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Furniture and equipment 傢俬及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Leasehold improvements and fixtures 租賃物業 裝修及裝置 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Cost	成本							
At 1 April 2016	於2016年4月1日	18,603	17,277	-	8,939	6,874	8,298	59,991
Additions	添置	67,233	8,040	-	1,999	2,439	3,217	82,928
Transfer from investment property	自投資物業轉撥	-	1,005	-	-	-	-	1,005
Disposals	出售	-	-	-	-	(815)	-	(815)
Exchange adjustments	匯兌調整	-	(668)	-	(54)	(48)	(197)	(967)
At 31 March 2017	於2017年3月31日	85,836	25,654	-	10,884	8,450	11,318	142,142
Additions	添置	-	-	4,640	2,829	726	7,384	15,579
Disposals	出售	-	-	-	(485)	-	(133)	(618)
Exchange adjustments	匯兌調整	-	1,235	180	305	104	524	2,348
At 31 March 2018	於2018年3月31日	85,836	26,889	4,820	13,533	9,280	19,093	159,451
Accumulated depreciation	累計折舊							
At 1 April 2016	於2016年4月1日	1,100	1,706	-	6,713	4,484	5,239	19,242
Provided for the year	年度撥備	2,007	755	-	1,035	1,409	1,225	6,431
Eliminated on disposals	於出售時對銷	-	-	-	-	(781)	-	(781)
Exchange adjustments	匯兌調整	-	(43)	-	4	(33)	(77)	(149)
At 31 March 2017	於2017年3月31日	3,107	2,418	-	7,752	5,079	6,387	24,743
Provided for the year	年度撥備	2,733	872	-	1,632	1,485	2,318	9,040
Eliminated on disposals	於出售時對銷	-	-	-	(431)	-	(119)	(550)
Exchange adjustments	匯兌調整	-	119	-	177	54	284	634
At 31 March 2018	於2018年3月31日	5,840	3,409	-	9,130	6,618	8,870	33,867
Carrying amounts	賬面值							
At 31 March 2018	於2018年3月31日	79,996	23,480	4,820	4,403	2,662	10,223	125,584
At 31 March 2017	於2017年3月31日	82,729	23,236	-	3,132	3,371	4,931	117,399

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15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Leasehold land held for own use	Over the lease term
Building held for own use	3%
Furniture and equipment	20% – 50%
Motor vehicles	20% – 25%
Leasehold improvements and fixtures	25% or over the lease term whichever is the shorter

15. 物業、廠房及設備 (續)

除在建工程外，上述物業、廠房及設備項目以直線法按下列年率折舊：

持作自用的租賃土地	按租賃期
持作自用的樓宇	3%
傢俬及設備	20%–50%
汽車	20%–25%
租賃物業裝修及裝置	25%或按租賃期(以較短者為準)

16. PREPAID LEASE PAYMENTS

16. 預付租賃款項

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
At the beginning of year	於年初	31,335	28,369
Addition	添置	21,300	–
Transfer from investment property	自投資物業轉撥	–	5,542
Amortisation of prepaid lease payments	預付租賃款項之攤銷	(1,360)	(954)
Exchange adjustments	匯兌調整	4,076	(1,622)
At the end of year	於年末	55,351	31,335

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Analysed for reporting purposes as:	就申報而言之分析：		
Current asset (included in trade and other receivables)	流動資產(已包括在貿易及其他應收款項內)	1,623	1,067
Non-current asset	非流動資產	53,728	30,268
		55,351	31,335

The Group's prepaid lease payments comprise leasehold land located in the PRC.

本集團的預付租賃款項包括位於中國的租賃土地。

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17. INVESTMENT PROPERTY

17. 投資物業

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
At the beginning of year	於年初	-	6,289
Change in fair value recognised in profit or loss	於損益確認之公平值變動	-	729
Transfer to property, plant and equipment and prepaid lease payments	轉撥至物業、廠房及設備以及預付租賃款項	-	(6,547)
Exchange adjustments	匯兌調整	-	(471)
At the end of year	於年末	-	-

The Group's property interest held under operating lease to earn rentals or for capital appreciation purpose is measured using the fair value model and is classified and accounted for as investment property.

The fair value of the Group's investment property as at the date of transfer to property, plant and equipment and prepaid lease payments has been arrived at on the basis of a valuation carried out on that date by Chung Hin Appraisal Limited, independent qualified professional valuers not connected to the Group.

The fair value of the Group's investment property was determined based on direct comparison method assuming sale of the property interest in its existing state and making references to comparable market observable transactions of similar properties in the same locations and conditions as available in the relevant market.

根據經營租賃持有以賺取租金或作資本增值用途之本集團物業權益乃使用公平值模式計量，並分類及入賬為投資物業。

本集團投資物業於轉讓物業、廠房及設備及預付租賃款項日期之公平值乃由與本集團概無關連的獨立合資格專業估值師中衍評值有限公司按該日進行之估值為基準達致。

本集團投資物業之公平值按直接比較法釐定，假設物業權益按其現況銷售，並經參考於相關市場所供應擁有相同位置及條件的同類物業的可於市場觀察比較的交易。

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18. INTANGIBLE ASSETS

18. 無形資產

		Licenses 牌照 HK\$'000 港幣千元
Cost	成本	
At 1 April 2016, 31 March 2017 and 31 March 2018	於2016年4月1日、2017年3月31日及 2018年3月31日	5,090
Accumulated amortisation	累計攤銷	
At 1 April 2016	於2016年4月1日	1,610
Charge for the year	年度開支	1,932
At 31 March 2017	於2017年3月31日	3,542
Charge for the year	年度開支	1,548
At 31 March 2018	於2018年3月31日	5,090
Carrying amounts	賬面值	
At 31 March 2018	於2018年3月31日	-
At 31 March 2017	於2017年3月31日	1,548

The licenses have finite useful lives and are amortised on a straight-line basis over 2.5 years.

該等牌照具有確定可用年期，並按直線基準於2.5年內攤銷。

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19. DEPOSIT AND PREPAYMENTS FOR LIFE INSURANCE POLICIES

In 2013, Tai Wo Tong Pharmaceutical (Hong Kong) Company Limited (“Tai Wo Tong Pharmaceutical”) entered into life insurance policies with an insurance company to insure Mr. Pang Siu Hin and Ms. Kwan Lai Man, the directors of the Company. Under the policies, Tai Wo Tong Pharmaceutical is the beneficiary and policy holder and the total insured sum is US\$2,000,000 (equivalent to approximately HK\$15,600,000). Tai Wo Tong Pharmaceutical is required to pay upfront deposits of US\$671,383 (equivalent to approximately HK\$5,237,000) including premium charges at inception of the policies amounting to US\$40,283 (equivalent to approximately HK\$314,000). Tai Wo Tong Pharmaceutical can terminate the policies at any time and receive cash back based on the cash value of the policies at the date of withdrawal, which is determined by the upfront payments of US\$671,383 plus accumulated interest earned and minus the accumulated insurance charge and policy expense charge (“Cash Value”). In addition, if withdrawal is made, there is a specified amount of surrender charge. The insurance company will pay Tai Wo Tong Pharmaceutical a guaranteed interest of 4.0% per annum for the first three years, followed by minimum guaranteed interest rate of 2.25% per annum or above 2.25% per annum for the following years.

At 31 March 2018, the deposit and prepayments for life insurance policies amounted to approximately HK\$5,170,000 (2017: HK\$5,010,000), with approximately HK\$57,000 (2017: HK\$56,000) being included in trade and other receivables.

The deposit and prepayments for life insurance policies are denominated in United States Dollar (“US\$”).

20. AVAILABLE-FOR-SALE INVESTMENTS

19. 人壽保單之按金及預付款項

於2013年，太和堂製藥（香港）有限公司（「太和堂製藥」）與保險公司訂立人壽保單，為本公司董事彭少衍先生及關麗雯女士投保。根據保單，太和堂製藥為受益人及保單持有人，且保額總值為2,000,000美元（相當於約15,600,000港元）。太和堂製藥須支付預付按金671,383美元（相當於約5,237,000港元），包括保單生效日期的保費40,283美元（相當於約314,000港元）。太和堂製藥可隨時終止保單，並按撤銷日期之保單現金價值收回現金，此由預付款項671,383美元加累計已賺利息減累計保費及保費開支（「現金價值」）所釐定。此外，倘撤銷投保，則須支付指定金額之退保手續費。保險公司將於首三年向太和堂製藥支付每年4.0%的保證利息，其後年度按最低保證利率每年2.25%或每年2.25%以上支付。

於2018年3月31日，人壽保單之按金及預付款項為約5,170,000港元（2017年：5,010,000港元），約57,000港元（2017年：56,000港元）乃計入貿易及其他應收款項。

人壽保單之按金及預付款項乃以美元（「美元」）計值。

20. 可供出售投資

	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Equity securities listed in Hong Kong 於香港上市的股本證券	573,392	408,552

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20. AVAILABLE-FOR-SALE INVESTMENTS

(Continued)

The fair value of the above equity securities listed in Hong Kong at the date of approval of these consolidated financial statements was approximately HK\$457,037,000.

