



恒|生|控|股
HENG SHENG HOLDINGS



Heng Sheng Holdings Limited

恒生控股有限公司

(Formerly known as Kong Shum Union Property Management (Holding) Limited

前稱港深聯合物業管理(控股)有限公司)

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8181

2017/18 ANNUAL 年
REPORT 報

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of the companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors (the “Directors”) of Heng Sheng Holdings Limited (formerly Known as Kong Shum Union Property Management (Holding) Limited) (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司 (「聯交所」)GEM之特色

GEM的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險的公司提供一個上市的市場。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。GEM的較高風險及其他特色表示GEM較適合專業及其他資深投資者。

由於GEM上市公司的新興性質使然，在GEM買賣的證券可能會較於聯交所主板買賣之證券承受較大的市場波動風險，同時無法保證在GEM買賣的證券會有高流通量的市場。

本報告乃遵照GEM證券上市規則(「GEM上市規則」)之規定提供有關恒生控股有限公司(前稱為港深聯合物業管理(控股)有限公司)(「本公司」)的資料。本公司各董事(「董事」)願共同及個別就本報告承擔全部責任，並在作出一切合理查詢後確認，就彼等所深知及確信，本報告所載資料在各重大方面均屬準確及完整，且無誤導或欺詐成分；及本報告並無遺漏任何其他事項，致使本報告所載任何聲明或本報告有所誤導。

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Executive Directors

Mr. Eric Todd
Mr. Ho Ying Choi
Mr. Lee Chin Ching, Cyrix

Non-executive Director

Mr. Huang Liming (*Chairman*)
(appointed with effect from 6 March 2018)

Independent Non-executive Directors

Mr. Tso Siu Lun, Alan
Mr. Lam Kai Yeung
Mr. Lo Chi Ho, Richard

Company Secretary

Mr. Sheung Kwong Cho

Compliance Officer

Mr. Ho Ying Choi

Authorized Representatives

Mr. Ho Ying Choi
Mr. Sheung Kwong Cho

Audit Committee

Mr. Lam Kai Yeung (*Chairman*)
Mr. Tso Siu Lun, Alan
Mr. Lo Chi Ho, Richard

Remuneration Committee

Mr. Lam Kai Yeung (*Chairman*)
Mr. Ho Ying Choi
Mr. Tso Siu Lun, Alan
Mr. Lo Chi Ho, Richard

Nomination Committee

Mr. Tso Siu Lun, Alan (*Chairman*)
Mr. Ho Ying Choi
Mr. Lam Kai Yeung
Mr. Lo Chi Ho, Richard

執行董事

達振標先生
何應財先生
李展程先生

非執行董事

黃黎明先生(*主席*)
(於2018年3月6日獲委任)

獨立非執行董事

曹肇楹先生
林繼陽先生
羅志豪先生

公司秘書

商光祖先生

合規主任

何應財先生

授權代表

何應財先生
商光祖先生

審核委員會

林繼陽先生(*主席*)
曹肇楹先生
羅志豪先生

薪酬委員會

林繼陽先生(*主席*)
何應財先生
曹肇楹先生
羅志豪先生

提名委員會

曹肇楹先生(*主席*)
何應財先生
林繼陽先生
羅志豪先生

CORPORATE INFORMATION

公司資料

Auditor

Zhonghui Anda CPA Limited
Unit 701, 7/F., Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

Legal Adviser of the Company as to Hong Kong Laws

Patrick Mak & Tse
Rooms 901–905, 9th Floor
Wing On Centre
11 Connaught Road Central
Hong Kong

