



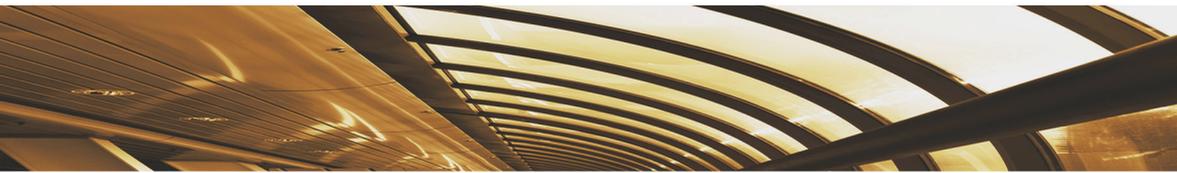
Royal Century Resources Holdings Limited

仁德資源控股有限公司

(formerly known as Kate China Holdings Limited 前稱為中持基業控股有限公司)

(incorporated in Hong Kong with limited liability) (於香港註冊成立之有限公司)

Stock code 股份代號 : 8125



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BOARD OF DIRECTORS**Executive Directors**

Mr. Chan Chi Yuen (*Chairman*)
 Mr. Liu Rongsheng (*Chief Executive Officer*)
 Mr. Wang Jun
 (appointed on 23 February 2017)
 Mr. Fok Chun Kit
 (resigned on 28 April 2016)

Non-executive Director

Mr. Tsang Kei Cheong
 (redesignated from executive director
 on 22 December 2016)

Independent non-executive Directors

Mr. Chan Chiu Hung Alex
 Mr. Wu Zhao
 Mr. Lam Cheok Va
 (appointed on 28 April 2016)
 Mr. Lu Tak Ming
 (resigned on 28 April 2016)

COMPANY SECRETARY

Mr. Pang Pui Hung Paton

COMPLIANCE OFFICER

Mr. Chan Chi Yuen

BOARD COMMITTEE**Audit committee**

Mr. Chan Chiu Hung Alex (*Chairman*)
 Mr. Wu Zhao
 Mr. Lam Cheok Va
 (appointed on 28 April 2016)
 Mr. Lu Tak Ming
 (resigned on 28 April 2016)

Nomination committee

Mr. Wu Zhao (*Chairman*)
 Mr. Chan Chiu Hung Alex
 Mr. Lam Cheok Va
 (appointed on 28 April 2016)
 Mr. Lu Tak Ming
 (resigned on 28 April 2016)

Remuneration committee

Mr. Lam Cheok Va (*Chairman*)
 (appointed on 28 April 2016)
 Mr. Chan Chiu Hung Alex
 Mr. Wu Zhao
 Mr. Lu Tak Ming
 (resigned on 28 April 2016)

董事會**執行董事**

陳志遠先生 (*主席*)
 劉榮生先生 (*行政總裁*)
 王軍先生
 (於二零一七年二月二十三日委任)
 霍俊傑先生
 (於二零一六年四月二十八日辭任)

非執行董事

曾紀昌先生
 (於二零一六年十二月二十二日
 自執行董事轉任)

獨立非執行董事

陳釗洪先生
 吳兆先生
 Lam Cheok Va先生
 (於二零一六年四月二十八日委任)
 盧德明先生
 (於二零一六年四月二十八日辭任)

公司秘書

彭沛雄先生

監察主任

陳志遠先生

董事會委員會**審核委員會**

陳釗洪先生 (*主席*)
 吳兆先生
 Lam Cheok Va先生
 (於二零一六年四月二十八日委任)
 盧德明先生
 (於二零一六年四月二十八日辭任)

提名委員會

吳兆先生 (*主席*)
 陳釗洪先生
 Lam Cheok Va先生
 (於二零一六年四月二十八日委任)
 盧德明先生
 (於二零一六年四月二十八日辭任)

薪酬委員會

Lam Cheok Va先生 (*主席*)
 (於二零一六年四月二十八日委任)
 陳釗洪先生
 吳兆先生
 盧德明先生
 (於二零一六年四月二十八日辭任)

CORPORATE INFORMATION

公司資料

Compliance committee

Mr. Chan Chiu Hung Alex (*Chairman*)

Mr. Wu Zhao

Mr. Lam Cheok Va

(appointed on 28 April 2016)

Mr. Lu Tak Ming

(resigned on 28 April 2016)

AUTHORISED REPRESENTATIVES

Mr. Chan Chi Yuen

Mr. Pang Pui Hung Paton

AUDITORS

Reanda Lau & Au Yeung (HK) CPA Limited

Certified Public Accountants

COMPLIANCE ADVISER

Altus Capital Limited

HEADQUARTER, REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 2201, 22/F

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

PRINCIPAL BANKERS

OCBC Wing Hang Bank Hang Seng Bank

DBS Bank

Shanghai Commercial Bank

SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04, 33/F.,

Two Chinachem Exchange Square,

338 King's Road, North Point,

Hong Kong

PRINCIPAL PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

COMPANY'S WEBSITE

www.royalcentury.hk

STOCK CODE

8125

合規委員會

陳釗洪先生 (*主席*)

吳兆先生

Lam Cheok Va先生

(於二零一六年四月二十八日委任)

盧德明先生

(於二零一六年四月二十八日辭任)

授權代表

陳志遠先生

彭沛雄先生

核數師

利安達劉歐陽(香港)會計師事務所有限公司

執業會計師

合規顧問

浩德融資有限公司

總部、註冊辦事處及 主要營業地點

香港灣仔港灣道26號

華潤大廈22樓

2201室

主要往來銀行

華僑永亨銀行

星展銀行

上海商業銀行

股份過戶登記處

聯合證券登記有限公司

香港北角英皇道338號

華懋交易廣場2期33樓

3301-04室

主要上市地點

香港聯合交易所有限公司

公司網址

www.royalcentury.hk

股份代號

8125

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Director(s)") of Royal Century Resources Holdings Limited (formerly known as Kate China Holdings Limited) (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2017.

OVERVIEW

This year was full of challenge and new horizons to the Group. The competition from other contractors was tremendous and an unexpected incident in the working site increased the pressure to the Group. However, during the year, the Group had diversified its principal business and extended into two new business segments of money lending and sourcing and merchandising of fine and rare wines.

During the year, the Group recorded a turnover of approximately HK\$54.5 million, representing a 46.0% decrement as compared with that for the year ended 31 March 2016 of approximately HK\$101.0 million. The Group recorded a loss of approximately HK\$35.0 million or HK9.89 cents per share. The loss for the year was mainly due to (i) the Fire Incident (as mentioned in the Management Discussion and Analysis) and (ii) the increase in direct costs of design and fitting-out services.

FUTURE PROSPECTS

Looking forward, the Group will continue to focus on its core business and effectively utilise its available resources to further engage in its current business sectors. Besides the current business, the Group will continue to explore new business and investment opportunities so as to further diversify the principal activities of the Group and broaden its revenue base.

APPRECIATION

On behalf of the Board, I would like to express my gratitude towards the support and advice of our shareholders and business partners, for their recognition of the Company's direction and strategies of development, as well as the devotion and enthusiasm of our staff in all scopes of tasks. They all helped us to drive the Company towards perfection. We, the Board and all the Company's staff, will continue to dedicate ourselves to refine our services to maximise the returns from shareholders.

Chan Chi Yuen

Chairman

Hong Kong, 22 June 2017

致各股東：

本人謹代表仁德資源控股有限公司(前稱中持基業控股有限公司)(「本公司」)董事(「董事」)會(「董事會」)欣然提呈本公司及其附屬公司(統稱為「本集團」)截至二零一七年三月三十一日止年度之全年業績。

概覽

過去一年對本集團是充滿挑戰及機遇的一年。承建商之間的競爭依然激烈，以及工作地點之突發事件對本集團增加壓力。然而，於本年內，本集團進行主要業務多元化，並已展開放債及美酒營銷兩項新業務。

於本年度，本集團錄得約54,500,000港元的營業額，相比截至二零一六年三月三十一日止年度的約101,000,000港元減少約46.0%。本集團錄得虧損約35,000,000港元或每股虧損9.89港仙。本年度虧損主要由於(i)火警事故(於管理層討論及分析中所提述)及(ii)設計及裝修服務直接成本增加所致。

未來前景

展望未來，本集團將繼續專注發展核心業務，並有效地利用現有資源經營現有業務。此外，除現有之業務外，本集團將持續發掘新業務及投資機會，以進一步多元化本集團之主要業務及擴闊其收入基礎。

鳴謝

本人謹代表董事會對認同本公司方針及發展戰略的股東及業務夥伴對所提供之支持及建議以及我們之員工在工作各方面之貢獻及熱忱表示衷心感謝，在他們的幫助下，本公司日益成熟完善。我們、董事會及本公司全體員工將繼續全力奉獻，精益求精，為股東帶來最大回報。

陳志遠

主席

香港，二零一七年六月二十二日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

Royal Century Resources Holdings Limited (formerly known as Kate China Holdings Limited) (the “Company”) and its subsidiaries (collectively, the “Group”) is principally engaged in the provision of (i) design and fitting-out services and (ii) design and procurement of furnishings and materials services. During the year, the Group has diversified its principal business and extended into two new business segments of (i) money lending and (ii) sourcing and merchandising of fine and rare wines.

Provision of (i) design and fitting-out services and (ii) design and procurement of furnishings and decorative materials services

During the year, a total of 9 new projects had been contracted, 6 of which relate to design and fitting-out services and the remaining 3 relate to design and procurement of furnishings and decorative materials services. The Group has completed 13 projects relating to design and fitting-out services and 7 projects relating to design and procurement of furnishings and decorative materials services. As a result, as at 31 March 2017, the Group has 2 projects on hand, all of which relate to design and fitting-out services.

During the year, as described in the first quarterly report, interim report and third quarterly report of the Company dated 12 August 2016, 10 November 2016 and 9 February 2017 respectively and respective profit warnings announcements dated 29 July 2016, 28 October 2016 and 6 February 2017 respectively, there was a fire break-out (the “Fire Incident”) in one of the working sites engaging for both design and fitting-out services and design and procurement of furnishings and decorative materials services. As a consequence, the Group has revised the related estimated costs and additional project costs have been incurred.

The Group had made effort to restore the damage from the Fire Incident and proactively completed the project. The Group had discussed with the principal contractor and the project customer in respect of any compensation for the additional project costs.

業務回顧

仁德資源控股有限公司(前稱中持基業控股有限公司)(統稱為「本公司」)及其附屬公司(統稱為「本集團」)之主要業務為(i)提供設計及裝修服務及(ii)提供設計及採購室內陳設及裝飾材料服務。本年內，本集團進行主要業務多元化，並已展開兩項新業務(i)放債及(ii)美酒營銷。

提供(i)設計及裝修及(ii)設計及採購室內陳設及裝飾材料之服務

本年內，本集團已簽訂9個新項目(其中6項為相關設計及裝修服務，餘下3項為設計及採購室內陳設及裝飾材料服務)。本集團已完成13項相關設計及裝修服務及7項相關設計及採購室內陳設及裝飾材料服務的項目。因此，於二零一七年三月三十一日，本集團現有2個進行中之項目(全為相關設計及裝修服務)。

本年內，如本公司於日期分別為二零一六年八月十二日、二零一六年十一月十日及二零一七年二月九日之第一季度報告、中期報告及第三季度報告及日期分別為二零一六年七月二十九日、二零一六年十月二十八日及二零一七年二月六日之相關之盈利警告中所述一個包括設計及裝修服務，以及設計及採購室內陳設及裝飾材料服務項目之工作地點發生火警意外(「火警事故」)。因此，本集團已修訂有關項目之成本預算及增加額外項目成本。

本集團已就受火警事故影響之項目進行復修工作，並積極完成該項目。本集團已與主承辦商以及相關項目客戶就額外項目成本進行磋商賠償事宜。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group expects the existing projects will be completed in the coming few months and has been actively looking for new customers and new projects in order to strengthen its customer/revenue base. Subsequent to 31 March 2017, the Group has contracted 3 projects relating to design and fitting-out services. In the future, the Group will continue to submit tenders for potential projects.

Money lending

During the year, the Group was granted a money lender license in Hong Kong under the Money Lenders Ordinance and commenced its money lending business.

There were loan portfolios with principal amount of HK\$24.5 million as at 31 March 2017. The Group had recognised an aggregate interest income of approximately HK\$1.7 million for the year ended 31 March 2017.

The Group adopted a prudent risk management policy, with the money lending business continuously carrying out regular review of credit risk over the existing borrowers. While the Group will actively explore customers with good quality to expand its business scale, it will continue to adopt a prudent credit risk management strategy to ensure a healthy development in the money lending business.

Sourcing and merchandising of fine and rare wines

The Group observed that there was an increasing demand and consumption in the fine wines market in the Asian countries such as the People's Republic of China, Hong Kong, etc. The Group has started the setting up of a new business segment in sourcing and merchandising of fine and rare wines in the third quarter of the year.

Hong Kong, as one of the regional business centres in Asia, acts as a trading regional hub. Taking advantage of the duty-free of fine wines policy from 2008 by the Hong Kong Government, the import and re-export of the fine wines has been increasing in both quantity and value. Accordingly, the Group expects the fine wine merchandising will contribute to the Group's revenue in the future.

The fine and rare wines merchandising has contributed a revenue of approximately HK\$1.7 million to the Group for the year ended 31 March 2017.

本集團預期現有之工程項目將於未來數月內完成，並積極尋求業務機遇及尋找新客戶及新工程項目，藉此加強其客戶／收入基礎。於二零一七年三月三十一日後，本集團已簽訂3個新項目（全為相關設計及裝修服務）。本集團於未來將持續積極進行投標於新工程項目。

放債

本集團於本年內已獲發根據香港「放債人條例」規定之放債人牌照，並已開展放債業務及授出新借款。

於二零一七年三月三十一日，本集團之貸款組合之本金總額為港幣24,500,000港元。本集團於截至二零一七年三月三十一日止年度之利息收入總額約為1,700,000港元。

本集團採取審慎的風險管理政策，放債業務持續對所有現有客戶展開定期信貸風險評估。而本集團將積極開拓優質借款人客源以壯大業務規模，其將繼續採納審慎的信貸風險管理策略以確保其放債業務健康發展。

美酒營銷

本集團觀察所得，中國，香港等亞洲國家的優質葡萄酒市場之需求及消耗量不斷增加。本集團已於本年度第三季度開展建立美酒營銷之新業務。

香港（作為區內其中一個商業中心）扮演着區內貿易樞紐。承着香港政府2008年開始實施優質葡萄酒免稅政策之優勢，優質葡萄酒之入口及轉口數量及總值不斷上升。因此，本集團預期，美酒營銷將為本集團未來之收入作出貢獻。

美酒營銷於截至二零一七年三月三十一日止年度為本集團提供收益為約1,700,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue

The Group's revenue is mainly generated from (i) contracts to provide design and fitting-out services; (ii) design and procurement of furnishings and materials services; (iii) money lending; and (iv) sourcing and merchandising of fine and rare wines.

The total revenue for the year ended 31 March 2017 was approximately HK\$54.5 million (2016: HK\$101.0 million) which represents a decrease of approximately HK\$46.5 million or 46.0% as compared to the previous year. Such decrease was mainly attributable to the substantial decrease in the number of large projects and accordingly income generated from design and fitting-out services.

Breakdown of revenue by business is as follows:

財務回顧

收益

本集團之收益主要產生自(i)提供設計及裝修服務之合同；(ii)設計及採購室內陳設及裝飾材料服務；(iii)放債；及(iv)美酒營銷。

截止二零一七年三月三十一日之總收益約為54,500,000港元(二零一六年：101,000,000港元)，與去年比較，減少約46,500,000港元或46.0%。此等減少主要乃由於設計及裝修服務之大型項目合約數目及據此產生之收入大幅減少。

收益按業務劃分如下：

		For the year ended 31 March	
		截至三月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Design and fitting-out service income	設計及裝修服務收入	45,890	97,043
Design and procurement of furnishings and decoration materials service income	設計及採購室內陳設及裝飾材料服務收入	5,228	4,005
Money lending	放債	1,715	—
Sourcing and merchandising of fine and rare wines	美酒營銷	1,691	—
		54,524	101,048

For the year ended 31 March 2017, the Group recorded total revenue of approximately HK\$54.5 million, all of which were derived from Hong Kong.

於截至二零一七年三月三十一日止年度，本集團錄得總收益約54,500,000港元，乃悉數產生自香港。

GROSS LOSS AND LOSS FOR THE YEAR

For the year ended 31 March 2017, the Group recorded a gross loss of approximately HK\$9.9 million (2016: gross profit of approximately HK\$14.7 million) and the overall gross loss margin was approximately 18.2% (2016: gross profit margin of approximately 14.5%). The gross loss for design and fitting-out services derived in Hong Kong amounted to approximately HK\$13.2 million (2016: gross profit of approximately HK\$11.2 million) and the gross profit for design and procurement of furnishings and materials services was approximately HK\$1.5 million (2016: HK\$3.5 million). The newly commenced money lending and sourcing and merchandising of fine and rare wines recorded a gross profit of approximately HK\$1.7 million and HK\$0.1 million respectively. The turnaround gross loss margin for the year ended 31 March 2017 was mainly attributable to (i) the Fire Incident and (ii) the increase in direct costs of the design and fitting-out services.

For the year ended 31 March 2017, the Group recorded a loss for the year of approximately HK\$35.0 million (2016: HK\$9.4 million). The increase in loss for the year was mainly attributable to the turning around of last year's gross profit of the projects of approximately HK\$14.7 million to gross loss of the projects for the year of approximately HK\$11.7 million.

OUTLOOK

Currently, the Group's projects in progress are all in Hong Kong. The project works for the existing customer base will be completed in the next few months. Since the completed decoration works will not be recurred in a short period, new projects from the existing customers will be decreased. The Group will proactively seek for new customers and make tenders for new project works.

During the year, the Group has developed two new business of (i) money lending and (ii) sourcing and merchandising of fine and rare wines. The Group will continue to explore more high-wealthy and high-creditworthiness customers to expand the two new business. The Group expects that the two new business will have a steady growth in both revenue and profit in the coming years.

本年度之毛損及虧損

於截至二零一七年三月三十一日止年度，本集團錄得毛損約9,900,000港元（二零一六：毛利約14,700,000港元），而總體毛損率則約為18.2%（二零一六：毛利率約14.5%）。於香港的設計及裝修服務的毛損約13,200,000港元（二零一六：毛利約11,200,000港元），而設計及採購室內陳設及裝飾材料服務的毛利則約為1,500,000港元（二零一六：3,500,000港元）；新開展之放債及美酒營銷分別錄得毛利約1,700,000港元及約100,000港元。截至二零一七年三月三十一日止年度錄得之毛損率乃主要由於該(i)火警事故及(ii)設計及裝修服務的直接成本增加所致。

截至二零一七年三月三十一日止年度，本集團錄得年度虧損約35,000,000港元（二零一六：9,400,000港元）。本年度虧損增加乃主要由於由去年之項目毛利約14,700,000港元逆轉至本年度之項目毛損約11,700,000港元。

展望

目前，本集團進行之項目均在香港。現有客戶之工程項目將於未來數月內完成。由於剛完成裝修之項目於短期內不會重新開展，因此，現有的客戶的新項目將會減少。本集團將積極尋求新客戶及投標於新工程項目。

本年內，本集團發展兩項新業務：(i)放債以及(ii)美酒營銷。本集團將持續尋找更多高資產及高信譽之顧客以擴展該兩項新業務。本集團預期該兩項新業務於來年將於收益及利潤有持續穩步增長。

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In September 2016, the Group, through a wholly-owned subsidiary, entered into a sale and purchase agreement with an independent third party (the "Vendor"), pursuant to which the Group has agreed to acquire the entire issued share capital in a company (the "Target") with licences to carry on Type 1,4 and 9 regulated activities under the Securities and Futures Ordinance ("SFO"). Up to the date of the report, the Group is in the process of application for the approval from the Securities and Futures Commission ("SFC") in respect of the change in the substantial shareholder of the Target. The Group expects the approval from the SFC will be completed in the near future.

Looking forward, the Group will actively look for business opportunities associated with its core business so as to strengthen its revenue base and maximise the return to the shareholders and the value of the Company.

LIQUIDITY, FINANCIAL RESOURCES, CAPITAL STRUCTURE AND GEARING

During the year ended 31 March 2017, the Group financed its operations by its internal resources. As at 31 March 2017, the Group had net current assets of approximately HK\$114.2 million (2016: HK\$70.7 million), including bank deposit, cash and bank balances of approximately HK\$60.3 million (2016: HK\$25.3 million).

The current ratio, being the ratio of current assets to current liabilities, was approximately 10.6 times as at 31 March 2017 (2016: 2.5 times). The increase in current ratio during the year was mainly due to the proceeds from the placing of new shares in June 2016.

The Group's current assets comprised mainly (i) loans receivable, (ii) inventories, (iii) trade and other receivables, (iv) amounts due from customers for contract work and (v) bank balances and cash. Similarly, current liabilities comprised mainly (i) trade and other payables, (ii) amounts due to customers for contract work and (iii) obligation under a finance lease and (iv) bank borrowings.

While the trade and other receivables decreased by approximately HK\$22.0 million to approximately HK\$21.2 million as at 31 March 2017, amounts due from customers for contract work were decreased from approximately HK\$48.5 million as at 31 March 2016 to approximately HK\$10.0 million as at 31 March 2017. The decrease in overall trade receivables and amounts due from customers was mainly attributable to the decrease in contracts outstanding as at 31 March 2017.

本集團(透過一全資擁有之附屬公司)於二零一六年九月期間與一獨立第三方(「賣方」)簽訂一項買賣協議；根據該協議，本集團同意從賣方收購一間持有從事證券及期貨條例(「證券及期貨條例」)第1、4及9類別規管業務牌照之公司(「目標公司」)全數已發行股份。截至本報告日，本集團正向香港證券及期貨事務監察委員會(「證監會」)申請變更目標公司之主要股東審批程序。本集團預期證監會將於近期完成審批。

展望未來，本集團將積極尋求與其核心業務相關之商機，藉此加強其收入基礎，盡可能提高股東回報及本公司之價值。

流動性、財務資源、資本結構及負債比率

於截至二零一七年三月三十一日止年度內，本集團以其內部資源為其營運提供資金。於二零一七年三月三十一日，本集團之流動資產淨額為約114,200,000港元(二零一六年：70,700,000港元)，包括約60,300,000港元銀行存款，現金及銀行結存(二零一六年：25,300,000港元)。

於二零一七年三月三十一日，流動比率，即流動資產與流動負債之比率，為約10.6倍(二零一六年：2.5倍)。本年內，流動比率增加主要由於二零一六年六月配售認購新股份所得所致。

本集團之流動資產主要由(i)應收借款、(ii)存貨(iii)貿易及其他應收款項、(iv)應收客戶合約工程款項及(v)銀行結餘及現金組成。同樣地，流動負債則由(i)貿易及其他應付款項、(ii)應付客戶合約工程款項、(iii)融資租賃承擔及(iv)銀行借貸組成。

本年度貿易及其他應收款項減少約22,000,000港元至於二零一七年三月三十一日約21,200,000港元，應收客戶合約工程款項由二零一六年三月三十一日約48,500,000港元減少至二零一七年三月三十一日約10,000,000港元。貿易應收款項及應收客戶合約工程款項總體之減少主要乃由於二零一七年三月三十一日未完成之合約減少所致。

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The Group's borrowings comprised of bank borrowings of approximately HK\$7.0 million and obligation under a finance lease of HK\$0.2 million. The Group's gearing ratio, calculated by dividing total borrowings by total equity, was 5.2% (2016: 7.9%). The decrease in the gearing ratio was mainly attributable to the placing of new shares and accordingly the capital base of the Company has been broadened.

The capital of the Group comprises only ordinary shares. On 5 July 2016, the Company issued 33,000,000 new shares through the placing of new shares (the "Placing") with proceeds amounting to approximately HK\$78.7 million, net of share issuing costs. Total equity attributable to owners of the Company amounted to approximately HK\$138.6 million as at 31 March 2017 (2016: HK\$95.0 million).

FOREIGN EXCHANGE EXPOSURE

Operations of the Group are mainly conducted in Hong Kong dollar ("HK\$"), Singapore dollar ("SGD") and United States dollar ("US\$") and its revenue, expenses, assets, liabilities and borrowings are principally denominated in HK\$, SGD and US\$.

The Group does not enter into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 March 2017.

CHARGES ON GROUP ASSETS

As at 31 March 2017, the investment property and a motor vehicle of the Group with a carrying value of approximately HK\$22.5 million and HK\$0.2 million respectively and a bank deposit of approximately HK\$0.3 million were pledged to secure facilities and borrowings granted to the Group. Details of the pledged assets are set out in notes 17, 18 and 25 to the consolidated financial statements.

SIGNIFICANT ACQUISITION AND DISPOSAL OF ASSETS

There has been no significant acquisition and disposal of assets of the Group during the year.

本集團之借貸主要為銀行借貸約7,000,000港元及融資租賃承擔約200,000港元。本集團之負債比率(按借貸總額除權益總額計算)為5.2%(二零一六年:7.9%)。負債比率下降主要乃年內配售新股事項藉以擴大本公司的資本基礎。

本集團之資本僅由普通股組成。於二零一六年七月五日,本公司已透過配售認購新股份(「配售事項」)發行33,000,000股新股份,扣除發行股份費用,所得金額約為78,700,000港元。於二零一七年三月三十一日,本公司擁有人應佔權益總額約為138,600,000港元(二零一六年:95,000,000港元)。

外匯風險

本集團業務主要以港元(「港元」)、新加坡元(「新加坡元」)及美元(「美元」)計值,而其收入、開支、資產、負債及借貸主要以港元、新加坡元及美元為單位。

本集團並無訂立任何對沖外匯風險之工具。本集團將密切監察匯率變化,並會採取適當行動降低匯兌風險。

股息

董事會並不建議派發截至二零一七年三月三十一日止年度之任何股息。

集團資產抵押

於二零一七年三月三十一日,本集團賬面值分別約為22,500,000港元及200,000港元之投資物業及汽車及賬面值約300,000港元之銀行存款已抵押以使集團取得融資及借貸。資產抵押詳情載於綜合財務報表附註17、18及25。

重大收購及出售資產

於年內,本集團並無重大收購及出售事項。

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CONTINGENT LIABILITIES

Save as disclosed in note 37 to the consolidated financial statements, the Group did not have other significant contingent liabilities as at 31 March 2017.

COMMITMENTS

Details of the commitments of the Group as at 31 March 2017 are set out in notes 32 and 36 to the consolidated financial statements.

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES IN JUNE 2016 (THE "PLACING")

Reference is made to the announcement issued by the Company on 14 June 2016 in relation to the placing of new shares under general mandate.

On 14 June 2016, the Company entered into a placing agreement with a placing agent to place up to 33,000,000 new shares (the "Placing Share(s)") of the Company at a placing price of HK\$2.45 per Placing Share to not less than six places. The closing price per share on that date was HK\$3.00.

The Placing was completed on 5 July 2016 with gross and net proceeds of HK\$80.85 million (equivalent to HK\$2.45 per Placing Share) and approximately HK\$78.5 million (equivalent to approximately HK\$2.38 per Placing Share) respectively. The net proceeds of the Placing is intended to be used for the Group's general working capital and/or other potential business development opportunities as considered appropriate, including but not limited to the application of at least HK\$30 million of the net proceeds for carrying out the money lending business.

或然負債

除於綜合財務報表附註37披露外，本集團於二零一七年三月三十一日並無其他重大或然負債。

承擔

本集團之承擔詳情載於二零一七年三月三十一日的綜合財務報表附註32及36。

本公司於二零一六年六月配售認購新股份（「配售事項」）所得款項用途

茲提述本公司於二零一六年六月十四日刊發之公告，內容有關配售根據一般授權認購新股份。

於二零一六年六月十四日，本公司與配售代理訂立配售協議，配售最多33,000,000股本公司新股份（「配售股份」）予不少六名獨立承配人，配售價為每股配售股份2.45港元。當天收市價為每股3.00港元。

配售事項已於二零一六年七月五日完成，所得款項總額及淨額分別為80,850,000港元（相當於每股配售股份2.45港元）及約78,500,000港元（相當於每股配售股份約2.38港元）。配售事項所得款項淨額擬用作本集團一般營運資金及／或其他認為適宜之潛在業務發展機會（包括但不限於投放不少於30,000,000港元作經營放債業務）。

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	Planned use of proceeds as described in the announcement dated 14 June 2016 於二零一六年 六月十四日之 公告內所述之 所得款項 計劃用途 HK\$'000 千港元	Further detailed use of proceeds as described in the annual results announcement dated 27 June 2016 於二零一六年 六月二十七日之 週年業績公告內 所述之所得款項 進一步詳細用途 HK\$'000 千港元	Actual use of proceeds up to date of this report 截至 本報告日 所得款項 實際用途 HK\$'000 千港元
Net proceeds from the Placing	配售股份所得款項淨額		
– General working capital and/ or other potential business development opportunities	– 一般營運資金及/ 或其他潛在業務 發展機會	78,500	48,500
– Money lending	– 放債	–	30,000
		78,500	78,500
			83,500

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2017, the Group employed approximately 35 (2016: 33) employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its Directors and employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as individual's performance.

Total remuneration for the year ended 31 March 2017 (including Directors' emoluments and salaries to staff and Directors including MPF contributions) was approximately HK\$12.7 million (2016: HK\$13.1 million). There was no material change in the staff costs during the year.

僱員及薪酬政策

截至二零一七年三月三十一日，本集團僱用約35（二零一六年：33）名僱員。本集團繼續向僱員提供合適及定期培訓，以維持及加強工作團隊之實力。本集團主要根據行業慣例及個人表現與經驗向董事及僱員發放薪酬。除一般薪酬外，亦會根據本集團表現及個人表現向合資格員工發放酌情花紅及購股權。

於截至二零一七年三月三十一日止年度，總薪酬（包括董事酬金、向僱員及董事發放之薪金（包括強積金供款））為約12,700,000港元（二零一六年度：13,100,000港元）。於本年內，員工成本並未重大變動。

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PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including business risks, operational risks and financial management risks.

The key business and operations risk exposure by the Group are summarized as follows:

- (i) Slow down of the economy and customer spending;
- (ii) Fierce of market competition; and
- (iii) Reliance on single business segment.

The financial risk management policies and practices of the Group are shown in note 6 to the consolidated financial statements.

There may be other risks and uncertainties in addition to those mentioned above which are not known to the Group or which may not be material now but could turn out to be material in the future.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group has observed the sense of environmental conservation. Various practices have been implemented to encourage compliance with environmental legislation and promote awareness towards environmental protection to the employees. Further discussion of environmental policy and performance can be found in the Environmental, Social and Governance Report set out on pages 36 to 49 of this annual report.

The Group will review its environmental practices periodically and will consider implementing further eco-friendly measures and practices in the operation of the Group's businesses.

主要風險及不確定因素

本集團之財務狀況、營運業績、業務及前景受多項風險及不確定因素影響，包括業務風險、營運風險及財務管理風險。

本集團所面對的主要業務及營運風險概列如下：

- (i) 經濟及顧客消費放緩；
- (ii) 市場競爭惡化；及
- (iii) 倚賴單一業務分類。

本集團的財務風險管理政策及慣例載於綜合財務報表附註6。

除上述者外，可能有其他本集團並未知悉，或於現在並不重大，但可能於未來成為有重大影響的風險及不確定因素。

環境保護政策及表現

本集團注重環保。已落實多項做法鼓勵遵守環境法例及提高僱員的環保意識。就環境保護政策及表現的進一步討論載於本年報第36頁至第49頁之「環境、社會及管治報告」。

本集團將定期審閱其環保慣例，並將考慮於本集團的業務營運中實施更多生態友好措施及慣例。

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group establishes good working relationship with employees. The quality of the employer-employee relationship affects each employee's morale, productivity and ultimately, the Company's profitability. Each employee's ideal work environment varies and the expectations include a relationship that is mutually respect, encourages open communication and is free of hostile working conditions. The Group also concerns the work safety to the employees. During the year, there was no serious work safety issue. Certain employees have worked for the Group for over 10 years.

The Group has built a solid track record for providing reliable and cost competitive design and fitting-out services and has a good reputation with the customers. The Group has also concerned customers' opinion on its services with regard to the types of services which had been provided to the customers and their comments on the quality of the services provided.

The Group puts strong emphasis on the reliability of suppliers to meet the needs of our customers. The Group's practice to make prompt payment to suppliers benefited the Group from negotiating a better price and maintaining long term relation with the suppliers.

Save as disclosed in note 37 to the consolidated financial statements, during the year, there was no other material and significant dispute between the Group and its employees, suppliers and/or customers.

與僱員、客戶及供應商的關係

本集團與僱員建議良好工作關係。勞資關係好壞可影響各僱員的士氣、生產力，最終對本公司的盈利能力造成影響。各僱員對理想工作環境的定義不同，彼等的預期包括互相尊重的關係、鼓勵公開溝通及友善的工作環境。本集團亦注重僱員的工作安全。本年內並無嚴重的工作安全事故。若干僱員已為本集團工作逾十年。

本集團有提供可靠及具成本競爭力設計及裝修服務的實績，於客戶之間聲譽良好。本集團亦已就其服務進行客戶意見調查，內容有關其向客戶提供的服務類型及彼等對所提供服務質素的意見。

本集團十分注重供應商能否可靠地滿足客戶需要。本集團的慣常做法為準時向供應商付款，這有助本集團磋商更佳的價格，並與供應商維持長遠關係。

除於綜合財務報表附註37披露外本年內，本集團與僱員、供應商及或客戶之間並無其他重大及主要分歧。

DIRECTORS' AND SENIOR MANAGEMENT PROFILE

董事及高級管理層履歷

DIRECTORS

Mr. Chan Chi Yuen ("Mr. Chan"), aged 50, is an executive Director and the chairman of the Company. He has joined the Group since October 2015. Mr. Chan holds a bachelor degree with honours in Business Administration and a master of science degree with distinction in Corporate Governance and Directorship. He is a fellow of The Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and The Institute of Chartered Accountants in England and Wales. He is a practising certified public accountant and has extensive experience in financial management, corporate development, corporate finance and corporate governance.

Mr. Chan presently holds directorship in certain subsidiaries of the Group. Mr. Chan is currently an executive director and the chief executive officer of Noble Century Investment Holdings Limited (Stock code: 2322) and an executive director of e-Kong Group Limited (Stock code: 524). He is also an independent non-executive director of Asia Energy Logistics Group Limited (Stock code: 351), Jun Yun Financial Holding Limited (Stock code: 397), Media Asia Group Holdings Limited (Stock code: 8075), New Times Energy Corporation Limited (Stock code: 166), China Baoli Technologies Holdings Limited (Stock code: 164), U-RIGHT International Holdings Limited (Stock code: 627), Leyou Technologies Holdings Limited (Stock code: 1089) and Affluent Partners Holdings Limited (formerly known as Man Sang Jewellery Holdings Limited) (Stock code: 1466). Mr. Chan was an executive director of South East Group Limited (now known as China Minsheng Drawin Technology Group Limited) (Stock code: 726) from December 2013 to July 2015, Co-Prosperity Holdings Limited (Stock code: 707) from December 2014 to October 2015 and Kong Sun Holdings Limited (Stock code: 295) from February 2007 to November 2009 and December 2011 to September 2013. He was also an independent non-executive director of China Sandi Holdings Limited (Stock code: 910) from September 2009 to July 2014.

Mr. Liu Rongsheng ("Mr. Liu"), aged 55 is an executive Director and the chief executive officer of the Company. He has joined the Group since October 2015. Mr. Liu completed a professional programme in International Economics and Trading from 北京經濟技術研修學院 (literally, Beijing Economic Technology Institute), the People's Republic of China (the "PRC") in 1998. He also holds a qualification as a senior economist in the PRC. Mr. Liu has over 26 years of experience in import and export trading, logistics, corporate strategic management, project management and finance business.