Included in equity securities listed in Hong Kong above as at 31 March 2018 is the Group's investment in Fullshare Holdings Limited ("Fullshare"), a company incorporated in the Cayman Islands, with a carrying amount of approximately HK\$516,628,000 (2017: HK\$408,552,000). The investment represents a 0.60% (2017: 0.60%) holding of the ordinary shares of Fullshare and more than 10% (2017: 10%) of the Group's total assets as at 31 March 2018.

20. 可供出售投資 (續)

於綜合財務報表批准日，上述香港上市股本證券的公平值為約457,037,000港元。

上述於2018年3月31日之香港上市股本證券包括本集團於豐盛控股有限公司（「豐盛」，一間於開曼群島註冊成立之公司）之投資，賬面值為約516,628,000港元（2017年：408,552,000港元）。該投資相當於持有豐盛約0.60%（2017年：0.60%）之普通股及超過本集團於2018年3月31日資產總值之10%（2017年：10%）。

21. INVENTORIES

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Raw materials	原材料	1,236	1,303
Finished products for resale	供重售成品	8,354	7,596
		9,590	8,899

21. 存貨

22. TRADE AND OTHER RECEIVABLES

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Trade receivables	貿易應收款項	21,780	16,651
Prepayments to suppliers	向供應商預付款項	2	1,463
Prepaid lease payments	預付租賃款項	1,623	1,067
Prepayments for other expenses	其他開支預付款項	18,407	9,882
Other deposits (mainly including rental and building management fee deposits)	其他按金（主要包括租金及樓宇管理費按金）	5,133	3,626
Other receivables	其他應收款項	1,691	873
		48,636	33,562

22. 貿易及其他應收款項

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22. TRADE AND OTHER RECEIVABLES

(Continued)

The following is an aging analysis of the Group's trade receivables at the end of the reporting period, presented based on invoice date:

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
0-30 days	0至30天	8,825	7,433
31-60 days	31至60天	6,991	4,604
61-90 days	61至90天	3,797	3,833
Over 90 days	超過90天	2,167	781
		21,780	16,651

The Group's sales to most customers are made on cash on delivery, whilst the Group generally allows an average credit period of 60 days (with 15 days of grace period in certain cases) to certain major trade customers with established trading records.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers.

Trade receivables disclosed above include amounts (see below for aging analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

22. 貿易及其他應收款項 (續)

以下為於報告期末本集團的貿易應收款項的賬齡分析(按發票日期呈列):

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
0-30 days	0至30天	8,825	7,433
31-60 days	31至60天	6,991	4,604
61-90 days	61至90天	3,797	3,833
Over 90 days	超過90天	2,167	781
		21,780	16,651

本集團向大部分客戶的銷售以貨銀兩訖方式進行，而本集團一般授予交易記錄良好的若干主要貿易客戶60天的平均信貸期，若干情況下亦享有15天寬限期。

於接納任何新客戶前，本集團評估潛在客戶的信貸質素及按客戶釐定信貸限額。

上文披露之貿易應收款項包括於報告期末已逾期的金額(見下文賬齡分析)，但由於信貸質素並無出現重大變動及有關金額仍被視為可收回，本集團並無就有關金額確認呆賬撥備。本集團並無就該等結餘持有任何抵押品或其他信貸增級，亦無以本集團欠付交易對手的任何款項抵銷該等結餘之法定權利。

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22. TRADE AND OTHER RECEIVABLES

(Continued)

Aging of trade receivables that are past due but not impaired

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
61–90 days	61至90天	3,797	3,833
Over 90 days	超過90天	2,167	781
		5,964	4,614

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of each reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

At the end of the reporting period, the amount due from a company controlled by a relative of Mr. Pang Siu Hin included in the Group's trade receivables are:

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Brighten Hong Limited ("Brighten Hong")	銘輝行有限公司 ("銘輝行")	293	588

23. HELD FOR TRADING INVESTMENTS

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Equity securities listed in Hong Kong	於香港上市的股本證券	8,986	–

22. 貿易及其他應收款項 (續)

已逾期但未減值的貿易應收款項賬齡

在釐定貿易應收款項是否可收回時，本集團考慮由初始授出信貸當日起至各報告期末，有關貿易應收款項的信貸質素是否出現任何變動。由於客戶群較大及客戶之間互不關連，故信貸風險的集中程度有限。

於報告期末，計入本集團貿易應收款項中的應收由彭少衍先生一名親戚控制的公司的款項為：

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24. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.001% to 3.6% (2017: 0.001% to 4.8%) per annum.

At 31 March 2018, certain of the Group's bank balances and cash with an aggregate amount of approximately HK\$128,939,000 (2017: HK\$151,678,000) were denominated in Renminbi ("RMB") which is not a freely convertible currency in the international market. The government of the PRC has implemented foreign exchange control and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the government of the PRC.

24. 銀行結餘及現金

銀行結餘按每年0.001%至3.6% (2017年: 0.001%至4.8%) 的市場利率計息。

於2018年3月31日，本集團總額約為128,939,000港元 (2017年: 151,678,000港元) 的若干銀行結餘及現金以人民幣 (「人民幣」) 計值，而人民幣並非國際市場上的自由兌換貨幣。中國政府已實行外匯管制，資金匯出中國境外須受中國政府實施的匯兌限制所規限。

25. TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項	9,504	9,571
Receipts in advance	預收款項	1,628	5,443
Accruals (mainly including salaries and advertising expenses)	應計費用 (主要包括薪金及廣告開支)	19,172	13,923
		30,304	28,937

The following is an aging analysis of the Group's trade payables at the end of the reporting period, presented based on invoice date:

0-30 days	0至30天	8,732	7,686
31-60 days	31至60天	681	1,169
61-90 days	61至90天	9	390
Over 90 days	超過90天	82	326
		9,504	9,571

25. 貿易及其他應付款項

	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Trade payables	9,504	9,571
Receipts in advance	1,628	5,443
Accruals (mainly including salaries and advertising expenses)	19,172	13,923
	30,304	28,937

以下為於報告期末本集團的貿易應付款項的賬齡分析 (按發票日期呈列) :

	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
0-30 days	8,732	7,686
31-60 days	681	1,169
61-90 days	9	390
Over 90 days	82	326
	9,504	9,571

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26. DEFERRED TAXATION

The following are the major deferred tax liabilities/(assets) recognised and movements thereon during the current and prior years:

26. 遞延稅項

於本年度及過往年度已確認的主要遞延稅項負債／(資產)及其變動如下：

		Accelerated tax depreciation	Fair value adjustments on acquisition	Tax losses	Total
		加速稅項折舊	公平值調整 收購之	稅項虧損	總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 April 2016	於2016年4月1日	–	574	(574)	–
(Credit)/Charge to profit or loss	(計入)／扣自損益	–	(319)	319	–
At 31 March 2017	於2017年3月31日	–	255	(255)	–
Charge/(Credit) to profit or loss	扣自／(計入)損益	49	(255)	206	–
At 31 March 2018	於2018年3月31日	49	–	(49)	–

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26. DEFERRED TAXATION (Continued)

At 31 March 2018, the Group has unused tax losses of approximately HK\$46,758,000 (2017: HK\$22,220,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$294,000 (2017: HK\$1,548,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$46,464,000 (2017: HK\$20,672,000) due to the unpredictability of future profit streams. The tax losses in Hong Kong may carry forward indefinitely. The unrecognised tax losses in the PRC will expire as follows:

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Tax losses expiring in	於下列時間屆滿的稅項虧損		
– 2017 to 2018	– 2017年至2018年	–	814
– 2018 to 2019	– 2018年至2019年	950	858
– 2019 to 2020	– 2019年至2020年	–	–
– 2020 to 2021	– 2020年至2021年	4,082	3,691
– 2021 to 2022	– 2021年至2022年	2,438	2,203
– 2022 to 2023	– 2022年至2023年	13,855	–
		21,325	7,566

At 31 March 2018, the Group has deductible temporary differences of approximately HK\$399,000 (2017: HK\$220,000). No deferred tax asset has been recognised in relation to such deductible temporary difference due to the unpredictability of future profit streams.