Principal Bankers

China Construction Bank (Asia) Corporation Limited

25/F, Tower 6
The Gateway
Harbour City
Kowloon, Hong Kong

DBS Bank (Hong Kong) Limited

G/F, The Center
99 Queen's Road Central
Central, Hong Kong

Registered Office

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

Head Office and Principal Place of Business in Hong Kong

Unit 1001, 10 Floor, Chung Nam House
59 Des Voeux Road Central
Hong Kong

Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited

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

核數師

中匯安達會計師事務所有限公司
香港
銅鑼灣
威非路道18號
萬國寶通中心7樓701室

本公司香港法律顧問

麥家榮律師行
香港
干諾道中111號
永安中心
9樓901–905室

主要往來銀行

中國建設銀行(亞洲)股份有限公司

香港九龍
海港城
港威大廈
第6座25樓

星展銀行(香港)有限公司

香港中環
皇后大道中99號
中環中心地下

註冊辦事處

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

總辦事處及香港主要營業地點

香港
德輔道中59號
中南行10樓1001室

主要股份過戶登記處

Conyers Trust Company (Cayman) Limited

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

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited

Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

Website of the Company

www.kongshum.com.hk

GEM Stock Code

8181

香港股份過戶登記分處

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

本公司網頁

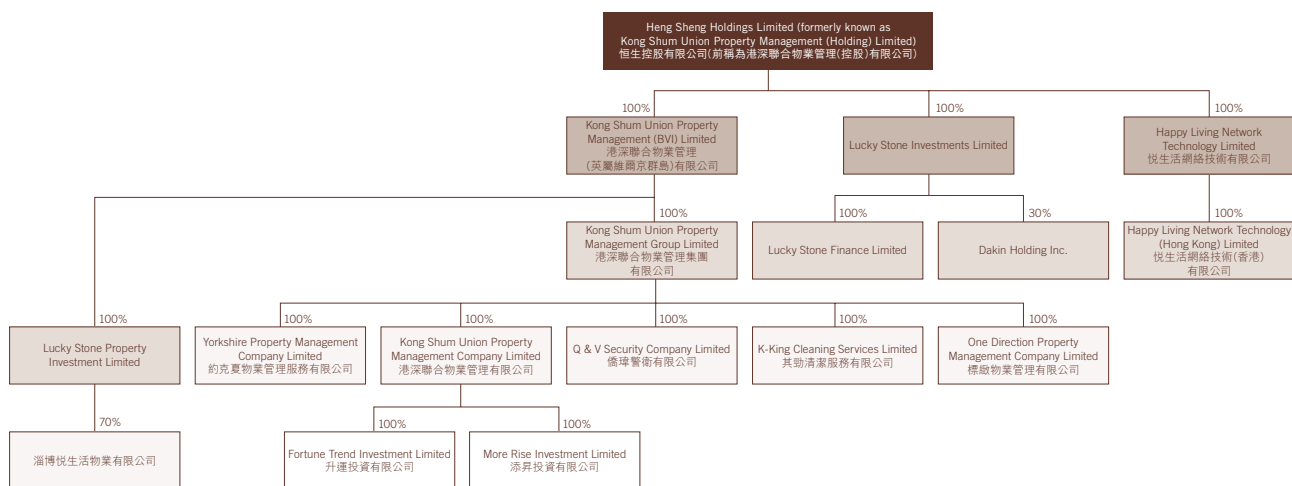
www.kongshum.com.hk

GEM股份代號

8181

GROUP STRUCTURE 集團架構

As at the date of this report: 於本報告日期：



Note:

附註：

| | Place of Incorporations: 註冊成立地點: | Nature of Services: 服務性質: |
|--|-------------------------------------|--|
| Heng Sheng Holdings Limited (formerly known as Kong Shum Union Property Management (Holding) Limited) 恒生控股有限公司(前稱為港深聯合物業管理(控股)有限公司) | Cayman Islands 開曼群島 | Investment holding 投資控股 |
| Kong Shum Property Management Group Limited 港深聯合物業管理集團有限公司 | British Virgin Islands 英屬處女群島 | Investment holding and provision of I.T. services 投資控股及提供I.T.服務 |
| Kong Shum Union Property Management Company Limited 港深聯合物業管理有限公司 | Hong Kong 香港 | Provision of property management services 提供物業管理服務 |
| Q & V Security Company Limited 僑璋警衛有限公司 | Hong Kong 香港 | Provision of security services 提供保安服務 |
| K-King Cleaning Services Limited 其勁清潔服務有限公司 | Hong Kong 香港 | Provision of cleaning services by subcontracting 通過分包提供清潔服務 |
| Yorkshire Property Management Company Limited 約克夏物業管理服務有限公司 | Hong Kong 香港 | Provision of property management services 提供物業管理服務 |
| Fortune Trend Investment Limited 升運投資有限公司 | Hong Kong 香港 | Property investment 物業投資 |
| More Rise Investment Limited 添昇投資有限公司 | Hong Kong 香港 | Property investment 物業投資 |
| Lucky Stone Investments Limited | British Virgin Islands 英屬處女群島 | Investment holding 投資控股 |

GROUP STRUCTURE

集團架構

| | Place of Incorporations: 註冊成立地點: | Nature of Services: 服務性質: |
|--|--|--|
| Kong Shum Union Property Management (BVI) Limited 港深聯合物業管理(英屬維爾京群島)有限公司 | British Virgin Islands 英屬處女群島 | Investment holding 投資控股 |
| Happy Living Network Technology Limited 悦生活網絡技術有限公司 | British Virgin Islands 英屬處女群島 | Investment holding 投資控股 |
| Happy Living Network Technology (Hong Kong) Limited 悦生活網絡技術(香港)有限公司 | Hong Kong 香港 | Dormant 暫無營業 |
| Lucky Stone Property Investment Limited | Hong Kong 香港 | Dormant 暫無營業 |
| Lucky Stone Finance Limited | Hong Kong 香港 | Money lending business 放債業務 |
| One Direction Property Management Company Limited 標緻物業管理有限公司 | Hong Kong 香港 | Dormant 暫無營業 |
| 淄博悦生活物業有限公司 | People's Republic of China 中國 | Provision of property management and consultancy services 提供項目管理及諮詢服務 |
| Dakin Holding Inc. | British Virgin Islands 英屬處女群島 | Provision of financial services in Hong Kong 於香港提供金融服務 |

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board of Directors (the "Board") of Heng Sheng Holdings Limited (formerly known as Kong Shum Union Property Management (Holding) Limited) (the "Company"), I hereby present the annual report of the Company and its subsidiaries (together, the "Group") for the year ended 31 March 2018.

BUSINESS REVIEW

During the year ended 31 March 2018, the Group's principal activities were provision of property management services, properties investment and money lending business.

During the year under review, the Group continued its development efforts to stay competitive in the property management market. Under our property management portfolio, we have been awarded 17 management contracts in residential and commercial projects mainly including Greenknoll Court with 429 units, Sing Win Factory Building with 403 units, Ka Wai Building with 317 units and Winsing Building with 403 units.