董事

陳志遠先生 (「陳先生」)，50歲，為執行董事及本公司主席。彼於二零一五年十月加入本集團。陳先生持有工商管理榮譽學士學位及公司管治與董事學理學碩士(優異)學位。彼為香港會計師公會、特許公認會計師公會，以及英格蘭及威爾斯特許會計師公會資深會員。彼為執業會計師，於財務管理、企業發展、企業融資及企業管治方面具有豐富經驗。

陳先生目前在本集團若干附屬公司擔任董事。彼現為仁瑞投資控股有限公司(股份代號：2322)之執行董事兼行政總裁及e-Kong Group Limited(股份代號：524)之執行董事，彼亦為亞洲能源物流集團有限公司(股份代號：351)、君陽金融控股有限公司(股份代號：397)、寰亞傳媒集團有限公司(股份代號：8075)、新時代能源有限公司(股份代號：166)、中國寶力科技控股有限公司(股份代號：164)、佑威國際控股有限公司(股份代號：627)、樂遊科技控股有限公司(股份代號：1089)及錢唐控股有限公司(前稱「民生珠寶有限公司」)(股份代號：1466)之獨立非執行董事。陳先生曾於二零一三年十二月至二零一五年七月期間出任東南國際集團有限公司(現稱「中民築友科技集團有限公司」)(股份代號：726)、於二零一四年十二月至二零一五年十月期間出任協盛協豐控股有限公司(股份代號：707)，以及於二零零七年二月至二零零九年十一月期間及於二零一一年十二月至二零一三年九月期間出任江山控股有限公司(股份代號：295)之執行董事。彼亦於二零零九年九月至二零一四年七月期間出任中國三迪控股有限公司(股份代號：910)之獨立非執行董事。

劉榮生先生 (「劉先生」)，55歲，為執行董事及本公司行政總裁。彼於二零一五年十月加入本集團。劉先生於一九九八年在中華人民共和國(「中國」)北京經濟技術研修學院完成國際經濟與貿易專業課程。彼亦持有中國高級經濟師資格。劉先生於出入口買賣、物流、企業策略管理、項目管理及融資業務擁有逾26年經驗。

DIRECTORS' AND SENIOR MANAGEMENT PROFILE

董事及高級管理層履歷

Mr. Liu presently holds directorship in one of the subsidiaries of the Group. He is currently an executive director, the chairman and the chief executive officer of China Ocean Fishing Holdings Limited (formerly known as "Sky Forever Supply China Management Group Limited") (Stock code: 8047).

Mr. Wang Jun ("Mr. Wang"), aged 47, an executive Director. He has joined the Group since February 2017. Mr. Wang completed a certificate programme in General Education from 廣東省遂溪師範學校 (literally, Guangdong Suixi Education College), the PRC in 1988. Mr. Wang completed a professional programme in Business Administration from 上海國際經濟技術進修學院 (Shanghai Institute of International Economic and Technical Education) in the PRC and was awarded a bachelor degree in management in 2010. He also holds a qualification as qualified funds practitioner from Asset Management Association of China. Mr. Wang has over 7 years of experience in real estate, corporate strategic management, project management, investment business, and funds management.

Mr. Tsang Kei Cheong ("Mr. Tsang"), aged 39, was appointed as a Director on 20 January 2014 and became executive Director on 30 June 2014. Mr. Tsang was re-designated as a non-executive Director on 22 December 2016. Mr. Tsang joined our Group in 2004 and has over 18 years of experience in the interior design and consultancy industry. Prior to joining our Group, Mr. Tsang worked at S.W. Law & Associates Architects & Development Consultants Ltd, an architectural company from July 1998 to July 2004 as project coordinator responsible for assisting project architects to deal with clients, contractors and consultants. Mr. Tsang was awarded a Diploma in Electronics and Communications Engineering by Kwun Tong Technical Institute in July 1997. Mr. Tsang graduated from a Master of Engineering Management course offered by University of Technology, Sydney in conjunction with the Hong Kong Management Association in 2014.

劉先生目前在本集團其中一間附屬公司擔任董事。彼現為中國海洋捕撈控股有限公司(前稱「宇恒供應鏈集團有限公司」)(股份代號：8047)之執行董事、主席兼行政總裁。

王軍先生(「王先生」)，47歲，為執行董事。彼於二零一七年二月加入本集團。王先生於一九八八年完成中國廣東省遂溪師範學校普師證書課程。王先生於二零一零年完成中國上海國際經濟技術進修學院工商管理專業課程及獲授予管理學學士學位。彼亦持有中國證券投資基金業協會基金從業人員資格。王先生於房地產、企業策略管理、項目管理、投資業務及基金管理擁有逾7年經驗。

曾紀昌先生(「曾先生」)，39歲，於二零一四年一月二十日獲委任為董事，並於二零一四年六月三十日成為執行董事。曾先生於二零一六年十二月二十二日轉任為非執行董事。曾先生於二零零四年加入本集團，於室內設計及諮詢行業擁有超過18年經驗。加入本集團前，曾先生於一九九八年七月至二零零四年七月期間曾任職一間建築公司羅守弘建築師事務所有限公司，擔任項目統籌，負責協助項目建築師處理客戶、承建商及顧問事宜。曾先生於一九九七年七月獲觀塘工業學院頒發電子及資訊工程文憑，於二零一四年修畢悉尼科技大學與香港管理專業協會共同開辦之工程管理碩士課程。

DIRECTORS' AND SENIOR MANAGEMENT PROFILE

董事及高級管理層履歷

Mr. Chan Chiu Hung Alex ("Mr. A Chan"), aged 51, is an independent non-executive Director. Mr. A Chan is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Institute of Chartered Accountants in England and Wales, and The Association of Chartered Certified Accountants, The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators, having served in senior financial and company secretarial positions in a number of public companies listed in Hong Kong and Singapore for 19 years. Mr. A Chan obtained a Bachelor of Business Administration degree (major in Finance) from Hong Kong Baptist University and professional diplomas in Hong Kong tax and China tax from the Hong Kong Institute of Certified Public Accountants.

Mr. A Chan is currently an independent non-executive director of Cinderella Media Group Limited (to be renamed as KK Culture Holdings Limited) (Stock code: 550) and Feishang Non-metal Materials Technology Limited (Stock code: 8331). He was an independent non-executive director of Co-Prosperity Holdings Limited (Stock code: 707) from March 2015 to October 2015 and e-Kong Group Limited (Stock code: 524) from February 2015 to May 2017.

Mr. Wu Zhao ("Mr. Wu"), aged 39, has been appointed as an independent non-executive Director since November 2015. Mr. Wu obtained a bachelor degree in Engineering (Chemical) from the University of Queensland, Australia. He also obtained a master of commerce in applied finance and a master of information technology from the University of Queensland, Australia. He has approximately 11 years of experience in finance, information technology, investment and funds management. He is currently a director of a funds management company and is also licensed to carry out Type 1 (Dealings in Securities) and Type 4 (Advising on Securities) regulated activities under the Securities and Futures Ordinance. Mr. Wu is currently an independent non-executive director of Loudong General Nice Resources (China) Holdings Limited (stock code: 988).

陳釗洪先生(「陳先生」)，51歲，為獨立非執行董事。陳先生為香港會計師公會之會員，以及英格蘭及威爾斯特許會計師公會、特許公認會計師公會、香港特許秘書公會以及英國特許秘書及行政人員公會資深會員。陳先生在多家於香港及新加坡上市之公眾公司擔任高級財務及公司秘書職位長達十九年。陳先生持有香港浸會大學工商管理學士學位(主修財務)及香港會計師公會頒發之香港稅務及中國稅務專業文憑。

陳先生現為先傳媒集團有限公司(將更改為KK文化控股有限公司)(股份代號: 550)，飛尚非金屬材料科技有限公司(股票代號: 8331)之獨立非執行董事。陳先生曾於二零一五年三月至二零一五年十月期間出任協盛協豐控股有限公司(股份代號: 707)及於二零一五年二月至二零一七年五月期間出任e-Kong Group Limited(股份代號: 524)之獨立非執行董事。

吳兆先生(「吳先生」)，39歲，為獨立非執行董事。吳先生於澳洲昆士蘭大學取得工程學(化學)學士學位。彼亦於澳洲昆士蘭大學取得應用金融商業碩士及資訊科技碩士。彼於財務、資訊科技、投資及基金管理擁有約11年經驗，現為一間基金管理公司之董事，並持有牌照獲准從事根據證券及期貨條例項下第1類(證券交易)及第4類(就證券提供意見)受規管活動。吳先生現為樓東俊安資源(中國)控股有限公司(股份代號: 988)之獨立非執行董事。

DIRECTORS' AND SENIOR MANAGEMENT PROFILE

董事及高級管理層履歷

Mr. Lam Cheok Va (“Mr. Lam”), aged 59, has been appointed as an independent non-executive Director since April 2016. Mr. Lam is a member of the Standing Committee of Yunnan Province Committee of the Chinese People’s Political Consultative Conference. He is also the President of Macau Yunnan Chamber of Commerce, the Director General of Macau Small and Medium Enterprises Chamber of Commerce, a director of China Federation of Overseas Entrepreneurs, a director of Macau Chamber of Commerce, an executive director of Macau Region China Council for the Promotion of Peaceful National Reunification, and a member of Advisory Board of School of Language and Translation of Macau Polytechnic Institute. Mr. Lam has over 36 years of experience in business including entertainment, food and beverage, retail, tourism and consulting.

Mr. Lam is currently a director of Macau Resources Group Limited, of which its securities are traded on the Over-The-Counter Market, the United States (OTCBB: MRGLF).

SENIOR MANAGEMENT

Ms. Lee Yuk Pui Kawina (“Ms. Lee”), aged 48, joined the Group in 2006 and is the Operating Manager of the Group. She currently holds directorship in certain subsidiaries of the Group. Ms. Lee has accumulated more than 21 years experience in the interior design and construction industry since 1995, and is experienced in project management.

Ms. Lee graduated from a Master of Engineering Management course offered by University of Technology, Sydney in conjunction with the Hong Kong Management Association in 2014 and completed the MBA (Executive) programme offered by City University of Hong Kong.

Mr. Pang Pui Hung Paton (“Mr. Pang”), aged 48, is the financial controller and the company secretary of the Company. He currently holds directorship in certain subsidiaries of the Group. Mr. Pang has over 24 years of experience in the field of accounting, auditing, business advisory services and financial management. He has been engaged in the senior financial and company secretarial position in listed companies in Hong Kong since 2014.

Mr. Pang holds a Master of Professional Accounting degree from the Hong Kong Polytechnic University. He is a fellow member of the Association of International Accountants, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong.

Lam Cheok Va先生(「Lam先生」)，59歲，於二零一六年四月已獲委任為獨立非執行董事。Lam先生現為中華人民共和國雲南省人民政治協商會議常務委員。彼亦為澳門雲南商會會長、澳門中小企業商會理事長、中國僑商聯合會理事、澳門中華總商會理事、澳門地區中國和平統一促進會常務理事、澳門理工學院語言及翻譯高等學校諮詢委員會委員。Lam先生擁有逾36年娛樂、餐飲、零售、旅遊及顧問等工作經驗。

Lam先生現為Macau Resources Group Limited之董事，其證券在美國OTCBB證券市場上市(OTCBB股份編號：MRGLF)。

高級管理層

李玉佩女士(「李女士」)，48歲，於二零零六年加入本集團，為本集團營運經理。她目前在本集團若干附屬公司擔任董事。李女士自一九九五年起已於室內設計及建築業積累逾21年經驗，並於項目管理擁有豐富經驗。

李女士於二零一四年畢業於悉尼科技大學與香港管理專業協會共同開辦之工程管理碩士課程，亦完成香港城市大學開辦之行政人員工商管理碩士課程。

彭沛雄先生(「彭先生」)，48歲，為本公司財務總監及公司秘書。彼目前在本集團若干附屬公司擔任董事。彭先生於會計、審計、商業顧問及財務管理方面擁有逾二十四年經驗。自二零一四年，彼曾於多間香港上市公司擔任高級財務及公司秘書職位。

彭先生持有香港理工大學專業會計學碩士學位。彼現為英國國際會計師公會、香港會計師公會及香港稅務學會之資深會員。

CORPORATE GOVERNANCE REPORT

企業管治報告

The board (the “Board”) of directors (the “Director(s)”) of Royal Century Resources Holdings Limited (formerly known as Kate China Holdings Limited) (the “Company”, together with its subsidiaries, the “Group”) is pleased to present this corporate governance report of the Group for the year ended 31 March 2017.

CORPORATE GOVERNANCE PRACTICES

The Board considers that incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group could balance the interests of the shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix 15 of the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to ensure that business activities and decision making processes are regulated in a proper and prudent manner. In accordance with the requirements of the GEM Listing Rules, the Company has established an audit committee, a remuneration committee, a nomination committee and a compliance committee with specific written terms of reference. During the year ended 31 March 2017, the Company has complied with the CG Code as set out in Appendix 15 to the GEM Listing Rules.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules.

During the year, Mr. Liu Rongsheng, an executive Director sold all of 5,000,000 shares of the Company held by him. Mr. Liu did not hold any shares of the Company as at 31 March 2017.

Save as disclosed above, no Director has dealt in the shares of the Company during the year.

Following specific enquiry by the Company, all Directors confirmed that they have complied with such code of conduct throughout the year ended 31 March 2017.

仁德資源控股有限公司(前稱中持基業控股有限公司)(「本公司」)及其附屬公司,統稱「本集團」董事(「董事」)會(「董事會」)欣然提呈本集團截至二零一七年三月三十一日止年度之本企業管治報告。

企業管治常規

董事認為,於本集團管理架構及內部監控程序中融入良好企業管治元素,可平衡本公司股東、客戶及員工之間之權益。董事會已採納香港交易所(「港交所」)創業板上市規則附錄15(「創業板上市規則」)企業管治守則(「企業管治守則」)載列之原則及守則條文,以確保業務活動及決策程序獲妥善慎重規管。本公司已按創業板上市規則要求,以特定書面職權範圍成立審核委員會、薪酬委員會、提名委員會及合規委員會。本公司於截至二零一七年三月三十一日止年度已遵守創業板上市規則附錄15載列之企業管治守則。

董事證券交易

本公司已根據創業板上市規則第5.48至5.67條採納董事買賣本公司證券之操守守則。

執行董事劉榮生先生持有之本公司5,000,000股股份於本年度內已悉數出售。劉先生於二零一七年三月三十一日並無持有本公司股份。

除上文所披露外,概無董事於本年度內買賣本公司股份。

本公司已向全體董事作出具體查詢,而全體董事亦確認於截至二零一七年三月三十一日止年度內均遵守該等行為守則。

BOARD OF DIRECTORS

Composition of the Board of Directors

Up to the date of this annual report, the Board currently comprises three executive Directors, one non-executive Director and three independent non-executive Directors. The compositions of the Directors in office during the year and up to the date of this annual report are set out in the “Report of the Directors” in this annual report on pages 50 to 61.

Functions of the Board

The principal function of the Board is to consider and approve the overall business plans and strategies of the Group, develop and implement the corporate governance function, monitor the implementation of these policies and strategies and the management of the Company. The Group has a professional management team, which is led by a team of senior management with substantial experience and expertise in the Group’s business and the Board delegates the authority and responsibility for implementing the Group’s policies and strategies.

During the year, the management provided all members of the Board with monthly updates in accordance with the code provision C.1.2 of the CG Code.

Board Meetings and Board Practices

The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company’s articles of association. All minutes of the Board meetings were recorded in sufficient detail the matters considered by the Board and the decisions reached.

董事會

董事會組成

截至本年報日期，董事會成員包括三名執行董事、一名非執行董事及三名獨立非執行董事。年內及直至本年報日期為止之董事組成載於本年報第50頁至第61頁之「董事會報告」。

董事會職能

董事會的主要職能是考慮及批准本集團的整體業務計劃及策略、制訂及執行企業管治功能、監督該等政策及策略的執行情況以及本公司的管理。本集團設有獨立管理團隊，由對本集團業務具備豐富經驗及專業知識的高級管理層領導。董事會向獨立管理團隊授予權力及責任，以執行本集團的政策及策略。

於本年內，管理層已根據企業管治守則之守則條文第C.1.2條向董事會全體董事提供每月最新資料。

董事會會議及董事會常規

董事可親身出席會議，或根據本公司的組織章程細則，利用其他電子通訊方式參與會議。所有董事會會議紀錄均須充分兼詳細記錄董事會所考慮事項及所作決定。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year, the Board held 16 Board meetings and 2 general meetings. Details of the attendance of Directors are as follows:

於本年內，董事會已舉行16次董事會會議及2次股東大會。各董事的出席詳情如下：

		Attendance/ Number of General Meeting entitled to attend 出席次數／有權 出席的股東 大會舉行次數	Attendance/ Number of Board Meeting entitled to attend 出席次數／有權 出席的董事會 會議舉行次數
Executive Directors			
	執行董事		
Mr. Chan Chi Yuen (<i>Chairman</i>)	陳志遠先生 (主席)	2/2	16/16
Mr. Liu Rongsheng (designated as Chief Executive Officer on 22 December 2016)	劉榮生先生 (於二零一六年十二月二十二日委任為行政總裁)	2/2	16/16
Mr. Wang Jun (appointed on 23 February 2017)	王軍先生 (於二零一七年二月二十三日委任)	0/0	0/0
Mr. Tsang Kei Cheong (designated as Chief Executive Officer on 28 April 2016 until 22 December 2016 and re-designated as non-executive Director on 22 December 2016)	曾紀昌先生 (於二零一六年四月二十八日委任為行政總裁直至二零一六年十二月二十二日及於二零一六年十二月二十二日轉任為非執行董事)	1/1	13/13
Mr. Fok Chun Kit (resigned on 28 April 2016)	霍俊傑先生 (於二零一六年四月二十八日辭任)	0/0	0/1
Non-executive Director			
	非執行董事		
Mr. Tsang Kei Cheong (re-designated from Executive Director on 22 December 2016)	曾紀昌 (於二零一六年十二月二十二日轉任執行董事)	1/1	3/3
Independent non-executive Directors			
	獨立非執行董事		
Mr. Chan Chiu Hung Alex	陳釗洪先生	2/2	16/16
Mr. Wu Zhao	吳兆先生	2/2	15/16
Mr. Lam Cheok Va (appointed on 28 April 2016)	Lam Cheok Va先生 (於二零一六年四月二十八日委任)	2/2	14/15
Mr. Lu Tak Ming (resigned on 28 April 2016)	盧德明先生 (於二零一六年四月二十八日辭任)	0/0	1/1

Directors' Appointment, Re-election and Removal

Under the code provision A.4.1 of the CG Code, each of the executive Directors, the non-executive Director and independent non-executive Directors has entered into a service contract or letter of appointment with the Company for an initial term of two or three years and such term shall be governed by the articles of association and/or other relevant regulatory requirements unless terminated by either party giving at least three months' notice in writing.

董事的委任、重選及罷免

根據企業管治守則條文第A.4.1條，各執行董事、非執行董事及獨立非執行董事均已與本公司訂立服務合同或委任書，初步任期為兩或三年，受組織章程細則及／或其他相關監管規定的監管，除非其中一方發出至少三個月之書面通知終止。

In compliance with the code provision A.4.2 of the CG Code, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. By virtue of article 113 of the articles of association of the Company, the Board may appoint any person as an additional Director or to fill a casual vacancy, provided that any person so appointed shall hold office only until the conclusion of the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election.

In addition, every director should be subject to retirement by rotation at least once every three years. Furthermore, pursuant to article 141 of the articles of association of the Company, at each annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation but shall be eligible for re-election. Where the number of Directors is not three or a number divisible by three, the number of Directors to retire will be the number which is nearest to but not less than one-third of the total number of Directors. If there are less than three Directors, they shall all retire. The Directors to retire by rotation will be those Directors who have been Directors longest in office since they were last elected, or appointed by the Members (as the case may be). Every retiring Director shall be eligible for re-election.

Independent Non-executive Directors

The Company has three independent non-executive Directors to comply with Rule 5.05 of the GEM Listing Rules. Furthermore, among the three independent non-executive Directors, Mr. Chan Chiu Hung Alex has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 5.05(2) of the GEM Listing Rules. In accordance to Rule 5.09 of the GEM Listing Rules, the Company has received from each of its independent non-executive Directors the written confirmation of his independence. The Company, based on such confirmation, considers Mr. Chan, Mr. Wu and Mr. Lam to be independent.

Chairman and Chief Executive Officer

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. During the year, the role of the Chairman was performed by Mr. Chan Chi Yuen and the office of the chief executive officer of the Company was performed by Mr. Fok (until 28 April 2016), Mr. Tsang (from 28 April 2016 to 22 December 2016) and Mr. Liu (since 22 December 2016). The code provision A.2.1 of the CG Code has been complied with.

為遵照企業管治守則之守則條文第A.4.2條，所有獲委任以填補臨時空缺的董事須於獲委任後的首次股東大會上由股東重選連任。根據本公司的組織章程細則第113條，董事會可委任任何人士為董事，以填補董事會的臨時空缺或作為新增董事，惟所委任的任何人士，其任期僅直至本公司下屆股東大會結束（就填補臨時空缺者而言）或直至本公司下屆股東週年大會（就增加董事會成員而言）為止，並合資格膺選連任。

此外，每名董事均須最少每三年輪值退任一次。再者，根據本公司的組織章程細則第141條，於本公司每屆股東週年大會上，當時三分之一的董事須輪值退任，惟合資格膺選連任。倘董事人數並非三或三的倍數，則最接近但不少於三分之一的董事人數將告退。倘少於三名董事，則須全部退任。將輪值退任的董事須為自上次獲選或獲股東委任（視情況而定）後任期最長的董事。每名退任董事均合乎資格膺選連任。

獨立非執行董事

為遵守創業板上市規則第5.05條，本公司有三名獨立非執行董事。此外，按照創業板上市規則第5.05(2)條的規定，三名獨立非執行董事之中，陳釗洪先生具備適當之專業資格或會計或相關財務管理專長。根據創業板上市規則第5.09條，本公司已接獲各獨立非執行董事就其獨立性發出之確認書。根據該等確認書，本公司認為陳先生、吳先生及Lam先生均為獨立人士。

主席及行政總裁

根據企業管治守則之守則條文第A.2.1條，主席與行政總裁的角色應予分開而不應由同一人兼任。於本年內，主席由陳志遠先生擔任，而本公司行政總裁一職則由霍先生（直至二零一六年四月二十九日），曾先生（由二零一六年四月二十八日至二零一六年十二月二十二日）及劉先生（由二零一六年十二月二十二日起）擔任。因此已遵守企業管治守則之守則條文第A.2.1條。

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Delegation of Powers

The Board delegates day-to-day operations of the Group to executive Directors and management of the Company with department heads responsible for different aspects of the business/functions, while reserving certain key matters in making strategic decision for its approval. When the Board delegates aspects of its management and administration functions to management, it gives clear directions as to the powers of management, in particular, with respect to the circumstances where management need to report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

Continuing Professional Development

According to the code provision A.6.5 of the CG Code, all directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. The Company would arrange and/or introduce some Director's training courses for the Directors to develop and explore their knowledge and skills.

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements. The Directors are continually updated on the legal and regulatory developments, as well as business and market changes, to facilitate the discharge of their responsibilities.

All Directors during the reporting period have participated in continuous professional development to develop and refresh their knowledge and skills through suitable trainings. The participation in such trainings is to ensure that their contributions to the Board remains informed and relevant.

Directors' and Officers' Liabilities

The Company has arranged for appropriate insurance covering the liabilities in respect of legal action against the Directors that may arise out in the corporate activities which has been complied with the CG Code. The insurance coverage is reviewed on an annual basis.

權力轉授

董事會授權本公司執行董事及管理層處理本集團的日常營運，部門主管則負責各個範疇的業務／職能，而若干有關戰略決策的主要事宜則留待董事會批准。董事會將其管理及行政職能授予管理層時，其就管理層的權力發出清晰指示，特別是管理層代表本公司作出任何決策或訂立任何承諾前須向董事會匯報及獲其事先批准的情況。

持續專業發展

根據企業管治守則之守則條文第A.6.5條，全體董事應參與持續專業發展以增進及更新彼等的知識及技能，確保彼等繼續向董事會作出知情及相關的貢獻。本公司將為董事安排及／或推薦若干董事培訓課程，以增進及發展彼等的知識及技能。

每名新委任董事於首次獲委任時會收到全面、正式及度身訂制的指引，以確保彼對本公司業務及營運有適當的理解，且彼已完全知悉其根據創業板上市規則及相關監管規定的責任及義務。董事將持續獲得有關法律及法規發展以及業務及市場變化的最新資料，以便彼等履行其職責。

所有董事於報告期間已參與持續專業發展，以透過適當的培訓增進及更新其知識及技能。參與該等培訓乃為確保彼等能向董事會作出知情及相關的貢獻。

董事及高級職員之法律責任

本公司已遵照企業管治守則就可能因其企業活動而提出針對董事的法律訴訟產生的法律責任，為彼等安排合適保險。本公司每年審閱保險的保障範圍。

BOARD COMMITTEES**Audit Committee**

The audit committee of the Company (the "Audit Committee") was established by the Board on 30 June 2014 with written terms of reference which were further revised on 14 December 2015 in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Chan Chiu Hung Alex. The other members are Mr. Wu Zhao, Mr. Lu Tak Ming (until 28 April 2016) and Mr. Lam Cheok Va (since 28 April 2016). The primary duties of the Audit Committee include the review of the Group's financial reporting process and the internal control systems as well as risk management of the Group.

The Audit Committee had reviewed with the management the accounting principles and practices adopted by the Group and discussed financial matters, including a review of the audited consolidated results of the Group for the year ended 31 March 2017.

5 Audit Committee meetings were held during the year. Details of the attendance of members of the Audit Committee meeting are as follows:

Members	成員	Attendance 出席次數
Mr. Chan Chiu Hung Alex (<i>Chairman</i>)	陳釗洪先生 (<i>主席</i>)	5/5
Mr. Wu Zhao	吳兆先生	4/5
Mr. Lam Cheok Va (appointed on 28 April 2016)	Lam Cheok Va先生 (於二零一六年四月二十八日委任)	3/4
Mr. Lu Tak Ming (resigned on 28 April 2016)	盧德明先生 (於二零一六年四月二十八日辭任)	1/1

The following is a summary of work performed by the Audit Committee during the year:

- (a) reviewed the unaudited financial statements for three months ended 30 June 2016, six months ended 30 September 2016 and nine months ended 31 December 2016;
- (b) reviewed the effectiveness of the Group's financial controls, internal control and risk management systems;

董事委員會**審核委員會**

董事會已於二零一四年六月三十日成立本公司之審核委員會(「審核委員會」)，並遵照創業板上市規則第5.28條及5.29條規定及企業管治守則之守則條文第C.3.3條制定書面職權範圍(於二零一五年十二月十四日經修訂)。審核委員會現時由三名獨立非執行董事組成，並由陳釗洪先生擔任主席，其餘成員為吳兆先生、盧德明先生(直至二零一六年四月二十八日)及Lam Cheok Va先生(由二零一六年四月二十八日起)。審核委員會之主要職責包括檢討本集團之財務申報程序及本集團之內部監控制度以及本集團之風險管理。

審核委員會已與管理層審視本集團所採納之會計政策及常規，其討論財務事宜，包括審視本集團截至二零一七年三月三十一日止年度之經審核綜合業績。

於本年內，審核委員會舉行5次會議。審核委員會成員出席會議之詳情如下：

以下為審核委員會於本期間內所進行之工作概要：

- (a) 審閱截至二零一六年六月三十日止三個月、截至二零一六年九月三十日止六個月及截至二零一六年十二月三十一日止九個月之未經審核財務報表；
- (b) 審閱本集團之財務監控、內部監控及風險管理系統之有效性；

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| (c) reviewed the Group's accounting principles and practices, and financial reporting matters; | (c) 審閱本集團之會計原則及財務申報事宜； |
| (d) approved the remuneration and the appointment and the terms of engagement of the external auditor; and | (d) 批准外聘核數師之薪酬及委任以及委聘條款；及 |
| (e) reviewed the external auditor's independence and objectivity and the effectiveness of audit process in accordance with applicable standards. | (e) 根據適用標準審閱外聘核數師之獨立性以及審核程序之客觀性及有效性。 |

In the meeting of the Audit Committee of June 2017, the Audit Committee reviewed the risk management and internal control systems of the Group, the financial statements and other reports for the year ended 31 March 2017 and discuss any significant audit matters with the Company's external auditor and the senior management before recommending them to the Board for consideration and approval. The Audit Committee recommended the Board in relation to the re-appointment of Reanda Lau & Au Yeung (HK) CPA Limited as the Company's external auditor for the financial year ending 31 March 2018 at the forthcoming annual general meeting of the Company.

於二零一七年六月舉行的審核委員會會議上，審核委員會於推薦董事會考慮及批准截至二零一七年三月三十一日止年度之財務報表及其他報告前，曾與本公司外聘核數師及高級管理人員舉行會議以審閱本集團之風險管理及內部控制系統以及有關財務報表及報告，並討論任何重大審核事宜。審核委員會已就於本公司應屆股東週年大會上續聘利安達劉歐陽(香港)會計師事務所有限公司為本公司截至二零一八年三月三十一日止財政年度的外部核數師向董事會作出推薦。

Remuneration Committee

The remuneration committee of the Company (the "Remuneration Committee") was established by the Board on 30 June 2014 with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The Remuneration Committee currently comprises three independent non-executive Directors and is chaired by Mr. Lu Tak Ming (until 28 April 2016) and Mr. Lam Cheok Va (since 28 April 2016). The other members are Mr. Chan Chiu Hung Alex and Mr. Wu Zhao. The primary duties of the remuneration committee are to review and recommend the terms of remuneration packages, bonuses and other compensation payable to the Directors and the senior management personnel of the Group, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

薪酬委員會

本公司於二零一四年六月三十日成立薪酬委員會(「薪酬委員會」)，並遵照創業板上市規則附錄15所載之企業管治守則及企業管治報告訂定其職權範圍。薪酬委員會現時由三名獨立非執行董事組成，由盧德明先生(直至二零一六年四月二十八日)及Lam Cheok Va先生(由二零一六年四月二十八日起)擔任主席，其餘成員為陳釗洪先生及吳兆先生。薪酬委員會之主要職責為就董事及本集團高級管理人員的薪酬政策、花紅及其他賠償作出審閱及建議，包括實物利益、退休金權利及賠償款項(包括於失去彼等職位或終止彼等職務或委任時應付的任何賠償)。

5 Remuneration Committee meetings were held during the year to review the remuneration packages of all Directors. Details of the attendance of the members of the Remuneration Committee meeting are as follows:

於本年內，薪酬委員會舉行5次會議，以批准所有獨立非執行董事之委任書，以審閱全體董事之薪酬待遇。薪酬委員會成員出席會議之詳情如下：

Members	成員	Attendance 出席次數
Mr. Lam Cheok Va (Chairman) (appointed on 28 April 2016)	Lam Cheok Va先生(主席) (於二零一六年四月二十八日獲委任)	4/4
Mr. Chan Chiu Hung Alex	陳釗洪先生	5/5
Mr. Wu Zhao	吳兆先生	5/5
Mr. Lu Tak Ming (resigned on 28 April 2016)	盧德明先生 (於二零一六年四月二十八日辭任)	1/1

Remuneration Policy for Directors and Senior Management

The remuneration payable to the employees includes salaries and allowances. The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group's profitability, the Group may also provide a discretionary bonus to employees as an incentive for their contribution to the Group. The primary goal of the remuneration policy with regard to the remuneration package of the executive Directors is to enable the Group to retain and motivate the executive Directors by linking their compensation with performance as measured against corporate objectives achieved. The executive Directors are entitled to the remuneration packages including basic salaries and discretionary bonuses.

The share option scheme of the Company (the "Share Option Scheme") was adopted by sole Shareholder by way of written resolution on 30 June 2014. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The purpose of the Share Option Scheme is to provide (i) employees of the Group (whether full-time or part-time); (ii) directors (including executive directors, non-executive directors and independent non-executive directors (where applicable)) of the Group; (iii) substantial shareholders of each member of the Group and (iv) associates of directors or substantial shareholders of the Group of which includes any of the abovementioned persons (together, the "Participants" and each, a "Participant") with an opportunity to obtain an equity interest in the Company, thus linking their interest with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group.

The Company believes that by offering the Participants a shareholding stake in the Company, the interests of the Participants and the Company become aligning and thereby the Participants have additional incentives to improve the Company's performance.

Pursuant to Code Provision B.1.5 of the CG Code, details of the annual remuneration of the members of the senior management by band for the year ended 31 March 2017 are as follows:

董事及高級管理層的薪酬政策

應付僱員的酬金包括薪金及津貼。本集團的薪酬政策乃根據僱員的個人表現而釐訂，並定期檢討。視乎本集團的盈利能力，本集團亦可能向僱員發放酌情花紅，作為彼等對本集團所作貢獻的獎勵。有關執行董事薪酬待遇之薪酬政策的主要目的，是本集團可藉此將彼等的酬勞與根據已達成的企業目標衡量的表現掛鉤，以期挽留和激勵執行董事。各執行董事有權收取的薪酬待遇包括基本薪金及酌情花紅。

於二零一四年六月三十日，唯一股東以書面決議案方式採納本公司之購股權計劃（「購股權計劃」）。購股權計劃之條款符合創業板上市規則第23章的規定。購股權計劃的目的是向(i)本集團僱員（全職及兼職）；(ii)本集團董事（包括執行董事、非執行董事及獨立非執行董事（如適用））；(iii)本集團各成員公司之主要股東，及(iv)本集團董事或主要股東的聯繫人士（包括任何上述人士）（統稱「參與者」）提供獲取本公司股本權益之機會，將彼等之利益與本集團利益聯繫起來，進而激勵彼等更好地為本集團利益作出貢獻。

本公司相信，透過向參與者提供本公司股權，可將彼等利益與本公司利益連成一線，並進而激勵參與者為本公司爭取佳績。

按照企業管治守則之守則條文第B.1.5條，高級管理人員之截至二零一七年三月三十一日止年度酬金範圍詳情如下：

		Number of Individuals 人員數量
Nil to HK\$1,000,000	0 – 1,000,000港元	1
HK\$1,000,001 to HK\$1,500,000	1,000,001 – 1,500,000港元	1
		2

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Nomination Committee

The Board is empowered under the Company's articles of association to appoint any person as a director either to fill a casual vacancy on or, as an additional member of the Board. Qualified candidates will be proposed to the Board for consideration and the selection criteria are mainly based on the assessment of their professional qualifications and experience. The Board selects and recommends candidates for directorship to the shareholders having regards to the balance of skills and experience appropriate to the Group's business.

The nomination committee of the Company (the "Nomination Committee") was established by the Board on 30 June 2014 with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The Nomination Committee currently comprises three independent non-executive Directors and is chaired by Mr. Wu Zhao. The other members are Mr. Lu Tak Ming (until 28 April 2016), Mr. Chan Chiu Hung Alex and Mr. Lam Cheok Va (since 28 April 2016). The primary duties of the Nomination Committee are to make recommendations to the Board regarding the candidates for directorship, either to fill vacancies on or appoint additional Directors, and succession planning for Directors, in particular, the chairman and the chief executive of the Company.