26. 遞延稅項 (續)

於2018年3月31日，本集團的未動用稅項虧損約為46,758,000港元（2017年：22,220,000港元），可用作抵銷未來溢利。已就該等虧損中約294,000港元（2017年：1,548,000港元）確認遞延稅項資產。由於未來溢利難以估計，故並無就餘下46,464,000港元（2017年：20,672,000港元）確認遞延稅項資產。香港稅項虧損可無限期結轉。未確認的中國稅項虧損將於下列時間屆滿：

於2018年3月31日，本集團的可扣減暫時性差異約為399,000港元（2017年：220,000港元）。由於未來溢利難以估計，故並無就有關可扣減暫時性差異確認遞延稅項資產。

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27. SHARE CAPITAL

27. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 港幣千元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股		
Authorised:	法定：		
At 1 April 2016, 31 March 2017 and 31 March 2018	於2016年4月1日、 2017年3月31日及 2018年3月31日	2,000,000,000	200,000
Issued and fully paid:	已發行及繳足：		
At 1 April 2016	於2016年4月1日	800,468,000	80,047
Issue of shares by subscription (Note (i))	以認購方式發行股份 (附註(i))	280,000,000	28,000
Issue of shares on exercise of share options (Note (ii))	因行使購股權而發行股份 (附註(ii))	9,648,000	965
At 31 March 2017	於2017年3月31日	1,090,116,000	109,012
Shares repurchased and cancelled (Note (iii))	購回及註銷股份 (附註(iii))	(1,336,000)	(134)
Issue of shares on exercise of share options (Note (iv))	因行使購股權而發行股份 (附註(iv))	4,728,000	473
At 31 March 2018	於2018年3月31日	1,093,508,000	109,351

Notes:

- (i) On 27 April 2016, Fullshare entered into a conditional subscription agreement with the Company for the subscription of 250,000,000 ordinary shares of the Company at HK\$1.18 per share. On the same day, Zall Capital Limited also entered into a conditional subscription agreement with the Company for the subscription of 30,000,000 ordinary shares of the Company at HK\$1.18 per share. All these shares rank pari passu with existing shares in all respects.
- (ii) During the year ended 31 March 2017, 9,108,000 share options were exercised at a subscription price of HK\$0.826 per share and 540,000 share options were exercised at a subscription price of HK\$1.46 per share, resulting in the issue of 9,648,000 ordinary shares of HK\$0.10 each. All these shares rank pari passu with existing shares in all respects.

附註：

- (i) 於2016年4月27日，豐盛與本公司訂立有條件認購協議，以按每股股份1.18港元之價格認購本公司250,000,000股普通股。同日，Zall Capital Limited亦與本公司訂立有條件認購協議，以按每股股份1.18港元之價格認購本公司30,000,000股普通股。所有該等股份在各方面與現有股份享有同等地位。
- (ii) 截至2017年3月31日止年度，9,108,000份購股權按每股0.826港元的認購價獲行使及540,000份購股權按每股1.46港元的認購價獲行使，導致9,648,000股每股面值0.10港元的普通股獲發行。所有該等股份在各方面與現有股份享有同等地位。

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27. SHARE CAPITAL (Continued)

Notes: (Continued)

- (iii) During the year, the Company repurchased its own ordinary shares through the Stock Exchange as follows:

Month of repurchase 購回月份	Number of ordinary shares 普通股數目	Price per share 每股價格		Aggregate consideration paid 已付總代價 HK\$'000 港幣千元
		Highest 最高 HK\$ 港幣	Lowest 最低 HK\$ 港幣	
April 四月	1,336,000	1.3500	1.3379	1,790

The above ordinary shares were cancelled upon repurchase.

- (iv) On 31 October 2017, 4,728,000 share options were exercised at a subscription price of HK\$0.826 per share, resulting in the issue of 4,728,000 ordinary shares of HK\$0.10 each. All these shares rank pari passu with existing shares in all respects.

27. 股本 (續)

附註：(續)

- (iii) 年內，本公司通過聯交所購回其自身普通股如下：

Month of repurchase 購回月份	Number of ordinary shares 普通股數目	Price per share 每股價格		Aggregate consideration paid 已付總代價 HK\$'000 港幣千元
		Highest 最高 HK\$ 港幣	Lowest 最低 HK\$ 港幣	
April 四月	1,336,000	1.3500	1.3379	1,790

上述普通股已於購回後註銷。

- (iv) 於2017年10月31日，4,728,000份購股權按認購價每股0.826港元獲行使，導致4,728,000股每股面值0.10港元的普通股獲發行。所有該等股份在各方面與現有股份享有同等地位。

28. SHARE-BASED PAYMENTS

Pre-IPO Share Option Scheme

The Company's pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") was adopted pursuant to a resolution passed on 25 September 2014 to recognise the contribution of certain employees, executives or officers of the Group who have made or will make to the growth of the Group.

The maximum number of shares in respect of which options might be granted under the Pre-IPO Share Option Scheme was 24,640,000.

No further options could be granted by the Company under the Pre-IPO Share Option Scheme upon the listing of the Company's shares on the Main Board of the Stock Exchange.

28. 以股份為基礎的付款

首次公開發售前購股權計劃

本公司首次公開發售前購股權計劃（「首次公開發售前購股權計劃」）根據2014年9月25日通過之決議案獲採納，以肯定本集團若干僱員、行政人員或高級人員對本集團的發展所作出或將會作出的貢獻。

根據首次公開發售前購股權計劃可能授出之購股權所涉及的股份數目最多不會超過24,640,000股。

本公司股份於聯交所主板上市後，本公司不得根據首次公開發售前購股權計劃進一步授出購股權。

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28. SHARE-BASED PAYMENTS (Continued)

Pre-IPO Share Option Scheme (Continued)

At 31 March 2018, the number of shares in respect of which options had been granted and remained outstanding under the Pre-IPO Share Option Scheme was 9,216,000 (2017: 14,064,000), representing 0.84% (2017: 1.29%) of the shares of the Company in issue at that date.

Details of the share options granted under the Pre-IPO Share Option Scheme are as follows:

Tranche 批次	Date of grant 授出日期	Number of options granted 購股權授出數目	Exercise price per share 每股行使價	Vesting period 歸屬期	Exercisable period 行使期
1	25/09/2014	23,040,000	HK\$0.826港元	25/09/2014 – 15/10/2019	16/10/2015 – 24/09/2024
2	25/09/2014	1,600,000	HK\$0.826港元	25/09/2014 – 15/10/2017	16/10/2015 – 24/09/2024

Notes:

- (a) Tranche 1 options granted under the Pre-IPO Share Option Scheme shall vest as follows:
- (i) 20% of the options shall vest on 16 October 2015 and exercisable from 16 October 2015 to 24 September 2024;
 - (ii) 20% of the options shall vest on 16 October 2016 and exercisable from 16 October 2016 to 24 September 2024;
 - (iii) 20% of the options shall vest on 16 October 2017 and exercisable from 16 October 2017 to 24 September 2024;
 - (iv) 20% of the options shall vest on 16 October 2018 and exercisable from 16 October 2018 to 24 September 2024; and
 - (v) 20% of the options shall vest on 16 October 2019 and exercisable from 16 October 2019 to 24 September 2024.

28. 以股份為基礎的付款 (續)

首次公開發售前購股權計劃 (續)

於2018年3月31日，根據首次公開發售前購股權計劃授出及尚未行使的購股權涉及的股份數目為9,216,000股（2017年：14,064,000股），相當於本公司於該日已發行股份之約0.84%（2017年：1.29%）。

根據首次公開發售前購股權計劃而授出的購股權之詳情如下：

附註：

- (a) 根據首次公開發售前購股權計劃而授出的批次1購股權將歸屬如下：
- (i) 20%的購股權將於2015年10月16日歸屬及可於2015年10月16日至2024年9月24日期間行使；
 - (ii) 20%的購股權將於2016年10月16日歸屬及可於2016年10月16日至2024年9月24日期間行使；
 - (iii) 20%的購股權將於2017年10月16日歸屬及可於2017年10月16日至2024年9月24日期間行使；
 - (iv) 20%的購股權將於2018年10月16日歸屬及可於2018年10月16日至2024年9月24日期間行使；及
 - (v) 20%的購股權將於2019年10月16日歸屬及可於2019年10月16日至2024年9月24日期間行使。

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28. SHARE-BASED PAYMENTS (Continued)

Pre-IPO Share Option Scheme (Continued)

Notes: (Continued)

- (b) Tranche 2 options granted under the Pre-IPO Share Option Scheme shall vest as follows:
- (i) 30% of the options shall vest on 16 October 2015 and exercisable from 16 October 2015 to 24 September 2024;
- (ii) 30% of the options shall vest on 16 October 2016 and exercisable from 16 October 2016 to 24 September 2024; and
- (iii) 40% of the options shall vest on 16 October 2017 and exercisable from 16 October 2017 to 24 September 2024.