During the year ended 31 March 2018, revenue of the Group was approximately HK\$412.3 million (2017: HK\$395.5 million), representing an increase of 4.2% as compared with last year. The gross profit of the Group for the year ended 31 March 2018 was approximately HK\$94.4 million (2017: HK\$83.3 million), representing an increase of approximately 13.3% as compared with last year. The net profit margin increased by approximately 4.9% approximately from 2.6% for the year ended 31 March 2017 to 7.5% for year ended 31 March 2018.

The earnings per share for the year ended 31 March 2018 was HK\$0.037 (2017: HK\$0.018).

The Group would like to share more details of the Group's performance, financial position and operation in the year 2017/2018 with shareholders in the section headed "Management Discussion and Analysis".

各位股東：

本人謹代表恒生控股有限公司(前稱為港深聯合物業管理(控股)有限公司)(「本公司」)董事會(「董事會」)提呈本公司及其附屬公司(統稱「本集團」)截至2018年3月31日止年度的年報。

業務回顧

截至2018年3月31日止年度，本集團的主要業務為提供物業管理服務、物業投資及放債業務。

於回顧年度，本集團持續致力發展，在物業管理市場中維持競爭力。於我們的物業管理組合下，我們已獲授17份住宅及商業項目的管理合約，當中主要包括嘉翠園(429個單位)、成運工業大廈(403個單位)、嘉威大廈(317個單位)及永勝大廈(403個單位)。

截至2018年3月31日止年度，本集團收益約為4.123億港元(2017年：3.955億港元)，較去年上升4.2%。截至2018年3月31日止年度，本集團毛利約為0.944億港元(2017年：0.833億港元)，較去年上升約13.3%。淨溢利率由截至2017年3月31日止年度約2.6%上升約4.9%至截至2018年3月31日止年度的7.5%。

截至2018年3月31日止年度，每股盈利為0.037港元(2017年：0.018港元)。

本集團將於「管理層討論及分析」一節，與股東分享更多本集團於2017/2018年度的表現、財務狀況及營運詳情。

FUTURE PROSPECTS

The number of property in Hong Kong market is expanding. Public opinion voices concern over housing stock production and the speeding up of the issue of housing completion in the near future is expected to solve the issue of heavy demand on housing. It is envisaged that the property management business will expand simultaneously. Meanwhile, we will continue to expand our management portfolio by capturing the continuing outsourcing activities implemented by private residential owners, corporations and government institutions. Since we started property management business in 1984, giving our customers the best service has always been our goal. Over the years, we have grown into one of the largest property management companies in Hong Kong. Leveraging on our experience and scale of business, we will continue to seek for opportunities to expand the current property management business through self-development and/or investment(s) in suitable targets/assets, and/or through co-operation by way of joint venture(s) with other parties. In order to increase the profitability of this segment, we consider the cost control is as important as expanding the management portfolio. We are reviewing the operating performance of the property management business and appropriate cost controls will be implemented in the forthcoming financial year, if necessary.

Notwithstanding the Group has recorded steady increase in its revenue since its listing on the GEM of the Stock Exchange which mainly attributable to its property management services in Hong Kong, management has extended its property management services to the People's Republic of China (the "PRC") market during the year under review and recorded an additional revenue of approximately HK\$9.5 million (2017: Nil) from this segment.

Looking ahead, management expects the middle class of the PRC continues to drive housing demand and living service demand. We will extend our market presence in the PRC by rendering living value-added services, including but not limited to the use of internet, Internet-of-Things, and artificial intelligence technology to enable us to provide such services as hospital, pension, education and commerce in the community.

We believe the expansion of the business scope to the PRC market will bring more stable and recurrent return to the Group and increase value of the shareholders of the Company and the success of the Group in the coming years.

未來前景

香港物業市場的物業數量不斷增加，輿論高度關注建屋量，短期內加速樓宇落成預期將能解決龐大住屋需求問題。展望未來，物業管理業務將同步發展。同時，我們將繼續通過把握私人住宅業主、法團及政府機構持續實行的外判活動以擴展我們的管理組合。我們自1984年起開展物業管理業務，為客戶提供最佳服務為我們的一貫宗旨。多年來，我們已發展成香港最大物業管理公司之一。我們將憑藉經驗及業務規模，繼續尋找機會，透過自行發展及／或投資於合適目標／資產，及／或透過與其他人士以合營公司合作的方式，拓展現有物業管理業務。為提升此分部的盈利能力，我們認為控制成本與拓展管理組合同樣重要。我們現正審閱物業管理業務的營運表現，並於有需要時在下一個財政年度實施適當成本控制措施。

本集團的收益自其於聯交所GEM上市以來錄得平穩增長(此乃主要得益於其於香港的物業管理服務)，管理層已於回顧年度將其物業管理服務拓展至中華人民共和國(「中國」)市場，並於該分部錄得額外收益約950萬港元(2017年：無)。

展望未來，管理層預期中國中產階級將持續拉動住房需求及生活服務需求。我們將提供生活增值服務(包括但不限於利用互聯網、物聯網、AI技術，賦能社區醫院、社區養老、社區教育、社區商業等服務能力)，藉此增大在中國的市場佔有率。

我們認為，擴寬業務範圍至中國市場將於未來年度為本集團帶來穩定的經常性回報，增加本公司股東的價值，推動本集團的成功。

CHAIRMAN'S STATEMENT

主席報告

APPRECIATION

On behalf of the Board, I would like to express my warmest gratitude to the management and our staff for their significant contributions. I would like to extend my sincere gratitude to all our shareholders and investors for their endless support. With the solid business base and the effort of all our staff, the Group will endeavor to open a new chapter in the future.