4 Nomination Committee meetings were held during the year to approve the appointment letters of all independent non-executive Directors. Details of the attendance of the members of the Nomination Committee meeting are as follows:

提名委員會

董事會可根據本公司組織章程細則所賦予權力委任任何人士出任董事以填補臨時空缺，或加入董事會為新成員。合資格候選人將獲提呈董事會以供考慮，而董事會主要根據候選人之專業資格及經驗作為評選準則。董事會經考慮候選人適合本集團業務的技能及經驗後，將挑選及向股東推薦其出任董事。

本公司於二零一四年六月三十日成立提名委員會（「提名委員會」），並遵照創業板上市規則附錄15所載之企業管治守則及企業管治報告訂定其職權範圍。提名委員會現時由三名獨立非執行董事組成，由吳兆先生擔任主席，其餘成員為盧德明先生（直至二零一六年四月二十八日）、陳釗洪先生及Lam Cheok Va先生（由二零一六年四月二十八日起）。提名委員會的主要職責為就提名董事人選以填補空缺或委任新增董事以及董事繼任（尤其是本公司主席及主要行政人員）向董事會提出建議。

於本年內，提名委員會舉行4次會議以批准所有獨立非執行董事之委任書。提名委員會成員出席會議之詳情如下：

Members	成員	Attendance 出席次數
Mr. Wu Zhao (<i>Chairman</i>)	吳兆先生 (<i>主席</i>)	4/4
Mr. Chan Chiu Hung Alex	陳釗洪先生	4/4
Mr. Lam Cheok Va (appointed on 28 April 2016)	Lam Cheok Va先生 (於二零一六年四月二十八日獲委任)	3/3
Mr. Lu Tak Ming (resigned on 28 April 2016)	盧德明先生 (於二零一六年四月二十八日辭任)	1/1

Board Diversity Policy

During the year, the Nomination Committee formulated the board diversity policy of the Company (the “Board Diversity Policy”). The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. In designing the Board’s composition, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure the effectiveness of the Board Diversity Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee also monitors the implementation of the Board Diversity Policy and reports to the Board on the achievement of the measurable objectives for achieving diversity under the Board Diversity Policy.

Compliance Committee

The compliance committee of the Company (the “Compliance Committee”) was established by the Board on 30 June 2014 with written terms of reference. The Compliance Committee currently comprises three independent non-executive Directors and is chaired by Mr. Chan Chiu Hung Alex. The other members are Mr. Lu Tak Ming (until 28 April 2016), Mr. Wu Zhao and Mr. Lam Cheok Va (since 28 April 2016).

董事會成員多元化政策

於本年內，提名委員會制定本公司之董事會成員多元化政策（「董事會成員多元化政策」）。本公司認同及接受董事會成員多元化對提升其表現質素的裨益。在制定董事會的組成時，提名委員會將會考慮多個方面，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年期。董事會的所有委任將以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。最終決定將會以經甄選候選人將為董事會帶來之好處及貢獻為依據。

提名委員會將檢討董事會成員多元化政策（如適用）以確保其行之有效，並就可能需要作出的任何修改進行討論，以及就任何有關修改向董事會提供推薦意見以供其審議及批准。

提名委員會亦會監察董事會成員多元化政策的實施，並就根據董事會成員多元化政策達致可計量之多元化目標的達成情況向董事會匯報。

合規委員會

本公司於二零一四年六月三十日成立合規委員會（「合規委員會」），並訂定其職權範圍。合規委員會現時由三名獨立非執行董事組成，由陳釗洪先生擔任主席，其餘成員為盧德明先生（直至二零一六年四月二十八日）、吳兆先生及Lam Cheok Va先生（由二零一六年四月二十八日起）。

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企業管治報告

The primary duties of the Compliance Committee are to review matters relating to the historical conduct of the operations of the Group with a view to (i) understand the relevant legal compliance obligations; (ii) recommend procedures and protocols for implementation and/or inclusion into the policies of the Group for regulation of our recent or future operations to ensure compliance with all applicable laws, rules and regulations, and to review such policies from time to time to consider whether any amendments or updates are necessary and to make recommendations to the Board for amendment and adoption as appropriate, and (iii) review the effectiveness of and compliance by the Group with the policies implemented by the Group and to recommend remedial actions to be taken (if any) in the event any non-compliance is discovered. Any incident of non-compliance will be reported to our compliance committee. Meetings will be held on a monthly basis or as and when necessary to perform the functions set out above. For effective monitoring, external independent professionals will be engaged to conduct reviews of our internal control system and its implementation and effectiveness on an annual basis, and if considered necessary by compliance committee, at frequency as it considered appropriate.

1 Compliance Committee meeting was held during the year. Details of the attendance of the members of the Nomination Committee meeting are as follows:

合規委員會之主要職責為檢討有關本集團過往營運行為之事宜，以(i)了解相關法律合規責任；(ii)建議程序及方案以供實行及／或納入本集團政策，用作規管我們最近或未來營運，以確保遵守一切適用法律、規則及法規，且不時檢討該等政策，以考慮是否需要作出任何修訂或更新，並向董事會提出適當修訂及採納之建議；及(iii)檢討本集團所實施政策之成效及本集團遵守該等政策之情況，並在發現任何不合規行為時建議應採取之補救行動（如有）。任何不合規事故將向合規委員會匯報。會議將每月或於有需要時舉行，以履行上文所載之職能。為有效監察，合規委員會將每年及在其認為有需要之情況下按其認為適當之頻密度，委聘外部獨立專業人士，以檢討我們之內部監控制度以及其實行及成效。

於本年內，合規委員會舉行1次會議。合規委員會成員出席會議之詳情如下：

Members	成員	Attendance 出席次數
Mr. Chan Chiu Hung Alex (<i>Chairman</i>)	陳釗洪先生(主席)	1/1
Mr. Wu Zhao	吳兆先生	1/1
Mr. Lam Cheok Va (appointed on 28 April 2016)	Lam Cheok Va先生(於二零一六年四月二十八日獲委任)	1/1
Mr. Lu Tak Ming (resigned on 28 April 2016)	盧德明先生(於二零一六年四月二十八日辭任)	0/0

Corporate Governance Functions

According to code provision D.3 of the CG Code, the Board is responsible for performing the corporate governance duties of the Company. The Board shall have the following duties and responsibilities for performing the corporate governance duties of the Company:

- to develop and review the policies and practices on corporate governance of the Group and make recommendations;
- to review and monitor the training and continuous professional development of Directors and senior management;

企業管治職能

根據企業管治守則之守則條文第D.3條，董事會負責履行本公司之企業管治職責。就履行本公司之企業管治職責而言，董事會應承擔以下職責及責任：

- 制定及審閱本集團之企業管治政策及常規，並提出推薦意見；
- 審閱及監察董事及高級管理層人員的培訓及持續專業發展；

3. to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
 4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and
 5. to review the Company's compliance with the CG Code as set out in Appendix 15 to the GEM Listing Rules and disclosure in the corporate governance report of the Company.
3. 審閱及監察本集團於遵守法律及監管規定方面的政策及常規；
 4. 制定、審閱及監察適用於董事及僱員之行為守則及合規手冊(如有)；及
 5. 審閱本公司遵守創業板上市規則附錄15所載之企業管治守則的情況以及於本公司企業管治報告內的披露事項。

Accountability and Audit

Directors' and Auditor's Responsibilities for the Consolidated Financial Statements

All Directors acknowledges their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for the year ended 31 March 2017, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The statement of auditor about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

問責及核數

董事及核數師於綜合財務報表的責任

全體董事明瞭彼等有責任編製本集團各財務期間的綜合財務報表，以真實及公平地反映本集團於該期間的事務狀況及業績與現金流量。於編製截至二零一七年三月三十一日止年度的綜合財務報表時，董事會已選擇及貫徹應用合適的會計政策，作出審慎、公平及合理的判斷及估計，並按持續經營基準編製綜合財務報表。董事亦負責採取一切合理及必須的措施保障本集團的資產及防止及審查欺詐及其他違規行為。有關核數師對綜合財務報表的報告責任的聲明載於獨立核數師報告。董事繼續採納持續經營基準以編製綜合財務報表，且並不知悉有任何重大不明朗因素涉及可能對本公司作為持續經營實體產生重大疑問的事件或狀況。

CORPORATE GOVERNANCE REPORT

企業管治報告

Auditors' Remuneration

During the year, the remuneration paid or payable to the Company's auditors, Reanda Lau & Au Yeung (HK) CPA Limited, in respect of their audit and non-audit services was as follows:

Members	成員	HK\$ 港元
Audit service	審核服務	450,000
Non-audit services	非審核服務費	–
Total	總計	450,000

Risk Management and Internal Control

The Board, recognising its overall responsibility in ensuring the risk management and internal control systems of the Company and for reviewing its effectiveness, is committed to implement an effective and sound risk management and internal control systems to safeguard the interests of shareholders and the assets of the Group.

The Board is responsible for establishing the Group's internal control framework, covering all material controls including financial, operational and compliance controls, as well as risk management functions of different systems. Review has been carried out in a systematic approach based on the risk assessments of the operations and controls. The Board considers that the key areas of the Group's internal control systems are reasonably implemented.

During the year under review, the Board, through the Audit Committee, has conducted a review, via an appointed professional firm to perform internal audit function, on the effectiveness of the risk management and internal control systems of the Group, covering financial, operational and risk management aspects. The systems were considered effective and adequate.

The Group adopts a complete process style of risk management in a functional bottom up manner, including risk identification, assessment, evaluation and treatment. The functional areas across the Group provide input of risks with treatments, which are appraised and maintained. The risk management system, as well as the internal control system, are continuous, proactive and systematic processes.

With the implementation of internal audit function, the effectiveness of the risk management and internal control systems is reviewed by conducting internal audit assignments. Recommendations for major observations of control weaknesses from the audits will be provided, so as to resolve material internal control defects.

核數師酬金

截至本年度，就審核及非審核服務已付或應付本公司核數師利安達劉歐陽(香港)會計師事務所有限公司的酬金如下：

風險管理及內部監控

董事會知悉其就確保本公司風險管理及內部控制系統以及檢討其有效性之全面職責，致力執行有效及健全之風險管理及內部控制系統，以保障股東權益及本集團資產。

董事會負責建立本集團內部控制框架，涵蓋所有重大監控，包括財務、營運及合規控制，以及不同系統之風險管理職能。已根據營運及監控之風險評估而進行系統性檢討。董事會認為本集團已經合理地實行內部監控制度之主要範疇。

於回顧年度內，董事會透過審核委員會，經由獲委任專業機構進行內部審核功能，對本集團風險管理及內部監控系統的成效進行檢討，包括財務、營運及風險管理方面。該等系統被視為有效且充足。

本集團採納一個功能性的自下而上的完整風險管理流程，包括風險識別、評估、估值及處理。本集團的功能性領域提供處理風險的輸入數據，該等數據乃經評估及維持。風險管理系統及內部監控系統為持續、主動及系統化過程。

內部審核功能透過進行內部審核分配，檢討風險管理及內部監控系統的成效。其將就審核中觀察到的主要監控不足提供推薦建議，以解決重大內部監控缺陷。

INVESTORS AND SHAREHOLDERS RELATIONS

The Company values communication with the shareholders and investors. The Company uses two-way communication channels to account to shareholders and investors for the performance of the Company. Enquiries and suggestions from shareholders or investors are welcomed, and enquiries from shareholders may be put to the Board through the following channels to the executive Director:

1. By mail to the Company's principal place of business at Suite 2201, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong;
2. By email at info@royalcentury.hk.

The Company uses a number of formal communications channel to account to shareholders and investors for the performance of the Company. These include (i) the publication of quarterly, interim and annual reports; (ii) the annual general meeting or extraordinary general meeting providing a forum for shareholders to raise comments and exchanging views with the Board; (iii) updated key information of the Group available on the websites of the Stock Exchange and the Company; (iv) the Company's website offering communication channel between the Company and its shareholders and investors; and (v) the Company's share registrars in Hong Kong serving the shareholders in respect of all share registration matters.

The Company aims to provide its shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to provide clear, detailed, timely manner and on a regular basis information of the Group to shareholders through the publication of quarterly, interim and annual reports and/or dispatching circulars, notices, and other announcements.

The Company strives to take into consideration its shareholders' views and inputs, and address shareholders' concerns. Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice shall be given. The chairman of the Board as well as chairmen of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Compliance Committee, or in their absence, the Directors are available to answer shareholders' questions on the Group's businesses at the meeting. To comply with code provision E.1.2 of the CG Code, the management will ensure the external auditor to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

投資者及股東關係

本公司重視與股東及投資者之間的溝通。本公司利用雙向通訊渠道就本公司表現向股東及投資者提供資料。歡迎股東或投資者查詢及給予意見，股東可透過以下渠道向執行董事作出查詢，以便轉交董事會：

1. 郵寄至本公司的主要營業地點，地址為香港灣仔港灣道26號，華潤大廈22樓，2201室；
2. 電郵至info@royalcentury.hk。

本公司利用若干正規的通訊渠道就本公司表現向股東及投資者提供資料，其中包括(i)刊發季度、中期及年度報告；(ii)舉行股東週年大會或股東特別大會，為股東提供一個可提出意見及與董事會交流意見的平台；(iii)於聯交所及本公司的網站提供本集團的最新重要資訊；(iv)本公司網站為本公司及其股東及投資者提供溝通渠道；及(v)本公司的香港股份過戶登記處就所有股份過戶登記事宜向股東提供服務。

本公司旨在向股東及投資者提供高水平之披露及財務透明度。董事會致力透過刊發季度、中期及年度報告及／或寄發通函、通告及其他公告，定期向股東提供有關本集團明確、詳盡與及時的資料。

本公司致力考量其股東的意見及建議，並處理股東關注的問題。歡迎股東出席股東週年大會，就此，股東將至少獲二十個完整營業日的通知。董事會主席及審核委員會、提名委員會、薪酬委員會及合規委員會的主席或（倘彼等缺席）董事均會於會上就本集團的業務回答股東的提問。為遵守企業管治守則之守則條文第E.1.2條，管理層將確保外聘核數師會出席股東週年大會，以回答有關進行審核、核數師報告的編製及內容、會計政策以及核數師的獨立性等提問。

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All shareholders have statutory rights to call for extraordinary general meetings and put forward agenda items for consideration by shareholders. According to section 566 of the Companies Ordinance, The directors are required to call a general meeting if the company has received requests to do so from members of the company representing at least 5% of the total voting rights of all the members having a right to vote at general meetings. A request (a) must state the general nature of the business to be dealt with at the meeting; and (b) may include the text of a resolution that may properly be moved and is intended to be moved at the meeting.

A shareholder may propose a person other than a retiring director or recommended by the board of directors for election as a director by validly lodging the following documents within the period hereinafter mentioned at the registered office of the Company at Suite 2201, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong:

1. a notice in writing of the intention to propose the appointment or reappointment of such person to the office of director, which must state the full name of such person, include the person's biographical details as required by rule 17.50(2) of the GEM Listing Rules and be signed by the proposing shareholder; and
2. a notice in writing signed by such person of his willingness to be appointed or re-appointed as a director together with his written consent to the publication of his/her personal data.

Such documents shall be lodged at the registered office of the Company within the period of seven (7) days after the dispatch of the notice of the general meeting. Upon receipt of such documents, the Company shall verify the documents and, if the proposal is found to be in order, publish an announcement or issue a supplementary circular in respect of the proposal in accordance with rule 17.46B of the GEM Listing Rules.

所有股東均擁有要求召開股東特別大會及提出議程項目以供股東考慮之法定權利。根據公司條例第566條，若佔全體有股東大會表決權的股東總表決權最少5%的公司股東要求公司召開股東大會，則董事須召開股東大會。有關要求(a)必須列明大會上將予處理事務之一般性質；及(b)可包含在該大會恰當地動議並擬於該大會動議之決議案文本。

股東可在下文所述之期間內有效提交下列文件至本公司主要營業地點，地址為香港灣仔港灣道26號，華潤大廈22樓2201室，提名一位除退任董事或董事推選以外之任何人士參選董事一職：

1. 表明有意提名該人士參選或重選董事之書面通知，該書面通知須列明該人士之全名，包括根據創業板上市規則第17.50(2)條規定之該人士履歷詳情並經一名提名股東簽署；及
2. 該人士簽署表明願意參選或重選董事之書面通知連同同意刊登其個人資料之同意書。

有關文件須於寄發股東大會通告後七(7)天之期間內提交至本公司註冊辦事處。本公司於收到有關文件後將核。實該文件，及倘該建議符合程序，將按照上市規則第17.46B條之規定就該建議刊登公告及／或發出補充函。

In the event of any general meeting called by at least ten (10) clear business days' (as defined by the GEM Listing Rules) or fourteen (14) days' (whichever is the longer) notice in writing, such documents lodged within the aforesaid period may be received less than ten (10) business days prior to the general meeting, in which case the Company will consider the adjournment of the general meeting in order to give shareholders at least ten (10) business days to consider the relevant information disclosed in the announcement or supplementary circular.

In order to promote effective communication, the Company also maintains website (<http://www.royalcentury.hk>) which includes the latest information relating to the Group and its businesses.

COMPANY SECRETARY

Mr. Pang Pui Hung Paton is the company secretary of the Company. During the year, Mr. Pang has duly complied with relevant professional training requirements in accordance with Rule 5.15 of the GEM Listing Rules.

倘任何股東大會須發出至少十(10)個完整營業日(定義見上市規則)或十四(14)天(以較長者為準)之書面通知召開,則須於股東大會舉行日期前十(10)個營業日內收到於上述期間提交之有關文件,在此情況下,為了給予股東不少於十(10)個營業日以考慮該公佈或補充通函所披露之相關資料,本公司將考慮舉行該股東大會之續會。

為促進有效溝通,本公司另設有網站(<http://www.royalcentury.hk>),當中載有本集團及其業務的最新資料。

公司秘書

彭沛雄先生(「彭先生」)為本公司之公司秘書。於本年內,彭先生已妥為遵守創業板上市規則第5.15條之相關專業培訓規定。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

We are very pleased to present our first Environmental, Social and Governance report (the “ESG Report”) for Royal Century Resources Holdings Limited (formerly known as Kate China Holdings Limited) (the “Company”, together with its subsidiaries, the “Group”). This ESG Report discloses the Group’s policies, guidelines, actions and performance over the past year on different sustainable development issues in a transparent manner. The Group recognises the environmental, social and governance values and it is our commitment to create sustainable values and environmental protection through caring of our stakeholders.

This ESG Report covers the reporting period from 1 April 2016 to 31 March 2017 (the “Reporting Period”) and it has been prepared in accordance with the Environmental, Social and Governance (“ESG”) Reporting Guide (the “Guide”) in Appendix 20 of the GEM Listing Rules of the Hong Kong Exchanges and Clearing Limited (“HKEx”). The Guide encourages a listing company to identify and disclose ESG information that is material and relevant to both its business and its stakeholders.

The Group is principally engaged in the provision of (i) design and fitting-out services in Hong Kong and (ii) design and procurement of furnishings and materials services. We have also commenced the money lending and sourcing and merchandising of fine and rare wines business during the Reporting Period. Unless otherwise stated, this ESG report covers our operations in Hong Kong which has contributed almost our Group’s entire turnover in the Reporting Period.

IDENTIFYING PRIORITIES AND BALANCES IN OUR VALUE CREATION PROCESS

We hope to enhance communication with stakeholders through this report. To start with the value creation process on sustainable development, the stakeholders’ participation is critical to assess the priorities. Then through a variety of communication channels, we get in touch with important stakeholders for better understanding their expectations. As a result, we not only can identify opportunities and challenges, and develop our business development strategies, but also can improve our corporate social responsibilities that are considered as the continuing commitment by the Company to behave ethically and to contribute to economic development, and at the same time to improve the quality of life of our employees and their families as well as of the local community and society at large.

關於本報告

我們欣然為仁德資源控股有限公司(前稱中持基業控股有限公司)(「本公司」, 連同其附屬公司統稱「本集團」)提呈首份環境、社會及管治報告(「ESG報告」)。本ESG報告以具透明度的方式披露了本集團去年在不同可持續發展事宜方面的政策、指引、措施及成果。本集團認可環境、社會及管治之價值, 通過關心權益人, 我們致力創造可持續價值及環境保護。

本ESG報告涵蓋自二零一六年四月一日至二零一七年三月三十一日止的報告期(「報告期」), 並按照香港交易及結算所有限公司(「香港交易所」)創業板上市規則附錄20內「環境、社會及管治」(「ESG」)報告指引(「指引」)編製。該指引鼓勵上市公司識別及披露有關其業務及其權益人的重要ESG資料。

本集團的主要業務為(i)在香港提供設計及裝修服務及(ii)提供設計及採購室內陳設及裝飾材料服務。於報告期內, 我們亦已開展放債及美酒採購及營銷業務。除非另行說明者外, 本ESG報告涵蓋本集團於報告期內貢獻接近全部營業額的香港業務。

在我們的價值創造過程中識別優先事項及各方面平衡

我們希望通過本報告, 加強與權益人的溝通。從可持續發展的價值創造過程開始, 權益人的參與對評估優先事項至關重要。然後通過各種溝通渠道, 我們與重要權益人聯繫, 以妥善了解彼等的期望。故此, 我們不僅可以確定機遇及挑戰, 並制定業務發展策略, 而且可以改善企業社會責任, 以作為本公司持續致力於合乎道德的行為, 並為經濟發展作出貢獻, 同時提高僱員及家屬以及本地社區及整個社會的生活質素。

For the Reporting Period, we have identified key stakeholders and have communicated with them in different ways, such as physical meetings, email, mail, telephone, interview, lecture etc.

於報告期內，我們已識別主要權益人，並通過親身會議、電子郵件、信件、電話、面談、講座等方式與彼等溝通。

Key Stakeholders

主要權益人

Internal stakeholders 內部權益人	External stakeholders 外部權益人
<ul style="list-style-type: none"> • Board of Directors • 董事會 • Shareholders and Investors • 股東及投資者 • Management • 管理層 • Staff representatives • 員工代表 	<ul style="list-style-type: none"> • Customers • 客戶 • Subcontractors • 分包商 • Suppliers • 供應商 • Financial Institutions • 金融機構 • Government/regulatory authorities • 政府／監管機構 • Local Community groups • 本地社區團體 • Media • 傳媒

One of the key outcomes we expect from the stakeholders engagement process is materiality assessment where the views of what are important to business (in particular for internal stakeholders) and what are important to stakeholders (the external stakeholders), are identified through plotting on a matrix of relevance and importance. This matrix forms a basis for our decision process to prioritise the focuses for long term planning, disclosure, policy enhancement and enforcement of relevant practices.

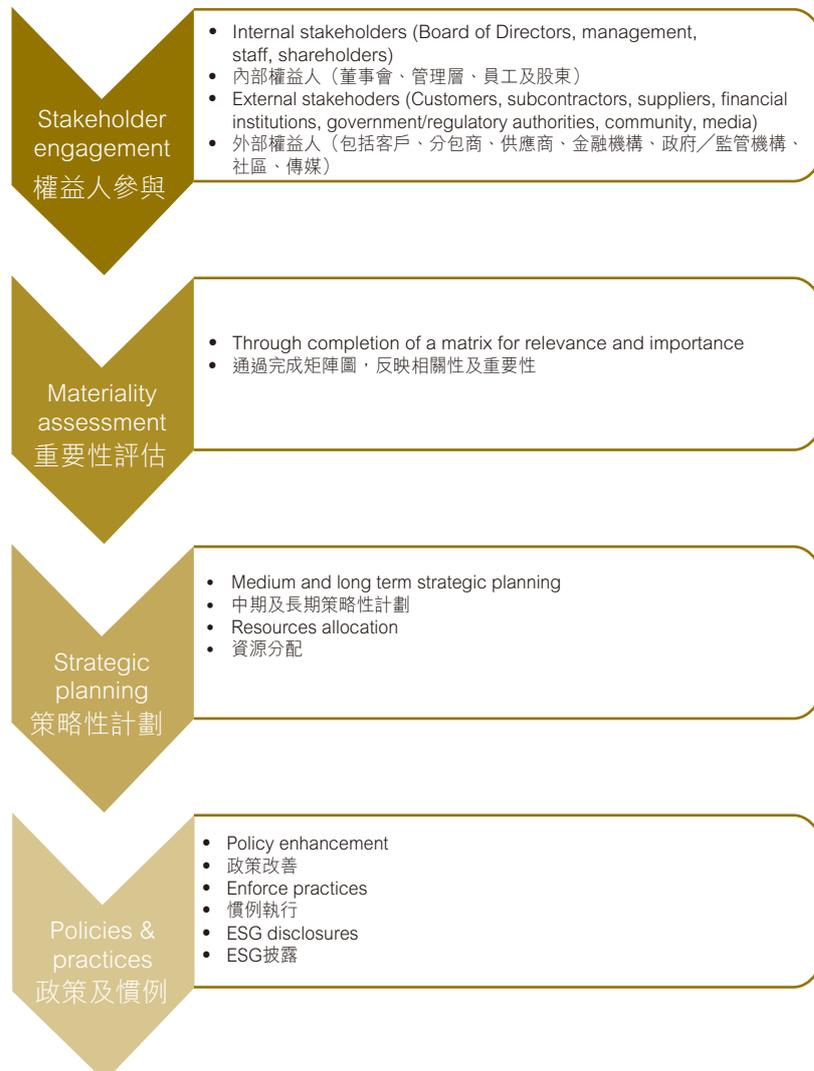
從權益人參與過程中獲得的主要成果之一為重要性評估，而透過繪製以相關性及重要性為基準的矩陣圖，以便辨識對於業務經營角度上重要的指標（特別適用於內部權益人）及權益人認為重要的指標（適用於外部權益人），於我們的決策過程中，此矩陣圖在優先處理有關長期計劃、資訊披露、政策改善及嚴格執行相關常規的重點上構成基準。

Our businesses have impacts on our key stakeholders, and on the other hand our stakeholders also have different expectations over the Group. Going forward, we shall continuously strengthen communication with our stakeholders, and collect their opinions and expectations extensively by various means. We shall also reinforce the reporting principles as proposed in the Guide for materiality, quantitative, balance and consistency, in order to incorporate more relevant contents in the report and to present information in a way that can meet better the expectation of our stakeholders.

我們的業務對我們的主要權益人產生影響，而另一方面，我們的權益人亦對本集團抱有不同的期望。展望未來，我們將不斷加強與權益人的溝通，多方面收集意見及期望。我們亦將為達致重要性、量化、平衡及一致性，加強香港交易所指引中提出的報告原則，以便在本報告中納入更多相關內容，並以可更妥善地迎合權益人期望的方式呈列資料。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



OUR TALENTS

Our values

We value our talents as one of the most important assets of the Group. We strive to create an environment in which the staff's individual contribution to the Group's success is encouraged, recognised and rewarded. Meaningful communication and interaction between the management and general staff are highly encouraged. We are also committed to being an employer of equal opportunity and does not discriminate people on the basis of race, nationality, ethnic origin, religion, sex, or marital status. Staff with the appropriate skills, qualifications, experience and competencies required for a particular position will have equal opportunities of being considered for the position under new recruitment or promotion. The person selected will be the best who meets the requirements of the position.

我們的人才

我們的價值

我們將人才視為本集團最重要資產之一。我們致力營造須鼓勵、認可及獎勵個別員工對本集團成功作出貢獻的環境。我們大力鼓勵管理層與一般員工之間有意義的溝通及互動。我們亦致力成為重視平等機會的僱主，且不會因種族、國籍、族裔、宗教、性別或婚姻狀況而歧視別人。具備特定職位所須的合適技能、資格、經驗及能力的員工將在考慮新招聘職位或晉升職位時擁有平等機會。獲選者將為最符合職位要求的人。

A series of policies, operations manuals and handbooks are in place in the Group for building a workplace where our staff can feel respected in a fair working environment, to enable everyone to realise their full potential and to prosper themselves in their own way.

Human Resources Policies

The Group strictly complies with the laws, regulations, rules and standards in Hong Kong and the Mainland China on employment. To enable every talent to get familiarised with the rules and policies in their work place, a comprehensive staff handbook is shared with them on their welcome day. The handbook has thorough information on policies relating to the recruitment and promotion, development and training, working hours, rest periods, other benefits and welfare, compensation and dismissal, equal opportunity, diversity and anti-discrimination, etc.

As at the end of financial year, the Group had 27 staff in Hong Kong and 8 staff in the Mainland China. We offer competitive salary package to recruit talented people and in order to retain high caliber talents, we shall provide other benefits and welfare to them such as share options, discretionary bonus and training sponsorship.

Staff Training and Self-development

We care about the career development of our talents and continuous acquisition and upgrading of the staff's skills and proficiencies are essential to the next step in their career path. We believe trainings and development can provide our talents promotion opportunities within our Group and foster staff loyalty. On the other hand, nurturing and retaining our talents is paramount to strengthening of our competitiveness, laying further foundations for the sustainable development and the ultimate success of our Group.

Vocational trainings and business related external and internal training courses taken by our talents are encouraged by our Group and we have the policy of sponsoring the course fee and other reasonable expenses, such as registration fee, on satisfactory completion of the courses. Sponsorship applies to professional courses, seminars, workshops or conference recommended or approved by the Group.

We also convene comprehensive internal training programmes, in the form of seminars, meetings and written manuals, etc. to increase our talents' knowledge of operational and safety practices and to provide training based on specific job requirements.

本集團制定了一系列政策、操作指引及手冊，以建立員工在公平工作環境中得到尊重的工作場所，藉此讓每人得以完全發揮本身的潛力，並以本身的方式自我發展。

人力資源政策

本集團嚴格遵守香港及中國大陸在僱傭方面的法律、條例、規則及標準。為了促使每位人才能夠熟悉工作場所的規則及政策，於迎新日會與其分享一份全面的員工手冊。該手冊包含有關於招聘及晉升、發展及培訓、工作時間、休息時間、其他待遇及福利、補償及解僱、平等機會、多元性及反歧視等政策的詳細資料。

於財政年度末，本集團在香港聘有27名員工及於中國有8名員工。我們提供具競爭力的薪酬待遇來招聘人才，以求挽留高質素人才，我們將為其提供其他待遇及福利，如購股權、酌情花紅及培訓贊助。

員工培訓及自我發展

我們關心我們的人才的就業發展，員工的技能及專長獲得不斷的增長及提升，對於其未來就業路向至關重要。我們相信培訓及發展可令我們的人才獲得於本集團內的晉升機會，及培養員工的忠誠度。另一方面，培育及挽留我們的人才，對於加強我們的競爭能力、為本集團可持續發展及成功進一步奠定基礎極為重要。

本集團鼓勵我們的人才接受職業培訓及業務相關的外部及內部培訓課程，倘完成課程的表現令人滿意，我們設有政策全數資助課程費用及其他相關費用，如註冊費等。資助適用於本集團推薦或批准的專業課程、研討會、工作坊或會議。

我們亦以討論會、會議及書面手冊等形式進行全面的內部培訓計劃，以增進我們的人才對操作及安全慣例的了解，並根據特定工作要求提供培訓。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Staff Welfare

We hold regular staff social functions in order to create a harmonious working environment and a working place that our talents are delighted to work in. We aim to enhance social communications and relationships between our talents in order to enhance the team works to achieve our business objectives more efficiently and effectively. We believe in the importance of recognising employee's accomplishments, and it can promote staff loyalty that will positively affect our sustainable development. During the Reporting Period, we had organised from small social functions, such as birthday parties and birthday lunches for our talents, to larger social functions, such as festive lunch and parties for Christmas and Mid-Autumn Festival, and even larger scale functions of subsidiary annual dinner and the Group annual dinner with lucky draws.

Caring the Health and Safety of our Talents

We believe that the safety of our staff in workplace is the first priority of our business and we are committed to providing a safe and healthy working environment for the benefit of our staff, subcontractors and the general public.

For our work sites in Hong Kong, we comply with the Factories and Industrial Undertakings Ordinance, we are responsible for taking care of the safety and health at work of our staff and self-employed workers by:

- providing and maintaining plant and work systems that do not endanger safety or health;
- making arrangement for ensuring safety and health in connection with the use, handling, storage or transport of plant or substances;
- providing all necessary information, instruction, training, and supervision for ensuring safety and health;
- providing and maintaining safe access to and egress from the workplaces; and
- providing and maintaining a safe and healthy work environment.

員工福利

我們定期舉行員工社交活動，以創造和諧的工作環境及我們的人才樂於效力的工作場所。我們旨在加強我們的人才之間的溝通及關係，藉此加強團隊合作，以便更快速及有效地實現業務目標。我們相信對員工成就給予認可的重要性，並可以提升員工的忠誠度，此將對我們的可持續發展造成正面影響。於報告期內，我們籌辦生日派對及生日午餐等小型社交活動，以至中秋節的節日午餐及聖誕節派對等較大型的社交活動，甚至附屬公司的週年晚宴及本集團的年度晚宴（設有幸運抽獎）等更大規模的活動。

關注我們的人才的健康及安全

我們相信工作場所的員工安全乃我們業務的首要事項，我們為著員工、分包商及公眾的利益，致力提供安全健康的工作環境。

對於我們位於香港的地盤，我們遵守「工廠及工業經營條例」，通過以下各項，我們負責照顧我們的員工及自僱工人的工作安全及健康：

- 提供及維持不會危害安全或健康的作業裝置及工作系統；
- 作出有關之安排，以確保在使用、處理、貯存或運載作業裝置或物質方面屬安全及健康；
- 提供一切所需資料、指導、訓練及監督，保障安全及健康；
- 提供及維持安全進出工作地點的途徑；及
- 提供及維持安全及健康的工作環境。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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We require in the worksites qualified safety supervisor approved by the Labour Department to monitor and implement our safety system, in order to maintain the safety environment for our staff and self-employed workers. The safety supervisor observes working conditions, equipment and worker behaviors to identify safety problems and take corrective actions. Safety Handbook for Construction Site Workers and various related safety handbooks issued by the Labour Department in Hong Kong are distributed to our employees to enhance their knowledge about the rules for safety and ensure their understanding of importance of safety in work sites. Our subcontractors are also required to abide all safety laws, rules, regulations measures and procedures as well as all safety requirements to comply with all current enactments relating to their works.

In our offices in Hong Kong and the Mainland China, we are also committed to providing a safe working environment to our staff by complying with the Occupational Safety and Health Ordinance in Hong Kong and relevant laws and regulations in the Mainland China. In order to provide a healthy and safe environment, various safe work policies and procedures are implemented, such as prohibition of smoking, regular office cleaning, emergency and fire drill, etc. In October 2016, we arranged our staffs in Hong Kong to participate in a quiz on fire safety organised by the office building where our head office was located, in order to raise the fire safety consciousness of our staff in the workplace.

During the Reporting Period, the Group has strictly complied with the relevant laws and regulations in Hong Kong and the Mainland China and no major accidents involving death or injuries had occurred.

Observe Labour Standards

We recognise that child labour and forced labour violate fundamental human rights and the protocol of international labour conventions, and we agree they pose a threat to sustainable social and economic development. Therefore we strictly abide the Employment Ordinance in Hong Kong, and the Labour Law and Labour Contract Law in China.