The following table discloses movements of the Company's share options under the Pre-IPO Share Option Scheme during the year:

Category of participant 參與者類別	Tranche 批次	Outstanding at 01/04/2017 於2017年4月1日 未行使	Exercised during the year 年內行使 數目	Forfeited during the year 年內沒收 數目	Outstanding at 31/03/2018 於2018年3月31日 未行使
Directors 董事	1	12,960,000	(4,320,000)	-	8,640,000
Employees 僱員	1	864,000	(288,000)	-	576,000
	2	240,000	(120,000)	(120,000)	-
		14,064,000	(4,728,000)	(120,000)	9,216,000
Exercisable at the end of the year 於年末可行使					-
Weighted average exercise price 行使價加權平均數		HK\$0.826港元	HK\$0.826港元	HK\$0.826港元	HK\$0.826港元

28. 以股份為基礎的付款 (續)

首次公開發售前購股權計劃 (續)

附註：(續)

- (b) 根據首次公開發售前購股權計劃而授出的批次2購股權將歸屬如下：
- (i) 30%的購股權將於2015年10月16日歸屬及可於2015年10月16日至2024年9月24日期間行使；
- (ii) 30%的購股權將於2016年10月16日歸屬及可於2016年10月16日至2024年9月24日期間行使；及
- (iii) 40%的購股權將於2017年10月16日歸屬及可於2017年10月16日至2024年9月24日期間行使。

下表披露年內本公司於首次公開發售前購股權計劃下之購股權變動：

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28. SHARE-BASED PAYMENTS (Continued)

Pre-IPO Share Option Scheme (Continued)

The following table discloses movements of the Company's share options under the Pre-IPO Share Option Scheme during the prior year:

Category of participant	Tranche	Outstanding at 01/04/2016 於2016年4月1日 未行使	Exercised during the year 年內行使 數目	Forfeited during the year 年內沒收 數目	Outstanding at 31/03/2017 於2017年3月31日 未行使
參與者類別	批次				
Directors 董事	1	21,600,000	(8,640,000)	-	12,960,000
Employees 僱員	1	1,152,000	(288,000)	-	864,000
	2	420,000	(180,000)	-	240,000
		23,172,000	(9,108,000)	-	14,064,000
Exercisable at the end of the year 於年末可行使					-
Weighted average exercise price 行使價加權平均數		HK\$0.826港元	HK\$0.826港元	-	HK\$0.826港元

In respect of the share options exercised during the year, the weighted average share price at the date of exercise is HK\$1.47 (2017: HK\$2.23).

28. 以股份為基礎的付款 (續)

首次公開發售前購股權計劃 (續)

下表披露上一年度本公司於首次公開發售前購股權計劃下之購股權變動：

就年內獲行使之購股權而言，於行使日期之加權平均股價為1.47港元（2017年：2.23港元）。

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28. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 25 September 2014. The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contribution that the eligible participants have made or may make to the Group. The Share Option Scheme will remain in force for a period of ten years commencing on the effective date of the Share Option Scheme.

Under the Share Option Scheme, the board of directors of the Company may grant options to any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company to subscribe for the shares of the Company.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 30% of the shares of the Company in issue from time to time. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year shall not exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

28. 以股份為基礎的付款 (續)

購股權計劃

本公司根據2014年9月25日通過的決議案採納購股權計劃(「購股權計劃」)。購股權計劃為股份激勵機制，旨在表彰及嘉許合資格參與者已向或可能向本集團作出之貢獻。購股權計劃之有效期為自購股權計劃之生效日起計十年。

根據購股權計劃，本公司董事會可向本集團或本集團持有權益之公司或該公司之附屬公司之任何董事、僱員、顧問、專業人士、客戶、供應商、代理商、合夥人或諮詢人或承包商授出可認購本公司股份之購股權。

根據購股權計劃及本公司任何其他購股權計劃，可授出之購股權涉及之最高股份數目，合共不得超過本公司不時已發行股份之30%。在未得到本公司股東事先批准之情況下，於任何一年向任何個別人士已授出及可能授出之購股權涉及之已發行及將予發行股份數目不得超過本公司任何時間已發行股份之1%。倘向主要股東或獨立非執行董事授出之購股權超過本公司股本之0.1%或價值超過5,000,000港元，則須事先得到本公司股東批准。

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28. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme (Continued)

Upon acceptance of the option, the grantee shall pay HK\$1 to the Company by way of consideration for the grant. Options may be exercised in accordance with the terms of the Share Option Scheme at any time during the period as the board of directors may determine in granting the option but in any event not exceeding ten years from the date of grant.

The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

At 31 March 2018, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 6,270,000 (2017: 4,110,000), representing 0.57% (2017: 0.38%) of the shares of the Company in issue at that date.

Details of the share options granted under the Share Option Scheme are as follows:

Tranche 批次	Date of grant 授出日期	Number of options granted 購股權授出數目	Exercise price per share 每份行使價	Vesting period 歸屬期	Exercisable period 行使期
1	28/04/2015	2,400,000	HK\$1.460港元	28/04/2015 – 27/04/2018	28/04/2016 – 27/04/2025
4	03/10/2016	2,160,000	HK\$2.144港元	03/10/2016 – 02/10/2019	03/10/2017 – 02/10/2026
5	18/11/2016	90,000	HK\$2.264港元	18/11/2016 – 17/11/2019	18/11/2017 – 17/11/2026
6	21/12/2017	2,160,000	HK\$1.412港元	21/12/2017 – 20/12/2020	21/12/2018 – 20/12/2027

28. 以股份為基礎的付款 (續)

購股權計劃 (續)

接納購股權後，承授人須向本公司繳付1港元，作為獲授購股權之代價。購股權可根據購股權計劃之條款於董事會可能釐定之授出購股權期間（惟無論如何不得超過由授出日期起計十年）內任何時間予以行使。

行使價由本公司董事釐定，惟價格不得低於(i)授出日期本公司股份之收市價；(ii)緊接授出日期前五個營業日股份之平均收市價；及(iii)本公司股份之面值之較高者。

於2018年3月31日，根據購股權計劃已授出但尚未行使之購股權所涉及之股份數目為6,270,000股（2017年：4,110,000股），相當於本公司於該日已發行股份之0.57%（2017年：0.38%）。

根據購股權計劃而授出的購股權之詳情如下：

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28. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme (Continued)

Notes:

- (a) Tranche 1 options granted under the Share Option Scheme shall vest as follows:
- (i) 30% of the options shall vest on 28 April 2016 and exercisable from 28 April 2016 to 27 April 2025;
 - (ii) 30% of the options shall vest on 28 April 2017 and exercisable from 28 April 2017 to 27 April 2025; and
 - (iii) 40% of the options shall vest on 28 April 2018 and exercisable from 28 April 2018 to 27 April 2025.
- (b) Tranche 4 options granted under the Share Option Scheme shall vest as follows:
- (i) 30% of the options shall vest on 3 October 2017 and exercisable from 3 October 2017 to 2 October 2026;
 - (ii) 30% of the options shall vest on 3 October 2018 and exercisable from 3 October 2018 to 2 October 2026; and
 - (iii) 40% of the options shall vest on 3 October 2019 and exercisable from 3 October 2019 to 2 October 2026.

28. 以股份為基礎的付款 (續)

購股權計劃 (續)

附註：

- (a) 根據購股權計劃而授出的批次1購股權將歸屬如下：
- (i) 30%的購股權將於2016年4月28日歸屬及可於2016年4月28日至2025年4月27日期間行使；
 - (ii) 30%的購股權將於2017年4月28日歸屬及可於2017年4月28日至2025年4月27日期間行使；及
 - (iii) 40%的購股權將於2018年4月28日歸屬及可於2018年4月28日至2025年4月27日期間行使。
- (b) 根據購股權計劃而授出的批次4購股權將歸屬如下：
- (i) 30%的購股權將於2017年10月3日歸屬及可於2017年10月3日至2026年10月2日期間行使；
 - (ii) 30%的購股權將於2018年10月3日歸屬及可於2018年10月3日至2026年10月2日期間行使；及
 - (iii) 40%的購股權將於2019年10月3日歸屬及可於2019年10月3日至2026年10月2日期間行使。

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28. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme (Continued)

Notes: (Continued)

- (c) Tranche 5 options granted under the Share Option Scheme shall vest as follows:
- (i) 30% of the options shall vest on 18 November 2017 and exercisable from 18 November 2017 to 17 November 2026;
 - (ii) 30% of the options shall vest on 18 November 2018 and exercisable from 18 November 2018 to 17 November 2026; and
 - (iii) 40% of the options shall vest on 18 November 2019 and exercisable from 18 November 2019 to 17 November 2026.
- (d) Tranche 6 options granted under the Share Option Scheme shall vest as follows:
- (i) 30% of the options shall vest on 21 December 2018 and exercisable from 21 December 2018 to 20 December 2027;
 - (ii) 30% of the options shall vest on 21 December 2019 and exercisable from 21 December 2019 to 20 December 2027; and
 - (iii) 40% of the options shall vest on 21 December 2020 and exercisable from 21 December 2020 to 20 December 2027.