Huang Liming
Chairman

Hong Kong, 22 June 2018

致謝

本人謹代表董事會衷心感謝管理層及員工的巨大貢獻，並向鼎力支持本集團的股東及投資者致以謝意。本集團將以穩固的業務基礎，加上所有員工的努力，致力於未來開創新一頁。

黃黎明
主席

香港，2018年6月22日

OVERVIEW

The Group is principally engaged in the provision of property management services primarily targeting residential properties, properties investment and money lending business. The Group operates under the brand name of “Kong Shum” in Hong Kong and provides a range of management services including security, repair and maintenance, cleaning, finance management, administrative and legal support. Under an established functional structure with various departments, the Group has dedicated teams to carry out the aforementioned management services. The Group also employs a team of security staff to provide security services as part of the services provided under property management contracts or under stand-alone security services contracts. For the year ended 31 March 2018, the Group provided property security services for 14 properties under stand-alone security services contracts in Hong Kong. The operating arm of the Group’s security services is mainly Q & V Security Company Limited (“Q&V”). The Group hires its own security staff to provide property security services. The Group also employs registered technicians to provide basic repair and maintenance services to its customers if required. In relation to the cleaning services, the Group subcontracts substantially all of its cleaning services to third-party contractors. During the year ended 31 March 2018, the Group expanded its business into provision of money lending business.

In relation to the provision of money lending business commenced during the year ended 31 March 2018, the Group recorded loan interest income of approximately HK\$1.6 million (2017: Nil). As at 31 March 2018, the Group has loan receivables with carrying amount of approximately HK\$3.6 million (2017: Nil). Principal terms of the loan receivables during the year are as follows:

業務回顧

本集團主要提供物業管理服務(對象以住宅物業為主)、物業投資及放債業務。本集團於香港以「港深」品牌名稱營運，並提供一系列管理服務，包括保安、維修和保養、清潔、財務管理、行政和法律支援。在制度健全的功能架構下，本集團設立多個部門，由不同專隊執行上述管理服務。本集團亦聘請一支保安員工隊伍提供保安服務，作為根據物業管理合約或獨立保安服務合約提供的部分服務。截至2018年3月31日止年度，本集團於香港根據獨立保安服務合約向14項物業提供物業保安服務。本集團保安服務的經營公司主要為僑璋警衛有限公司(「僑璋」)。本集團聘請保安員工提供物業保安服務。本集團亦聘用註冊維修技工向客戶提供(如有需要)基本維修及保養服務。就清潔服務而言，本集團將其大部份清潔服務外判予第三方承辦商。截至2018年3月31日年度，本集團擴展業務至提供放債業務。

就於截至2018年3月31日止年度開始提供的放債業務而言，本集團錄得貸款利息收入約160萬港元(2017年：無)。於2018年3月31日，本集團有賬面值約360萬港元(2017年：無)的應收貸款。年內，應收貸款的主要條款如下：

| Borrowers 借方 | Drawdown date 提款日期 | Principal amount 本金額 | Interest rate 利率 | Terms 期限 | Notes 附註 |
|-----------------|-----------------------|-------------------------|---------------------|-------------|-------------|
| A | 17 July 2017 | HK\$16 million | 14% per annum | 6 months | (i), (iii) |
| A | 2017年7月17日 | 1,600萬港元 | 每年14% | 6個月 | (i), (iii) |
| B | 18 July 2017 | HK\$7 million | 12% per annum | 6 months | (ii), (iii) |
| B | 2017年7月18日 | 700萬港元 | 每年12% | 6個月 | (ii), (iii) |
| B | 15 August 2017 | HK\$7 million | 12% per annum | 6 months | (ii), (iii) |
| B | 2017年8月15日 | 700萬港元 | 每年12% | 6個月 | (ii), (iii) |
| C | 27 December 2017 | HK\$3.5 million | 14% per annum | 9 months | |
| C | 2017年12月27日 | 350萬港元 | 每年14% | 9個月 | |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OVERVIEW (continued)

Notes:

- (i) Details of the above are set out in the Company's announcement dated 17 July 2017.
- (ii) Details of the above are set out in the Company's announcement dated 15 August 2017.
- (iii) The principal amount and accrued interest were fully repaid by the borrowers during the year ended 31 March 2018.

For the properties investment business, the Group recorded rental income from an investment property of approximately HK\$1.1 million for the year ended 31 March 2018 (2017: Nil).