於地盤內，我們要求由勞工處批准的合資格安全督導員監察及推行我們的安全系統，以維護我們的員工及自僱工人的安全環境。安全督導員監察工作情況、設備及工人行為，以辨識安全問題並採取糾正措施。我們的員工獲派發香港勞工處刊發的「地盤工友安全手冊」及各類有關的安全手冊，以增強其對安全規則的了解，並確保其了解地盤安全的重要性。我們的分包商亦須遵守所有安全法律、規則、條例措施及程序以及所有安全規定，以符合目前與其工程有關的所有法例。

在我們位於香港及中國大陸的辦事處，我們亦致力於通過遵守香港「職業安全及健康條例」及中國大陸相關法律及條例，為員工提供安全的工作環境。為了提供健康及安全的環境，我們實施了各項安全工作政策及程序，如禁止吸煙、定期辦公室清潔、應急及消防演習等。於二零一六年十月，我們安排香港員工參加我們總部所在的辦公大樓舉辦的消防安全問答比賽，以提高員工在工作場所的消防安全意識。

於報告期內，本集團已嚴格遵守香港及中國大陸的相關法律及條例，並未發生涉及傷亡的重大事故。

遵守勞工準則

我們認同童工及強制勞工違反基本人權及國際勞工公約的協定，且我們同意其對可持續社會及經濟發展構成威脅。因此我們嚴格遵守香港僱傭條例以及中國勞工法及勞工合同法。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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The Group prohibits employment of child labour and will carry out examination of the applicant's age during the recruitment stage. We would strictly follow the employment contracts and would not prejudice the employment relationship in any way between the employees and the Group, such as detaining a deposit, forcing to work against their will under any kind of threat. Employees have the right to terminate their employment contracts as long as it is in compliance with the relevant laws and the Group policies. During the Reporting Period, the Group has not experienced any case of child labour and forced labour.

OUR ENVIRONMENT Environmental Protection

The environmental damage that human has caused Earth is phenomenal. We are contributing to climate change, depleting of natural resources, and polluting the natural environment at a high rate. We recognise the importance of environmental protection that is essential for the sustainable development of the environment and our business, and as such, we believe that it is our responsibility to encourage all our stakeholders, internally and externally, to preserve the environment. We participate actively in protecting the environment by formulating necessary procedures to minimize the damage to the environment by reducing and proper handling of the emissions, efficient use of resources and proper use of natural resources. The Group also enhances our employees' awareness of environmental protection and increases their involvement in operating an eco-friendly working environment.

Emissions Management

We are well aware of the adverse impact of our design and fitting-out works on the environment. The emissions during the construction period are mainly solid waste, air pollutants, noxious odor, and noise. We are committed to complying with all applicable environmental laws and regulations, such as Waste Disposal Ordinance, Air Pollution Control Ordinance and Noise Control Ordinance in Hong Kong. As most of our design and fitting-out works are carried out by our subcontractors, we assume the responsibilities to ensure that the subcontractors are fully comply with the relevant environmental laws and regulations. During the Reporting Period, the Group did not find any cases of non-compliance related to the relevant environmental laws and regulations.

本集團禁止僱用童工，在招聘過程中須審查申請人的年齡。我們會嚴格遵循僱傭合約，且絕不會在任何方面侵害本集團與僱員之間的僱傭關係，例如扣押金錢、強迫在任何種類的威脅下要求違背意願地工作。只要符合相關法律及本集團政策，僱員有權終止其僱傭合約。於報告期內，本集團並未遇到任何童工或強制勞工的個案。

我們的環境 環境保護

人類對地球造成驚人的環境破壞。我們正促成氣候轉變，耗盡天然資源，並高速污染天然環境。我們認同環境保護的重要性，對環境及我們業務的可持續發展至關重要，因此我們相信，我們有責任鼓勵所有內部及外部的權益人保護環境。我們通過制定必要程序減少及妥善處理排放物，有效利用資源及善用天然資源，盡量減少對環境的破壞，積極參與環境保護工作。本集團亦提高僱員的環保意識，並增加僱員在營造生態友好的工作環境方面之參與程度。

排放物管理

我們很清楚我們的設計及裝修工程對環境的不良影響。施工期間的排放物主要為固體廢物、空氣污染物、有害氣體及噪音。我們致力於遵守香港所有適用環境法律及條例，如「廢物處理條例」、「空氣污染管制條例」及「噪音管制條例」。由於我們大部分設計及裝修工程均由分包商進行，因此我們須承擔及確保分包商完全遵守相關環境法律及條例的責任。於報告期內，本集團並未發現任何與相關環境法律及條例有關的不合規情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Efficient Use of Resources

We believe that the efforts of our employees can have a great contribution to the efficient use of resources. Therefore, we are committed to establishing a culture of energy saving and resources conservation in our workplaces. We have put forward policies on reducing the use of resources in the staff handbook. Employees are encouraged to switch off lighting and electronic equipment not in use during the office hour. In the daytime, natural light is recommended as much as possible. Computers are set as sleep mode when not in use. The temperature of air conditioners is set at a reasonable temperature for the efficient use of energy. After office hour, all computers, lightning, air conditioners and equipment not in use are required to turn off. Water is also a precious natural resource and water conservation is highly encouraged. Notices are posted at the prominent places to remind our employees to save water.

Less paper policy is imposed on our working places. Staff is encouraged to use electronic communication, such as email, to replace the use of paper. Double sided printing is adopted. The use of photocopying is reviewed regularly to avoid wasting of paper and energy. The use of company vehicles is regulated to reduce fuel consumption. Employees are encouraged to take public transportation to the work sites and also for visiting suppliers in the Mainland China. When employees need to visit various suppliers in the Mainland China simultaneously, they are recommended to organise car pools for transportation. We also encourage our material suppliers to reuse and recycle the packing materials for the delivery of materials to our work sites.

Environment and Natural Resources

We strive to reduce the use of natural resources in our projects and closely monitor the impact to the environment. For our procurement of furnishings and materials services, wood is a common raw material used by our suppliers to manufacture the specified items required by our customers. In order to minimise the impact on the environment and natural resources, the Group takes necessary procedures to prohibit our suppliers to use wood from illegal sources for the production of furnishings and materials supplied to our Group. The material suppliers are required to confirm that the wood supplied to us is in compliance with the relevant rules, regulations and certifications. During the Reporting Period, the Group did not identify any non-compliance relating to environment and preservation of natural resources.

有效利用資源

我們相信，我們僱員的努力可對有效利用資源帶來莫大貢獻。因此，我們致力於在工作場所建立節能及資源節約的文化。我們在員工手冊中已列出減少資源使用的政策。我們鼓勵僱員在辦公時間內關閉不使用的照明及電子設備。建議白天盡可能利用自然光。在空置電腦時，須設定為睡眠模式。為有效使用能源，須將空調的溫度設為合理溫度。辦公時間後，所有不使用的電腦、燈具、空調及設備均需要關掉。水亦為珍貴的天然資源，我們亦大力提倡節約用水。通告也張貼於當眼位置，以便提醒僱員節約用水。

我們對工作場所實施減少使用紙張政策。我們鼓勵員工使用電子郵件等電子通訊方式來代替使用紙張。員工應採用雙面打印。我們定期檢討複印的使用情況，以避免浪費紙張及能源。我們亦規限使用公司汽車，以減少燃料消耗。我們鼓勵僱員乘搭公共交通工具前往地盤及造訪中國大陸的供應商。如僱員需要同時造訪中國大陸各地供應商時，我們建議採用拼車的交通安排。我們亦鼓勵我們的物料供應商循環再用及回收用於運送物料至我們地盤的包裝材料。

環境及自然資源

我們致力減少工程項目中所用的天然資源，並密切監察對環境的影響。對於採購室內陳設及裝飾材料服務，木材是供應商使用的常用原料，用於製造客戶要求的指定物品。為盡量減少對環境及自然資源的影響，本集團一向採取必要措施禁止供應商使用非法來源的木材來生產向本集團供應的室內陳設及裝飾材料。裝飾材料供應商須確認供應予我們的木材乃符合相關法規、條例及認證。於報告期內，本集團並未發現任何與環境及保護自然資源有關的不合規情況。

SOCIAL RESPONSIBILITIES ON OUR OPERATIONS

Supply Chain Management

Our business requires a lot of outsourcing and subcontracting and purchases. However outsourcing and subcontracting do not mean that we can evade responsibilities and risks due to poor surveillance on environmental, social and governance problems of our subcontractors. We understand the Group should play roles throughout the life of our services, and the proper management on the supply chain is key for us to ensure business continuity and to assume the respective social responsibilities.

Our procurement process encourages fairness and applies a high level of objectivity and impartiality in supplier and subcontractor selection. They are selected on the basis of the quality of their work and service, the ability to comply with the relevant laws and regulations, their technology knowhow, their business integrity, sustainability and cost effectiveness. We have high expectations on our suppliers in areas and issues such as supplier relationships, child labour, force labour, human rights, environment, health and safety, as well as bribery and corruption.

Subcontractors and suppliers are required to

- provide products/deliver services in compliance with applicable law of Hong Kong, in particular on areas such as air pollution control, noise control and waste disposal;
- be responsible for their employee's insurance and safety;
- ensure their tools and machinery used to carry out the work are in compliance of all applicable laws including those in relation to industrial safety.

我們於營運的社會責任

供應鏈管理

我們的業務需要大量外包及分包和採購。然而，外包及分包並不意味著我們可以因我們的分包商對環境、社會及管治問題監督不力而逃避責任及風險。我們了解本集團在整個服務期間應該扮演適當角色，而供應鏈的適當管理對我們確保可持續經營業務及承擔彼等之社會責任至為關鍵。

我們的採購流程提倡公平原則，並在挑選供應商及分包商時採用高度客觀及公正立場。供應商及分包商乃根據其工作及服務質素、遵守相關法律及條例法規的能力、技術知識、業務誠信、可持續性及成本效益進行甄選。我們對供應商在供應商關係、童工、強迫勞工、人權、環境、健康及安全以及賄賂和貪污等方面及問題抱持高度期望。

分包商及供應商須：

- 提供符合香港適用法律（特別是在空氣污染管制、噪音管制及廢物處理等方面）的產品／服務；
- 負責僱員的保險及安全；
- 確保用於施工的工具及機械符合所有適用法律，包括與工業安全有關者。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Product Responsibilities

We believe quality control is one of the key differentiators between our competitors and us. We have formulated a quality management system to ensure the quality of our projects. Qualified and experienced project managers are employed to work closely with the design and operations department, subcontractors and self-employed workers to assure quality and consistency across the delivery of the projects. The procurement of furnishings and materials are also monitored to ensure the quality of products is in line with the customers' requirements. During the execution of the projects, inspections and testing are continuously carried out to assure feasibility, quality and customers' specification.

Customer satisfaction is one of the most important values to the Group's success. Requirements of customers are identified at the initial consultation and interviewing process. Throughout the entire project, the project manager is responsible for handling additional requirements and variations to works to meet the customers' expectations. In the completion stage of the project, a final site check is carried out with the customer to certify all works are completed in accordance with the design specifications and customer's requirement. A defect liability period lasting from one month to one year is offered to our customers, depending on the types of work and all defective works are rectified during the defect liability period. In the Reporting Period, we have not experienced any material claim by our customers in respect of the projects completed by us.

We are also aware of the importance of handling the personal information of our stakeholders and as such we have policies with appropriate security measures to manage their data. During the Reporting Period, we are not aware of any incident of non-compliance with relevant laws and regulations relating to health and safety, advertising, labeling and privacy matters relating to the use of our products and services.

產品責任

我們相信質量控制乃我們的競爭對手與我們之間的主要區別之一。我們已制定質量管理制度，以保障項目質量。我們須聘用合資格及經驗豐富的項目經理與設計及營運部門、分包商及自僱工人緊密合作，以確保項目交付的質量及一致性。我們亦對採購室內陳設及裝飾材料予以監管，以確保產品質量符合客戶要求。項目執行期間，檢查及測試須不斷進行，以確保可行性、質量及客戶規格。

客戶滿意度乃本集團成功最重要價值之一。在初步諮詢及訪談過程中客戶的要求已被確定。整個項目從始至終，項目經理須負責處理額外的工程要求及變更，以迎合客戶期望。項目處於完成階段時，我們與客戶進行地盤最終檢查，以核證所有工程均按照設計規格及客戶要求而完成。我們須向客戶提供一個月至一年不等的維修責任期，視乎工程類型而定，並且維修責任期內一切有問題的工程均須進行糾正。於報告期內，我們並未遭受客戶就我們完成的項目提出任何重大申索。

我們亦意識到處理權益人的個人資料的重要性，因此我們設有政策連同合適的安全措施來管理他們的資料。於報告期內，在使用我們的產品及服務時，我們並未得悉存在任何違反有關健康與安全、廣告宣傳、標籤及私隱事宜的相關法律及條例的事件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Anti-corruption

The Group is committed to preventing bribery, extortion, fraud and money laundering. All directors and employees in Hong Kong are regulated by Prevention of Bribery Ordinance (Hong Kong) ("the Ordinance"). Employees working in the Mainland China must also comply with local legislation to prevent bribery. The Group prohibited all directors or employees to obtain any benefit from clients, suppliers or any person who has business dealings with the Group. The Group has formulated policies and procedures to ensure every employee do not provide, undertake or receive any improper and illegal benefits. The staff manual of our Group also standardises the code of conduct. Employees are encouraged to report any act that contravenes the Ordinance or other relevant legislation to their department heads and the directors.

During the Reporting Period, the Group had not recorded any case involving bribery, blackmail, fraud and money laundering in relation to the Group and its employees.

OUR COMMUNITY Community investment

We believe in active contribution to the communities in which we operate. We hope to create positive impact to the society through collaboration, corporate philanthropy and employee volunteerism. We encourage and facilitate active participation of our staff and their family members in our community engagement initiatives as we believe their participation not only can help the community but also can contribute to the holistic development of our staff in terms of caring, sympathy and personal integrity. Moreover it enables our staff to be more conscious on social and environmental issues and in turn this will reinforce our sustainable value.

During the Reporting Period, our Group actively involved in some meaningful community activities. In August 2016, we arranged our Hong Kong staff for voluntary blood donation in order to contribute to the society for blood emergencies. In December 2016 our Group participated in round the year recycle campaign for waste paper and in January 2017, we encouraged our staff to participate in another recycle campaign for Chinese New Year red packets.

反貪污

本集團致力防止賄賂、勒索、詐騙及洗黑錢。身處香港的全體董事及僱員均受香港「防止賄賂條例」(「該條例」)規管。在中國大陸工作的僱員亦須遵守當地法例，以防止賄賂。本集團禁止全體董事或僱員從客戶、供應商或任何與本集團有商業交易的人士獲得任何好處。本集團已制定政策及程序，以確保每名僱員不會提供、承諾或收取任何不正當及不合法的好處。本集團的員工手冊亦對行為守則訂立規範。我們鼓勵僱員向其部門主管及董事舉報任何違反該條例或其他相關法例的行為。

於報告期內，本集團並未記錄任何涉及本集團及其僱員牽涉賄賂、勒索、詐騙及洗黑錢的個案。

我們的社區 社區投資

我們相信應積極地貢獻我們經營所在的社區。我們希望通過合作、企業慈善事業及僱員志願服務，為社會產生正面影響。我們鼓勵及促進我們的員工及其家庭成員積極參與我們的社區參與活動，原因為我們相信，他們的參與不僅可以協助社區，而且可以有助我們的員工在關懷、同情及人格方面的整體發展。此外，這樣可使我們的員工能夠更注意社會及環境問題，從而將可增進我們的可持續價值。

於報告期內，本集團積極參與若干有意義的社區活動。二零一六年八月，我們安排香港員工進行自願性捐血，為社會在緊急輸血方面作出貢獻。二零一六年十二月，本集團參加了一輪全年廢紙回收計劃，而於二零一七年一月，我們鼓勵員工參加另一項有關農曆新年紅包的回收計劃。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

HKE_x ESG REPORTING GUIDE CHECKLIST

香港聯交所環境、社會及管治 報告指引檢核表

ASPECTS 層面	DESCRIPTION 描述	PAGE REF 參考頁
A. Environmental A. 環境		
Aspect A1: Emissions 層面A1：排放物		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	42
Aspect A2: Use of Resources 層面A2：資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源（包括能源、水及其他原材料）的政策。	43
Aspect A3: The Environment and Natural Resources 層面A3：環境及天然資源		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	43

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ASPECTS 層面	DESCRIPTION 描述	PAGE REF 參考頁
B. Social B. 社會		
Employment and Labour Practices 僱傭及勞工常規		
Aspect B1: Employment 層面B1： 僱傭		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	38, 39
Aspect B2: Health and Safety 層面B2： 健康與安全		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	40, 41
Aspect B3: Development and Training 層面B3： 發展及培訓		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	39
Aspect B4: Labour Standards 層面B4： 勞工準則		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工及強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	41, 42

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ASPECTS 層面	DESCRIPTION 描述	PAGE REF 參考頁
Operating Practices 營運慣例		
Aspect B5: Supply Chain Management 層面B5： 供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	44
Aspect B6: Product Responsibility 層面B6： 產品責任		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	45
Aspect B7: Anti-corruption 層面B7： 反貪污		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	46
Community 社區		
Aspect B8: Community Investment 層面B8： 社區投資		
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	46

REPORT OF THE DIRECTORS

董事會報告

The board (the “Board”) of directors (the “Director(s)”) of Royal Century Resources Holdings Limited (formerly known as Kate China Holdings Limited) (the “Company”, together with its subsidiaries, the “Group”) is pleased to present this annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and the activities of its subsidiaries are set out in note 38 to the consolidated financial statements. During the year, the Group has diversified its business and expanded into money lending and sourcing and merchandising of fine and rare wines.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the group’s business, can be found in the Management Discussion and Analysis set out on pages 6 to 15 of this annual report. This discussion forms part of this directors’ report.

RESULTS AND DIVIDEND

The results of the Group for the financial year ended 31 March 2017 and the state of affairs of the Group as at that day are set out in the consolidated financial statements on pages 70 to 72.

The Board does not recommend the payment of a final dividend for the year ended 31 March 2017.

RESERVES

Details of movements in the reserves of the Group and of the Company during the year ended 31 March 2017 are set out in the consolidated statement of changes in equity and in note 35 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2017, there is no reserves available for distribution to the shareholders of the Company.

仁德資源控股有限公司(前稱中持基業控股有限公司)(「本公司」, 連同其附屬公司統稱「本集團」)董事(「董事」)會(「董事會」)欣然提呈本年報以及本集團截至二零一七年三月三十一日止年度之經審核綜合財務報表。

主要活動及業務回顧

本公司的主要活動為投資控股, 而其附屬公司的活動則載於綜合財務報表附註38。於年內, 本集團進行業務多元化, 並擴展至放債以及美酒營銷。

根據公司條例附表5所要求對該等活動作出的進一步討論及分析載於本年報第6頁至第15頁的「管理層討論及分析」, 當中包括本集團所面對的主要風險及不確定因素的討論, 以及本集團業務可能進行的未來發展指標。本討論為董事會報告的一部份。

業績及股息

本集團截至二零一七年三月三十一日止財政年度之業績及本集團於該日的財務狀況載於綜合財務報表第70頁至第72頁。

董事會不建議就截至二零一七年三月三十一日止年度派發末期股息。

儲備

本集團及本公司於截至二零一七年三月三十一日止年度之儲備變動詳情分別載於綜合權益變動表及綜合財務報表附註35。

可分派儲備

於二零一七年三月三十一日, 本公司並無可供分派予本公司股東之儲備。

INVESTMENT PROPERTY

Details of movements in the investment property of the Group are set out in note 18 to the consolidated financial statements.

PLANT AND EQUIPMENT

Details of movements in the plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 March 2017 are set out in note 30 to the consolidated financial statements.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 March 2017 are set out in notes 27 and 28 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2017, the Group's top five customers accounted for approximately 88% of the revenue. The top five suppliers accounted for approximately 34% of the total purchases for the year. In addition, the Group's largest customer accounted for approximately 48% of the revenue and the Group's largest supplier accounted for approximately 10% of the total purchases for the year.

During the year ended 31 March 2017, none of the Directors, their associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in these major customers and suppliers.

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18。

廠房及設備

本集團廠房及設備的變動詳情載於綜合財務報表附註17。

股本

本公司股本於截至二零一七年三月三十一日止年度之變動詳情載於綜合財務報表附註30。

銀行貸款及其他借款

本集團銀行貸款及其他借款於二零一七年三月三十一日的詳情載於綜合財務報表附註27及28。

主要客戶及供應商

於截至二零一七年三月三十一日止年度，本集團五大客戶佔收益約88%。五大供應商佔本年度採購總額約34%。此外，本集團最大客戶佔收益約48%，而本集團最大供應商佔本年度採購總額約10%。

於截至二零一七年三月三十一日止年度，概無董事、彼等的聯繫人士或就董事所知擁有本公司已發行股本5%以上權益的任何股東擁有該等主要客戶及供應商的任何權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

During the year ended 31 March 2017 and up to the date of this annual report, the Directors were:

Executive Directors

Mr. Chan Chi Yuen

Mr. Liu Rongsheng

Mr. Wang Jun

(appointed on 23 February 2017)

Mr. Tsang Kei Cheong

(re-designated as non-executive

Director on 22 December 2016)

Mr. Fok Chun Kit

(resigned on 28 April 2016)

Non-executive Director

Mr. Tsang Kei Cheong

(re-designated from executive Director
on 22 December 2016)

Independent non-executive Directors

Mr. Chan Chiu Hung Alex

Mr. Wu Zhao

Mr. Lam Cheok Va

(appointed on 28 April 2016)

Mr. Lu Tak Ming

(resigned on 28 April 2016)

All the Directors are subject to retirement by rotation in accordance with the articles of association (the "Articles").

Mr. Wang Jun, appointed as a Director after the last annual general meeting, will retire and, being eligible, offer himself for re-election at the forthcoming annual general meeting of the Company in accordance with article 113 of the Articles. In addition, in accordance with article 141 of the Articles, Mr. Chan Chi Yuen and Mr. Liu Rongsheng will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 16 to 19 of this annual report.

DIRECTORS OF SUBSIDIARIES

A list of the names of the directors of the Company's subsidiaries during the year and up to the date of this report can be found in the Company's website at www.royalcentury.hk.

董事

於截至二零一七年三月三十一日止年度及直至本年報日期的董事如下：

執行董事

陳志遠先生

劉榮生先生

王軍先生

(於二零一七年二月二十三日獲委任)

曾紀昌先生

(於二零一六年十二月二十二日

轉任為非執行董事)

霍俊傑先生

(於二零一六年四月二十八日辭任)

非執行董事

曾紀昌先生

(於二零一六年十二月二十二日自執行董事
轉任)

獨立非執行董事

陳釗洪先生

吳兆先生

Lam Cheok Va先生

(於二零一六年四月二十八日獲委任)

盧德明先生

(於二零一六年四月二十八日辭任)

根據章程細則(「章程」)，各董事須於本公司應屆股東週年大會上輪值告退。

王軍先生，於週年大會後獲委任為董事，將根據章程第113條於應屆股東週年大會退任，並符合資格膺選連任。此外，根據章程第141條，陳志遠先生及劉榮生先生將於應屆股東週年大會上退任並符合資格膺選連任。

董事的履歷

董事的履歷詳情載於本年報第16頁至第19頁。

附屬公司董事

截至本報告之日起本公司附屬公司的董事名稱的列表已刊登於本公司網站 www.royalcentury.hk。

DIRECTORS' SERVICE CONTRACTS

During the year under review, each Director has a service contract or letter of appointment with the Company for an initial term of two to three years and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Save as disclosed above, none of the Directors has a service contract or letter of appointment with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS AND COMPETING INTERESTS

During the year under review and up to the date of this report, Directors have an interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business that need to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules are as follows:

董事的服務合約

於回顧年內，各董事已與本公司訂立服務合約或委任書，初步任期為二至三年，並須按照章程的規定輪值退任及重選。除上文披露外，概無董事與本公司及任何附屬公司訂立不可由本集團於一年內終止而毋需支付賠償，法定賠償除外的服務合約或委任書。

董事於合約的權益及競爭業務之權益

於回顧年內及直至本報告日期，董事於與本集團業務直接或間接構成競爭或可能構成競爭之任何業務(除本集團業務外)中擁有根據創業板上市規則第11.04條須予披露的權益如下：

Director 董事	Name of company 公司名稱	Nature of business 業務性質	Nature of interests 權益性質
Mr. Chan Chi Yuen 陳志遠先生	Noble Century Investments Holdings Limited ("Noble Century") and its subsidiaries 仁瑞投資控股有限公司 (「仁瑞投資」) 及其附屬公司	Money lending business 放債業務	Executive director and chief executive officer of Noble Century 仁瑞投資之執行董事及行政總裁
Mr. Liu Rongsheng 劉榮生先生	China Ocean Fishing Holdings Limited ("China Ocean") and its subsidiaries 中國海洋捕撈控股有限公司 (「中國海洋」) 及其附屬公司	Money lending business 放債業務	Chairman, executive director and chief executive officer of China Ocean 中國海洋之主席、執行董事及行政總裁

As the Board is independent to the boards of directors of the abovementioned companies, the Group is capable of carrying on its business independently to, and at arm's length, from the business of those companies.

由於董事會獨立於上述公司之董事會，故本集團有能力獨立於此等公司的業務按公平基準經營其業務。

Save as disclosed above, none of the Directors was interested in any business (apart from the Group's business) which competed or was likely to compete, either directly or indirectly, with the business of the Group during the year.

除上文所披露外，董事於本年度內概無於與本集團業務直接或間接構成競爭之任何業務(除本集團業務外)中擁有任何權益。

REPORT OF THE DIRECTORS

董事會報告

INTERESTS OF SHAREHOLDERS IN CONTRACTS AND COMPETING INTERESTS

There was no contract of significance between the Company or any of its subsidiaries and a shareholder (as defined in the GEM Listing Rules) or any of its subsidiaries, at any time during the year under review.

A deed of non-competition dated 7 July 2014 was executed by Genius Idea Holdings Limited in favour of the Company regarding certain non-competition undertakings given by a shareholder in favour of the Company. The details of the deed of non-competition have been disclosed in the Prospectus.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 March 2017.

EMOLUMENT POLICY

The emolument policy of the employees and senior management of the Group is set up by the remuneration committee of the Company. Further details of emolument policy are set out in Management Discussion and Analysis on page 13 of this annual report.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the directors and five individuals with highest emoluments are set out in note 13 and note 14 to the consolidated financial statements.

RETIREMENT BENEFITS SCHEMES

The Group strictly complies with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) in making mandatory provident fund contributions for its Hong Kong employees.

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES IN JUNE 2016 (THE "PLACING")

Details of the Placing are set out in Management Discussion and Analysis on page 12 of this annual report.

股東於合約及競爭業務之權益

在回顧年度本公司或其任何附屬公司及股東（見創業板上市規則之定義）或其任何附屬公司，與本公司之間無訂立任何重大權益之重要合約。

Genius Idea Holdings Limited於二零一四年七月七日以本公司為受益人簽立之不競爭契據，乃有關股東以本公司為受益人作出之若干不競爭承諾。不競爭契據之詳情於招股章程內披露。

管理合約

於截至二零一七年三月三十一日止年度，概無就本公司業務全部或任何重大部分的管理及行政訂立合約或存續有關合約。

酬金政策

本集團僱員及高級管理層人員之薪酬政策由本公司之薪酬委員會制定。酬金政策的進一步詳情載於本年報第13頁之管理層討論及分析。

董事及五位最高薪酬人士的酬金

董事及五位最高薪酬人士酬金的詳情載於綜合財務報表附註13及附註14。

退休福利計劃

本集團嚴格遵守香港法例第485章強制性公積金計劃條例，為其香港僱員作出強制性公積金供款。

本公司於二零一六年六月配售認購新股份（「配售事項」）所得款項用途

配售事項的詳情載於本年報第12頁之管理層討論及分析。

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OF ANY ASSOCIATED CORPORATION

As at 31 March 2017, none of the Directors and chief executive of the Company (the “Chief Executive”) had any interests or short positions in the shares of the Company (the “Shares”), underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) as recorded in the register required to be kept under section 352 of SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer as referred to in rule 5.46 of the GEM Listing Rules (the “Required Standard of Dealings”).

DIRECTORS’ RIGHTS TO ACQUIRE SHARES

At no time during the year ended 31 March 2017 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

At no time during the year ended 31 March 2017 had the Directors and the Chief Executive (including their spouses and children under 18 years of age) any interest in, or been granted, or exercised any rights to subscribe for the shares (or warrants or debentures, is applicable) of the Company and its associated corporations (within the meaning of the SFO).

董事及本公司主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證中之權益及淡倉

於二零一七年三月三十一日，董事及本公司主要行政人員（「主要行政人員」）概無於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之本公司股份（「股份」）、相關股份及債權證中擁有記錄於根據證券及期貨條例第352條須存置之登記冊內之權益及淡倉，或根據創業板上市規則第5.46條所述上市發行人董事進行交易之必守標準（「交易必守標準」）知會本公司及聯交所之權益及淡倉。

董事購入股份之權利

於截至二零一七年三月三十一日止年度內，本公司或其任何附屬公司概無訂立任何安排，使董事可藉收購本公司或任何其他法團之股份獲利。

於截至二零一七年三月三十一日止年度內，董事及主要行政人員（包括彼等之配偶或未滿18歲之子女）概無於本公司及其相聯法團（定義見證券及期貨條例）之股份（或認股權證或債權證（如適用））中擁有任何權益或獲授或行使任何可認購該等股份（或認股權證或債權證（如適用））之權利。

REPORT OF THE DIRECTORS

董事會報告

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2017, so far as the Directors and the Chief Executive are aware and based on the public records filed on the website of the Stock Exchange and records kept by the Company, the interest and short positions of the persons or corporations (other than the Directors and the Chief Executive) in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

本公司主要股東於股份及相關股份之權益及淡倉

於二零一七年三月三十一日，就董事及主要行政人員所知，及根據聯交所網站備存之公開記錄及本公司保存之記錄，下列人士或法團（董事及主要行政人員除外）於股份或相關股份中擁有記錄於根據證券及期貨條例第336條須存置之登記冊內之權益及淡倉如下：

Long position in ordinary shares of the Company

於本公司普通股之好倉

Name of Shareholder	Capacity/Nature of interests in capital	Number of Shares held	Approximate percentage of the issued Shares
股東姓名	身份／權益資本性質	所持股份數目	佔已發行股份之概約百分比
Time Vanguard Holdings Limited	Beneficial owner 實益擁有人	50,000,000	13.77%
China Huarong International Holdings Limited (Note 1) 中國華融國際控股有限公司(附註1)	Interest of a Controlled Corporation 於受控制法團之權益	50,000,000	13.77%
Huarong Real Estate Co., Ltd. (Note 1) 華融置業有限責任公司(附註1)	Interest of a Controlled Corporation 於受控制法團之權益	50,000,000	13.77%
China Huarong Asset Management Co., Ltd. (Note 1) 中國華融資產管理股份有限公司(附註1)	Interest of a Controlled Corporation 於受控制法團之權益	50,000,000	13.77%
Good Virtue Capital Limited 仁德資本有限公司	Beneficial owner 實益擁有人	47,000,000	12.95%
Ms. Zheng Juhua (Note 2) 鄭菊花女士(附註2)	Interest of a Controlled Corporation 於受控制法團之權益	47,000,000	12.95%

REPORT OF THE DIRECTORS

董事會報告

Name of Shareholder	Capacity/Nature of interests in capital	Number of Shares held	Approximate percentage of the issued Shares
股東姓名	身份／權益資本性質	所持股份數目	佔已發行股份之概約百分比
Mr. Wang Shengdong 王生東先生	Beneficial owner 實益擁有人	45,484,000	12.53%
Taiping Quantum Prosperity Fund	Beneficial owner 實益擁有人	31,808,000	8.76%
Genius Idea Holdings Limited	Beneficial owner 實益擁有人	20,000,000	5.51%
Mr. Chan Tat Wah (Note 3) 陳達華先生(附註3)	Interest of a controlled corporation 於受控制法團之權益	20,000,000	5.51%
Ms. Lee Yuk Pui Kawina (Note 3) 李玉佩女士(附註3)	Family interest 家族權益	20,000,000	5.51%

Notes:

附註：

- 50,000,000 Shares are registered in the name of Time Vanguard Holdings Limited, which is wholly-owned by China Huarong International Holdings Limited ("Huarong International").

Huarong International is jointly-owned as to 11.9% by Huarong Zhiyuan Investment & Management Co., Ltd. ("Huarong Zhiyuan") and 88.1% by Huarong Real Estate Co., Ltd. ("Huarong Real Estate")

Each of Huarong Zhiyuan and Huarong Real Estate is wholly-owned by China Huarong Asset Management Co., Ltd. ("China Huarong")

Accordingly, each of Huarong International, Huarong Real Estate and China Huarong is deemed to be interested in the relevant Shares under the SFO.
- 47,000,000 Shares are registered in the name of Good Virtue Capital Limited, which is owned as to 70% by Ms. Zheng Juhua. Accordingly, Ms. Zheng Juhua is deemed to be interested in the relevant Shares under the SFO.
- 20,000,000 Shares are registered in the name of Genius Idea Holdings Limited, which is wholly-owned by Mr. Chan Tat Wah. Ms. Lee Yuk Pui Kawina is the spouse of Mr. Chan Tat Wah. Accordingly, each of Mr. Chan Tat Wah and Ms. Lee Yuk Pui Kawina is deemed to be interested in the relevant Shares under the SFO.

- 50,000,000股股份乃登記於Time Vanguard Holdings Limited名下，該公司由中國華融國際控股有限公司(「華融國際」)全資擁有。

華融國際由華融致遠投資管理有限責任公司(「華融致遠」)佔11.9%及華融置業有限責任公司(「華融置業」)佔88.1%共同持有。

華融致遠及華融置業各自由中國華融資產管理股份有限公司(「中國華融」)全資擁有。

據此，華融國際、華融置業及中國華融根據證券及期貨條例被視為於相關股份擁有權益。
- 47,000,000股股份乃登記於仁德資本有限公司名下，該公司由鄭菊花女士佔70%。據此，鄭菊花女士根據證券及期貨條例被視為於相關股份擁有權益。
- 20,000,000股股份乃登記於Genius Idea Holdings Limited名下，該公司由陳達華先生全資擁有。李玉佩女士為陳達華先生之配偶。據此，陳達華先生及李玉佩女士各人根據證券及期貨條例被視為於相關股份擁有權益。

REPORT OF THE DIRECTORS

董事會報告

Save as disclosed above, as at 31 March 2017, there was no person or corporation (other than the Directors and the Chief Executive) who had any interest or short position in the Shares or underlying Shares as recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 March 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group or existed during the year ended 31 March 2017.

SHARE OPTION SCHEME

A share option scheme enables the Company to grant options to any Participant as incentives or rewards for their contributions to the Group. The Company conditionally adopted a share option scheme (the "Share Option Scheme") on 30 June 2014 whereby the Board are authorised, at their absolute discretion and subject to the terms of the Share Option Scheme, to grant options to subscribe for the shares of the Company to the Eligible Participant. The Share Option Scheme will be valid and effective for a period of ten years commencing from the date of adoption of the Share Option Scheme.

As at 31 March 2017, the total number of shares (the "Shares") of the Company available for issue under the Scheme is 30,000,000 Shares, representing 10% of the issued Shares (the "Scheme Mandate Limit") of the aggregate number of Shares in issue immediately upon completion of the listing of the Shares in July 2014.

除上文所披露者外，於二零一七年三月三十一日，概無其他人士或法團（董事及主要行政人員除外）於股份或相關股份中擁有任何記錄於根據證券及期貨條例第336條本公司須存置之登記冊內之權益或淡倉。

購買、出售或贖回股份

於截至二零一七年三月三十一日止年度內，本公司及其任何附屬公司均無購買、出售或贖回本公司任何證券。

股票掛鈎協議

於截至二零一七年三月三十一日止年度內，本集團並無訂立或存續任何股票掛鈎協議。

購股權計劃

購股權計劃使本公司可向任何參與者授出購股權，作為他們對本集團所作貢獻之獎勵或回報。本公司於二零一四年六月三十日有條件地採納購股權計劃，據此，董事會獲授權按他們之絕對酌情決定權，依照購股權計劃之條款向合資格參與者授出可認購股份之購股權。購股權計劃將於其獲採納當日起計十年期間一直有效及生效。

於二零一七年三月三十一日，根據該計劃可供發行之股份（「股份」）總數為30,000,000股，佔於二零一四年七月股份上市完成時之已發行股份總額之10%（「計劃授權限額」）。

Upon acceptance of an option to subscribe for shares granted pursuant to the Share Option Scheme (the "Option"), the Eligible Participant shall pay HK\$1.00 to the Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 21 days from the date on which the Option is granted. The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each participant and shall be the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a day on which trading of Shares take place on the Stock Exchange (the "Trading Day"); and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the date of grant of the Options.