28. 以股份為基礎的付款 (續)

購股權計劃 (續)

附註：(續)

- (c) 根據購股權計劃而授出的批次5購股權將歸屬如下：
- (i) 30%的購股權將於2017年11月18日歸屬及可於2017年11月18日至2026年11月17日期間行使；
 - (ii) 30%的購股權將於2018年11月18日歸屬及可於2018年11月18日至2026年11月17日期間行使；及
 - (iii) 40%的購股權將於2019年11月18日歸屬及可於2019年11月18日至2026年11月17日期間行使。
- (d) 根據購股權計劃而授出的批次6購股權將歸屬如下：
- (i) 30%的購股權將於2018年12月21日歸屬及可於2018年12月21日至2027年12月20日期間行使；
 - (ii) 30%的購股權將於2019年12月21日歸屬及可於2019年12月21日至2027年12月20日期間行使；及
 - (iii) 40%的購股權將於2020年12月21日歸屬及可於2020年12月21日至2027年12月20日期間行使。

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28. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme (Continued)

The following table discloses movements of the Company's share options under the Share Option Scheme during the year:

Category of participant 參與者類別	Tranche 批次	Outstanding at 01/04/2017 於2017年4月1日 未行使	Granted during the year 年內授出 數目	Exercised during the year 年內行使 數目	Outstanding at 31/03/2018 於2018年3月31日 未行使
Directors 董事	1 4 6	1,050,000 2,160,000 -	- - 2,160,000	- - -	1,050,000 2,160,000 2,160,000
Employees 僱員	1 5	210,000 90,000	- -	- -	210,000 90,000
Consultant 顧問	1	600,000	-	-	600,000
		4,110,000	2,160,000	-	6,270,000
Exercisable at the end of the year 於年末可行使					1,575,000
Weighted average exercise price 行使價加權平均數		HK\$1.837港元	HK\$1.412港元	-	HK\$1.691港元

28. 以股份為基礎的付款 (續)

購股權計劃 (續)

下表披露年內本公司於購股權計劃下之購股權變動：

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28. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme (Continued)

The following table discloses movements of the Company's share options under the Share Option Scheme during the prior year:

Category of participant	Tranche	Outstanding at 01/04/2016 於2016年4月1日 未行使	Granted during the year 年內授出 數目	Exercised during the year 年內行使 數目	Outstanding at 31/03/2017 於2017年3月31日 未行使
參與者類別	批次				
Directors	1	1,500,000	-	(450,000)	1,050,000
董事	4	-	2,160,000	-	2,160,000
Employees	1	300,000	-	(90,000)	210,000
僱員	5	-	90,000	-	90,000
Consultant	1	600,000	-	-	600,000
顧問					
		2,400,000	2,250,000	(540,000)	4,110,000
Exercisable at the end of the year 於年末可行使					180,000
Weighted average exercise price 行使價加權平均數		HK\$1.460港元	HK\$2.149港元	HK\$1.460港元	HK\$1.837港元

In respect of the share options exercised during the year ended 31 March 2017, the weighted average share price at the dates of exercise is HK\$2.78.

During the year ended 31 March 2018, options under the Share Option Scheme were granted to directors on 21 December 2017. The estimated fair value of the options granted under the Share Option Scheme on that date is approximately HK\$1,205,000.

28. 以股份為基礎的付款 (續)

購股權計劃 (續)

下表披露上年本公司於購股權計劃下之購股權變動：

就截至2017年3月31日止年度行使之購股權而言，於行使日期之加權平均股價為2.78港元。

截至2018年3月31日止年度，本公司於2017年12月21日根據購股權計劃授出購股權給董事。於該日，根據購股權計劃授予的購股權估計公平值約為1,205,000港元。

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28. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme (Continued)

During the year ended 31 March 2017, options under the Share Option Scheme were granted to directors and employees on 3 October 2016 and 18 November 2016. The estimated fair values of the options granted under the Share Option Scheme on those dates are approximately HK\$1,394,000 and HK\$82,000 respectively.

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. The inputs into the model were as follows:

Date of grant

授出日期		21/12/2017	18/11/2016	03/10/2016
Share price	股價	HK\$1.410港元	HK\$2.230港元	HK\$2.060港元
Exercise price	行使價	HK\$1.412港元	HK\$2.264港元	HK\$2.144港元
Option life	股權年期	10 years年	10 years年	10 years年
Expected volatility	預期波幅	44.00%	40.68%	40.06%
Dividend yield	股息收益率	1.42%	1.17%	0.97%
Risk-free interest rate	無風險利率	1.84%	1.34%	0.92%

Expected volatility was determined by using the historical volatility of the share prices of comparable companies over the previous ten years.

The Group recognised the total expense of approximately HK\$2,679,000 (2017: HK\$3,743,000) for the year in relation to share options granted by the Company.

28. 以股份為基礎的付款 (續)

購股權計劃 (續)

截至2017年3月31日止年度，本公司於2016年10月3日及2016年11月18日根據購股權計劃授出購股權給董事及僱員。於該等日期，根據購股權計劃授予的購股權估計公平值分別約為1,394,000港元及82,000港元。

二項式期權定價模型已用於估計購股權之公平值。計算購股權之公平值所用之變數及假設乃基於董事之最佳估計。購股權之價值將因若干主觀假設之不同變數而出現變動。該模型之輸入數據如下：

預期波幅乃採用過去十年可比較公司股價之歷史波幅而釐定。

本集團已於本年度確認有關本公司授出之購股權之開支總額約2,679,000港元（2017年：3,743,000港元）。

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29. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

The PRC employees of the Group are members of a state-managed retirement benefit scheme operated by the PRC government. The Group is required to contribute certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expenses recognised in the consolidated statement of profit or loss and other comprehensive income amount to approximately HK\$2,029,000 (2017: HK\$1,768,000) for the year, and represent contributions payable to these schemes by the Group at rates specified in the rules of the schemes.

29. 退休福利計劃

本集團為所有香港的合資格員工提供強制性公積金計劃。計劃的資產獨立於本集團的資產，由受託人控制的基金管理。

本集團的中國僱員乃中國政府設立的國家管理退休福利計劃的成員。本集團須按薪金成本的一定百分比向退休福利計劃作出供款以為該福利出資。本集團就退休福利計劃的責任僅限於作出指定供款。

本年度於綜合損益及其他全面收益表中確認的開支總額約為2,029,000港元（2017年：1,768,000港元），為本集團根據該等計劃規定訂明的比率對該等計劃應付的供款。

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30. RELATED PARTY TRANSACTIONS

30. 關連方交易

(a) Transactions with related parties

During the year, the Group entered into the following significant transactions with related parties:

(a) 與關連方的交易

於本年度，本集團與關連方訂立下列重大交易：

Name of related party 關連方姓名／名稱	Nature of transaction 交易性質	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Mr. Pang Siu Hin and Ms. Kwan Lai Man (executive directors of the Company) 彭少衍先生及關麗雯女士 (本公司執行董事)	Rental expenses for premises (Note (i)) 物業租金開支(附註(i))	2,172	669
Brighten Hong (a company controlled by a relative of Mr. Pang Siu Hin) 銘輝行(由彭少衍先生之 一名親屬控制之公司)	Sales of goods (Note (ii)) 貨品銷售(附註(ii))	3,057	3,562
Five Seasons XIV Limited (a subsidiary of Fullshare (a substantial shareholder of the Company)) Five Seasons XIV Limited (豐盛(本公司主要股東) 之附屬公司)	Purchase of available-for-sale investments (Note (iii)) 購買可供出售投資(附註(iii))	73,112	—

Notes:

- (i) The rental expenses for premises payable to the above related parties are based on tenancy agreements entered into between the parties involved. In the opinion of the Company's directors, these transactions have been entered into on normal commercial terms and in the ordinary and usual course of the Group's business.
- (ii) The sales to Brighten Hong were carried out in the normal course of business at mutually agreed prices and terms.
- (iii) The consideration was determined based on a mutually agreed price with reference to the prevailing market price of the investment.