FINANCIAL REVIEW

Summary Financial Performance

| | | 2018 2018年 HK\$'000 千港元 | 2017 2017年 HK\$'000 千港元 | Change 變動 |
|---|-------------------|----------------------------------|----------------------------------|--------------|
| Revenue | 收益 | 412,271 | 395,514 | 4.2% |
| Cost of services | 服務成本 | (317,872) | (312,206) | 1.8% |
| Gross Profit | 毛利 | 94,399 | 83,308 | 13.3% |
| Gross profit margin | 毛利率 | 22.9% | 21.1% | n/a 不適用 |
| Other revenue | 其他收益 | 8,384 | 338 | 2,380.5% |
| Share of profits of an associate | 應佔一間聯營公司溢利 | 4,999 | – | n/a 不適用 |
| Administrative expenses | 行政開支 | (49,983) | (51,958) | (3.8%) |
| Other operating expenses | 其他營運開支 | (18,144) | (17,984) | (0.9%) |
| Finance costs | 融資成本 | (1,329) | (196) | 578.1% |
| Profit before tax | 除稅前溢利 | 38,326 | 13,508 | 183.7% |
| Income tax expense | 所得稅開支 | (7,363) | (3,320) | 121.8% |
| Profit attributable to owners of the Company | 本公司擁有人應佔溢利 | 30,963 | 10,188 | 203.9% |
| Net profit margin | 純利率 | 7.5% | 2.6% | n/a 不適用 |

業務回顧(續)

附註：

- (i) 有關上述事項的詳情載於本公司日期為2017年7月17日的公佈。
- (ii) 有關上述事項的詳情載於本公司日期為2017年8月15日的公佈。
- (iii) 截至2018年3月31日止年度，借款人已悉數償還本金及應計利息。

就物業投資業務而言，本集團於截至2018年3月31日止年度錄得來自投資物業的租金收入約110萬港元(2017年：無)。

財務回顧

財務表現概要

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

REVENUE

For the year ended 31 March 2018, the Group's revenue was derived from its operations in Hong Kong and the PRC of approximately HK\$402.8 million (2017: HK\$395.5 million) and HK\$9.5 million (2017: Nil), respectively. The Group derived revenue of approximately HK\$30.4 million and HK\$33.2 million respectively from stand-alone security services contracts for the years ended 31 March 2017 and 2018 respectively, representing approximately 7.7% and 8.1% of its total revenue.

The following table sets out the Group's revenue by contract type for the years ended 31 March 2017 and 2018:

收益

截至2018年3月31日止年度，本集團來自其在香港及中國的業務所得收益分別約為4.028億港元(2017年：3.955億港元)及950萬港元(2017年：零)。就截至2017年及2018年3月31日止年度，本集團來自獨立保安服務合約的收益分別約為3,040萬港元及3,320萬港元，分別佔其總收益約7.7%及8.1%。

下表按合約類型載列截至2017年及2018年3月31日止年度本集團收益：

| | | 2018 2018年 | | 2017 2017年 | |
|---|------------|----------------------|---------------------|----------------------|---------------------|
| | | HK\$ million 百萬港元 | percentage 所佔百分比 | HK\$ million 百萬港元 | percentage 所佔百分比 |
| Property management services contracts | 物業管理服務合約 | 366.9 | 89.0% | 365.1 | 92.3% |
| Property security services contracts | 物業保安服務合約 | 33.2 | 8.1% | 30.4 | 7.7% |
| PRC Property management services contract | 中國物業管理服務合約 | 9.5 | 2.2% | – | – |
| Rental services contracts | 租賃服務合約 | 1.1 | 0.3% | – | – |
| Money lending services | 放債服務 | 1.6 | 0.4% | – | – |
| | | 412.3 | 100% | 395.5 | 100% |

The Group's revenue improved by approximately 4.2% from approximately HK\$395.5 million for the year ended 31 March 2017 to approximately HK\$412.3 million for the year ended 31 March 2018. The increase was primarily attributable to the growth of revenue generated from security services contracts in Hong Kong, significantly increasing by approximately 9.2% to approximately HK\$33.2 million and its property management services in the PRC of approximately HK\$9.5 million for the year ended 31 March 2018. During the year, the number of management service contracts obtained by the Group had been increased by 3 from 431 during the year ended 31 March 2017 to 434 for the year ended 31 March 2018. Revenue generated from property management services contracts in Hong Kong recorded a slightly increase of approximately 0.5% to approximately HK\$366.9 million for the year ended 31 March 2018.

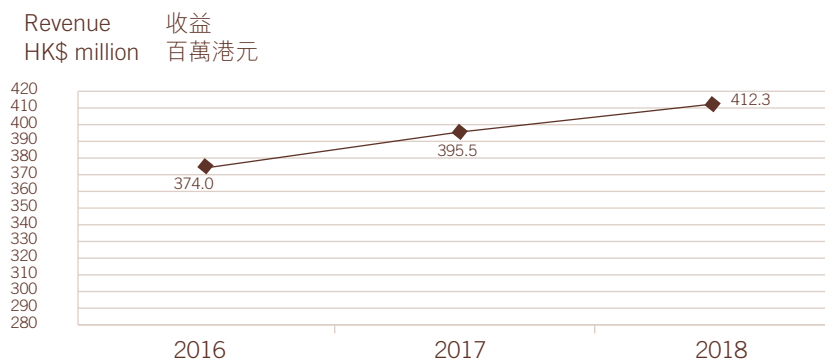
本集團的收益由截至2017年3月31日止年度約3.955億港元上升約4.2%至截至2018年3月31日止年度約4.123億港元。該增加主要由於香港保安服務合約產生的收益增長，截至2018年3月31日止年度大幅增加約9.2%至約0.332億港元，及其中國的物業管理服務產生的收益增加約950萬港元。年內，本集團取得的管理服務合約數目由截至2017年3月31日止年度的431份增加3份至截至2018年3月31日止年度的434份。截至2018年3月31日止年度，香港物業管理服務合約產生的收益略為增加約0.5%至約3.669億港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

REVENUE (continued)

The following graph sets out the revenue for the years ended 31 March 2016, 2017, 2018.