The Company shall be entitled to issue options, provided that the total number of Shares which may issue upon exercise of all options to be granted under the Share Option Scheme does not exceed the Scheme Mandate Limit. The Company may at any time refresh such limit, subject to the shareholders' approval and the issue of a circular in compliance with the GEM Listing Rules, provided that the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issued at the time. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

Since the adoption of the Share Option Scheme, no share option has been granted by the Company.

SUFFICIENCY OF PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, during the year ended 31 March 2017, the Company has maintained the public float required by the GEM Listing Rules.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors a confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors were independent during the period from their respective appointments and up to 31 March 2017.

於接納根據購股權計劃所授出可認購股份之購股權(「購股權」)時，合資格參與者須向本公司支付1.00港元，作為獲授購股權之代價。購股權之接納期為授出購股權當日起計21日期間。購股權之股份認購價將由董事會釐定，並知會各參與者，價格須為下列各項之最高者：(i)於授出購股權當日(必須為股份於聯交所買賣之日(「交易日」))聯交所每日報價表所載之股份收市價；及(ii)於緊接授出購股權當日前五個交易日聯交所每日報價表所載之股份平均收市價。

本公司獲賦予權利發行購股權，惟根據購股權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，不得超過上市日期已發行股份之10%。待股東批准及根據創業板上市規則發出通函後，本公司可隨時更新此上限，惟於根據本公司全部購股權計劃所授出而有待行使之所有未行使購股權獲行使後可予發行之股份總數，不得超過當時已發行股份之30%。購股權可按該計劃條款於董事會釐定之期間內隨時行使，該期間不得超出授出購股權日期起計十年，惟須受提早終止條文所規限。

自購股權計劃獲採納以來，本公司概無授出購股權。

足夠公眾持股量

根據本公司公開取得之資料及據董事所知，於截至二零一七年三月三十一日止年度，本公司一直維持創業板上市規則規定的公眾持股量。

獨立性確認

本公司已接獲各獨立非執行董事根據創業板上市規則第5.09條發出的獨立性確認書，並認為所有獨立非執行董事於獨立非執行董事各自獲委任起至二零一七年三月三十一日止期間內均為獨立。

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTIONS

The transactions as set out in note 34 to the consolidated financial statements were connected transactions which were exempt from any disclosure and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

As far as the transactions set out in note 34 to the consolidated financial statements are concerned, the remuneration of the Directors as determined pursuant to the service contracts/letters of appointment entered into between the Directors and the Group were connected transactions which were exempt from any disclosure and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The Directors have confirmed that the Company has complied with the disclosure requirement in accordance with Chapter 20 of the GEM Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association.

PERMITTED INDEMNITY PROVISION

The Company's articles of association provide that the Directors are entitled to be indemnified out of the assets and profits of the Company against all action, charges, losses, damages and expenses which they may incur or sustain in the execution of the duties of their office.

During the year, the Company has put in place as appropriate insurance cover in respect of Directors' liabilities.

COMPLIANCE ADVISER'S INTERESTS

As at 31 March 2017, neither Altus Capital Limited, the compliance adviser of the Company, nor any of its directors, employees or associates had any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of GEM Listing Rules.

CORPORATE GOVERNANCE

The Company maintains a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 20 to 35. The Directors believe the long term financial performance as opposed to short term rewards is a corporate governance objective. The Board would not take undue risks to make short term gains at the expense of the long term objectives.

關連交易

綜合財務報表附註34所載之交易乃獲豁免遵守創業板上市規則第20章之任何披露及股東批准規定之關連交易。

就綜合財務報表附註34所載之交易而言，根據董事與本集團之間訂立的服務合約／委任函件而釐定之董事酬金，乃獲豁免遵守創業板上市規則第20章之任何披露及股東批准規定之關連交易。

董事確認本公司已遵守創業板上市規則第20章之披露規定。

優先購買權

本公司的組織章程細則並無載有優先購買權條文。

獲准許之彌償條文

本公司組織章程細則提述董事有權就他們履行職責時所產生之法律行動、成本、費用及損失從本公司資產及利潤中獲得賠償。

本年內，本公司已就董事潛在責任提供合適保險保障。

合規顧問之權益

根據創業板上市規則第6A.32條，於二零一七年三月三十一日，本公司之合規顧問為浩德融資有限公司，其任何董事、僱員或聯繫人概無於本公司或本集團任何其他成員公司之證券中擁有任何權益（包括可認購有關證券之購股權或權利）。

企業管治

本公司一直維持高水準的企業管治常規。本公司採納的企業管治常規之詳情載於第20頁至第35頁的企業管治報告。董事相信，企業管治之宗旨著眼於長期財務表現而非局限於短期回報。董事會不會承擔不必要之風險以獲取短期收益而犧牲長期目標。

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group is committed to observe the relevant laws and regulations. The Group has appointed a compliance officer and an external compliance adviser to oversee compliance with all relevant regulations.

The Group has complied with all relevant laws and regulations that have a significant impact on the Group throughout the year.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group is set out in the five years financial summary on page 152 of this annual report.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management and the Company's external auditor the accounting principles and practices adopted by the Group, and discussed the auditing, internal control and financial reporting process including the review of financial statements for the year ended 31 March 2017.

AUDITORS

The financial statements for the years ended 31 March 2015 and 2016 were audited by SHINEWING (HK) CPA Limited ("SHINEWING").

On 7 April 2017, SHINEWING resigned as the auditors of the Company and Reanda Lau & Au Yeung (HK) CPA Limited ("Reanda") were appointed as the auditors of the Company to fill the casual vacancy so caused.

The financial statements for the year ended 31 March 2017 have been audited by Reanda who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Reanda as the auditors of the Company is to be proposed at the forthcoming annual general meeting of the Company.

By Order of the Board
Chan Chi Yuen
Chairman
Hong Kong, 22 June 2017

遵守相關法律法規

本集團致力遵守相關法律法規。本集團已任命一名監察主任及外聘合規顧問，以監察符合所有相關法規。

本年內，本集團已遵守對本集團有重大影響的所有相關法律法規。

財務概要

本集團之業績及資產及負債概要載於本年報第152頁五年財務概要一節。

審核委員會

審核委員會已與管理層以及本公司核數師審閱本集團所採納之會計原則及慣例及討論審核，內部監控及財務匯報程序包括審閱截至二零一七年三月三十一日止年度之財務報表。

核數師

本集團截至二零一五年及二零一六年三月三十一日止年度之財務報表由信永中和(香港)會計師事務所有限公司(「信永中和」)審核。

於二零一七年四月七日，信永中和辭任本公司核數師；利安達劉歐陽(香港)會計師事務所有限公司(「利安達」)獲委任為本公司核數師以填補出現之空缺。

本集團截至二零一七年三月三十一日止年度之財務報表已由利安達審核。利安達將退任且願意並符合資格膺選連任。重新委任利安達為本公司核數師的決議案將於本公司應屆股東週年大會上提呈。

承董事會命
主席
陳志遠
香港，二零一七年六月二十二日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



21/F, Tai Yau Building
181 Johnston Road
Wanchai, Hong Kong
香港灣仔
莊士敦道181號
大有大廈21樓

**TO THE SHAREHOLDERS OF
ROYAL CENTURY RESOURCES HOLDINGS LIMITED
(FORMERLY KNOWN AS KATE CHINA HOLDINGS LIMITED)**
(incorporated in Hong Kong with limited liability)

致仁德資源控股有限公司
(前稱中持基業控股有限公司)
列位股東
(於香港註冊成立之有限公司)

Opinion

We have audited the consolidated financial statements of Royal Century Resources Holdings Limited (formerly known as Kate China Holdings Limited) (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 70 to 151, which comprise the consolidated statement of financial position as at 31 March 2017, 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 Company and the Group as at 31 March 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

意見

本核數師(以下簡稱「我們」)已審計仁德資源控股有限公司(前稱中持基業控股有限公司)及其附屬公司(以下統稱「貴集團」)列載於第70至151頁的綜合財務報表,包括於2017年3月31日的綜合財務狀況報表、截至該日止年度的綜合損益及其他全面收入報表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註(包括財務風險管理),其中包括主要會計政策概要。

我們認為,綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2017年3月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露要求妥為擬備。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, 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 matters identified in our audit are summarised as follows:

- Recognition of revenues and costs from construction contracts and amounts due from (to) customers for contract work
- Recoverability of trade and retention receivables, and loans and interest receivables
- Valuation of investment property

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行這些道德要求以及守則中的其他專業道德責任。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的職業判斷，對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時處理的。我們不會對該等事項提供單獨的意見。下文載有我們的審計如何處理以下各項事項的資料。

我們在審計中識別的關鍵審計事項概述如下：

- 確認來自建築合約之收益和成本及應收(付)客戶合約工程款項
- 貿易應收款項及應收保留金、應收貸款及利息之可收回性
- 投資物業之估值

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matters (Continued)

關鍵審計事項(續)

Key Audit Matter

關鍵審計事項

How our audit addressed the Key Audit Matters

我們如何處理關鍵審計事項

Recognition of revenue and costs from construction contracts and amounts due from (to) customers for contract work

確認來自建築合約之收益和成本以及應收(付)客戶合約工程款項

The Group recognised revenue from construction contracts by reference to the stage of completion of the contract activity at the end of reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. The variations in contract work, claims and incentive payments are included to the extent, which involve the management's best estimates and judgments, that the amount can be measured reliably and its receipt is considered probable. The management estimated the construction costs which mainly comprise sub-contracting charges and costs of materials based on the quotations from time to time provided by the major contractors/suppliers/vendors and the experience of the management.

貴集團參照於報告期末合約活動之完成階段，確認來自建築合約之收益，並按至今進行工程所產生之合約成本佔估計總合約成本之比例計量。若因工程變動、索償及獎勵付款所產生的金額能夠可靠地計量及被認為可能收款均能計入收益，惟當中涉及管理層的最佳估計及判斷。管理層對建築成本的估計，主要包括根據不時由主要承建商／供應商／賣方提供分判費用及材料成本的報價，以及根據管理層的經驗釐定。

For this reason, we identified the recognition of revenue and costs from construction contracts and amounts due from (to) customers for contract work as a key audit matter.

因此，我們識別來自建築合約之收益和成本以及應收(付)客戶合約工程款項之確認為一項重大審核事項

Our procedures in relation to the construction revenue and costs recognised and amounts due from (to) customers for contract work included:

就已確認來自建築合約之收益和成本以及應收(付)客戶合約工程款項，我們已採取的程序包括：

- For each selected contract, agreeing the construction revenue to the construction contracts and variation orders, if any, and architect's instructions or other form of agreements or other correspondences;
- 對於每份經選取的合約，將建築收益與建築合約及更改工程指令(如有)及建築師指示或其他形式的協議或其他回應文件作比對；
- Discussing with the management to evaluate the reasonableness of their estimated construction costs;
- 與管理層討論，評估其估計建築成本是否合理；
- Discussing with the management to understand the status of completion of the relevant construction projects and the reasons for the change of budget contract value and contract costs during the year;
- 與管理層討論，以了解有關建築項目之完成狀況，以及於年內改動預算合約價值及建築成本的原因；
- Verifying the reasonableness of estimated total costs and the actual costs incurred by matching against the latest cost quotations provided by the major contractors/suppliers/vendors on a sample basis; and
- 抽樣核對最近由主要承建商／供應商／賣方提供之成本報價，確認估計之總成本及實際產生之成本是否合理；及
- Calculating the revenue recognized based on the stage of completion.
- 重新計算以合約活動完成階段作基礎之工程收益。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matters (Continued)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項

How our audit addressed the Key Audit Matters 我們如何處理關鍵審計事項

Recoverability of trade and retention receivables, and loans and interest receivables

貿易應收款項及應收保留金額、應收貸款及利息之可收回性

As at 31 March 2017, the Group has trade and retention receivables and loans and interest receivables of HK\$43.25 million and the provision for impairment of trade receivables amounted to HK\$2.37 million. The total receivables represented 27.1% of the Group's total assets.

於二零一七年三月三十一日，貴集團有貿易應收款項、應收保留金額以及應收貸款及利息43,250,000港元，貿易應收款項減值撥備為2,370,000港元。應收款項總額佔貴集團總資產27.1%。

Trade and retention receivables of the Group comprise mainly receivables from design and fitting-out and design and procurement of furnishings and decorative material services. Loans and interest receivables of the Group comprise mainly receivables from money lending business.

貴集團之貿易應收款項及應收保留金額主要包括設計及裝修服務以及設計及採購室內陳設及裝飾材料服務之應收款項。貴集團應收貸款及利息主要包括放債業務之應收款項。

The Group may be exposed to risk of default in respect of trade receivables and retention receivables for the construction projects with disputes with customers or unforeseen delay.

貴集團就與客戶有糾紛或有未能預見延後建築項目的相關貿易應收款項及應收保留金，或會有面臨逾期風險。

Management assessed the recoverability of trade and retention receivables, loans and interest receivables by reviewing customers' aging profile, credit history and status of subsequent settlement, and determine whether an impairment is made.

管理層透過審閱客戶的賬齡組合、信貸紀錄及期後結付狀況，評估貿易應收款項及應收保留金、應收貸款及利息之可收回性，並決定是否作出減值。

Our procedures in relation to the recoverability of trade and retention receivables, loans and interest receivables included:

就貿易應收款項及應收保留金、應收貸款及利息之可收回性，我們已採取的程序包括：

- Testing the accuracy of ageing of trade and retention receivables, and loans and interest receivables on a sample basis;
- 抽樣測試貿易應收款項及應收保留金、應收貸款及利息之賬齡是否準確；
- Understanding the management's basis and assessment in relation to the recoverability of trade and retention receivables, and loans and interest receivables;
- 了解管理層有關衡量貿易應收款項及應收保留金、應收貸款及利息之可收回性的依據及評估方法；
- Verifying the balances of trade and retention receivables, loans and interest receivables by request and received of confirmations on a sample basis; and
- 抽樣索取及獲取確認函，以核實貿易應收款項及應收保留金、應收貸款及利息的結餘；及
- Evaluating management's assessment on the recoverability of amount due from individual debtors with significant balances past due but no impaired balance by:
 - 按下列方式，評估管理層對應收個別債務人款項（其大部分結餘已逾期但無減值）結餘之可收回性之評估：
 - Examining the subsequent settlement from these individual debtors on a sample basis; or
 - 抽樣檢視該等個別債務人的期後結付情況；或

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matters (Continued)

關鍵審計事項 (續)

Key Audit Matter

關鍵審計事項

How our audit addressed the Key Audit Matters

我們如何處理關鍵審計事項

Recoverability of trade and retention receivables, and loans and interest receivables (Continued)

貿易應收款項及應收保留金額、應收貸款及利息之可收回性 (續)

For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realization of these receivables, are required for the identification of impairment events and the termination of the impairment charge.

就減值測試而言，於識別減值事件及終止計入減值時，需要就客戶信貸風險以及有關應收款項之變現時間及金額，作出重大判斷及假設。

For this reason, we identified the recoverability of trade and retention receivables, and loans and interest receivables as a key audit matter.

因此，我們識別貿易應收款項及應收保留金、應收貸款及利息之可回收性為一項重大審計事項。

Valuation of investment property

投資物業之估值

As at 31 March 2017, the Group has investment property of HK\$22.5 million, which represented 15% of the Group's total assets.

於二零一七年三月三十一日，貴集團有投資物業22,500,000港元，佔貴集團總資產15%。

The Group's investment property is stated at fair value based on valuation performed by an independent qualified professional valuer not connected with the Group.

貴集團之投資物業根據由與貴集團並無關連之獨立估值師進行之估值，按公平值呈列。

The valuation was based on the direct comparison approach which involved the use of estimates and assumptions including recent sales price of similar properties with adjustments for any difference in location and condition of the properties.

估值利用直接比較法，其涉及使用的估計及假設，包括同類物業之近期售價，並就位置及物業狀況的差異作出調整。

For this reason, we identified the valuation of investment property as a key audit matter.

因此，我們識別投資物業之估值為一項重大審計事項。

– For those individual debtors without any subsequent settlements, analyzing the Group's business relationship with them and their payment history.

– 就其後並無結付的個別債務人而言，分析貴集團與彼等之業務關係以及彼等支付紀錄。

Our procedures in relation to the valuation of investment properties include:

就投資物業之估值，我們所採取的程序包括：

- Evaluating the independent qualified professional valuer's competence, capabilities and objectivity and reviewing their terms of engagement with the Group;
- 評估獨立合資格專業估值師之才能、能力及客觀性，並審閱其於貴集團之委聘條款；
- Obtaining an understanding about the valuation techniques adopted by the valuer, obtaining the valuation report for properties measured at fair value, and assessing the relevance and reasonableness of valuation techniques used by the valuer; and
- 理解估值師採用之估值技術，就獲取按公平值計量的物業估值報告，並評估估值師所採用估值技術之相關性及合理性；及
- Evaluating the appropriateness of the key input data used in the determination of fair value; and comparing the key inputs to supporting evidence such as recent sale transaction on the market.
- 評估於釐定公平值時所使用之關鍵輸入數據是否恰當；並將關鍵輸入數據與支持憑證（如市場最近期之銷售交易）作比較。

INDEPENDENT AUDITOR'S 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 all the information in the Group's 2017 annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibility 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.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

其他信息

貴公司董事須對其他信息負責。其他信息包括2017年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

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

董事及審計委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備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擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在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。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）按照香港《公司條例》第405條報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

核數師就審計綜合財務報表承擔的責任 (續)

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲得充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團的內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

We communicate with 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.

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

Reanda Lau & Au Yeung (HK) CPA Limited
Certified Public Accountants
Franklin Lau Shiu Wai
Practising Certificate Number: P01886

Hong Kong
22 June 2017

核數師就審計綜合財務報表承擔的責任 (續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯地反映交易及事項。
- 就 貴集團內各實體或業務活動的財務信息獲得充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

利安達劉歐陽(香港)會計師事務所有限公司
執業會計師
劉兆璋
執業證書編號：P01886

香港
二零一七年六月二十二日

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 2017 截至二零一七年三月三十一日止年度

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	7	54,524	101,048
Cost of sales	銷售成本		(64,435)	(86,352)
Gross (loss)/profit	毛(損)/利		(9,911)	14,696
Other income	其他收入	9	741	790
Increase/(decrease) in fair value of an investment property	投資物業公平值增加/ (減少)	18	120	(2,144)
Administrative expenses	行政開支		(25,787)	(20,713)
Finance costs	融資成本	10	(185)	(158)
Share of results of a joint venture	分佔合資企業之業績		-	(390)
Loss before tax	除稅前虧損		(35,022)	(7,919)
Income tax expense	所得稅開支	11	(12)	(1,451)
Loss for the year attributable to owners of the Company	本公司擁有人應佔年度 虧損	12	(35,034)	(9,370)
Other comprehensive (expense)/ income for the year <i>Items that may be reclassified subsequently to profit or loss:</i> Exchange differences arising on translation of foreign operations	本年度其他全面 (開支)/收益 其後可重新分類至 損益之項目： 換算海外業務產生 之匯兌差額		(122)	45
Total comprehensive expenses for the year attributable to owners of the Company	本公司擁有人應佔年度 全面開支總額		(35,156)	(9,325)
Loss per share Basic and diluted (HK cents)	每股虧損 基本及攤薄(港仙)	16	(9.89)	(2.84)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2017 於二零一七年三月三十一日

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		Notes 附註		
Non-current assets 非流動資產				
Plant and equipment 廠房及設備		17	2,247	2,310
Investment property 投資物業		18	22,500	22,380
Investment in a joint venture 合資企業投資		19	-	-
			24,747	24,690
Current assets 流動資產				
Loan receivables 應收貸款		20	26,080	-
Inventories 存貨		21	8,032	-
Trade and other receivables 貿易及其他應收款項		22	21,242	43,214
Amounts due from customers for contract work 應收客戶合約工程款項		23	10,072	48,538
Amount due from a substantial shareholder 應收一名主要股東款項		24	5	5
Amount due from a joint venture 應收合資企業款項		24	-	-
Tax recoverable 可退回稅項			345	625
Pledged bank deposit 已抵押銀行存款		25	300	-
Bank balances and cash 銀行結餘及現金		25	60,027	25,268
			126,103	117,650
Current liabilities 流動負債				
Trade and other payables 貿易及其他應付款項		26	4,140	32,534
Amounts due to customers for contract work 應付客戶合約工程款項		23	519	6,128
Income tax payable 應付所得稅			237	929
Obligation under a finance lease 融資租賃承擔		27	87	85
Secured bank borrowing 銀行借貸		28	6,964	7,256
			11,947	46,932
Net current assets 淨流動資產			114,156	70,718
			138,903	95,408

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2017 於二零一七年三月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	30	154,851	76,113
Reserves	儲備		(16,263)	18,893
Total equity	總股本		138,588	95,006
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	29	225	225
Obligation under a finance lease	融資租賃承擔	27	90	177
			315	402
			138,903	95,408

The consolidated financial statements on pages 70 to 151 were approved and authorised for issue by the board of directors on 22 June 2017 and are signed on its behalf by:

載列於第70頁至第151頁之綜合財務報表已於二零一七年六月二十二日經董事會批准及授權刊發並經下列董事代表簽署：

Chan Chi Yuen
陳志遠
Director
董事

Liu Rongsheng
劉榮生
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2017 截止二零一七年三月三十一日止年度

		Share capital	Retained profits/ (Accumulated losses)	Exchange reserve	Total
		股本	保留溢利/ (累計虧損)	匯兌儲備	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(Note 30)			
		(附註30)			
At 1 April 2015	於二零一五年四月一日	76,113	28,463	(245)	104,331
Loss for the year	本年度虧損	-	(9,370)	-	(9,370)
Other comprehensive income for the year	本年度其他全面收益	-	-	45	45
Total comprehensive expenses for the year	本年度全面支出總額	-	(9,370)	45	(9,325)
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日及 二零一六年四月一日	76,113	19,093	(200)	95,006
Loss for the year	本年度虧損	-	(35,034)	-	(35,034)
Other comprehensive expenses for the year	本年度其他全面開支	-	-	(122)	(122)
Total comprehensive expenses for the year	本年度全面支出總額	-	(35,034)	(122)	(35,156)
Issue of new shares	發行新股份	80,850	-	-	80,850
Transaction costs attributable to issue of shares	發行股份應佔交易成本	(2,112)	-	-	(2,112)
At 31 March 2017	於二零一七年三月三十一日	154,851	(15,941)	(322)	138,588

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Loss before tax	除稅前虧損	(35,022)	(7,919)
Adjustments for:	調整：		
(Increase)/Decrease in fair value of an investment property	投資物業公平值增加／減少	(120)	2,144
Impairment loss on trade receivables	應收貿易款項減值虧損	661	2,020
Depreciation of plant and equipment	廠房及設備折舊	1,104	449
Share of results of a joint venture	分佔合資企業業績	-	390
Impairment loss recognised on amount due from a joint venture	就應收合資企業款項確認的減值虧損	356	271
Finance costs	融資成本	185	158
Bank interest income	銀行利息收入	(4)	(6)
Reversal of impairment loss recognised on trade and other receivables	就貿易及其他應收款項確認之減值虧損撥回	(50)	(4)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(32,890)	(2,497)
Increase in inventories	存貨增加	(8,032)	-
Increase in loan receivables	應收貸款增加	(26,080)	-
Decrease/(Increase) in trade and other receivables	貿易及其他應收款項減少／(增加)	25,486	(7,986)
Decrease in trade and other payables	貿易及其他應付款項減少	(28,394)	(25,827)
Decrease in amounts due from customers for contract work	應收客戶合約工程款項減少	38,466	30,232
(Decrease)/Increase in amounts due to customers for contract work	應付客戶合約工程款項(減少)／增加	(5,609)	3,858
Cash used in operations	經營所用之現金	(37,053)	(2,220)
Hong Kong Profits Tax paid, net	已付香港利得稅·淨額	(424)	(2,707)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用之淨現金	(37,477)	(4,927)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Purchase of an investment property	購置投資物業	-	(24,524)
Purchases of plant and equipment	購置廠房及設備	(1,041)	(1,691)
Acquisition of assets through acquisition of a subsidiary	透過收購附屬公司收購資產	-	(390)
Advance to a joint venture	墊款予合資企業	(356)	(271)
Bank interest received	已收銀行利息	4	6
Increase in pledged bank deposit	已抵押銀行存款增加	(300)	-
Deposit paid on investment project	已付收購項目按金	(4,125)	-
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用之淨現金	(5,818)	(26,870)
FINANCING ACTIVITIES	融資活動		
New bank borrowing raised	已籌集之新銀行貸款	-	7,400
Repayment of secured bank borrowing	償還抵押銀行借貸	(292)	(144)
Interest paid	已付利息	(185)	(158)
Repayment of obligation under a finance lease	償還融資租賃承擔	(85)	(82)
Proceeds from issuing of new ordinary shares	發行新普通股所得款項	80,850	-
Transaction costs attributable to issue of new ordinary shares	發行新普通股應佔交易成本	(2,112)	-
NET CASH FROM FINANCING ACTIVITIES	融資活動所得之淨現金	78,176	7,016
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物淨增加/(減少)	34,881	(24,781)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初之現金及現金等價物	25,268	50,004
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	(122)	45
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR represented by bank balances and cash	年終之現金及現金等價物， 指銀行結餘及現金	60,027	25,268

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

1. GENERAL INFORMATION

Royal Century Resources Holdings Limited (formerly known as Kate China Holdings Limited) (the “Company”) was incorporated in Hong Kong as a company with limited liability and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. 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 Company is an investment holding company. The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are provision of design and fitting-out service and provision of design and procurement of furnishings and decorative materials services. During the year, the Group has extended its business into money lending and sourcing and merchandising of fine and rare wines.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company and its Hong Kong subsidiaries. Other than those Hong Kong subsidiaries, the functional currency of subsidiaries established in Singapore and the People’s Republic of China (“PRC”) is denominated in Singapore dollars (“SGD”) and Renminbi (“RMB”) respectively.

1. 一般資料

仁德資源控股有限公司(前稱中持基業控股有限公司)(「本公司」)於香港註冊為有限責任公司，其股份在香港聯合交易所有限公司創業板上市。本公司之註冊辦事處及主要營業地點披露於本年報之公司資料一節。

本公司為一間投資控股公司。本公司及其附屬公司(以下統稱為「本集團」)之主要業務為提供設計及裝修服務，以及提供設計及採購室內陳設及裝飾材料服務。於年內，本集團已擴展其業務包括放債及美酒營銷。

綜合財務報表乃以港元(「港元」)呈列，除於新加坡及中華人民共和國(「中國」)成立之附屬公司之功能貨幣分別為新加坡元(「新加坡元」)及人民幣(「人民幣」)外，港元為本公司及其香港附屬公司之功能貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

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

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards (“HKAS(s)”), amendments and interpretations (“Int(s)”), issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Amendments to HKFRSs	<i>Annual Improvements HKFRSs 2012-2014 Cycle</i>
HKFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27	<i>Equity Method in Separate Financial Statements</i>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>

The application of the new and revised 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.

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）及公司條例

本年度，本集團已採納下列由香港會計師公會（「香港會計師公會」）頒佈之新訂及經修訂香港財務報告準則（包括香港財務報告準則、香港會計準則（「香港會計準則」）以及修訂及詮釋（「詮釋」）。

香港財務報告準則（修訂本）	香港財務報告準則二零一二年至二零一四年週期之年度改進
香港財務報告準則第14號	監管遞延帳目
香港會計準則第1號（修訂本）	披露計劃
香港會計準則第16號及香港會計準則第38號（修訂本）	澄清折舊及攤銷之可接受方法
香港會計準則第16號及香港會計準則第41號（修訂本）	農業：生產性植物
香港會計準則第27號（修訂本）	獨立財務報表之權益法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號（修訂本）	投資實體：應用綜合入賬之例外情況
香港財務報告準則第11號（修訂本）	收購聯合經營權益之會計法

於本年度應用新訂及經修訂香港財務報告準則對本集團本年度及過往年度的財務表現及狀況及／或本綜合財務報表所載之披露事項並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

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

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs, that have been issued but are not yet effective.

HKFRS 9	<i>Financial Instruments</i> ²
HKFRS 15	<i>Revenue from Contracts with Customers and the related amendment</i> ²
HKFRS 16	<i>Leases</i> ³
Amendments to HKAS 7	<i>Disclosure Initiative</i> ¹
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i> ¹
Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴

- 1 Effective for annual periods beginning on or after 1 January 2017
- 2 Effective for annual periods beginning on or after 1 January 2018
- 3 Effective for annual periods beginning on or after 1 January 2019
- 4 Effective date not yet been determined

The directors of the Company anticipate that, except as described below, the application of the new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）及公司條例（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒佈惟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	<i>金融工具</i> ²
香港財務報告準則第15號	<i>客戶合約收入及相關修訂</i> ²
香港財務報告準則第16號	<i>租賃</i> ³
香港會計準則第7號（修訂本）	<i>披露計劃</i>
香港會計準則第12號（修訂本）	<i>就未變現虧損確認遞延稅項資產</i> ¹
香港財務報告準則第2號（修訂本）	<i>以股份為基礎之付款交易之分類及計量</i> ²
香港財務報告準則第10號及香港會計準則第28號（修訂本）	<i>投資者與其聯營公司或合營公司之間的資產出售或投入</i> ⁴

- 1 於二零一七年一月一日或之後開始之年度期間生效
- 2 於二零一八年一月一日或之後開始之年度期間生效
- 3 於二零一九年一月一日或之後開始之年度期間生效
- 4 生效日期尚未確定

本公司董事預期，除下文所述者外，應用新訂及經修訂香港財務報告準則不會對本集團之業績及財務狀況造成重大影響。

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

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

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an “expected credit loss” model for impairment assessments.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement 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 of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting 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. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）及公司條例（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號「金融工具」

於二零零九年頒佈之香港財務報告準則第9號引入金融資產分類及計量之新規定。於二零一零年修訂之香港財務報告準則第9號包括金融負債之分類及計量以及終止確認之規定。於二零一三年，香港財務報告準則第9號獲進一步修訂，以落實對沖會計法之實質性修訂，從而將使實體於財務報表中更能反映風險管理活動。香港財務報告準則第9號之終定本於二零一四年頒佈，收納於過往年度頒佈之所有香港財務報告準則第9號規定，並為若干金融資產引入「經其他全面收益按公平值入賬」計量類別，對分類及計量作出有限修訂。香港財務報告準則第9號之終定本亦就減值評估引入「預期信貸虧損」模型。

香港財務報告準則第9號之主要規定載述如下：

- 所有屬香港會計準則第39號「金融工具：確認及計量」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，目的是收取合約現金流量之業務模式內持有之債務投資，及合約現金流量僅為償還本金及尚未償還本金利息之債務投資，一般於其後會計期間結算日按攤銷成本計量。目的皆以收集合約現金流量及銷售金融資產而達成且按其業務模式內持有的債務工具，及金融資產在合約條款中於指定日期而產生的現金流僅為支付尚未償還之本金和利息，其計量乃按經其他全面收益按公平值入賬。所有其他債務投資及權益投資均於其後報告期末按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回之選擇，以於其他全面收益呈列權益投資（並非持作買賣者）公平值之其後變動，只有股息收入一般於損益賬確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

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

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 9 Financial Instruments (Continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）及公司條例（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號「金融工具」（續）

- 就指定為透過損益賬按公平值處理之金融負債之計量而言，香港財務報告準則第9號規定該金融負債之信貸風險變動以致該負債公平值變動之金額於其他全面收益內呈列，除非於其他全面收益中確認該負債之信貸風險變動影響會導致或擴大損益上之會計錯配。金融負債之信貸風險引致之金融負債公平值變動其後不會重新分類至損益賬。根據香港會計準則第39號，指定為透過損益賬按公平值處理之金融負債之整筆公平值變動金額於損益賬呈列。
- 減值測試方面，已加入關於實體對其金融資產及提供延伸信貸承擔之預期信貸虧損的會計減值規定。此等要求消除香港會計準則第39號內確認信貸虧損之閾值。根據香港財務報告準則第9號之減值方法，毋須先發生信貸事件，方可確認信貸減值。反之，預期信貸虧損及該等預期信貸虧損之變動必須一直入賬。預期信貸虧損之金額於每報告日期更新，以反映自初始確認以來的信貸風險，並提供更適時的預期信貸虧損資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

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

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 9 Financial Instruments (Continued)

- HKFRS 9 introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）及公司條例（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號「金融工具」（續）

- 香港財務報告準則第9號引入更接近公司為對沖其金融及非金融風險時所作之風險管理活動所使用之對沖會計之新模型。香港財務報告準則第9號以原則作基準，視乎能否確認及計量一項風險因素，並不區分金融項目與非金融項目。此新模型同時容許一個實體將用於風險管理的內部提供資料作為對沖會計之基礎。根據香港會計準則第39號，應用僅為會計目的而設計之計量標準證明符合及遵守香港會計準則第39號之規定乃屬必要。新模型亦包括合資格標準，惟該等標準以對沖關係強度進行之經濟評估為依據，可利用風險管理數據釐定。相對香港會計準則第39號之對沖會計處理，此舉降低了僅為會計處理所需進行之分析量，應可降低實行成本。

香港財務報告準則第9號將於二零一八年一月一日或之後開始之年度期間生效，可提早採納。

本公司董事預計，採納香港財務報告準則第9號日後可能會對就本集團金融資產及金融負債所呈報之數額構成重大影響。

就本集團之金融資產而言，在詳細檢討完成前對該影響作出合理估計並不可行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

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

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 15 Revenue from Contracts with Customers

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. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

- i) Identify the contract with the customer;
- ii) Identify the performance obligations in the contract;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligations; and
- v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows 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.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）及公司條例（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第15號「客戶合約收入」

香港財務報告準則第15號的核心原則乃一個實體應確認收入以體現向客戶轉讓承諾貨品或服務的數額，並反映實體預期交換該等貨品或服務而應得的對價。因此，香港財務報告準則第15號引入應用於客戶合約之模型，當中訂明以合約為基礎之五步交易分析，以釐定是否須要確認收入以及確認收入之金額及時間。該五個步驟載列如下：

- i) 確定與一個客戶的合約；
- ii) 確定合約內的履約義務；
- iii) 釐定交易價格；
- iv) 將交易價格分攤至合約內的履約義務；及
- v) 當實體符合履約義務時確認收入。

香港財務報告準則第15號對質與量亦要求較廣泛的披露，以使財務報表之使用者能理解來自客戶合約的收益與現金流的性質、數額、時間及不確定性。

香港財務報告準則第15號生效後將取代現時沿用的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」及相關的詮釋。

香港財務報告準則第15號將於二零一八年一月一日或之後開始之年度期間生效，可提早採納。本公司董事預計，將來採納香港財務報告準則第15號可能會對本集團綜合財務報表呈報及披露數額構成重大影響。但是，在本集團詳細檢討完成前對該影響作出合理估計並不可行。

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

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

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees. In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value. At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）及公司條例（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第16號「租賃」

香港財務報告準則第16號為租賃安排的識別及其在出租人及承租人財務報表中的處理提供了一個綜合模型。就承租人之會計處理而言，該準則引入單一承租人之會計處理模式，規定承租人就租期超過12個月之所有租賃確認資產及負債，除非相關資產有低價值資產。於租賃開始日期，承租人須按成本確認使用權資產，包括租賃負債初步計量金額加於開始日期或之前向出租人支付之任何租賃款項減已收取之任何租賃獎勵、修復費用之估算金額以及承租人產生之任何初步直接開支。租賃負債初步按於該日尚未支付之租賃款項之現值確認。

隨後，使用權資產按成本減任何累計折舊及任何累計減值虧損計量，並就租賃負債之任何重新計量進行調整。租賃負債隨後通過增加賬面值反映租賃負債之利息，減去賬面值反映已付租賃款項，重新計量賬面值反映任何重新評估或租賃修訂或反映經修訂實際固定租賃付款進行計量。使用權資產之折舊及減值開支（如有）將根據香港會計準則第16號「物業、廠房及設備」計入損益，而租賃負債之應計利息將計入損益。

就出租人之會計處理而言，香港財務報告準則第16號大致轉承了香港會計準則第17號的出租人會計規定。因此，出租人繼續將其租賃分類為經營租賃及融資租賃，並且對兩類租賃進行不同的會計處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

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

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 16 Leases (Continued)

HKFRS 16 will supersede the current lease standards including HKAS 17 Leases and the related Interpretations when it becomes effective.