附註：

- (i) 應付上述關連方的物業租金開支以有關訂約方訂立的租賃協議為基準。本公司董事認為，該等交易乃按正常商業條款並於本集團一般及日常業務過程中訂立。
- (ii) 向銘輝行作出的銷售乃於日常業務過程中按雙方協定的價格及條款進行。
- (iii) 代價乃根據參考投資之當時市價而按雙方協定的價格釐定。

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30. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balance with related party

Details of outstanding balance with related party of the Group at the end of the reporting period are set out in note 22.

(c) Compensation of key management personnel

The emoluments of the Company's directors, who are also identified as members of key management of the Group, are set out in note 11.

30. 關連方交易 (續)

(b) 與關連方的未償還結餘

於報告期末，與本集團關連方的未償還結餘詳情載於附註22。

(c) 主要管理人員的報酬

本公司董事（亦為本集團主要管理層成員）的薪酬載於附註11。

31. OPERATING LEASES

The Group as lessee

Minimum lease payments paid under operating leases	經營租賃項下的最低租賃付款
– Premises	– 物業
– Office equipment	– 辦公室設備

	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
	8,938	5,606
	900	1,023
	9,838	6,629

31. 經營租賃

本集團作為承租人

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31. OPERATING LEASES (Continued)

The Group as lessee (Continued)

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Within one year	一年內	7,648	3,214
In the second to fifth years inclusive	第二至第五年 (首尾兩年包括在內)	17,468	5,041
Over five years	超過五年	10,595	-
		35,711	8,255

Operating lease payments represent rentals payable by the Group for its premises and office equipment.

32. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	就收購物業、廠房及設備已訂約但未在綜合財務報表撥備的資本開支	6,342	3,270
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33. MAJOR NON-CASH TRANSACTION

Part of the consideration for the issue of 250,000,000 shares to Fullshare that occurred during the year ended 31 March 2017 comprised the ordinary shares of Fullshare.

31. 經營租賃 (續)

本集團作為承租人 (續)

於報告期末，本集團根據不可撤銷經營租約的未來最低租賃付款的承擔到期情況如下：

	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Within one year	7,648	3,214
In the second to fifth years inclusive	17,468	5,041
Over five years	10,595	-
	35,711	8,255

經營租賃付款指本集團就其物業及辦公室設備應付之租金。

32. 資本承擔

Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	就收購物業、廠房及設備已訂約但未在綜合財務報表撥備的資本開支	6,342	3,270
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33. 主要非現金交易

就發行250,000,000股股份予豐盛而於截至2017年3月31日止年度產生之部分代價包括豐盛之普通股。

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34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to owners of the Company (comprising issued share capital and reserves).

The Group monitors its capital structure on the basis of gearing ratio. The Group considers the cost of capital and the risks associated with each class of the capital, and will balance the gearing ratio through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

The gearing ratio of the Group at the end of the reporting period was as follows:

34. 資本風險管理

本集團管理其資本以確保本集團之實體得以持續經營，同時通過優化債務與股本之間的平衡以盡量增大股東之回報。本集團整體策略與去年維持不變。

本集團的資本架構包含本公司擁有人應佔權益（包括已發行股本及儲備）。

本集團按資本負債比率之基準監察其資本架構。本集團考慮資本成本及各類資本之相關風險，並將透過支付股息及發行新股，以及發行新債務或贖回現有債務以平衡資本負債比率。

本集團於報告期末之資本負債比率如下：

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Debt (i)	債務(i)	-	-
Equity	權益	983,811	870,555
Gearing ratio	資本負債比率	-%	-%

(i) Debt includes long- and short-term borrowings.

(i) 債務包括長期及短期借款。

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35. FINANCIAL INSTRUMENTS

35. 金融工具

(a) Categories of financial instruments

(a) 金融工具類別

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Financial assets	金融資產		
Available-for-sale investments	可供出售投資	573,392	408,552
Financial assets at FVTPL	按公平值計入損益的金融資產		
– Held for trading investments	– 持作買賣投資	8,986	–
Loans and receivables	貸款及應收款項		
– Deposit and prepayments for life insurance policies	– 人壽保單之按金及預付款項	5,170	5,010
– Trade and other receivables	– 貿易及其他應收款項	27,334	21,118
– Bank balances and cash	– 銀行結餘及現金	186,030	288,851
		218,534	314,979
Financial liabilities	金融負債		
Financial liabilities at amortised cost	按攤銷成本計算之金融負債		
– Trade and other payables	– 貿易及其他應付款項	28,676	23,494

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35. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, held for trading investments, deposit and prepayments for life insurance policies, trade and other receivables, bank balances, trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Foreign currency risk

The Group has certain financial assets and liabilities denominated in foreign currencies, hence risk exposure to exchange rate fluctuations arise. The Group has not entered into any forward contract to hedge against the foreign currency risk exposure. However, management will consider to hedge these balances should the need arise.

35. 金融工具 (續)

(b) 財務風險管理目標及政策

本集團之主要金融工具包括可供出售投資、持作買賣投資、人壽保單之按金及預付款項、貿易及其他應收款項、銀行結餘、貿易及其他應付款項。該等金融工具之詳情於各相應附註披露。與若干該等金融工具相關之風險包括市場風險(包括外幣風險、利率風險及價格風險)、信貸風險及流動資金風險。有關如何減輕該等風險之政策載於下文。管理層對該等風險進行管理及監控以確保能適時有效地採取適當措施。

外幣風險

本集團之若干金融資產及負債以外幣計值，使本集團面臨匯率波動產生之風險。本集團並無訂立任何遠期合約對沖外幣風險。然而，管理層將於有需要時考慮對沖該等結餘。

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35. FINANCIAL INSTRUMENTS (Continued)

35. 金融工具 (續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策 (續)

Foreign currency risk (Continued)

外幣風險 (續)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

於報告期末，本集團以外幣計值之貨幣資產及貨幣負債之賬面值如下：

	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Monetary assets denominated in: 以下列外幣計值的貨幣資產：		
- RMB 人民幣	136,036	155,089
- United States dollar ("US\$") 美元 (「美元」)	9,644	6,784
- New Taiwan dollar ("NT\$") 新台幣 (「新台幣」)	779	3,122
Monetary liabilities denominated in: 以下列外幣計值的貨幣負債：		
- RMB 人民幣	5,183	7,080
- NT\$ 新台幣	18	570

As HK\$ is pegged to US\$, the currency risk associated with US\$ and HK\$ is considered minimal. The Group is mainly exposed to the effect of fluctuation in RMB and NT\$.

由於港元與美元掛鈎，有關美元及港元之貨幣風險並不重大。本集團主要受人民幣及新台幣波動之影響。

The following table details the Group's sensitivity to a 10% increase and decrease in HK\$ against RMB and NT\$. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in post-tax loss or a decrease in post-tax profit and a decrease in equity where HK\$ strengthens 10% against the relevant foreign currencies. For a 10% weakening of HK\$ against the relevant foreign currencies, there would be an equal and opposite impact on the profit or loss and equity.

下表載有本集團對港元兌人民幣及新台幣上升及下跌10%之敏感度詳情。10%乃用作內部向主要管理人員呈報外幣風險時所採用之敏感度比率，即管理層對外匯匯率的合理可能變動之評估。下文所述正數代表港元兌相關外幣升值10%情況下除稅後虧損增加或除稅後溢利減少和權益減少。就港元兌相關外幣貶值10%而言，對溢利或虧損和權益將會產生相等及相反之影響。

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35. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Foreign currency risk (Continued)

Sensitivity analysis

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Impact of RMB	人民幣之影響		
Profit or loss and equity	損益及權益	13,085	14,801
Impact of NT\$	新台幣之影響		
Profit or loss and equity	損益及權益	76	255

In the opinion of the directors of the Company, the sensitivity analysis is not necessarily representative of the inherent foreign currency risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk

The Group is primarily exposed to fair value interest rate risk in relation to fixed-rate bank deposits.

The directors of the Company consider the Group's exposure to interest rate risk is not significant and therefore no sensitivity analysis has been prepared.

Price risk

The Group is exposed to equity price risk through its investments in listed equity securities. Management will monitor the price risk and take appropriate actions should the need arise.

35. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

外幣風險 (續)

敏感度分析

本公司董事認為，敏感度分析未必能反映固有之外幣風險，因於報告期末之風險並不反映本年度所承受之風險。

利率風險

本集團主要承受與其定息銀行存款有關之公平值利率風險。

本公司董事認為本集團所承受之利率風險並不重大，因此並無編製敏感度分析。

價格風險

本集團投資於上市股本證券，因而面對股本價格風險。管理層將會監察價格風險，並於有需要時採取適當行動。

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35. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Price risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date.