收益(續)

下圖載列截至2016年、2017年及2018年3月31日止年度的收益。

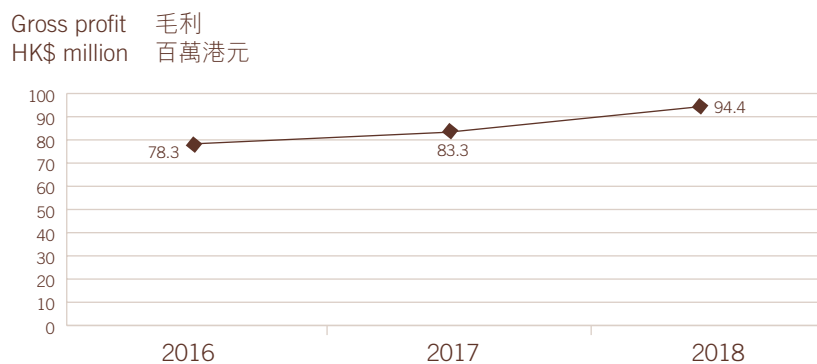
COST OF SERVICES

The total cost of services amounted to approximately HK\$312.2 million and HK\$317.9 million for the years ended 31 March 2017 and 2018 respectively, representing approximately 78.9% and 77.1% respectively of the Group's revenue. Increase in the cost of services during the year of approximately 1.8% was mainly due to the increase on the wages of the front line staff of the Group.

GROSS PROFIT

The gross profit of the Group increased by approximately 13.3% from approximately HK\$83.3 million for the year ended 31 March 2017 to approximately HK\$94.4 million for the year ended 31 March 2018. The gross profit margin was approximately 21.1% and 22.9% for the years ended 31 March 2017 and 2018 respectively. The Group negotiated and adjusted the service fees in order to reflect the increase in costs and to maintain a growth on the gross profit margin.

The following graph sets out the gross profit for the years ended 31 March 2016, 2017 and 2018.



服務成本

截至2017年及2018年3月31日止年度的總服務成本分別約3.122億港元及3.179億港元，分別佔本集團收益約78.9%及77.1%。年內，服務成本增加約1.8%，主要由於本集團前線員工的薪金增加所致。

毛利

本集團的毛利由截至2017年3月31日止年度約8,330萬港元增加約13.3%至截至2018年3月31日止年度的約9,440萬港元。截至2017年及2018年3月31日止年度的毛利率分別約為21.1%及22.9%。本集團已磋商及調整服務費以反映成本增加及保持毛利率增長。

下圖載列截至2016年、2017年及2018年3月31日止年度的毛利。

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit attributable to owners of the Company was increased by approximately 203.9% from approximately HK\$10.2 million for the year ended 31 March 2017 to approximately HK\$31.0 million for the year ended 31 March 2018. The net profit margin increased by approximately 4.9% from approximately from 2.6% to 7.5% for the years ended 31 March 2017 and 2018 respectively.

The Group has recorded a profit of approximately HK\$31.0 million for the year ended 31 March 2018 as compared to the profit of approximately HK\$10.2 million for the year ended 31 March 2017. The increase was mainly attributable to:

- (i) share of profits of an associate, contributed by the acquisition of 30% of the issued shares of Dakin Holdings Inc. of approximately HK\$5.0 million (2017: Nil);
- (ii) new revenue sources from the money lending and the PRC property management businesses of approximately HK\$1.6 million (2017: Nil) and HK\$9.5 million (2017: Nil) respectively;
- (iii) increase in revenue from the effect of increase in the statutory minimum wage in Hong Kong to HK\$34.5 per hour effective from 1 May 2017 which led to the increase in the property management services contracts sum;
- (iv) the net effect of decrease in legal and professional fee, increase in interest on promissory notes and amortisation of intangible assets during the year; and
- (v) fair value gain on an investment property and interest income and fair value gain on investments at fair value through profit or loss during the year.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses for the year ended 31 March 2018 were approximately HK\$50.0 million (2017: HK\$52.0 million), representing a decrease of approximately 3.8% compared to the corresponding period in 2017. This was mainly attributable to the decrease in bonus, Directors' emoluments, rental fee incurred during the year.

本公司擁有人應佔溢利

本公司擁有人應佔溢利由截至2017年3月31日止年度約1,020萬港元增加約203.9%至截至2018年3月31日止年度約3,100萬港元，而純利率於截至2017年及2018年3月31日止年度分別由約2.6%上升約4.9%至7.5%。

截至2018年3月31日止年度，本集團錄得溢利約3,100萬港元，而截至2017年3月31日止年度的溢利則約為1,020萬港元。溢利增加主要由於：

- (i) 因收購Dakin Holdings Inc. 30%已發行股份而分佔一間聯營公司溢利約500萬港元(2017年：無)；
- (ii) 來自放債及中國物業管理業務的新收益來源分別為約160萬港元(2017年：無)及950萬港元(2017年：無)；
- (iii) 香港法定最低工資自2017年5月1日起增至每小時34.5港元，導致物業管理服務合約金額增加，收益亦因而有所增加；
- (iv) 年內法律及專業費用減少、承兌票據利息增加及攤銷無形資產的影響淨額；及
- (v) 年內投資一間物業及利息收入之公允值收益以及按公允值計入損益的投資的公允值收益。

行政開支

截至2018年3月31日止年度，本集團的行政開支約為5,000萬港元(2017年：5,200萬港元)，較2017年同期減少約3.8%，此乃主要由於年內產生的花紅、董事薪酬、租金減少所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OTHER OPERATING EXPENSES

The Group's other operating expenses remain stable for the year ended 31 March 2018 were approximately HK\$18.1 million (2017: HK\$18.0 million), representing a slightly increase of approximately 0.9% compared to the corresponding period in 2017.