HKFRS 16 will be effective for annual periods beginning on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 Revenue from Contracts with Customers at or before the date of initial application of HKFRS 16. The directors of the Company are in the process of assessing their impact on the consolidated financial statements of these requirements. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

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 Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment property that is measured at fair values.

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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）及公司條例（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第16號「租賃」（續）

香港財務報告準則第16號生效後將取代現時沿用的租賃準則，包括香港會計準則第17號「租賃」及其相關詮釋。

倘實體已於初次應用香港財務報告準則第16號日期或之前應用香港財務報告準則第15號來自合約客戶之收益，香港財務報告準則第16號將於二零一九年一月一日或之後開始之年度期間生效，惟可提前採用。本公司董事正在評估該等規定之綜合財務報表的影響。然而，在本集團詳細檢討完成前對該影響作出合理估計並不可行。

3. 重大會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司創業板證券上市規則以及香港公司條例之適用披露事項。

綜合財務報表按歷史成本基準編製（以公平值計量之投資物業除外）。

歷史成本一般以就交換貨品及服務而給予之代價公平值為基準。

公平值為市場參與者在現時市況下於計量日期在一個主要（或最有利的）市場按有序交易出售資產所收取的價格或轉讓負債所支付的價格（即平倉價格），不論該價格是否可直接觀察或使用另一項估值技術作出估計。公平值計量按以下會計政策解釋。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. 重大會計政策 (續)

主要會計政策載列如下。

綜合賬目基準

綜合財務報表包括本公司及本公司所控制之實體(其附屬公司)之財務報表。倘若附屬公司，對類似情況下的相同交易和事項，採用了不同於綜合財務報表所採用的會計政策，其財務報表在用於編製綜合財務報表時，應作適當的調整，以保證與集團的會計政策保持一致。

倘若本集團出現以下情況，即擁有控制權：(i)對被投資方擁有控制權；(ii)承擔或具有從參與被投資方營運所得可變回報之風險或權利；及(iii)有能力利用其權力控制被投資方從而影響其回報。當本集團擁有被投資者之投票權不足大多數，則可透過：(i)與其他投票權持有人訂立合約安排；(ii)產生自其他合約安排的權利；(iii)本集團之投票權及潛在投票權；或(iv)根據所有相關事實及情況，結合上述方法，以取得對被投資者之控制權。

倘有事實及情況顯示上述控制因素之一項或多項出現變化，本集團將重新評估其是否控制被投資方。

附屬公司於本集團取得附屬公司之控制權時開始綜合入賬，並於本集團失去附屬公司之控制權時終止。

附屬公司之收入及開支，以及其他綜合收入會由本集團取得控制權當日直至本集團終止控制附屬公司當日計入綜合損益及其他全面收益表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income of subsidiaries 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.

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

Separate financial statements

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

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

Segment reporting

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

Investment in a joint venture

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

3. 重大會計政策 (續)

綜合賬目基準 (續)

附屬公司之收益或損失和其他全面收益的各部分均歸屬於本公司的所有者和非控制性權益。附屬公司的全面收益總額歸屬於本公司的所有者和非控制性權益，即使這將導致非控制性權益產生赤字差額。

所有集團內之資產及負債、股本、收入、開支以及與集團實體之間的交易相關的現金流動乃於綜合賬目時全數撇銷。

獨立財務報表

於本公司財務狀況表內，於附屬公司之投資是按成本扣除減值虧損後入賬。附屬公司之業績由本公司按已收及應收股息基準入賬。

倘股息超過附屬公司於宣派股息期間之全面收入總額或倘於獨立財務報表內投資之賬面值超過被投資方之資產淨值（包括商譽）於綜合財務報表內之賬面值，則於自該等投資收取股息時，須對於附屬公司之投資進行減值測試。

分部報告

經營分部的呈報方式與向主要經營決策者提供內部報告的方式一致。作出策略性決定的執行董事為主要經營決策者，負責分配資源及評估經營分部表現。

於合營企業之投資

合資企業指一項聯合安排，對安排擁有共同控制權之訂約方據此對聯合安排之資產淨值擁有權利。共同控制是指按照合約約定對某項安排的控制，共同控制僅在當相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment in a joint venture (Continued)

The Group's investment in joint venture is accounted for in the consolidated financial statements using the equity method. Under the equity method, investment in joint ventures is initially recognised at cost. The Group's share of the profit or loss and changes in the other comprehensive income of the joint venture are recognised in profit or loss and other comprehensive income respectively after the date of acquisition. If the Group's share of losses of an a joint venture equals or exceeds its interest in the joint venture, which determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If a joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to make the joint venture's accounting policies conform to those of the Group when the joint venture's financial statements are used by the Group in applying the equity method.

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

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

3. 重大會計政策 (續)

於合資企業之投資 (續)

本集團於合資企業的投資於簡明綜合財務報表內採用權益法入賬。根據權益法，於合資企業的投資初始按成本確認。本集團分佔合資企業的損益及其他全面收益變動於收購日期後分別在損益及其他全面收益內確認。倘本集團分佔合資企業的虧損等於或超過本集團其於該合資企業的權益(使用權益法釐定連同實質屬於本集團於合資企業的投資淨值的任何長期權益)時，本集團不再確認其分佔的進一步虧損。僅在本集團已招致法定或推定責任或代表合資企業支付款項的情況下計提額外虧損撥備及確認負債。

倘合資企業所用會計政策並非本集團於同類情況下就類似交易及事件所採用者，本集團為應用權益法使用合資企業之財務報表時會作出調整，以使該合資企業之會計政策與本集團所採用者一致。

於被投資方成為一間合資企業當日，於合資企業的投資採用權益法入賬。於收購投資時，收購成本超過本集團應佔合資企業可識別資產及負債之公平淨值之部份確認為商譽，並計入投資賬面值。

本集團應佔可識別資產及負債之公平值淨額超過收購成本之部份，經重新評估後於收購投資期間在損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment in a joint venture (Continued)

After application of the equity method, including recognising the joint venture's losses (if any), the Group determines whether it is necessary to recognise any additional impairment loss with respect to its investment in the joint venture. Goodwill that forms part of the carrying amount of an investment in a joint venture is not separately recognised. The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment in the joint venture. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold and services rendered in the normal course of business, net of discounts and sales related taxes.

The Group's policy for recognition of service income from provision of design and fitting-out service and design and procurement of furnishings and decorative materials service from construction contracts is set out in the accounting policy headed "Construction contracts" below.

Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. 重大會計政策 (續)

於合資企業之投資 (續)

應用權益法後並且確認合資企業之虧損(如有)，本集團需決定是否需要就其於合資企業之投資確認任何額外減值虧損。形成於合資企業投資之賬面值之一部份的商譽不單獨確認。該項投資(包括商譽)之全部賬面值作為單一資產，透過將其可收回金額使用價值(與公平值減出售成本之較高者)與賬面值比較進行減值測試。任何已確認減值虧損構會成於合資企業之投資賬面值之一部分。有關減值虧損之任何撥回於該項投資可收回金額其後增加時確認。

收益確認

收益乃按已收或應收代價之公平值計量，指於正常業務過程中就已售貨品及已提供服務應收之款項，扣除折扣及銷售相關稅項。

本集團確認來自建築合約之提供設計及裝修服務以及設計及採購室內陳設及裝飾材料服務之服務收入之政策載於下文「建築合約」之會計政策。

銷售貨品之收益於貨品交付及所有權轉移，並滿足下列所有條件時予以確認：

- 本集團已將貨品擁有權之重大風險及回報轉移予買方；
- 本集團對已售貨品不再具有一般與擁有權相關之持續管理參與權，亦無實際控制權；
- 可對收益金額作出可靠計量；
- 與交易相關之經濟利益可能流入本集團；及
- 可對交易產生或將產生之成本作出可靠計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (Continued)

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. 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.

Construction contracts

Where the outcome of a construction contract in relation to provision of design and fitting-out services and design and procurement of furnishings and decorative materials can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

3. 重大會計政策 (續)

收益確認 (續)

金融資產之利息收入於經濟利益可能流入本集團，且收入金額能可靠地計量時確認。利息收入參考未償還本金以適用實際利率（乃於金融資產之預計年期將估計未來現金收入準確貼現至初步確認時資產賬面淨值之利率）按時間基準累計。

建築合約

倘可對有關提供設計及裝修服務，以及設計及採購室內陳設及裝飾材料之建築合約之成果作出可靠估計，則收益及成本根據於報告期末合約活動之完成階段予以確認，並按至今進行工程所產生之合約成本佔估計總合約成本之比例計量，惟該計量不能代表完成階段者除外。金額能夠可靠地計量及被認為可能收款之合約工程、索償及獎勵付款之變動包括在內。

倘無法對建築合約之成果作出可靠估計，則合約收益於可能可收回已產生之合約成本之情況下予以確認。合約成本乃於其產生期間確認為開支。

倘總合約成本可能超過總合約收益，則預期虧損立即確認為開支。

倘至今產生之合約成本加已確認溢利減已確認虧損超逾按進度開具發票之數額，則該盈餘列為應收客戶合約工程款項。倘按進度開具發票之數額超逾至今產生之合約成本加已確認溢利減已確認虧損，則該盈餘列為應付客戶合約工程款項。於進行有關工程前已收取之款項乃計入綜合財務狀況表作為負債，並列作預收款項。倘已進行工程並開具發票但客戶尚未付款，有關金額則計入綜合財務狀況表中之貿易及其他應收款項。

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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.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments 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.

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 recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at 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 at 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.

3. 重大會計政策 (續)

租賃

凡租賃條款將擁有權之絕大部分風險及回報轉讓予承租人之租賃，均分類為融資租賃。所有其他租賃均分類為經營租賃。

本集團為出租人

經營租賃之租金收入乃於綜合損益中按有關租賃年期以直線法確認。

本集團作為承租人

根據融資租賃持有之資產按租賃開始時之公平值或(倘較低)按最低租賃付款之現值確認為本集團之資產。出租人之相應負債於綜合財務狀況表入賬列作融資租賃承擔。

租賃付款於融資費用及租賃承擔扣減之間作出分配，從而使負債餘額之息率固定。融資費用立即於損益中確認。或有租金於其產生期間確認為開支。

經營租賃付款按租期以直線法確認為開支，惟倘另一系統化基準更能代表自租賃資產耗用經濟利益之時間模式則除外。

外幣

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣(外幣)進行之交易乃按於交易日期之現行匯率以相關功能貨幣(即該實體經營所在之主要經濟環境之貨幣)記賬。於報告期末，以外幣計值之貨幣項目乃按該日之現行匯率重新換算。按公平值列賬並以外幣計值之非貨幣項目乃按於釐定公平值當日之現行匯率重新換算。以歷史成本計量並以外幣計值之非貨幣項目不予重新換算。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

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.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes 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 year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits costs and termination benefits

Payments to the Mandatory Provident Fund Scheme and Central Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Retirement scheme obligations

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

3. 重大會計政策 (續)

外幣 (續)

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額乃在其產生期間於損益中確認。

重新換算非貨幣項目所產生之匯兌差額乃按公平值計入本期間損益，惟重新換算有關盈虧直接於其他全面收益中確認之非貨幣項目所產生之匯兌差額則除外，在該情況下，匯兌差額亦直接於其他全面收益中確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按於各報告期末之現行匯率換算為本集團之呈列貨幣（即港元），而其收入及開支項目乃按本年度之平均匯率換算。所產生之匯兌差額（如有）乃於其他全面收益中確認，並於外幣儲備項下在權益中累計。

借貸成本

借貸成本乃於其產生期間於損益中確認。

退休福利成本及終止僱傭福利

向強制性公積金計劃及中央公積金計劃作出之供款乃於僱員已提供服務而有權享有供款時確認為開支。

退休計劃承擔

根據中國規則及規例，本集團之中國僱員參與由中國有關省市政府營辦之多項定額供款退休福利計劃，據此，本集團與中國僱員須每月按僱員薪金若干百分比向該等計劃作出供款。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement scheme obligations (Continued)

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administered funds managed by the PRC government.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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 it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 重大會計政策 (續)

退休計劃承擔 (續)

省市政府承諾會承擔根據上述計劃應付所有現任及日後退休中國僱員之退休福利責任。除每月供款外，本集團並無其他支付僱員退休及其他退休後福利之責任。該等計劃之資產由中國政府管理之獨立管理基金持有，並與本集團之資產分開持有。

短期及其他長期僱員福利

僱員在提供相關服務期間所取得的工資、薪金、年假及病假等福利確認為負債，按預期應支付以用於交換該等服務的福利的未貼現數額計算。

就短期僱員福利確認的負債按預期應支付以用於交換相關服務的福利的未貼現數額計量。

稅項

所得稅開支指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按本年度應課稅溢利計算。由於應課稅溢利並無計入其他年度應課稅或可扣減之收入或開支項目，亦無計入毋須課稅或不可扣減之項目，故有別於綜合損益及其他全面收益表所呈報之除稅前溢利。本集團之即期稅項負債乃採用於報告期末已頒佈或實質上已頒佈之稅率計算。

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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 bases 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 goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at the end of 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.

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

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

3. 重大會計政策 (續)

稅項 (續)

遞延稅項按綜合財務報表內資產與負債賬面值與計算應課稅溢利時採用之相應稅基之間之暫時差額予以確認。所有應課稅暫時差額一般確認為遞延稅項負債。倘可能出現動用該等可扣減暫時差額之應課稅溢利，則所有可扣減暫時差額一般會確認為遞延稅項資產。倘該暫時差額乃源自商譽或一項交易（業務合併除外）中初步確認其他資產及負債，而該差額並無影響應課稅溢利或會計溢利，則不會確認該等資產及負債。

與投資於附屬公司及聯營公司以及合資企業權益相關之應課稅暫時差額乃確認為遞延稅項負債，惟本集團可控制暫時差額之撥回，以及有關暫時差額可能不會於可見將來撥回則除外。與該等投資及權益有關之可扣減暫時差額所產生之遞延稅項資產，僅於可能有充足應課稅溢利而須動用暫時性差額之利益及預期會於可見將來撥回時方予以確認。

遞延稅項資產之賬面值於各報告期末審閱，並於不再可能有足夠應課稅溢利以收回全部或部份資產時減少。

遞延稅項資產及負債乃根據預期清償負債或變現資產期間應用之稅率計量，而該稅率乃根據於各報告期末已頒佈或實質上已頒佈之稅率（及稅法）釐定。

遞延稅項負債及資產之計量反映本集團於報告期末預期可收回或清償其資產及負債之賬面值之方式將遵循之稅務後果。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

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.

Plant and equipment

Plant and equipment held for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Depreciation is recognised so as to write off the cost of plant and equipment less their residual value, if any, using the diminishing balance method over their estimated useful lives or depreciation rates as follows:

Leasehold improvements	Shorter of unexpired lease term or useful life of 3 years
Furniture and fixtures	30%
Office equipment	30%
Motor vehicles	30%

The estimated useful lives 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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of 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 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.

3. 重大會計政策 (續)

稅項 (續)

即期及遞延稅項於損益中確認，惟與其他全面收益中或直接於權益中確認之項目有關者除外，在該情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益中確認。當即期及遞延稅項產生自業務合併的初始會計，稅項影響計入業務合併會計中。

廠房及設備

持作行政用途之廠房及設備乃按成本減其後累計折舊及累計減值虧損（如有）於綜合財務狀況表列賬。歷史成本包括收購資產直接應佔的開支。

折舊乃採用遞減餘額法按廠房及設備之估計可使用年期或折舊率以撇銷廠房及設備之成本減其剩餘價值（如有）予以確認如下：

租賃物業裝修	尚餘租期或3年可使用年期之較短者
傢俱和固定裝置	30%
辦公室設備	30%
汽車	30%

估計可使用年期及折舊方法於各報告期末檢討，並按預先基準將任何估計變動之影響入賬。

根據融資租賃持有之資產乃於其預計可使用年期按與自置資產相同之基準計算折舊。但如果無法合理確定租期屆滿時取得擁有權，應當在租期或可使用年期內（以較短者為準）計提折舊。

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利益時終止確認。出售或報廢廠房及設備項目產生之任何盈虧按出售所得款項淨額與該資產賬面值之差額計算，並在損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment property

Investment property is property held to earn rentals and/or for capital appreciation.

Investment property is initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at its fair values. Gains or losses arising from changes in the fair value of investment property is included in profit or loss for the period in which they arise.

Impairment of non-financial assets

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

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

3. 重大會計政策 (續)

投資物業

投資物業指為賺取租金及／或資本增值而持有之物業。

投資物業初步按成本計量，當中包括任何直接應佔開支。於初步確認後，投資物業按公平值計量。投資物業公平值變動產生之收益或虧損於產生期間計入損益。

非金融資產的減值

當有事件出現或情況改變顯示賬面值可能無法收回時，需攤薄之資產會就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額的差額確認。可收回金額為資產的公平值減銷售成本或使用價值兩者中的較高者。於評估減值時，資產按可單獨分辨的最小現金流量產生單位（現金產生單位）予以分類。倘商譽以外之非金融資產出現減值，則於各報告日期檢討是否有減值可予撥回。

現金和現金等價物

綜合財務狀況表中之銀行結餘及現金包括銀行及手頭現金以及三個月或三個月內到期的短期存款。

就綜合現金流量表而言，現金及現金等價物包括現金及上文所界定之短期存款，除卻未償還銀行透支淨值。

金融工具

金融資產及金融負債乃於集團實體成為工具合約條文之訂約方時確認。

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綜合財務報表附註

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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

The Group's financial assets are classified into 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.

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 paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, 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.

3. 重大會計政策 (續)

金融工具 (續)

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(不包括按公平值透過損益列賬的金融資產或金融負債)直接應佔之交易成本乃於初步確認時加入或扣自金融資產或金融負債之公平值(按適用情況)。收購按公平值透過損益列賬之金融資產或金融負債直接應佔之交易成本立即於損益中確認。

金融資產

本集團之金融資產分類為貸款及應收款項。分類乃視乎金融資產之性質及目的而作出，並於初步確認時釐定。所有金融資產之正常買賣乃按交易日基準確認及終止確認。正常買賣乃按照市場規定或慣例須在一段期限內交付資產之金融資產買賣。

實際利率法

實際利率法乃計算債務工具之攤銷成本及於有關期間分配利息收入之方法。實際利率乃按金融資產之預計年期或(如適用)較短期間，將估計未來現金收入(包括構成實際利率一部分之所有已付或已收費用、交易成本及其他溢價或折價)準確貼現至初步確認時之賬面淨值之利率。

債務工具之利息收入乃按實際利率基準確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial assets (Continued)

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 (including trade and other receivables, bank balances and cash, amount due from ultimate holding company, amount due from a substantial shareholder and amounts due from related parties) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets 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.

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; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually. Objective evidence of impairment for a portfolio of trade 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, observable changes in national or local economic conditions that correlate with default on receivables.

3. 重大會計政策 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項為有固定或可釐定付款而並無活躍市場報價之非衍生金融資產。於初步確認後，貸款及應收款項（包括貿易及其他應收款項、銀行結餘及現金以及應收最終控股公司款項、應收主要股東款項及應收關連方款項）乃採用實際利率法按攤銷成本扣除任何已識別減值虧損列賬（見下文有關金融資產減值虧損之會計政策）。

金融資產之減值

本集團會於各報告期末評估金融資產是否存在減值跡象。如有客觀證據顯示因於初步確認金融資產後發生之一宗或多宗事件對金融資產之估計未來現金流量造成影響，則該等金融資產被視為減值。

客觀減值證據可包括：

- 發行人或交易對手出現嚴重財政困難；或
- 違約，如逾期或拖欠利息或本金還款；或
- 借款人有可能破產或進行財務重組；或
- 因財政困難導致該金融資產之活躍市場消失。

就若干類別的金融資產（如貿易應收賬款）而言，不會單獨進行減值評估的資產。應收款項組合之客觀減值證據可包括本集團之過往收款經驗、組合內已超逾平均信貸期延遲還款次數增加、與拖欠應收款項有關之全國或地方經濟狀況出現可觀察變動等。

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綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the 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, other receivables and deposits, 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, other receivable or deposits are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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 losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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 entered into and the definitions of a financial liability and an equity instrument.

Other financial liabilities

Other financial liabilities including trade and other payables, secured bank borrowing, obligations under a finance lease are subsequently measured at amortised cost, using the effective interest method.

3. 重大會計政策 (續)

金融資產 (續)

金融資產之減值 (續)

就按攤銷成本列賬之金融資產而言，減值虧損將於有客觀證據證明資產出現減值時在損益賬確認，已確認減值虧損之金額為資產賬面值與以金融資產之原實際利率貼現之估計未來現金流量現值之差額。

所有金融資產之減值虧損會直接於金融資產之賬面值中作出扣減，惟貿易應收款項、其他應收款項以及存款則除外，其賬面值會透過使用撥備賬作出扣減。撥備賬內之賬面值變動乃於損益中確認。當貿易應收款項、其他應收款項或存款被視為不可收回時，乃於撥備賬內撇銷。其後收回之過往撇銷款項計入損益。

就按攤銷成本計量之金融資產而言，倘於往後期間減值虧損金額減少，而該減少可以客觀地與確認減值虧損後發生之事件有關，則先前已確認之減值虧損乃透過損益撥回，惟該資產於減值撥回當日之賬面值不得超過倘減值不予確認時之攤銷成本。

金融負債及股本工具

由集團實體發行之債務及股本工具按所訂立合約安排之內容，以及金融負債及股本工具之定義分類為金融負債或權益。

其他金融負債

其他金融負債包括貿易及其他應付款項、有抵押銀行借貸、融資租賃承擔其後採用實際利率法按攤銷成本計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(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 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.

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 Company are recognised at the proceeds received, net of direct issue costs.

Derecognition

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

On derecognition of a financial asset in its entirety, 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.

3. 重大會計政策 (續)

金融負債及股本工具 (續)

實際利率法

實際利率法乃計算金融負債之攤銷成本及於有關期間分配利息開支之方法。實際利率乃按金融負債之預計年期或(如適用)較短期間，將估計未來現金付款(包括構成實際利率一部分之所有已付或已收費用、交易成本及其他溢價或折價)準確貼現至初步確認時之賬面淨值之利率。

利息開支乃按實際利率基準確認。

股本工具

股本工具為證明某一實體資產具有剩餘權益(經扣除其所有負債)之任何合約。本公司發行之股本工具乃按已收所得款項扣除直接發行成本確認。

終止確認

本集團僅在自資產收取現金流量之合約權利屆滿或其向另一實體轉讓金融資產及資產擁有權之絕大部分風險及回報時終止確認該金融資產。倘本集團既沒有轉讓也沒有保留絕大部分風險及回報，並繼續控制已轉讓資產，本集團會繼續確認資產，惟以其繼續涉及之程度為限，並確認相關負債。倘本集團保留已轉讓金融資產擁有權之絕大部分風險及回報，本集團會繼續確認金融資產，亦就已收所得款項確認已抵押借貸。

於全面終止確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收益確認並於權益累計之累計盈虧之總和間之差額會在損益中確認。

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For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Derecognition (Continued)

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

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

Inventories

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

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

3. 重大會計政策 (續)

終止確認 (續)

僅當本集團之責任獲解除、取消或屆滿時，本集團會終止確認該金融負債。已終止確認金融負債之賬面值與已付及應付代價之差額會於損益中確認。

僅當本集團之責任獲解除、取消或屆滿時，本集團會終止確認該金融負債。已終止確認金融負債之賬面值與已付及應付代價之差額會於損益中確認。

存貨

存貨乃按成本與可變現淨值兩者之較低者列賬。成本使用加權平均法計算。可變現淨值指存貨之估計售價減估計完工成本及銷售所需之所有成本。

或然負債

或然負債指因已發生的事件而可能引起的責任，而須視乎日後會否出現一宗或多宗本集團無法完全控制的不確定事件方可確實。或然負債亦可能是已發生的事件引致的現有責任，但由於未必需要流出經濟資源或負債數額無法可靠估計而未有確認。或然負債不予確認，但於綜合財務報表的附註內披露。倘經濟資源流出的可能性改變而很可能流出經濟資源，則此等負債將確認為撥備。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Fair value measurement

When measuring fair value for the purpose of impairment assessment, 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.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

3. 重大會計政策 (續)

公平值計量

就減值評估而言，倘市場參與者於計量日期對資產或負債定價時考慮其特徵，則本集團在計量公平值時亦會考慮該等特徵。

非金融資產之公平值計量計及市場參與者透過使用其資產之最高及最佳用途或透過將資產出售予將使用其最高及最佳用途之另一名市場參與者而能夠產生經濟利益之能力。

本集團使用在不同情況下適當之估值技術，為計量公平值獲取充足之數據，最大化使用相關可觀察輸入數據，最小化使用不可觀察輸入數據。具體而言，本集團根據輸入數據之特徵將公平值計量分為以下三級：

- 第一級 — 同類資產或負債於活躍市場之報價(未經調整)。
- 第二級 — 估值技術(對公平值計量而言屬重要之最低層級輸入數據可直接或間接觀察)。
- 第三級 — 估值技術(對公平值計量而言屬重要之最低層級輸入數據不可觀察)。

於報告期末，本集團釐定資產及負債之公平值層級是否已發生轉移，公平值層級乃通過審閱其各自之公平值計量按經常性基準以計量公平值。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

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

Construction contracts revenue recognition

The Group recognises contract revenue and profit of a construction contract in relation to provision of design and fitting-out services and design and procurement of furnishings and decorative materials according to the management's estimation of the total outcome of the contract as well as the percentage of completion of construction works. Notwithstanding that the management reviews and revises the estimates of both contract revenue and costs for the construction contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

4. 重大會計判斷及估計不確定性之主要來源

於應用附註3所述本集團之會計政策時，本公司董事須作出有關難以從其他來源獲得之資產及負債賬面值之判斷、估計及假設。

該等估計及相關假設及基於過往經驗及其他視為相關的因素。實際結果可能有別於該等估計。估計及相關假設按持續基準檢討。倘會計估計之修訂僅影響估計修訂之期間，則有關修訂於該期間確認，或倘該項修訂影響現時及未來期間，則有關修訂於修訂期間及未來期間確認。

於應用實體會計政策時作出之關鍵判斷

除本公司董事於應用本集團會計政策之過程中涉及估計之關鍵判斷(見下文)以外，以下為對在綜合財務報表確認之金額有最重大影響之關鍵判斷。

建築合約收入確認

本集團根據管理層對合約總結果之估計，以及建築工程之完工百分比確認有關提供設計及裝修服務，以及設計及採購室內陳設及裝飾材料之建築合約之合約收益及溢利。儘管管理層因應合約進度檢討及修訂建築合約之合約收益及成本之估計，惟就總收益及成本而言，合約之實際結果可能高於或低於該等估計，這會影響已確認收益及溢利。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying the entity's accounting policies (Continued)

Deferred taxation on investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from an investment property that is measured using the fair value model, the directors of the Company have reviewed the Group's investment property and concluded that the Group's investment property is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has considered the deferred taxes impact arising from changes in fair value of investment property.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income tax

As at 31 March 2017, no deferred tax asset has been recognised on the tax losses of approximately HK\$56,588,000 (2016: HK\$16,486,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

4. 重大會計判斷及估計不確定性之主要來源 (續)

於應用實體會計政策時作出之關鍵判斷 (續)

投資物業之遞延稅項

就計量使用公平值模式計量的投資物業產生之遞延稅項負債或遞延稅項資產而言，本公司董事已檢討本集團之投資物業，認為本集團之投資物業乃按旨在享用於持有該等投資物業期間所產生之顯著經濟利益之業務模式持有。因此，於計量本集團投資物業遞延稅項時，本公司董事確定，假設使用公平值模式計量之投資物業之賬面值透過出售全數收回屬悖論。因此，本集團已考慮投資物業公平值變動產生之遞延稅項影響。

估計不確定性之主要來源

以下為於報告期末很大機會導致須對下一財政年度之資產及負債賬面值作出重大調整之有關未來之主要假設及其他估計不確定性之主要來源。

所得稅

截至二零一七年三月三十一日，由於未來溢利流難以預測，故就稅項虧損約56,588,000港元（二零一六年：16,486,000港元）而言，並無確認遞延稅項資產。遞延稅項資產的可變現情況主要取決於日後是否有足夠的溢利或應課稅暫時差額以供動用。倘若未來產生的實際溢利低於預期，則可能產生重大遞延稅項資產撥回，而該項撥回將於出現撥回的期間內在損益內確認。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

(Continued)

Impairment of trade and other receivable

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. As at 31 March 2017, the carrying amount of trade and other receivables was approximately HK\$21,242,000 (2016: HK\$43,214,000), net of allowance for doubtful debts of approximately HK\$2,375,000 (2016: HK\$1,834,000). During the year ended 31 March 2017, impairment loss in respect of trade and other receivables of approximately HK\$661,000 (2016: HK\$2,020,000) was recognised in profit or loss.

Estimated useful lives of plant and equipment

The Group's management determines the estimated useful lives, and related depreciation charges for its plant and equipment. The estimates are based on the historical experience of the actual useful lives of those assets of similar nature and functions. Management will increase the depreciation where useful lives are less than previously estimated lives. It will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore affect the depreciation charges in future periods.

Valuation of investment property

Investment property is carried in the consolidated statement of financial position at 31 March 2017 at its fair value of approximately HK\$22,500,000 (2016: 22,380,000). The fair value was based on a valuation on this property conducted by an independent firm of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment property and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss.

4. 重大會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續)

貿易及其他應收款項之減值

本集團會以估計未來現金流量來評估是否有客觀證據顯示出現減值虧損。減值虧損之金額為資產賬面值與以金融資產之原實際利率(即在初步確認中計算的實際利率)貼現之估計未來現金流量(不包括尚未發生的未來信用損失)現值之差額。倘若實際未來現金流量低於預期,則可能會出現重大減值損失。截至二零一七年三月三十一日,貿易及其他應收款項的賬面值約為21,242,000港元(二零一六年:43,214,000港元),已扣除呆賬撥備約2,375,000港元(二零一六年:1,834,000港元)。截至二零一七年三月三十一日止年度,貿易及其他應收款項相關減值虧損約661,000港元(二零一六年:2,020,000港元)於損益確認。

廠房及設備之可使用年期

本集團管理層就本集團的廠房及設備釐定預計可使用年期,以及相關的折舊費用。該估計以具有類似性質及功能之資產的實際可使用年期的歷史經驗為基礎。當可使用年期小於先前估計時,管理層將增加折舊。其將沖銷或沖減已被放棄或出售的技術陳舊或者非戰略性資產。實際經濟壽命可能不同於預計可使用年期。定期審查可能會導致折舊年限的變化,從而影響未來期間的折舊費用。

投資物業之估值

於二零一七年三月三十一日的綜合財務狀況表內,投資物業按公平值列賬,公平值約為22,500,000港元(二零一六年:22,380,000港元)。公平值乃基於專業估值師之獨立公司利用物業估值法就該等物業進行之估值(當中涉及若干有關市況之假設)計算。該等假設之有利或不利變動將會導致本集團之投資物業之公平值出現變動及對在綜合損益表內呈報的盈虧款項作出相應調整。

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategies remain unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the obligation under a finance lease and secured bank borrowing as disclosed in notes 27 and 28 respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. Based on the directors' recommendation, the Group will balance its overall capital structure through payment of dividend, issuance of new shares as well as the raising of new debts or the repayment of existing debts.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

5. 資本風險管理

本集團管理其資本，以確保本集團實體將能夠繼續持續經營，同時透過優化債務及權益結餘，為股東帶來最高回報。本集團之整體策略與去年維持不變。

本集團之資本架構包括債務淨額，當中包括分別於附註27及28披露之融資租賃承擔及有抵押銀行借貸，並扣除現金及現金等價物，以及本公司擁有人應佔權益(包括已發行股本及儲備)。

本公司董事考慮資本成本及與資本相關之風險，持續檢討資本架構。根據董事之建議，本集團將透過派付股息、發行新股份及籌借新債務或償還現有債務，平衡其整體資本架構。

6. 金融工具

(a) 金融工具類別

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	102,317	66,924
Financial liabilities	金融負債		
Financial liabilities at amortised cost	按攤銷成本列賬之金融負債	10,183	39,790

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, amount due from ultimate holding company/a substantial shareholder/a joint venture, trade and other payables, obligations under a finance lease and secured bank borrowing. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risks (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

The Group has certain portion of bank balances and cash, trade and other receivables and trade and other payables denominated in currencies other than the functional currency of the entity to which they relate. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Given the Hong Kong dollar is pegged to the US\$, the management does not expect that there will be any significant currency risk associated with such US\$ denominated balances and therefore no sensitivity analysis is presented thereon.

At 31 March 2017 and 2016, 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:

		2017 二零一七年			2016 二零一六年		
		Monetary assets 貨幣資產 HK\$'000 千港元	Monetary liabilities 貨幣負債 HK\$'000 千港元	Net Exposure 淨風險 HK\$'000 千港元	Monetary assets 貨幣資產 HK\$'000 千港元	Monetary liabilities 貨幣負債 HK\$'000 千港元	Net Exposure 淨風險 HK\$'000 千港元
Renminbi ("RMB")	人民幣(「人民幣」)	838	(76)	762	232	(2,153)	(1,921)
Singapore Dollars ("SGD")	新加坡元	3,041	(27)	3,014	3,126	(27)	3,099
Malaysia Ringgit ("MYR")	馬來西亞令吉	3,163	-	3,163	4,217	-	4,217

6. 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貿易及其他應收款項、銀行結餘及現金、應收最終控股公司／主要股東／合資企業、貿易及其他應付款項、融資租賃承擔及有抵押銀行借貸。該等金融工具之詳情已於相關附註披露。與該等金融工具有關之風險包括市場風險(外幣風險及利率風險)、信貸風險及流動資金風險。如何降低該等風險之政策載列於下文。管理層管理及監察該等風險，以確保及時有效地執行適當措施。

市場風險

貨幣風險

本集團若干部分之銀行結餘及現金、貿易及其他應收款項以及貿易及其他應付款項乃以實體功能貨幣以外、與其相關之貨幣列值。本集團現時並無外幣對沖政策。然而，管理層監察外匯風險，並將於有需要時考慮對沖重大外幣風險。

由於港元與美元掛鈎，管理層預期將不會出現任何與美元計值結存相關之重大貨幣風險故並無就此呈列敏感度分析。

於二零一七年及二零一六年三月三十一日報告期末，本集團之貨幣資產及貨幣負債之外幣賬面價值如下：

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

The following table details the Group's sensitivity to a 5% (2016: 5%) increase and decrease in HK\$ against the relevant foreign currencies. 5% (2016: 5%) 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. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% (2016: 5%) change in foreign currency rates.