If the prices of the respective equity instruments had been 5% higher/lower:

- loss for the year would decrease/increase by approximately HK\$3,288,000 (2017: Nil) as a result of the changes in fair value of held for trading investments and available-for-sale investments which have been impaired; and
- investments revaluation reserve would increase/decrease by approximately HK\$25,831,000 (2017: HK\$20,428,000) for the Group as a result of the changes in fair value of available-for-sale investments.

Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

35. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

價格風險 (續)

敏感度分析

以下敏感度分析乃根據於報告日期面對的股本價格風險釐定。

倘股本工具價格上升／下降5%：

- 本年度虧損將因持作買賣投資及已減值之可供出售投資公平值變動而減少／增加約3,288,000港元（2017年：無）；及
- 本集團投資重估儲備將因可供出售投資公平值變動而增加／減少約25,831,000港元（2017年：20,428,000港元）。

信貸風險

於報告期末，因交易對手方未能履行責任而可為本集團帶來財務損失之本集團之最大信貸風險，乃源自於綜合財務狀況表所載各項已確認金融資產之賬面值。

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35. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In order to minimise the credit risk, management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the credit risk of the Group is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation or high credit ratings assigned by international credit-rating agencies.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for financial liabilities are based on the agreed repayment dates.

35. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

為盡量減低信貸風險，管理層已委派一支隊伍，負責釐定信貸限額、信貸批核及其他監察程序，以確保採取跟進行動，收回逾期債務。此外，本集團於各報告期末審閱各個別應收貿易賬款之可收回金額，以確保對不可收回金額有足夠之減值虧損。就此而言，本公司董事認為本集團之信貸風險已大大降低。

流動資金之信貸風險有限，原因是交易對手方為信譽良好或獲國際信用評級機構授予高信用評級的銀行。

流動資金風險

在管理流動資金風險方面，本集團監察並維持管理層認為足夠的現金及現金等價物水平，以向本集團之經營提供資金，並減低現金流量波動之影響。

下表詳細列明本集團金融負債之剩餘合約到期情況。該表乃根據金融負債之未貼現現金流量編製，所依據資料為本集團須作出還款之最早日期。金融負債之到期日乃按已協定還款日期釐定。

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35. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity table

Non-derivative financial liabilities	On demand or less than 1 month 應要求或 少於一個月	1 to 3 months 一至三個月	Total undiscounted cash flows 未貼現現金 流量總額	Total carrying amount 賬面值總額
2018	2018年			
Trade and other payables	貿易及其他應付款項	26,211	2,465	28,676
2017	2017年			
Trade and other payables	貿易及其他應付款項	18,078	5,416	23,494

35. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金列表

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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35. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments

- (i) *Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis*

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets 金融資產	Fair value at 31 March 於三月三十一日之公平值		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據
	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元		
Equity securities listed in Hong Kong classified as available-for-sale investments in the consolidated statement of financial position 於綜合財務狀況表分類為可供出售投資之香港上市股本證券	573,392	408,552	Level 1 第1級	Quoted bid prices in an active market 於活躍市場之報價
Equity securities listed in Hong Kong classified as held for trading investments in the consolidated statement of financial position 於綜合財務狀況表分類為持作買賣投資之香港上市股本證券	8,986	—	Level 1 第1級	Quoted bid prices in an active market 於活躍市場之報價

35. 金融工具 (續)

(c) 金融工具之公平值計量

- (i) 按經常基準以公平值計量之金融資產及金融負債之公平值

於各報告期末，本集團若干金融資產乃按公平值計量。下表載列有關該等金融資產之公平值釐定的基準資料（尤其是所用估值技術及輸入數據）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

35. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

- (ii) *Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis*

The directors of the Company estimate the fair value of financial assets and financial liabilities measured at amortised cost using the discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate their fair values.

35. 金融工具 (續)

(c) 金融工具之公平值計量 (續)

- (ii) 並非按經常基準以公平值計量之金融資產及金融負債之公平值

本公司董事使用折現現金流量分析估計按攤銷成本計量之金融資產及金融負債之公平值。

本公司董事認為，於綜合財務報表內按攤銷成本列賬之金融資產及金融負債之賬面值與其公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

General information of subsidiaries

Details of the Group's principal subsidiaries at the end of the reporting period are set out below.

36. 本公司主要附屬公司詳情

附屬公司之一般資料

於報告期末，本集團主要附屬公司詳情載列如下。

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/成立/ 經營地點	Class of shares held 持有股份類別	Paid up issued/ registered capital 已發行及繳足 股本/註冊資本	Proportion ownership interest held by the Company 本公司持有擁有權權益比例		Principal activities 主要業務
				2018	2017	
Hin Sang Group Holding Limited 衍生集團控股有限公司	British Virgin Islands 英屬處女群島	Ordinary shares 普通股	US\$30,000 30,000美元	100% (direct) (直接)	100% (direct) (直接)	Investment holding 投資控股
HM Advertising Company Limited	Hong Kong 香港	Ordinary shares 普通股	HK\$880,000 880,000港元	100% (indirect) (間接)	100% (indirect) (間接)	Formulating and implementing overall marketing and branding strategies and preparing and controlling annual budgets for marketing activities for individual branded products 制訂及推行整體營銷及品牌策略以及編製及控制個別品牌產品營銷活動的年度預算
Hin Sang Hong Company Limited 衍生行有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$280,000 280,000港元	100% (indirect) (間接)	100% (indirect) (間接)	Investment holding; brand development and management; and development, sales and distribution of healthcare products, personal care products and household products 投資控股; 品牌開發及管理; 及開發、銷售及分銷保健產品、個人護理產品及家居產品
衍生控股集團(深圳)有限公司# ("Hin Sang Holding Group (Shenzhen) Company Limited")*	PRC 中國	Registered capital 註冊資本	RMB65,000,000 人民幣65,000,000元	100% (indirect) (間接)	100% (indirect) (間接)	Investment holding; Wholesale of healthcare products of Hin Sang (衍生) and skin care products of Beautymate (美肌的誌) in the PRC 投資控股; 於中國批發衍生的保健產品及美肌的誌的護膚產品

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

36. 本公司主要附屬公司詳情

(續)

General information of subsidiaries (Continued)

附屬公司之一般資料 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/成立/ 經營地點	Class of shares held 持有股份類別	Paid up issued/ registered capital 已發行及繳足 股本/註冊資本	Proportion ownership interest held by the Company 本公司持有擁有權權益比例		Principal activities 主要業務
				2018	2017	
衍泰藥業(深圳)有限公司 ("Hin Tai Pharmaceutical (Shenzhen) Company Limited")*	PRC 中國	Registered capital 註冊資本	RMB1,180,000 人民幣1,180,000元	100% (indirect) (間接)	100% (indirect) (間接)	Wholesale of healthcare products of Hin Sang (衍生) and skin care products of Beautymate (美肌的 誌) in the PRC 於中國批發衍生的保健產品及美肌 的誌的護膚產品
Hong Kong Pharmaceutical & Research Institute Co., Limited 香港製藥研究所有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1 1港元	100% (indirect) (間接)	100% (indirect) (間接)	Property holding 物業持有
美肌之誌國際有限公司 ("Beautymate International Limited")*	Taiwan 台灣	Registered capital 註冊資本	NT\$24,000,000 24,000,000新台幣	100% (indirect) (間接)	100% (indirect) (間接)	Wholesale of skin care products under the brand of Beautymate (美肌的誌) in Taiwan 於台灣批發美肌的誌品牌的護膚產品
Tai Wo Tong Pharmaceutical (Hong Kong) Company Limited 太和堂製藥(香港) 有限公司	Hong Kong 香港	Ordinary 普通股	HK\$24,000,000 24,000,000港元	100% (indirect) (間接)	100% (indirect) (間接)	Packing of products developed and sold by the Group 包裝本集團開發及銷售的產品
衍生健康醫藥(廣東) 有限公司 ("Hin Sang Health and Medical (Guangdong) Company Limited")*	PRC 中國	Registered capital 註冊資本	RMB26,000,000 人民幣26,000,000元	100% (indirect) (間接)	-	Manufacturing and sale of health supplements and products 生產及銷售健康補充品及產品

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

General information of subsidiaries (Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/成立/ 經營地點	Class of shares held 持有股份類別	Paid up issued/ registered capital 已發行及繳足 股本/註冊資本	Proportion ownership interest held by the Company 本公司持有擁有權權益比例		Principal activities 主要業務
				2018	2017	
Hin Fai International Holding Company Limited 衍輝國際控股有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000,000 10,000,000港元	68% (indirect) (間接)	68% (indirect) (間接)	Online sale of products developed by the Group 線上銷售本集團開發的產品
Hin Feng Group (International) Holding Company Limited ("Hin Feng") 衍豐集團(國際)控股有限公司(「衍豐」)	Hong Kong 香港	Ordinary 普通股	HK\$60,000,000 60,000,000港元	51% (indirect) (間接)	51% (indirect) (間接)	Investment holding 投資控股
Hin Sang Children Chinese Medical & Health Service Company Limited 衍生兒童中醫健康中心有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000,000 10,000,000港元	51% (indirect) (間接)	51% (indirect) (間接)	Provision of Chinese medical healthcare related services 提供中醫保健相關服務

A wholly foreign-owned enterprise.