其他經營開支

截至2018年3月31日止年度，本集團的其他經營開支保持穩定，約為1,810萬港元（2017年：1,800萬港元），較2017年同期略增加約0.9%。

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

流動資金、財務資源及資本架構

| | | For the year ended/ as at 31 March 截至3月31日止年度/ 於3月31日 | |
|--|--------------------------|--|----------------------------------|
| | | 2018 2018年 HK\$'000 千港元 | 2017 2017年 HK\$'000 千港元 |
| Financial position | 財務狀況 | | |
| Current assets | 流動資產 | 174,636 | 114,185 |
| Current liabilities | 流動負債 | 76,078 | 74,595 |
| Net current assets | 流動資產淨值 | 98,558 | 39,590 |
| Total assets | 資產總值 | 272,458 | 203,395 |
| Bank borrowings, finance lease payables and promissory notes payables | 銀行借貸、應付融資租賃款項及 應付承兌票據 | 17,769 | 21,831 |
| Bank balances and cash | 銀行結餘及現金 | 54,165 | 45,165 |
| Total equity | 權益總額 | 196,076 | 116,270 |
| Key ratios | 主要比率 | | |
| Return on equity (1) | 股本回報率(1) | 19.8 | 10.0% |
| Return on assets (2) | 資產回報率(2) | 13.0 | 5.9% |
| Current ratio (3) | 流動比率(3) | 2.30 times 倍 | 1.53 times 倍 |
| Gearing ratio (4) | 資產負債比率(4) | 9.1% | 18.8% |
| Net Debt to equity ratio (5) | 負債淨額對權益比率(5) | 0% | 0% |
| Debtors turnover day (6) | 應收賬款周轉日數(6) | 43.3 days 日 | 41.2 days 日 |
| Creditors turnover day (7) | 應付賬款周轉日數(7) | 26.0 days 日 | 25.0 days 日 |

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE (continued)

Notes:

1. Return on equity is calculated as the profit for the year divided by average total equity.
2. Return on assets is calculated as the profit for the year divided by average total assets.
3. Current ratio is calculated as the current assets divided by current liabilities.
4. Gearing ratio is calculated as the total debt divided by total equity. For the avoidance of doubt, total debt represents bank borrowings, promissory notes payable and finance lease payables.
5. Net debt to equity ratio is calculated as the total debt net of cash and bank balances and divided by total equity. For the avoidance of doubt, total debt represents bank borrowings, promissory notes payables and finance lease payables.
6. Debtors' turnover day is calculated as average trade receivables divided by revenue times number of days in the period.
7. Creditors' turnover day is calculated as average trade payables divided by cost of services times number of days in the period.

The Group maintained sufficient working capital as at 31 March 2018 with bank balances and cash of approximately HK\$54.2 million (2017: HK\$45.2 million).

As at 31 March 2018, the Group had bank borrowings, promissory notes payable and obligations under finance lease of approximately HK\$17.8 million (2017: HK\$21.8 million).

As at 31 March 2018, the Group's net current assets amounted to approximately HK\$98.6 million (2017: HK\$39.6 million). The Group's operations are financed principally by revenue generated from its business operations, available cash, bank balances, promissory notes payable and bank borrowings.

RETURN ON EQUITY

The return on equity increased from approximately 10.0% for the year ended 31 March 2017 to approximately 19.8% for the year ended 31 March 2018, mainly due to the increase in profit for the year.

流動資金、財務資源及資本架構 (續)

附註：

1. 股本回報率乃按年內溢利除以平均權益總額計算。
2. 資產回報率乃按年內溢利除以平均資產總值計算。
3. 流動比率乃按流動資產除以流動負債計算。
4. 資產負債比率乃按負債總額除以權益總額計算。為免生疑問，負債總額指銀行借貸、應付承兌票據及應付融資租賃款項。
5. 負債淨額對權益比率乃按負債總額減現金及銀行結餘及除以權益總額計算。為免生疑問，負債總額指銀行借貸、應付承兌票據及應付融資租賃款項。
6. 應收賬款周轉日數乃按平均貿易應收賬款除以收益乘以期內日數計算。
7. 應付賬款周轉日數乃按平均貿易應付賬款除以服務成本乘以期內日數計算。

於2018年3月31日，本集團保持充足營運資金，銀行結餘及現金約為5,420萬港元（2017年：4,520萬港元）。

於2018年3月31日，本集團的銀行借貸、應付承兌票據及融資租賃承擔約為1,780萬港元（2017年：2,180萬港元）。

於2018年3月31日，本集團的流動資產淨值約為9,860萬港元（2017年：3,960萬港元）。本集團的營運主要通過其業務經營產生的收益、可用現金、銀行結餘、應付承兌票據及銀行借貸撥付資金。

股本回報率

股本回報率由截至2017年3月31日止年度約10.0%上升至截至2018年3月31日止年度約19.8%，主要由於年內溢利增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

RETURN ON ASSETS

The return on assets was increased from approximately 5.9% for the year ended 31 March 2017 to approximately 13.0% for the year ended 31 March 2018, mainly due to the increase in profit for the year.