A positive number below indicates an increase in post-tax profit and a negative number below indicates a decrease in post-tax profit where HK\$ strengthen 5% (2016: 5%) against the relevant currency. For a 5% (2016: 5%) weakening of HK\$ against the relevant currency, there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

Effect on post-tax (loss)/profit:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
RMB	人民幣	30	(80)
SGD	新加坡元	126	129
MYR	馬來西亞令吉	131	175

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate interest bearing obligation under a finance lease (see note 27). The Group currently does not have any interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and secured bank borrowing at prevailing market rates.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

貨幣風險 (續)

下表詳列本集團港元兌有關外幣升值或貶值5% (二零一六年: 5%) 的敏感度。5% (二零一六年: 5%) 為向主要管理人員在內部報告外匯風險所使用的敏感度，指管理層評估外幣匯率變動的可能合理變動。敏感度分析僅包括以外幣計值之未平倉貨幣項目，並於報告期末就5% (二零一六年: 5%) 之匯率變動對其換算作出調整。

假若港元兌有關外幣升值5% (二零一六年: 5%)，下列正數指除稅後溢利增加，負數指當除稅後溢利減少。倘港元兌有關外幣貶值5% (二零一六年: 5%)，將對溢利產生同等但相反之影響，而下文其他股本及結餘將為負數。

對除稅後(虧損)/溢利之影響：

利率風險

本集團面對有關定息計息融資租賃承擔(詳情見附註27)之公平值利率風險。本集團現時並無任何利率對沖政策。然而，管理層監察利率風險，並將於預期出現重大利率風險時考慮採取其他必要行動。

本集團亦面對有關按現行市場利率計息之浮息銀行結餘及有抵押銀行借貸之現金流量利率風險。

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6. FINANCIAL INSTRUMENTS (Continued) (b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk (Continued)

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the related bank's Hong Kong Dollars Prime Rate ("P") arising from the Group's HK\$ denominated borrowing.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point (2016: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2016: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss would increase/decrease by approximately HK\$273,000 (2016: HK\$96,000).

Credit risk

As at 31 March 2017, the Group's and the Company'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 the Group and the Company is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group and the Company have 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 and the Company review the recoverability of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

6. 金融工具 (續) (b) 財務風險管理目標及政策 (續)

市場風險 (續)

利率風險 (續)

本集團面對之金融負債利率風險於本附註流動資金風險管理一節詳述。本集團之現金流量利率風險主要集中於本集團以港元計值之借貸產生之相關銀行港元最優惠利率(「最優惠利率」)波動。

以下敏感度分析乃根據於報告期末非衍生工具之利率風險而釐定。分析乃假設於報告期末尚未行使之金融工具於整個年度內尚未行使而編製。向主要管理人員內部報告利率風險時，乃採用會升跌50個基點為基準(二零一六年：50個基點)，即管理層對利率合理可能變動之評估。

倘利率增加/減少50個基點(二零一六年：50個基點)，而所有其他可變因素維持不變，則本集團之除稅後虧損將增加/減少約273,000港元(二零一六年：96,000港元)。

信貸風險

於二零一七年三月三十一日，因交易對手未能履行責任而對本集團造成財務損失之本集團及本公司最高信貸風險，乃來自綜合財務狀況表所述之已確認金融資產各自之賬面值。

為將信貸風險減至最低，本集團及本公司管理層已委派專責小組負責釐定信貸限額、批准信貸，以及採取其他監管程式以確保會就收回逾期債務採取跟進行動。此外，本集團及本公司於各報告期末檢討各項獨立交易債務之可收回性，以確保已就未能收回之金額作出足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅減低。

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by authorised credit-rating agency.

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 79% (2016: 86%) of the total trade receivable as at 31 March 2017.

As at 31 March 2017, the Group has concentration of credit risk as approximately Nil (2016: Nil) and 35% (2016: 42%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and other source of funding and considers the risk is minimal.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, secured bank borrowing with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non- derivative financial liabilities are based on the agreed repayment dates.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險

由於交易對手均為獲認可信貸評級機構評為高信貸評級之銀行，故流動資金之信貸風險有限。

本集團按地區劃分之信貸風險主要集中在於香港，於二零一七年三月三十一日佔貿易應收款項總額之79% (二零一六年：86%)。

於二零一七年三月三十一日，由於貿易應收款項總額之約無 (二零一六年：無) 及35% (二零一六年：42%) 應收自本集團之最大客戶及其五大客戶，故本集團面對信貸風險集中之情況。

流動資金風險

管理流動資金風險時，本集團監察及維持管理層認為足以撥付本集團營運及減低現金流量波動影響之現金及現金等價物水準。管理層監察銀行借貸之動用情況及其他資金來源，並認為風險有限。

下表詳列根據已協議之還款條款，本集團非衍生金融負債餘下之合約到期情況。該表乃根據本集團須付款之最早日期按金融負債之未貼現現金流量而編製。特別是，附帶按要求償還條款之有抵押銀行借貸均計入最早時間範圍，而不論銀行選擇行使其權利之可能性。其他非衍生金融負債之到期日乃根據已協議之還款日期而定。

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of each reporting period.

6. 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)

該表包括利息及本金現金流量。於各報告期末，倘利息流量為浮動利率，則未貼現金額乃根據利率曲線計算。

		On demand or within one year 按要求或 在一年內 HK\$'000 千港元	More than one year but not exceeding two years 超過一年但 不超過兩年 HK\$'000 千港元	More than two years but not exceeding five years 超過兩年但 不超過五年 HK\$'000 千港元	Total undiscounted cash flows 總計未貼現 現金流量 HK\$'000 千港元	Carrying amount 賬面金額 HK\$'000 千港元
As at 31 March 2017	於二零一七年 三月三十一日					
Trade and other payables	貿易及其他應付款項	4,140	-	-	4,140	4,140
Secured bank borrowing	有抵押銀行借貸	6,964	-	-	6,964	6,964
Obligation under a finance lease	融資租賃承擔	92	91	-	183	177
		11,196	91	-	11,287	11,281
As at 31 March 2016	於二零一六年 三月三十一日					
Trade and other payables	貿易及其他應付款項	32,534	-	-	32,534	32,534
Secured bank borrowing	有抵押銀行借貸	7,256	-	-	7,256	7,256
Obligation under a finance lease	融資租賃承擔	92	92	91	275	262
		39,882	92	91	40,065	40,052

Secured bank borrowing with a repayment on demand clause are included in the "on demand or within 1 year" time band in the above maturity analysis. As at 31 March 2017, the aggregate undiscounted principal amounts of this secured bank loan amounted to approximately HK\$6,964,000 (2016: HK\$7,256,000). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank borrowing will be repaid eighteen years after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK\$8,707,000.

附有按要求償還條款的有抵押銀行借貸計入在上述到期狀況分析「按要求或在一年內」時間段內。於二零一七年三月三十一日，該等有抵押銀行借貸之未貼現本金總額約為6,964,000港元(二零一六年：7,256,000港元)。考慮到本集團的財務狀況，本公司董事認為，銀行不大可能行使其酌情權要求即時償還。本公司董事相信，銀行借貸將依照貸款協議所載償還計劃於報告日後十八年內償還。此時，本金及利息現金流出總額將約為8,707,000港元。

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Fair value measurements recognised in the consolidated statement of financial position

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of current financial assets and current financial liabilities recorded at amortised cost in the consolidated financial statement approximate their fair values due to their immediate or short-term maturities.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

確認於綜合財務狀況表的公平值計量

金融資產及金融負債之公平值乃根據以貼現現金使用分析為基礎之公認定價模式釐定。

本公司董事認為，於綜合財務報表中按攤銷成本記賬之流動金融資產及流動金融負債因於即時或短期內到期，故其賬面值與其公平值相若。

7. REVENUE

Revenue represents revenue arising from design and fitting-out service provided, sales and procurement of furnishings and decorative materials service provided, interest income from money lending and sale of fine and rare wines. An analysis of the Group's revenue for the year is as follows:

7. 收益

收益即來自所提供之設計及裝修服務及銷售與採購室內陳設及裝飾材料服務，放債利息收入及美酒銷售之收益。本集團年內收益之分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Design and fitting-out service income	設計及裝修服務收入	45,890	97,043
Design and procurement of furnishings and decorative materials service income	設計及採購室內陳設及裝飾材料服務收入	5,228	4,005
Interest income from money lending	放債利息收入	1,715	-
Sale of fine and rare wines	美酒銷售收入	1,691	-
		54,524	101,048

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8. SEGMENT INFORMATION

Information reported to the Chief Executive Officer (the “CEO”), 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. The directors of the Company have chosen to organise the Group around differences in services. No operating segments identified by the CEO has been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments are as follows:

- Provision of design and fitting-out service (“Design and fitting-out service”);
- Provision of design and procurement of furnishings and decorative materials service (“Design and procurement of furnishings and decorative materials service”);
- Money lending (“Money lending”); and
- Sourcing and merchandising of fine and rare wines (“Wines merchandising”).

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 2017

		Design and fitting-out service 設計及裝修服務 HK\$'000 千港元	Design and procurement of furnishings and decorative materials service 設計及採購室內陳設及裝飾材料服務 HK\$'000 千港元	Money lending 放債 HK\$'000 千港元	Wines merchandising 營銷美酒 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue	分部收益	45,890	5,228	1,715	1,691	54,524
Segment profit/(loss)	分部溢利/(虧損)	(17,665)	816	1,671	(730)	(15,908)
Other income	其他收入					691
Central administration costs	中央行政成本					(19,740)
Increase in fair value of an investment property	投資物業公平值增加					120
Finance costs	融資成本					(185)
Loss before tax	除稅前虧損					(35,022)

8. 分部資料

向行政總裁(「行政總裁」, 即主要經營決策者)呈報以分配資源及評估分部表現之資料集中於已付運或提供之貨品或服務種類。本公司董事已選擇按不同服務管理本集團。於達致本集團之可呈報分部時, 行政總裁並無將任何已識別之經營分部合併。

具體而言, 本集團可呈報及經營分部如下:

- 提供設計及裝修服務(「設計及裝修服務」);
- 提供設計及採購室內陳設及材料服務(「設計及採購室內陳設及裝飾材料服務」);
- 放債(「放債」); 及
- 營銷美酒(「營銷美酒」)。

分部收益及業績

以下為本集團收益及業績按可呈報及經營分部作出之分析:

截至二零一七年三月三十一日止年度

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8. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 31 March 2016

8. 分部資料 (續)

分部收益及業績 (續)

截至二零一六年三月三十一日止年度

		Design and fitting-out Service	Design and procurement of furnishings and decorative materials service	Total
		設計及裝修 服務	設計及採購 室內陳設及 裝飾材料服務	總計
		HK\$'000 千港元 (Restated) (重編)	HK\$'000 千港元 (Restated) (重編)	HK\$'000 千港元 (Restated) (重編)
Segment revenue	分部收益	97,043	4,005	101,048
Segment profit	分部溢利	5,186	2,636	7,822
Other income	其他收入			786
Central administration costs	中央行政成本			(13,835)
Decrease in fair value of an investment property	投資物業公平值減少			(2,144)
Share of results of a joint venture	分佔合資企業之業績			(390)
Finance costs	融資成本			(158)
Loss before tax	除稅前虧損			(7,919)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of other income, central administration costs (including directors' emoluments), increase/(decrease) in fair value of an investment property, finance costs and shares of results of a joint venture. This is the measure reported to the CEO for the purposes of resource allocation and performance assessment.

經營分部之會計政策所述之本集團會計政策相同。分部溢利／(虧損)指未分配其他收入、中央行政成本(包括董事酬金)、投資物業公平值增加／(減少)、融資成本及分佔合資企業業績之各分部所賺取之溢利／(虧損)。此乃向行政總裁呈報以分配資源及評估表現之衡量基準。

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8. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

8. 分部資料 (續)

分部資產及負債

本集團按呈報及經營分部劃分之資產及負債分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Segment assets	分部資產		
Design and fitting-out service	設計及裝修服務	20,193	56,759
Design and procurement of furnishings and decorative materials service	設計及採購室內陳設及裝飾材料服務	5,580	32,747
Money lending	放債	26,080	-
Wines merchandising	營銷美酒	8,560	-
Total segment assets	總分部資產	60,413	89,506
Unallocated corporate assets	未分配企業資產	90,437	52,834
Total assets	總資產	150,850	142,340
Segment liabilities	分部負債		
Design and fitting-out service	設計及裝修服務	1,151	19,299
Design and procurement of furnishings and decorative materials service	設計及採購室內陳設及裝飾材料服務	887	17,713
Money lending	放債	-	-
Wines merchandising	營銷美酒	-	-
Total segment liabilities	總分部負債	2,038	37,012
Unallocated corporate liabilities	未分配企業負債	10,224	10,322
Total liabilities	總負債	12,262	47,334

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than certain plant and equipment, investment property, investment in a joint venture, certain prepayments, deposits and other receivables, amount(s) due from a substantial shareholder/a joint venture, tax recoverable and bank balances and cash as these assets are managed on a group basis.
- all liabilities are allocated to reportable segments other than certain accrued expenses and other payables, obligation under a finance lease, income tax payable, secured bank borrowing, and deferred tax liabilities as these liabilities are managed on a group basis.

就監察分部表現及分配各分部資源而言：

- 所有資產除若干廠房及設備、投資物業、於合資企業投資、若干預付款項、按金及其他應收款項、應收主要股東／合資企業款項、可收回稅項及銀行結餘及現金以外乃按可呈報分部，因該等資產乃按集團基礎管理。
- 所有負債除若干應付開支及其他應付款項、融資租賃承擔、應付所得稅、有抵押銀行借貸、及遞延稅項負債以外乃按可呈報分部，因該等負債乃按集團基礎管理。

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8. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 March 2017

8. 分部資料 (續)

其他分部資料

截至二零一七年三月三十一日止年度

	Design and fitting-out service 設計及裝修 服務 HK\$'000 千港元	Design and procurement of furnishings and decorative materials service 設計及採購 室內陳設及 裝飾材料服務 HK\$'000 千港元	Money lending 放債 HK\$'000 千港元	Wines merchandising 營銷美酒 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measure of segment profit or loss or segment assets:	包括於計量分部損益或分部資產的金額：					
Impairment loss on trade receivables	661	-	-	-	-	661
Reversal of impairment loss of trade and other receivables	(50)	-	-	-	-	(50)
Amounts regularly provided to the CEO but not included in the measure of segment profit or loss or segment assets:	定期向行政總裁報告惟未有包括於分部損益或分部資產計量的金額：					
Increase in fair value of an investment property	-	-	-	-	(120)	(120)
Impairment loss on amount due from a joint venture	-	-	-	-	356	356
Depreciation of plant and equipment	297	1	-	5	801	1,104
Additions to plant and equipment	-	-	-	51	990	1,041
Bank interest income	-	-	-	-	(4)	(4)
Finance costs	-	-	-	-	185	185

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8. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 March 2016

8. 分部資料 (續)

其他分部資料 (續)

截至二零一六年三月三十一日止年度

	Design & fitting-out service 設計及裝修服務 HK\$'000 千港元 (Restated) (重編)	Design and procurement of furnishings and decorative materials service 設計及採購室內陳設及裝飾材料服務 HK\$'000 千港元 (Restated) (重編)	Unallocated 未分配 HK\$'000 千港元 (Restated) (重編)	Total 總計 HK\$'000 千港元 (Restated) (重編)
Amounts included in the measure of segment profit or loss or segment assets:	包括於計量分部損益或分部資產的金額：			
Impairment loss on trade receivables	1,292	728	-	2,020
Reversal of impairment loss of trade and other receivables	(4)	-	-	(4)
Amounts regularly provided to the CEO but not included in the measure of segment profit or loss or segment assets:	定期向行政總裁報告惟未有包括於分部損益或分部資產計量的金額：			
Decrease in fair value of an investment property	-	-	2,144	2,144
Impairment loss on amount due from a joint venture	-	-	271	271
Share of results of a joint venture	-	-	390	390
Depreciation of plant and equipment	328	1	120	449
Additions to plant and equipment	29	-	1,662	1,691
Addition to an investment property	-	-	24,524	24,524
Bank interest income	-	-	(6)	(6)
Finance costs	-	-	158	158

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8. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in Hong Kong and the PRC.

The Group's revenue from external customers is presented based on the location of the operations and information about its non-current assets is presented based on the geographical location of the assets as detailed below:

8. 分部資料 (續)

地區資料

本集團於香港及中國營運。

本集團來自外部客戶之收入已基於營運地點呈列，而非流動資產之相關資料則基於該資產之地理位置呈列如下：

		Revenue from external customers 來自外部客戶之收入		Non-current assets 非流動資產	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong	香港	54,524	101,048	24,741	24,690
PRC	中國	-	-	6	-
		54,524	101,048	24,747	24,690

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

主要客戶之資料

貢獻本集團相關年度總銷售10%以上的客戶資料如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Customer A ¹	客戶A ¹	24,602	32,998
Customer B ¹	客戶B ¹	6,661	23,629
Customer C ^{1,2}	客戶C ^{1,2}	5,972	N/A 不適用 ³
Customer D ¹	客戶D ¹	N/A 不適用 ³	13,356
Customer E ¹	客戶E ¹	N/A 不適用 ³	11,107

¹ Revenue from Design and fitting-out service.

² Revenue from Design and procurement of furnishings and decorative materials service.

³ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

¹ 來自設計及裝修服務的收益。

² 來自設計及採購室內陳設及裝飾材料服務的收益。

³ 該相關收入並未貢獻本集團本年度總收益之10%以上。

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9. OTHER INCOME

9. 其他收入

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank interest income	銀行利息收入	4	6
Reversal of impairment loss in respect of trade and other receivables	貿易及其他應收款項減值虧損撥回	50	4
Rental income	租金收入	637	352
Sundry income	雜項收入	50	428
		741	790

An analysis of the Group's net rental income is as follows:

本集團租金收入淨額分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Gross rental income	租金收入總額	637	352
Less: outgoings (included in administrative expenses)	減：支出(計入行政開支)	(121)	(71)
		516	281

10. FINANCE COSTS

10. 融資成本

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interests on:	以下各項之利息：		
– bank borrowings	– 銀行借貸	178	148
– obligations under a finance lease	– 融資租賃承擔	7	10
		185	158

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11. INCOME TAX EXPENSE

11. 利得稅開支

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current tax:	本期稅項：		
Hong Kong	香港	206	1,127
(Over)/Under provision in prior years:	過往年度(超額撥備)/ 撥備不足：		
Hong Kong	香港	(194)	231
Deferred tax (note 29)	遞延稅項(附註29)		
Current year	本年度	-	93
Income tax expense for the year	本年度利得稅開支	12	1,451

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for both years.

香港利得稅就上述兩個年度的估計應課稅溢利按稅率16.5%計提撥備。

Pursuant to the rules and regulations of the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the BVI.

根據英屬處女群島的規則和法例，本集團毋須繳納英屬處女群島的任何利得稅項。

No Singapore Corporate Tax has been provided as there is no estimated assessable profit for both years.

由於本集團於該兩年度並無於新加坡產生應課稅溢利，故並未於綜合財務報表就新加坡利得稅作出撥備。

The PRC corporate income tax in respect of operations in Mainland China is calculated at the applicable tax rates on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

有關中國大陸業務營運之中國企業所得稅已根據現行法例、詮釋及有關慣例就本年度估計應課稅溢利按適用稅率計算。

The PRC tax law imposes a withholding tax at 10%, unless reduced by a tax treaty, for dividends distributed by PRC subsidiaries to its immediate holding company outside the PRC for earnings generated beginning on 1 January 2008.

自二零零八年一月一日開始，除非根據稅務條約予以減少，中國稅法規定中國附屬公司因產生盈利而向其中國境外直接控股公司分派股息須繳納10%預扣稅。

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11. INCOME TAX EXPENSE (Continued)

Deferred taxation has not been provided in the consolidated financial statements in respect of the temporary difference attributable to retained profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not release in the foreseeable future.

The tax charge for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 利得稅開支 (續)

由於本集團能夠控制暫時性差異撥回的時間，而且該暫時性差異很可能於可見未來不會動用，因此關於中國附屬公司分派保留溢利所引伸的暫時性差異之相關遞延稅項並沒有於綜合財務報表中計提。

本年度稅項支出與綜合損益及其他全面收益報表所示除稅前虧損之對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before tax	除稅前虧損	(35,022)	(7,919)
Tax expense at rates applicable to profits in the jurisdiction concerned	按相關司法權區適用稅率計算之稅項開支	(5,842)	(1,307)
Tax effect of income not taxable for tax purpose	免稅收入之稅務影響	(20)	(70)
Tax effect of expenses not deductible for tax purpose	不可扣稅項開支之稅務影響	79	1,046
Tax effect of deductible temporary differences not recognised	未確認可扣減暫時差額之稅務影響	35	601
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	6,022	1,109
Utilisation of tax losses not recognised	未確認稅項虧損之應用	(48)	(113)
Over provision in prior years	過往年度超額撥備	(194)	231
Effect of tax exemptions granted (note)	所獲之稅項減免之影響(附註)	(20)	(46)
Income tax expense for the year	年度利得稅開支	12	1,451

Details of deferred tax liabilities are set out in note 29.

遞延稅項負債之詳情已載列於附註29。

Note: Tax exemptions represented reduction of Hong Kong profits tax for the year of assessment 2016/2017 by 75% (2015/2016: 75%), subject to a ceiling of HK\$20,000 (2015/2016: HK\$20,000) per case and exemptions of Singapore income tax for the year of assessment 2015/2016 and 2016/2017 at regressive rate.

附註：稅項減免即二零一六／二零一七課稅年度香港利得稅扣減75%（二零一五／二零一六課稅年度：75%），每個個案最高扣減額為20,000港元（二零一五／二零一六課稅年度：20,000港元），而新加坡於二零一五／二零一六課稅年度及二零一六／二零一七課稅年度之稅項減免則按累退稅率。

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12. LOSS FOR THE YEAR

The Group's loss for the year has been arrived at after charging:

12. 年度虧損

本集團於本年度之虧損已經扣除下列各項：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (重編)
Salaries and wages included in project costs	薪金及工資(包括於項目成本中)	779	3,481
Salaries and wages included in administrative expenses:	薪金及工資包括於行政開支中：		
Directors' emoluments (note 13)	董事酬金(附註13)	3,822	4,065
Salaries, wages and other benefits (excluding directors' emoluments)	薪金、工資及其他福利(不包括董事酬金)	7,844	5,303
Contribution to defined contribution retirement benefits scheme (excluding directors)	界定供款退休福利計劃供款(不包括董事)	275	276
		12,720	13,125
Depreciation	折舊	1,104	449
Auditor's remuneration	核數師酬金	450	995
Impairment loss on trade and other receivables (note 22)	貿易及其他應收款項之減值虧損(附註22)	661	2,020
Impairment loss on amount due from a joint venture (note 24)	就應收合資企業款項減值虧損(附註24)	356	271
Minimum lease payments under operating leases in respect of office premises	有關辦公室物業之經營租賃最低租金	3,518	1,207

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the 9 (2016: 11) directors and the chief executive were as follows:

13. 董事及行政總裁酬金

已支付或應付予9(二零一六年：11)位董事和行政總裁的酬金如下：

		2017 二零一七年			
		Fees	Salaries and other benefits	Contributions to retirement benefits schemes	Total
		費用	薪金和其他福利	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive Directors:	執行董事：				
Mr. Chan Chi Yuen	陳志遠先生	-	1,654	27	1,681
Mr. Liu Rongsheng	劉榮生先生	-	1,040	18	1,058
Mr. Wang Jun (appointed on 23 February 2017)	王軍先生 (於二零一七年二月二十三日委任)	-	24	-	24
Mr. Fok Chun Kit (resigned on 28 April 2016)	霍俊傑先生 (於二零一六年四月二十八日辭任)	-	53	2	55
Non-executive Director:	非執行董事：				
Mr. Tsang Kei Cheong (re-designated from executive Director on 22 December 2016)	曾紀昌先生 (於二零一六年十二月二十二日自執行董事轉任)	-	621	18	639
Independent non-executive Directors:	獨立非執行董事：				
Mr. Chan Chiu Hung Alex	陳釗洪先生	130	-	-	130
Mr. Wu Zhao	吳兆先生	116	-	-	116
Mr. Lam Cheok Va (appointed on 28 April 2016)	Lam Cheok Va 先生 (於二零一六年四月二十八日委任)	111	-	-	111
Mr. Lu Tak Ming (resigned on 28 April 2016)	盧德明先生 (於二零一六年四月二十八日辭任)	8	-	-	8
Total	總計	365	3,392	65	3,822

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued) 13. 董事及行政總裁酬金 (續)

		2016 二零一六年			
		Fees	Salaries and other benefits	Contributions to retirement benefits schemes	Total
		費用	薪金和其他福利	退休福利計劃供款	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive Directors:	執行董事：				
Mr. Chan Chi Yuen (appointed on 27 October 2015)	陳志遠先生 (於二零一五年十月二十七日委任)	-	534	8	542
Mr. Liu Rongsheng (appointed on 27 October 2015)	劉榮生先生 (於二零一五年十月二十七日委任)	-	428	8	436
Mr. Fok Chun Kit	霍俊傑先生	-	978	18	996
Mr. Tsang Kei Cheong	曾紀昌先生	-	710	18	728
Mr. Chan Tat Wah (resigned on 17 November 2015)	陳達華先生 (於二零一五年十一月十七日辭任)	-	934	12	946
Non-executive Director:	非執行董事：				
Mr. Yuan Guanghua (appointed on 27 October 2015 and resigned on 23 March 2016)	袁光華先生 (於二零一五年十月二十七日委任及 於二零一六年三月二十三日辭任)	98	-	-	98
Independent non-executive Directors:	獨立非執行董事：				
Mr. Chan Chiu Hung Alex (appointed on 17 September 2015)	陳釗洪先生 (於二零一五年九月十七日委任)	70	-	-	70
Mr. Wu Zhao (appointed on 17 November 2015)	吳兆先生 (於二零一五年十一月十七日委任)	39	-	-	39
Mr. Lu Tak Ming	盧德明先生	98	-	-	98
Prof. Lai Kin Keung (resigned 17 November 2015)	黎建強教授 (於二零一五年十一月十七日辭任)	59	-	-	59
Mr. Lam Yiu Kin (resigned on 17 September 2015)	林耀堅先生 (於二零一五年九月十七日辭任)	53	-	-	53
Total	總計	417	3,584	64	4,065

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Their emoluments were within the following bands:

		2017 二零一七年 Number of individuals 人員數量	2016 二零一六年 Number of individuals 人員數量
Nil to HK\$1,000,000	0-1,000,000港元	7	11
HK\$1,000,001 to HK\$1,500,000	1,000,001港元- 1,500,000港元	1	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元- 2,000,000港元	1	-
		9	11

Mr. Fok Chun Kit was also the chief executive of the Company until 28 April 2016 and his emoluments disclosed above include those for services rendered by him as the chief executive.

Mr. Tsang Kei Cheong was appointed as the chief executive of the Company with effect from 28 April 2016 until 22 December 2016, and his emoluments disclosed above include those for services rendered by him as the chief executive.

Mr. Liu Rongsheng was appointed as the chief executive of the Company with effect from 22 December 2016, and his emoluments disclosed above include those for services rendered by him as the chief executive.

Neither the chief executive nor any of the directors waived any emoluments in the year ended 31 March 2017 and 2016.

No emoluments represent the payments to a management service company in respect of directors' services in connection with management of the affairs of the Group.

13. 董事及行政總裁酬金 (續)

酬金介乎如下範圍：

霍俊傑先生亦為本公司的行政總裁至二零一六年四月二十八日，上文披露的酬金包含其作為行政總裁提供的服務之酬金。

曾紀昌先生自二零一六年四月二十八日起獲委任為行政總裁直至二零一六年十二月二十二日，上文披露的酬金包含其作為行政總裁提供的服務之酬金。

劉榮生先生自二零一六年十二月二十二日起獲委任為行政總裁，上文披露的酬金包含其作為行政總裁提供的服務之酬金。

截至二零一七年及二零一六年三月三十一日止年度，行政總裁或任何董事均未放棄收取任何酬金。

概無就董事管理本集團事務而支付管理服務公司的酬金。

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14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2016: three) were directors of the Group whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining three (2016: two) individuals were as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other benefits	薪金和其他福利	2,957	1,979
Contributions to retirement benefits schemes	退休福利計劃供款	54	36
		3,011	2,015

Their emoluments were within the following bands:

		2017 二零一七年 Number of individuals 人員數量	2016 二零一六年 Number of individuals 人員數量
Nil to HK\$1,000,000	0-1,000,000港元	2	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元- 1,500,000港元	1	1
		3	2

15. DIVIDEND

No dividend was paid or proposed during the years ended 31 March 2017 and 2016, nor has any dividend been proposed since the end of the reporting period.

14. 僱員酬金

在本集團酬金最高的前五人中，其中2（二零一六年：3）人是本集團董事，其酬金在上文附註13中披露。其餘3（二零一六年：2）人的酬金如下：

酬金介乎如下範圍：

15. 股息

於截至二零一七年及二零一六年三月三十一日止年度沒有派付或建議派發股息，自報告期末起，亦不建議派發任何股息。

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16. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss for the purpose of basic and diluted loss per share	就每股基本及攤薄虧損而言之虧損	(35,034)	(9,370)

Number of shares

		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	就每股基本及攤薄虧損而言之普通股份加權平均數	354,411	330,000

Loss per share

		2017 二零一七年 HK cents 港仙	2016 二零一六年 HK cents 港仙
Basic and diluted	基本及攤薄	(9.89)	(2.84)

Since there were no potential dilutive shares in issue during the years ended 31 March 2017 and 2016, basic and diluted loss per share are the same for both years.

16. 每股虧損

本公司擁有人應佔基本及攤薄之每股虧損按下列數據計算：

虧損

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	(35,034)	(9,370)

股份數目

	2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
	354,411	330,000

每股虧損

	2017 二零一七年 HK cents 港仙	2016 二零一六年 HK cents 港仙
	(9.89)	(2.84)

由於於截至二零一七年及二零一六年三月三十一日止年度內概無潛在攤薄已發行股份，因此基本及攤薄每股虧損為相同。

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17. PLANT AND EQUIPMENT

17. 廠房及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture and fixtures 傢俱和固定裝置 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST OR VALUATION 成本或估價						
At 1 April 2015	於二零一五年四月一日	479	164	903	646	2,192
Additions	添置	1,202	399	90	-	1,691
At 31 March 2016 and 1 April 2016	於二零一六年三月 三十一日及 二零一六年四月一日	1,681	563	993	646	3,883
Additions	添置	-	308	37	696	1,041
At 31 March 2017	於二零一七年三月 三十一日	1,681	871	1,030	1,342	4,924
DEPRECIATION 折舊						
At 1 April 2015	於二零一五年四月一日	340	100	369	315	1,124
Charge for the year	本年度支出	141	35	174	99	449
At 31 March 2016 and 1 April 2016	於二零一六年三月 三十一日及 二零一六年四月一日	481	135	543	414	1,573
Charge for the year	本年度支出	498	200	143	263	1,104
At 31 March 2017	於二零一七年三月 三十一日	979	335	686	677	2,677
CARRYING VALUES 賬面值						
At 31 March 2017	於二零一七年三月 三十一日	702	536	344	665	2,247
At 31 March 2016	於二零一六年三月 三十一日	1,200	428	450	232	2,310

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17. PLANT AND EQUIPMENT (Continued)

The carrying value of motor vehicles of approximately HK\$665,000 (2016: HK\$232,000) includes an amount of approximately HK\$143,000 (2016: HK\$204,000) in respect of asset held under a finance lease.

17. 廠房及設備 (續)

汽車的賬面值約為665,000港元(二零一六年: 232,000港元), 包括根據融資租賃持有約143,000港元(二零一六年: 204,000港元)的資產。

18. INVESTMENT PROPERTY

18. 投資物業

		Total 總計 HK\$'000 千港元
FAIR VALUE	公平值	
At 1 April 2015	於二零一五年四月一日	-
Additions	添置	24,524
Decrease in fair value recognised in profit or loss	於損益確認之公平值減少	(2,144)
At 31 March 2016	於二零一六年三月三十一日	22,380
Increase in fair value recognised in profit or loss	於損益確認之公平值增加	120
At 31 March 2017	於二零一七年三月三十一日	22,500

The fair value of the Group's investment property at 31 March 2017 has been arrived at on the basis of a valuation carried out on that date by Asset Appraisals Limited ("AA"), an independent qualified professional valuers not connected with the Group. AA is a member of the Institute of Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the similar locations and conditions. Details of the valuation techniques and assumptions are discussed below.

本集團投資物業於二零一七年三月三十一日之公平值由與本集團並無關連之獨立合資格專業估值師中誠達資產評估顧問有限公司(「中誠達」)於該日按估值基準釐定。中誠達為香港測量師學會會員。估值乃參考類似地區及條件下類似物業之成交價之市場證明後得出。估值技術及假設之詳情討論如下。

In estimating the fair value of the property, the highest and best use of the properties is their current use.

在估計該物業之公平值時, 該物業當前之用途為最高及最佳用途。

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18. INVESTMENT PROPERTY (Continued)

All of the Group's property interests held under operating leases to earn rentals purposes are measured using the fair value model and are classified and accounted for as investment property.

The Group's investment property has been pledged to secure banking facilities granted to the Group.

The investment property is measured subsequent to initial recognition at fair value of Level 2 based on the degree to which the inputs to fair value measurement are observable. There were no transfers between levels of fair value hierarchy during the year.

The following table gives information about how the fair values of the investment property as at 31 March 2017 is determined (in particular, the valuation techniques and inputs used):

18. 投資物業 (續)

本集團所有根據經營租賃持有以賺取租金用途之投資物業，乃以公平值模式計算，並分類及列作投資物業。

本集團之投資物業已抵押以取得本集團銀行授信。

投資物業於初始確認後按以公平值計量之輸入數據的可觀察程度為基礎的第二級公平值計量。於本年度內，各公平值層級之間並無轉撥。

下表載列釐定於二零一七年三月三十一日之投資物業之公平值之資料(尤其是所使用之估值技術及數據)：

	Fair value hierarchy	Fair value as at 31 March 2017 於二零一七年三月三十一日之公平值 HK\$'000 千港元	Valuation technique and key inputs
	公平值層級		估值技術及主要數據
Investment property	Level 2	22,500	Market Comparison Approach – by reference to recent sales price of comparable properties on a price per square feet basis using market data which is publicly available
投資物業	第二級		市場比較法 — 經參考可資比較物業之近期售價使用可公開查閱之市場數據按每平方英尺的單價計算釐定

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19. INVESTMENT IN A JOINT VENTURE

19. 於合資企業之投資

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Costs of investments in a joint venture	合資企業投資成本	-	390
Share of post-acquisition losses	分佔收購後虧損	-	(390)
		-	-

Name of entities 實體名稱	Form of business 業務形式	Principal place of operation and incorporation 經營及註冊 成立主要地點	Proportion of ownership interest or participating shares held by the Group 本集團持有之所有權權益或參與股份比例		Proportion of voting rights held by the Group 本集團持有之投票權比例		Principal activities 主要業務
			2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
Directly held: 直接持有：							
PGS Group Pte Limited	Incorporated 註冊成立	Singapore 新加坡	0%	34%	0%	33.33%	Strike-off during the year 於年內撤銷註冊

20. LOAN RECEIVABLES

20. 應收貸款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current	流動	26,080	-
Non-current	非流動	-	-
		26,080	-
Analyzed as:	分析如下：		
With one year	一年內	26,080	-
		26,080	-

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20. LOAN RECEIVABLES (Continued)

20. 應收貸款 (續)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loan receivables	應收貸款	24,500	-
Interest receivables	應收利息	1,580	-
		26,080	-

At as 31 March 2017, the loan receivables are unsecured. The Group's loan and interest receivables, which arise from the money lending business in Hong Kong, are denominated in Hong Kong dollar. Loan receivables are interest-bearing and are repayable with fixed terms agreed with the Group's customers. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the receivables mentioned above.