* The English name is for identification only.

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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

36. 本公司主要附屬公司詳情

(續)

附屬公司之一般資料(續)

一間外商獨資企業。

* 英文名稱僅供識別。

上表載列董事認為主要影響本集團業績或資產之本集團附屬公司。董事認為，呈列其他附屬公司之資料會使篇幅過於冗長。

概無附屬公司於年末發行任何債務證券。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation/ operations 註冊成立/營運地點	Proportion of ownership interests held by non-controlling interests 非控股權益持有之所有權權益比例		Loss allocated to non-controlling interest 分配至非控股權益之虧損		Accumulated non-controlling interests 累計非控股權益	
		2018	2017	2018	2017	2018	2017
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Hin Feng* 衍豐*	Hong Kong 香港	49%	49%	6,840	1,700	23,443	27,751
Individually immaterial subsidiaries with non-controlling interests 擁有非控股權益之獨立非重大附屬公司						22,596	8,219
						46,039	35,970

* excluding non-controlling interests of Hin Feng's subsidiary

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

36. 本公司主要附屬公司詳情 (續)

擁有重大非控股權益之非全資附屬公司詳情

下表列示本集團擁有重大非控股權益之非全資附屬公司詳情：

* 不包括衍豐附屬公司之非控股權益

本集團擁有重大非控股權益之各附屬公司之財務資料概要乃載列如下。下列財務資料概要指集團間對銷前之金額。

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綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

Hin Feng and subsidiaries

36. 本公司主要附屬公司詳情 (續)

衍豐及附屬公司

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Current assets	流動資產	74,975	61,615
Non-current assets	非流動資產	8,927	95
Current liabilities	流動負債	(17,390)	(55)
Non-current liabilities	非流動負債	-	-
Net assets	資產淨值	66,512	61,655
Revenue	收入	935	330
Expenses	開支	(16,482)	(3,801)
Loss for the year	年內虧損	(15,547)	(3,471)
Other comprehensive income for the year	年內其他全面收益	6,392	108
Total comprehensive expense for the year	年內全面開支總額	(9,155)	(3,363)
Dividends paid to non-controlling interests of Hin Feng	已付衍豐的非控股權益股息	-	-
Net cash outflow from operating activities	經營活動現金流出淨額	(25,306)	(9,090)
Net cash outflow from investing activities	投資活動現金流出淨額	(9,328)	(1,940)
Net cash inflow from financing activities	融資活動現金流入淨額	31,012	65,018
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物 (減少)/增加淨額	(3,622)	53,988

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

37. 本公司財務狀況表及儲備

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Non-current assets	非流動資產		
Investment in a subsidiary	於一間附屬公司的投資	71,618	71,618
Available-for-sale investments	可供出售投資	573,392	408,552
		645,010	480,170
Current assets	流動資產		
Prepayments	預付款項	314	337
Held for trading investments	持作買賣投資	8,986	-
Amounts due from subsidiaries	應收附屬公司款項	312,698	357,934
Bank balances	銀行結餘	1,680	198
		323,678	358,469
Total assets	資產總值	968,688	838,639
Current liabilities	流動負債		
Accruals	應計費用	24	38
Amounts due to subsidiaries	應付附屬公司款項	4,490	38
		4,514	76
Net current assets	流動資產淨值	319,164	358,393
Total assets less current liabilities	資產總值減流動負債	964,174	838,563
Capital and reserves	資本及儲備		
Share capital	股本	109,351	109,012
Reserves	儲備	854,823	729,551
Total equity	權益總額	964,174	838,563

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 25 June 2018 and are signed on its behalf by:

本公司財務狀況表已於2018年6月25日獲董事會批准及授權刊發，並由以下董事代表簽署：

Pang Siu Hin
彭少衍
Director
董事

Kwan Lai Man
關麗雯
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

Movement in the Company's reserves:

37. 本公司財務狀況表及儲備 (續)

本公司儲備變動：

		Share premium	Investments revaluation reserve	Share options reserve	Retained profits	Total
		股份溢價	重估儲備	購股權儲備	保留溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2016	於2016年4月1日	219,949	–	8,286	17,322	245,557
Profit for the year	年內溢利	–	–	–	27,648	27,648
Fair value gain on available-for-sale investments	可供出售投資之公平值收益	–	8,314	–	–	8,314
Dividends recognised as distribution	確認為分派的股息	–	–	–	(32,569)	(32,569)
Issue of shares by subscription	以認購方式發行股份	469,512	–	–	–	469,512
Issue of shares on exercise of share options	因行使購股權而發行股份	12,832	–	(5,486)	–	7,346
Recognition of equity-settled share-based payments	確認權益結算以股份為基礎的付款	–	–	3,743	–	3,743
At 31 March 2017	於2017年3月31日	702,293	8,314	6,543	12,401	729,551
Profit for the year	年內溢利	–	–	–	34,564	34,564
Fair value gain on available-for-sale investments	可供出售投資之公平值收益	–	91,728	–	–	91,728
Reclassification adjustment on impairment of available-for-sale investments	於可供出售投資減值時之重新分類調整	–	16,348	–	–	16,348
Dividends recognised as distribution	確認為分派的股息	–	–	–	(21,823)	(21,823)
Shares repurchased and cancelled	購回及註銷股份	(1,656)	–	–	–	(1,656)
Issue of shares on exercise of share options	因行使購股權而發行股份	6,090	–	(2,658)	–	3,432
Recognition of equity-settled share-based payments	確認權益結算以股份為基礎的付款	–	–	2,679	–	2,679
At 31 March 2018	於2018年3月31日	706,727	116,390	6,564	25,142	854,823

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2018 截至2018年3月31日止年度

38. EVENT AFTER THE REPORTING PERIOD

On 25 April 2018, Beautymate Hong Kong Limited, a wholly owned subsidiary of the Company, entered into the provisional sale and purchase agreement with Emwell Limited for the acquisition of an industrial property located in Hong Kong at a consideration of HK\$158,380,000.

38. 報告期後事件

於2018年4月25日，本公司之全資附屬公司Beautymate Hong Kong Limited與興偉有限公司訂立臨時買賣協議，以收購位於香港之工業物業，代價為158,380,000港元。

FIVE YEARS FINANCIAL SUMMARY

五年財務概要

OPERATING RESULTS

經營業績

		For the Year Ended 31 March 截至3月31日止年度				2018
		2014	2015	2016	2017	HK\$'000
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	港幣千元
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Revenue	收入	253,171	214,959	227,460	201,815	188,550
Gross Profit	毛利	142,341	122,663	138,369	133,243	131,175
Profit/(Loss) for the year	年內溢利/(虧損)	49,704	11,051	21,215	8,308	(7,221)

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		For the Year Ended 31 March 截至3月31日止年度				2018
		2014	2015	2016	2017	HK\$'000
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	港幣千元
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Non-current assets	非流動資產	42,600	48,610	83,093	565,592	764,258
Current assets	流動資產	115,684	313,504	290,942	334,295	253,256
Total assets	資產總值	158,284	362,114	374,035	899,887	1,017,514
Current liabilities	流動負債	63,989	27,432	27,537	29,332	33,703
Net current assets	流動資產淨值	51,695	286,072	263,405	304,963	219,553
Total assets less current liabilities	資產總值減流動負債	94,295	334,682	346,498	870,555	983,811
Non-current liabilities	非流動負債	-	-	-	-	-
Net assets	資產淨值	94,295	334,682	346,498	870,555	983,811
Capital and reserves	資本及儲備					
Share capital	股本	30,000	80,000	80,047	109,012	109,351
Reserves	儲備	64,295	254,682	263,250	725,573	828,421
Equity attributable to owners of the Company	本公司擁有人應佔權益	94,295	334,682	343,297	834,585	937,772
Non-controlling interests	非控股權益	-	-	3,201	35,970	46,039
Total equity	權益總額	94,295	334,682	346,498	870,555	983,811

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