於二零一七年三月三十一日，應收貸款為無抵押。本集團應收貸款來自於香港提供的借貸業務，並以港元計值。應收貸款為計息並於與本集團客戶議定的固定期限內償還。於各報告日期所面臨的最大信貸風險，為上文所述應收款項的賬面值。

All of the loan receivables are neither past due nor impaired at the end of reporting period. Included in the interest receivables, amounts of approximately HK\$923,000 which are past due but not impaired at the end of reporting period, the directors were of the opinion that no provision for impairment on these individual loans was necessary as these interest receivables were substantially/fully settled subsequent to the reporting period or there had not been a significant change in credit quality that these balances were still considered fully recoverable. The credit quality of loan and interest receivables that are neither past due nor impaired has been assessed by reference to historical information about counterparty default rates. The existing counterparties do not have defaults in the past.

所有應收貸款於結算日均未逾期亦未減值。包括在結算日已逾期但未減值的應收利息約923,000港元。由於該等應收利息已於報告期後大部分／悉數收回或信貸質量並無重大改變，且該等結餘仍被視為可全數收回，故董事認為毋須就此等個別貸款作出減值撥備。未逾期亦未減值的應收貸款及利息的信貸質量乃參考有關對手方違約率的過往資料進行評估。現有交易方過往並無違約記錄。

21. INVENTORIES

21. 存貨

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Fine and rare wines held for resale at cost	持作出售美酒，以成本列賬	8,032	-

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22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	貿易應收款項	17,097	37,850
Less: Allowance for impairment of trade receivables	減：貿易應收款項減值撥備	(2,295)	(1,754)
Net trade receivables	貿易應收款項淨額	14,802	36,096
Retention money receivables	應收保留金額	80	80
Less: Allowance for impairment of retention money receivables	減：應收保留金額減值撥備	(80)	(80)
Net retention money receivables	應收保留金額淨額	-	-
Deposit paid for investment project (note (i))	已付投資項目按金(附註(i))	4,125	-
Deposit, prepayment and advance to suppliers	按金、預付款項及向供應商墊款	1,173	1,542
Other receivables	其他應收款項	1,142	5,576
Total trade and other receivables	貿易及其他應收款項總額	21,242	43,214

Notes:

- (i) On 7 September 2016, The Group, through a wholly-owned subsidiary, entered into a sale and purchase agreement (the "SPA") with an independent third party (the "Vendor"), pursuant to which the Group has agreed to acquire the entire issued share capital in a company (the "Target") with licences to carry on Type 1, 4 and 9 regulated activities under the Securities and Futures Ordinance ("SFO").

Pursuant to the SPA, a refundable deposit in the sum of HK\$4,125,000 has been paid to the Vendor. In the event that the approval (the "SFC Approval") from the Securities and Futures Commission ("SFC") in respect of the change in substantial shareholder of the Target is not granted on or before 31 August 2017 or such later date as mutually agreed in writing, the SPA shall cease and terminate, and the Vendor shall forthwith refund the above deposit.

As at 31 March 2017, the Group is in the process of application for the SFC Approval. The SPA will be completed once the SFC Approval is granted.

附註：

- (i) 本集團(透過一全資擁有之附屬公司)於二零一六年九月七日與一獨立第三方(「賣方」)簽訂一項買賣協議(「買賣協議」)；根據該協議，本集團同意從賣方收購一間持有從事證券及期貨條例(「證券及期貨條例」)第1、4及9類別規管業務牌照之公司(「目標公司」)全數已發行股份。

根據買賣協議，可退還訂金4,125,000港元已支付予賣方。倘於二零一七年八月三十一日當日或之前或雙方書面協定之較後日期並未就變更目標公司之主要股東獲得香港證券及期貨事務監察委員會(「證監會」)發出批准(「證監會批准」)，則買賣協議將會停止及終止，而賣方將於任何情況下隨即將上述訂金退還。

於二零一七年三月三十一日，本集團正向證監會申請證監會批准。相關買賣協議有待獲得證監會批准後完成。

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22. TRADE AND OTHER RECEIVABLES

(Continued)

The Group allows an average credit period ranging from 30 to 180 day to its trade customers. The following is an aged analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 30 days	30日內	6,482	18,428
More than 30 days but within 90 days	超過30日但於90日以內	2,717	854
More than 90 days but within 180 days	超過90日但於180日以內	1,538	8,637
More than 180 days but within 365 days	超過180日但於365日以內	8	2,818
More than 365 days	超過365日	4,057	5,359
		14,802	36,096

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK\$6,005,000 (2016: HK\$15,124,000) which are past due as at the end of the reporting period for which the Group has not provided for impairment loss because there has not been a significant change in credit quality and they are still considered as recoverable. The Group does not hold any collateral over these balances.

The aged analysis of trade receivables which are past due but not impaired is set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 30 days	30日內	577	200
More than 30 days but within 90 days	超過30日但於90日以內	1,350	7,331
More than 90 days	超過90日	4,078	7,593
		6,005	15,124

22. 貿易及其他應收款項 (續)

本集團向其貿易客戶提供平均為期30至180日不等之信貸期。以下為於報告期末按發票日期(與各自之收益確認日期相近)呈列之貿易應收款項已扣除貿易應收款項減值撥備之賬齡分析：

本集團之貿易應收款項結餘中包括總賬面值為約6,005,000港元(二零一六年：15,124,000港元)之應收債務人款項於報告年度末已到期，而本集團尚未為此進行減值虧損撥備，此乃由於其信貸質素並未出現重大改變，仍被視為可收回。本集團並未就此等結餘持有任何抵押品。

以下為已逾期惟未減值貿易應收款項之賬齡分析：

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22. TRADE AND OTHER RECEIVABLES

(Continued)

The movement in the allowance for impairment of trade and other receivables is set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At the beginning of the financial year	財政年度初	1,834	541
Impairment losses recognised	確認減值虧損	661	2,020
Amount written off as uncollectible	不可收回款項撤銷	(70)	(723)
Impairment loss reversed	減值虧損撥回	(50)	(4)
At the end of the financial year	財政年度末	2,375	1,834

Included in the allowance for impairment of trade and other receivables are individually impaired trade and other receivables with an aggregate balance of approximately HK\$2,375,000 (2016: HK\$1,834,000) which had been long outstanding. The individually impaired trade and other receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions.

The carrying amounts of trade and other receivables are denominated in the following currencies:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	18,035	38,008
RMB	人民幣	4	-
Malaysia Ringgit ("MYR")	馬來西亞令吉	3,163	4,217
US\$	美元	-	936
Singapore Dollars ("SGD")	新加坡元	40	53
		21,242	43,214

22. 貿易及其他應收款項 (續)

貿易及其他應收款項減值撥備之變動如下：

貿易及其他應收款項減值撥備中包括已逾期多時的個別已減值貿易及其他應收款項，總數為約2,375,000港元(二零一六年：1,834,000港元)。此等個別已減值貿易及其他應收款項已基於其客戶的信貸紀錄，例如財務困難或付款違約及現行市場情況作確認。

貿易及其他應收款項之賬面值以下列貨幣列值：

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23. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

23. 應收(應付)客戶合約工程款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Contracts in progress at the end of the reporting period	於報告期末之進行中合約		
Contract costs incurred plus recognised profits less recognised losses	已產生合約成本加已確認溢利減已確認虧損	214,284	296,457
Less: Progress billings	減：按進度開具發票	(204,731)	(254,047)
At the end of the financial year	於財政年度末	9,553	42,410

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Analysed for reporting purpose as:	就報告目的而分析為：		
Amounts due from customers for contract work	應收客戶合約工程款項	10,072	48,538
Amounts due to customers for contract work	應付客戶合約工程款項	(519)	(6,128)
		9,553	42,410

There are no retentions held by customers for contract works and advances received from customers for contract work at the end of 2017 and 2016.

於二零一六年及二零一七年年末，概無工程客戶保證金及預付款。

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24. AMOUNT(S) DUE FROM A SUBSTANTIAL SHAREHOLDER/A JOINT VENTURE 24. 應收一名主要股東／合資企業

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Amount due from a substantial shareholder Genius Idea Holdings Limited	應收一名主要股東款項 Genius Idea Holdings Limited	(i)	5	5
Amounts due from a joint venture PGS Group Pte Limited Less: Impairment loss recognised	應收合資企業款項 PGS Group Pte Limited 減：已確認減值虧損	(ii)	- -	271 (271)
			-	-

Notes:

- (i) The amounts were non-trading in nature which is considered as a quasi-loans provided by a subsidiary of the Company. The amounts are unsecured, interest-free and repayable on demand.
- (ii) PGS Group Pte Limited has been struck-off during the year.

附註：

- (i) 該等款項屬非貿易性質，視為本公司附屬公司提供該主要股東之准貸款。該等款項無抵押、免息及須按要求償還。
- (ii) PGS Group Pte Limited已於年內撤銷註冊。

Movements in the allowance for impairment of amounts due from a joint venture during the year are as follows:

於本年度應收合資企業款項減值撥備變動如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At the beginning of the financial year	財政年度初	271	-
Impairment loss recognised	已確認減值虧損	356	271
Written off on strike-off	於撤銷註冊後註銷	(627)	-
At the end of the financial year	財政年度末	-	271

Included in the allowance for impairment of amount due from a joint venture is considered uncollectible with the amount of approximately HK\$356,000 (2016: HK\$271,000).

計入應收合資企業款項減值撥備約356,000港元(二零一六年：271,000港元)被視為不可收回。

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25. PLEDGED BANK DEPOSIT AND BANK BALANCES AND CASH

Pledged bank deposit

Pledged bank deposit represents deposit pledged to bank to secure banking facilities granted to the Group and carries fixed interest rate at 0.15% (2016 : Nil) per annum.

Bank balances and cash

Bank balances and cash comprise cash held by the Group and short-term bank deposits with maturity within three months from initial inception. Bank balances carried interest at market rates ranging from 0.01% to 0.1% (2016: 0.01% to 0.1%) per annum during the year ended 31 March 2017. The bank balances are deposited with creditworthy banks with no recent history of default.

The carrying amounts of bank balances and cash are denominated in the following currencies:

25. 已抵押銀行存款以及銀行結餘及現金

已抵押銀行存款

已抵押銀行存款代表向銀行抵押之存款，以作為本集團獲授銀行信貸之抵押品，其按固定年息率0.15%（二零一六年：無）計息。

銀行結餘及現金

銀行結餘及現金包括由本集團持有之現金及自最初開始計三個月內到期之短期銀行存款。銀行結餘乃於截至二零一七年三月三十一日止年度內按市場年利率介於0.01%至0.1%（二零一六年：0.01%至0.1%）計息。銀行結餘乃存放於有信譽且近期並無拖欠記錄之銀行。

銀行結餘及現金之賬面值以下列貨幣列值：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	56,477	21,948
RMB	人民幣	834	232
SGD	新加坡元	3,001	3,073
USD	美元	8	8
Others	其他	7	7
		60,327	25,268

The conversion of RMB-denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of the foreign exchange control promulgated by the PRC government.

將人民幣結餘兌換為外幣並將此等外幣銀行結餘及現金匯出中國，須遵守中國政府就外匯管制頒佈之相關規則及法規。

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26. TRADE AND OTHER PAYABLES

26. 貿易及其他應付款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables	貿易應付款項	1,519	30,883
Receipt in advances	預收款項	1,523	235
Accrued expenses and other payables	應計開支及其他應付款項	1,098	1,416
		4,140	32,534

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

以下為於財政年度末按發票日期呈列，貿易應付款項之賬齡分析：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 30 days	30日內	627	29,243
More than 30 days but within 90 days	超過30日但於90日以內	194	379
More than 90 days	超過90日	698	1,261
		1,519	30,883

The average credit period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

購入貨品之平均信貸期為30日。本集團實行之金融風險管理政策為確保所有應付款項皆於信貸期限內清還。

The carrying amount of trade and other payables are denominated in the following currencies:

貿易及其他應付款項之賬面值以下列貨幣列值：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	4,037	30,354
RMB	人民幣	76	2,153
SGD	新加坡元	27	27
		4,140	32,534

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27. OBLIGATION UNDER A FINANCE LEASE

27. 融資租賃承擔

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Analysed for reporting purposes as:	就報告目的而分析為：		
Current liabilities	流動負債	87	85
Non-current liabilities	非流動負債	90	177
		177	262

It is the Group's policy to lease its plant and equipment under finance leases. The average lease term is 5 years. Interest rates underlying all obligations under finance leases are fixed at 3.26% (2016: 3.26%) per annum.

本集團政策是按照融資租賃出租其廠房和設備。平均租期為五年。融資租賃承擔的利率固定為利率3.26% (二零一六：3.26%)。

		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款之現值	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Amounts payable under a finance lease	融資租賃之應付款項				
Within one year	一年內	92	92	87	85
After one year but within two years	一年後但於兩年內	91	92	90	87
After two years but within five years	兩年後但於五年內	-	91	-	90
		183	275	177	262
Less: Future finance charges	減：未來財務費用	(6)	(13)	N/A不適用	N/A不適用
Present value of obligation under a finance lease	融資租賃承擔之現值	177	262	177	262
Less: Amount due for settlement with 12 months (shown under current liabilities)	減：於12個月內到期清償之金額 (列於流動負債之下)			(87)	(85)
Amount due for settlement after 12 months	於12個月後到期清償之金額			90	177

The Group's obligation under a finance lease is secured by the lessor's charge over the leased asset and denominated in Hong Kong dollars.

本集團之融資租賃承擔乃以出租人對租賃資產設定之押記作抵押，以港元列值。

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28. SECURED BANK BORROWING

28. 有抵押銀行借貸

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Secured bank borrowing	有抵押銀行借貸	6,964	7,256
Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):	應償還賬面值(基於貸款協議所載計劃還款日期):		
Within one year	一年內	300	293
After one year but within two years	一年後但於兩年內	308	300
After two years but within five years	兩年後但於五年內	970	946
After five years	五年後	5,386	5,717
		6,964	7,256
Carrying amount of bank loans that are not repayable on demand or within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	並非按要求或自報告期末起一年內償還但含有按要求償還條款之銀行貸款賬面值(列於流動負債下)	6,664	6,963
Carrying amount repayable on demand or within one year	按要求或一年內償還賬面值	300	293
		6,964	7,256

During the year ended 31 March 2017, secured bank borrowing bore average floating interest rates of 2.5% per annum.

截至二零一七年三月三十一日止年度，有抵押銀行借貸按平均浮動年利率2.5%計息。

Secured bank borrowing of the Group was secured by the Group's investment property (note 18).

本集團之有抵押銀行借貸由本集團之投資物業作抵押(附註18)。

As at the end of the reporting period, the Group has the following undrawn borrowing facilities:

於報告期末，本集團擁有以下未提取借貸：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Floating rate – expiring beyond one year	浮動利率 – 超過一年屆滿	8,000	8,000

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29. DEFERRED TAXATION

The following are the major deferred tax liability recognised and movements thereon during the current and prior years:

29. 遞延稅項

以下為在本年度和過往年度確認的主要遞延稅項負債及其變動：

		Accelerated tax depreciation 加速稅收折舊 HK\$'000 千港元
At 1 April 2015	二零一五年四月一日	132
Charged to profit or loss	計入損益	93
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日及 二零一六年四月一日	225
Charged to profit or loss	計入損益	-
At 31 March 2017	於二零一七年三月三十一日	225

At the end of the reporting period, the Group has unused tax losses of approximately HK\$56,588,000 (2016: HK\$16,486,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. These tax losses may be carried forward indefinitely.

於報告期末，本集團可動用以抵銷未來溢利之未動用稅項虧損約為56,588,000港元（二零一六年：16,486,000港元）。由於未來溢利難以預測，並無就未動用稅項虧損確認遞延稅項資產。此等稅項虧損可無限期結轉。

At the end of the reporting period, the Group has deductible temporary differences of approximately HK\$193,000 (2016: HK\$4,231,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

於報告期末，本集團約有193,000港元（二零一六年：4,231,000港元）可扣減暫時差額。由於應課稅溢利可用以抵銷可扣減暫時差額的機會不大，故並無就該可扣減暫時差額確認遞延稅項資產。

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30. SHARE CAPITAL

30. 股本

		Number of shares 股份數目		Share capital 股本	
		2017 二零一七年 1,000 千股	2016 二零一六年 1,000 千股	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Issued and fully paid	發行並繳足				
At beginning of the financial year	於財務年度初	330,000	330,000	76,113	76,113
Issue of new shares upon placing, net of transaction costs (note i)	配售新股，扣除淨交易 成本(附註i)	33,000	-	78,738	-
At the end of financial year	於財政年度末	363,000	330,000	154,851	76,113

Notes:

- (i) On 14 June 2016, arrangements were made for a private placement to independent investors of up to 33,000,000 ordinary shares at a placing price of HK\$2.45 per placing share (the "Placing"). Details of the Placing were set out in an announcement of the Company dated 14 June 2016. The net proceeds of the placing is intended to be used as general working capital of the Group and/or other potential business development opportunities as considered appropriate, including but not limited to the application of at least HK\$30 million of the net proceeds for carrying out the money lending business. These new shares were issued under the general mandate granted to the directors at an annual general meeting of the Company held on 17 September 2015.

All the ordinary shares issued during the year ended 31 March 2017 rank pari passu with the then existing shares in all respects.

31. SHARE OPTION SCHEME

A share option scheme enables the Company to grant options to any Participant as incentives or rewards for their contributions to the Group. The Company conditionally adopted a share option scheme (the "Share Option Scheme") on 30 June 2014 whereby the Board are authorised, at their absolute discretion and subject to the terms of the Share Option Scheme, to grant options to subscribe for the shares of the Company to the Eligible Participant, The Share Option Scheme will be valid and effective for a period of ten years commencing from the date of adoption of the Share Option Scheme.

附註：

- (i) 於二零一六年六月十四日，已就按每股配售股份2.45港元之配售價向獨立投資者私人配售33,000,000股普通股(「配售事項」)作出安排。該配售事項之詳情載於本公司日期為二零一六年六月十四日之公告內。配售所得款項淨額擬用作本集團之一般營運資金及／或其他認為適宜之潛在業務發展機會(包括但不限於投放所得款項淨額不少於30,000,000港元用於放債業務)。該等新股份乃根據於二零一五年九月十七日舉行之股東週年大會上授予之一般授權而發行。

截至二零一七年三月三十一日止年度內發行的所有普通股於其他當時現存的股份享有同等權益。

31. 購股權計劃

購股權計劃使本公司可向任何參與者授出購股權，作為他們對本集團所作貢獻之獎勵或回報。本公司於二零一四年六月三十日有條件地採納購股權計劃(「購股權計劃」)，據此，董事會獲授權按他們之絕對酌情決定權，依照購股權計劃之條款向合資格參與者授出認購本公司股份之購股權。購股權計劃將於其獲採納當日起計十年期間一直有效及生效。

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31. SHARE OPTION SCHEME (Continued)

As at 31 March 2017, the total number of shares (the "Shares") of the Company available for issue under the Scheme is 30,000,000 Shares, representing 10% of the issued Shares (the "Scheme Mandate Limit") of the aggregate number of Shares in issue immediately upon completion of the listing of the Shares in July 2014.

Upon acceptance of an option to subscribe for shares granted pursuant to the Share Option Scheme (the "Option"), the Eligible Participant shall pay HK\$1.00 to the Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 21 days from the date on which the Option is granted. The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each participant and shall be the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a day on which trading of Shares take place on the Stock Exchange (the "Trading Day"); and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the date of grant of the Options.

The Company shall be entitled to issue options, provided that the total number of Shares which may issue upon exercise of all options to be granted under the Share Option Scheme does not exceed the Scheme Mandate Limit. The Company may at any time refresh such limit, subject to the shareholders' approval and the issue of a circular in compliance with the GEM Listing Rules, provided that the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issued at the time. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

Since the adoption of the Share Option Scheme, no share option has been granted by the Company.

31. 購股權計劃 (續)

於二零一七年三月三十一日，根據該計劃可供發行之股份（「股份」）總數為30,000,000股，佔於二零一四年七月股份上市完成時之已發行股份總額之10%（「計劃授權限額」）。

於接納根據購股權計劃所授出可認購股份之購股權（「購股權」）時，合資格參與者須向本公司支付1.00港元，作為獲授購股權之代價。購股權之接納期為授出購股權當日起計21日期間。購股權之股份認購價將由董事會釐定，並知會各參與者，價格須為下列各項之最高者：(i) 於授出購股權當日（必須為股份於聯交所買賣之日（「交易日」））聯交所每日報價表所載之股份收市價；及(ii) 於緊接授出購股權當日前五個交易日聯交所每日報價表所載之股份平均收市價。

本公司獲賦予權利發行購股權，惟根據購股權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，不得超過計劃授權限額。待股東批准及根據創業板上市規則發出通函後，本公司可隨時更新此上限，惟於根據本公司全部購股權計劃所授出而有待行使之所有未行使購股權獲行使後可予發行之股份總數，不得超過當時已發行股份之30%。購股權可按該計劃條款於董事會釐定之期間內隨時行使，該期間不得超出授出購股權日期起計十年，惟須受提早終止條文所規限。

自購股權計劃獲採納以來，本公司概無授出購股權。

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32. OPERATING LEASE COMMITMENTS

The Group as lessee

32. 經營租賃承擔

本集團作為承租人

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Minimum lease payments paid under operating leases during the year	年內經營租賃的最低租賃付款：		
Premises	房屋	3,518	1,207

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:

於報告期末，本集團承諾將來按照不可撤銷的租賃協議於將來承擔支付最低租賃付款，到期情況如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	3,061	3,561
In the second to fifth years inclusive	在第二至第五年 (首尾兩年包括在內)	2,142	5,471
		5,203	9,032

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated and rentals are fixed for an average of three years in both years.

經營租賃款項是本集團就其若干寫字樓的應付租金。兩年內，租約均按三年期協商、租金按三年期平均值固定。

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32. OPERATING LEASE COMMITMENTS

(Continued)

The Group as lessor

Property rental income earned during the year was approximately HK\$637,000 (2016: HK\$352,000). The property held for rental purposes is expected to generate rental yields of 2.83% (2016: 1.52%) on an ongoing basis. The property held has committed tenants for the next two years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	343	297
In the second to fifth year inclusive	第二年至第五年 (首尾兩年包括在內)	14	3
		357	300

33. RETIREMENT BENEFITS PLANS

Defined contribution plans

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs, capped at HK\$1,500 per month, to the MPF Scheme, in which the contribution is matched by employees.

Under the laws of Singapore, certain subsidiaries of the Company make contributions to the state pension scheme, the Central Provident Fund ("CPF"). The subsidiary of the Company in Singapore are required to contribute certain percentages varies from 5% to 20% of the monthly salaries of their current employees to the CPF for the years ended 31 March 2017 and 2016.

32. 經營租賃承擔 (續)

本集團為出租人

本年度掙得的物業出租收入約為637,000港元(二零一六年: 352,000港元)。持作出租用途的物業預期出租回報率將保持於2.83%(二零一六年: 1.52%)的水平。且持有之物業於接下來兩年已有固定承租人。

於本報告期末，本集團已與承租人就以下未來最低租金付款訂立合約：

33. 退休福利計劃

界定供款計劃

本集團為所有香港僱員經營一項強制性公積金計劃(「強積金計劃」)。該計劃資產於本集團資產分開保存，保存在受託人控制的資產中。本集團按有關薪資成本之5%向強積金計劃供款，最高每月1,500港元，僱員依相同金額作出相應供款。

依據新加坡法律，本公司若干附屬公司向國家退休金計劃中央公積金(「中央公積金」)作出供款。截至二零一七年及二零一六年三月三十一日止年度內，本公司在新加坡的附屬公司須按其現有僱員的月薪在5%至20%之間若干百分比向中央公積金作出供款。

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33. RETIREMENT BENEFITS PLANS

(Continued)

Defined contribution plans (Continued)

Subsidiaries operating in the PRC are required to participate in contribution retirement schemes organised by the relevant local government authorities since incorporation.

The total cost charged to profit or loss of approximately HK\$340,000 (2016: HK\$340,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

34. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties:

Salaries and bonus paid to the spouse of a director of the Company	向本公司董事的配偶支付的薪金和花紅
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Compensation of key management personnel

The remuneration of key management personnel of the Company during the year was as follows:

Salaries, allowances and other benefits	薪金、津貼及其他福利
Contributions to retirement benefits scheme	退休福利計劃供款

The remuneration of directors of the Company and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

33. 退休福利計劃 (續)

界定供款計劃 (續)

在中國營運之附屬公司須自註冊成立起參與由有關地方政府籌辦之界定供款退休計劃。

計入損益的約340,000港元(二零一六年: 340,000港元)的總成本是本集團在當前會計年度對該計劃的應付款項。

34. 關連方交易

本年度內，本集團與關連方進行了如下交易：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and bonus paid to the spouse of a director of the Company	-	643

主要管理人員的酬金

各年度內本公司主要管理人員的酬金如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries, allowances and other benefits	5,835	6,345
Contributions to retirement benefits scheme	100	123
	5,935	6,468

本公司董事及主要行政人員酬金乃由薪酬委員會參考個人表現及市場趨勢釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

35. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

35. 公司財務狀況表資料

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產			
Plant and equipment	廠房及設備		1,726	1,542
Investments in subsidiaries	於附屬公司之投資		21,454	21,454
			23,180	22,996
Current assets	流動資產			
Other receivables	其他應收款項		1,007	1,421
Amounts due from subsidiaries	應收附屬公司款項	a	95,294	50,376
Bank balances and cash	銀行結餘及現金		27,153	4,372
			123,454	56,169
Current liabilities	流動負債			
Other payables	其他應付款項		723	1,046
Amount due to a subsidiary	應付附屬公司款項	a	466	466
			1,189	1,512
Net current assets	淨流動資產		122,265	54,657
Total assets less current liabilities	總資產減流動負債		145,445	77,653
Capital and reserves	資本及儲備			
Share capital	股本	30	154,851	76,113
Reserves	儲備		(9,406)	1,540
Total equity	權益總額	b	145,445	77,653

The financial statement of the Company were approved and authorised for issue by the board of directors on 22 June 2017 and signed on its behalf by:

本公司之財務報表已於二零一七年六月二十二日經下列董事代表董事會簽署以批准及授權刊發：

Chan Chi Yuen
陳志遠
Director
董事

Liu Rongsheng
劉榮生
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

35. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note a:
The amounts are unsecured, interest-free and repayable on demand.

Note b:

35. 公司財務狀況表資料(續)

附註a：
該款項為無抵押、免息及按要求償還。

附註b：

		Share capital 股本 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Other Reserve 其他儲備 HK\$'000 千港元 (Note) (附註)	Total 總計 HK\$'000 千港元
At 1 April 2015	於二零一五年四月一日	76,113	(13,122)	21,063	84,054
Loss for the year and total comprehensive expenses for the year	本年度虧損和本年度全面開支總額	-	(6,401)	-	(6,401)
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日及二零一六年四月一日	76,113	(19,523)	21,063	77,653
Loss for the year and total comprehensive expenses for the year	本年度虧損和本年度全面開支總額	-	(10,946)	-	(10,946)
Issue of new shares	新股發行	80,850	-	-	80,850
Transaction costs attributable to issue of shares	發行股份的交易費用	(2,112)	-	-	(2,112)
At 31 March 2017	於二零一七年三月三十一日	154,851	(30,469)	21,063	145,445

Note: Other reserve represents the difference between the nominal value of the shares issued for acquisition of a subsidiary and the consolidated net asset value of that subsidiary and its subsidiaries at the date of acquisition.

附註：其他儲備指，在收購日，因收購附屬公司而發行的股份的票面值與該附屬公司及其附屬公司的全部資產淨值間的差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

36. CAPITAL COMMITMENTS

The Group had the following capital commitments as at the balance sheet date:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Contracted but not provided for : Acquisition of company (note 22(i))	已訂約但未撥備： 收購公司(附註22(i))	12,375	-

36. 資本承擔

本集團於結算日有以下資本承擔：

37. CONTINGENT LIABILITY

On 9 December 2015, a supplier has filed a statement of claim of approximately HK\$1,000,000 against a subsidiary of the Group. As at date of the report, no proceeding has been occurred. Based on the legal advice, the directors of the Company are of the opinion that the Group has meritorious defenses against the supplier. Therefore, no provision for this claim has been made in the consolidation financial statements for the year ended 31 March 2017.

37. 或然負債

於二零一五年十二月九日，一名供應商對本集團一間附屬公司發出一份金額約為1,000,000港元的索賠清單。於報告日並未產生任何訴訟。根據法律意見，本公司董事認為本集團已對供應商作出有力抗辯。因此，並未於截至二零一七年三月三十一日止年度之綜合財務報表中就本申索作出任何撥備。

38. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 March 2017 and 2016 are as follows:

38. 主要附屬公司

本公司之主要附屬公司於二零一七年及二零一六年三月三十一日詳情如下：

Name of subsidiary 附屬公司名稱	Place/Country of incorporation or registration/ operations 成立或註冊/ 經營地點/國家	Class of shares held 所持 股份類別	Paid up issued/ registered capital 發行並繳足 股本/註冊 股本	Proportion of ownership and voting power interest held by the Company 本公司持有的所有權及投票權比例				Principal activities 主要活動
				Directly 直接		Indirectly 間接		
				2017 二零一七年 %	2016 二零一六年 %	2017 二零一七年 %	2016 二零一六年 %	
China Sourcing & Creative Construction Limited	BVI	Ordinary	United State dollar 1	100	100	-	-	Sourcing furniture and marble and the provision of interior design and decoration service
中國新意工程及建材有限公司	英屬處女群島	普通	1美元	100	100	-	-	採購傢俱及雕刻品以及提供室內設計及裝飾服務
Hotel Sourcing International Limited	Hong Kong	Ordinary	HK\$100	-	-	100	100	Provision of interior design and decoration services
Hotel Sourcing International Limited	香港	普通	100港元	-	-	100	100	提供室內設計及裝飾服務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

38. PRINCIPAL SUBSIDIARIES (Continued)

38. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place/Country of incorporation/ or registration/ operations 成立或註冊/ 經營地點/國家	Class of shares held 所持 股份類別	Paid up issued/ registered capital 發行並繳足 股本/註冊 股本	Proportion of ownership and voting power interest held by the Company 本公司持有的所有權及投票權比例				Principal activities 主要活動
				Directly 直接		Indirectly 間接		
				2017 二零一七年 %	2016 二零一六年 %	2017 二零一七年 %	2016 二零一六年 %	
Karlson C & C Limited	Hong Kong	Ordinary	HK\$1	-	-	100	100	Provision of interior design and decoration services
Karlson C & C Limited	香港	普通	1港元	-	-	100	100	提供室內設計及裝飾服務
Wealth Trinity Development Limited	Hong Kong	Ordinary	HK\$1	-	-	100	100	Provision of interior design and decoration services
富添發展有限公司	香港	普通	1港元	-	-	100	100	提供室內設計及裝飾服務
Well Creation Holdings Limited	Hong Kong	Ordinary	HK\$1	-	-	100	100	Provision of interior design and decoration services
益創集團有限公司	香港	普通	1港元	-	-	100	100	提供室內設計及裝飾服務
Joy Excel Consultants Limited	Hong Kong	Ordinary	HK\$1	-	-	100	100	Provision of interior design and decoration services
卓悅顧問有限公司	香港	普通	1港元	-	-	100	100	提供室內設計及裝飾服務
Forever Smart (China) Limited	Hong Kong	Ordinary	HK\$1	-	-	100	100	Provision of interior design and decoration services
永傑(中國)有限公司	香港	普通	1港元	-	-	100	100	提供室內設計及裝飾服務
Hotel Sourcing Singapore Pte. Ltd.	Singapore	Ordinary	SGD1	-	-	100	100	Sourcing furniture and marbles and provision of interior design and decoration services
Hotel Sourcing Singapore Pte. Ltd.	新加坡	普通	1新加坡元	-	-	100	100	採購傢俱及雕刻品以及提供室內設計及裝飾服務
Kate China Property Consultants Limited	Hong Kong	Ordinary	HK\$1	-	-	100	100	Property investment
中持基業物業顧問有限公司	香港	普通	1港元	-	-	100	100	物業投資
Huarong Financial Holdings Limited	BVI	Ordinary	US\$100	100	100	-	-	Investment holding
華融金貿控股有限公司	英屬處女群島	普通	100美元	100	100	-	-	投資控股
Markway Finance Limited (Note)	Hong Kong	Ordinary	HK\$100	-	-	100	-	Money lending
萬威財務有限公司(附註)	香港	普通	100港元	-	-	100	-	放債

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

38. PRINCIPAL SUBSIDIARIES (Continued)

38. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place/Country of incorporation/ or registration/ operations 成立或註冊/ 經營地點/國家	Class of shares held 所持 股份類別	Paid up issued/ registered capital 發行並繳足 股本/註冊 股本	Proportion of ownership and voting power interest held by the Company 本公司持有的所有權及投票權比例				Principal activities 主要活動	
				Directly 直接		Indirectly 間接			
				2017 二零一七年 %	2016 二零一六年 %	2017 二零一七年 %	2016 二零一六年 %		
Wealthy Pool International Holdings Limited 保發國際控股有限公司	BVI 英屬處女群島	Ordinary 普通	US\$50,000 50,000美元	100	100	-	-	Investment holding 投資控股	
Oenoluxe Wines Limited (Note) 凝酒滙有限公司(附註)	Hong Kong 香港	Ordinary 普通	HK\$1 1港元	-	-	100	100	Trading of fine wine 葡萄酒貿易	
World Huge International Investment Limited (Note) 世浩國際投資有限公司(附註)	BVI 英屬處女群島	Ordinary 普通	US\$100 100美元	100	-	-	-	Investment Holdings 投資控股	

Note: Those subsidiaries are newly incorporated during the year ended 31 March 2017.

附註：該等附屬公司為於截至二零一七年三月三十一日止年度新註冊成立。

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

董事認為，上表所列的本公司附屬公司主要影響本年度業績或構成本集團資產淨值之主要部份。董事認為列出其他附屬公司之詳情將令篇幅過於冗長。

39. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

39. 比較數字

若干比較數字經已重分類以符合本年之呈列格式。

FINANCIAL SUMMARY

財務概要

		For the year ended 31 March 截至三月三十一日止年度				
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Revenue	收益	54,524	101,048	142,556	95,887	73,310
(Loss)/Profit before tax	除稅前(虧損)/溢利	(35,022)	(7,919)	7,815	11,948	21,938
(Loss)/Profit for the year	年度(虧損)/溢利	(35,034)	(9,370)	5,451	9,645	18,371
Total comprehensive (expenses)/income for the year	年度總全面(開支)/收入	(35,156)	(9,325)	5,023	9,799	18,400

		As at 31 March 於三月三十一日				
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Assets and Liabilities	資產及負債					
Total assets	總資產	150,850	142,340	167,165	49,160	24,866
Total liabilities	總負債	(12,262)	(47,334)	(62,834)	(25,965)	(11,470)
Total equity	權益總額	138,588	95,006	104,331	23,195	13,396

Note:

The summary of the consolidated results of the Group for the years ended 31 March 2014 and 2013, and of the assets and liabilities as at 31 March 2014 and 2013 have been extracted from the Prospectus.

附註：

本集團於截至二零一四年及二零一三年三月三十一日止年度之綜合業績概要，以及於二零一四年及二零一三年三月三十一日之資產及負債，乃摘錄自上市章程。



Royal Century Resources Holdings Limited
仁德資源控股有限公司



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