CURRENT RATIO

The Group's current ratio increase from approximately 1.53 times as at 31 March 2017 to approximately 2.30 times as at 31 March 2018 mainly due to the acquisition of convertible note during the year and increase in cash and cash equivalents which enlarged the Company's assets.

GEARING RATIO

The Group's gearing ratio, defined as the total debt (i.e. bank borrowings, promissory notes payables and finance lease payables) divided by total equity, as at 31 March 2018 is approximately 9.1% (2017: 18.8%). The total secured bank borrowings increase from approximately HK\$9.4 million as at 31 March 2017 to approximately HK\$9.9 million as at 31 March 2018. In addition, the Group issued promissory notes with carrying value of approximately HK\$7.7 million as at 31 March 2018. On the other hand, the Group's total equity increased significantly during the year ended 31 March 2018 due to issuance of shares upon placing of shares as well as earnings for the year during the year.

NET DEBT TO EQUITY RATIO

The Group's net debt to equity ratio was 0% as at 31 March 2017 and 31 March 2018 which indicates that the Group's has sufficient cash and bank balances for debts repayment.

DEBTORS' TURNOVER DAY

The debtors' turnover day increase from approximately 41.2 days for the year ended 31 March 2017 to approximately 43.3 days for the year ended 31 March 2018 due to increase on collecting time on trade debtors.

資產回報率

資產回報率由截至2017年3月31日止年度約5.9%上升至截至2018年3月31日止年度約13.0%，主要由於年內溢利增加。

流動比率

本集團之流動比率由2017年3月31日約1.53倍增至2018年3月31日約2.30倍，主要由於年內收購可換股票據以及現金及現金等價物增加導致本集團資產擴大所致。

資產負債比率

於2018年3月31日，本集團的資產負債比率（定義為債務總額（銀行借貸、應付承兌票據及應付融資租賃款項）除以權益總額）約為9.1%（2017年：18.8%）。有抵押銀行借貸總額由2017年3月31日約940萬港元增加至2018年3月31日約990萬港元。此外，於2018年3月31日，本集團已發行賬面值約為770萬港元的承兌票據。另一方面，本集團的權益總額於截至2018年3月31日止年度大幅增加，主要是由於年內配售股份時發行股份及年內盈利所致。

負債淨額對權益比率

本集團的負債淨額對權益比率於2017年3月31日及2018年3月31日分別為0%，顯示本集團有充足現金及銀行結餘償還債務。

應收賬款周轉日數

應收賬款周轉日數由截至2017年3月31日止年度約41.2日增至截至2018年3月31日止年度約43.3日，此乃由於與貿易應收賬款的收款時間增加所致。

CREDITORS' TURNOVER DAY

The creditors' turnover day was slightly increased by 1 day from approximately 25.0 days for the year ended 31 March 2017 to approximately 26.0 days for the year ended 31 March 2018. Such increase was due to the fully utilisation of credit period offered by some of the creditors.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2018 (2017: Nil).

OPERATION REVIEW

Outlook

The property market in Hong Kong is expanding. Public opinion voices concern over the housing stock production and the speeding up of the completion of construction of properties in the near future is expected to solve the heavy demand on housing. It is envisaged that the property management business will expand simultaneously. On the other hand, even though strong competition and soaring cost resulting from statutory minimum wage revision and inflation are unavoidable, the Directors are confident that the Group is now on an appropriate stage to increase its market share after the listing of the Company's shares on the GEM and believe that the Group will benefit from the listing.

During the year, the Group has extended its property management services to the PRC market and recorded an additional revenue of approximately HK\$9.5 million (2017: Nil) from this segment. In addition, the Group also recorded loan interest income from its money lending business of approximately HK\$1.6 million and interest income from investment at fair value through profit or loss of approximately HK\$1.7 million (2017: Nil). Looking forward, the provision of property management services in Hong Kong and the PRC will continue to be the core business of the Group while management will continue to explore other investment opportunities in order to increase the Group's income source and will therefore be in the interest of the Company and the shareholders of the Company as a whole.

應付賬款周轉日數

應付賬款周轉日數由截至2017年3月31日止年度約25.0日略微上升1日至截至2018年3月31日止年度約26.0日。該增加是由於悉數使用部分債權人提供的信貸期所致。

股息

董事並不建議就截至2018年3月31日止年度宣派末期股息(2017年：無)。

經營回顧

前景

香港物業市場不斷擴大，輿論非常關注建屋量，於短期內加快物業落成料可解決龐大住屋需求，展望未來物業管理業務將同步擴展。此外，儘管業內競爭激烈以及調整法定最低工資及通脹令成本飆升在所難免，董事抱有信心本公司股份於GEM上市後本集團現處於合適階段增加其市場佔有率，並且相信本集團將受惠於上市。

年內，本集團的物業管理服務拓展至中國市場，於該分部錄得額外收益約950萬港元(2017年：無)。此外，本集團亦錄得放債業務的貸款利息收入約160萬港元及按公允值計入損益的投資的利息收入約170萬港元(2017年：無)。展望未來，於香港及中國提供物業管理服務將繼續為本集團的核心業務，而管理層將繼續物色其他投資機遇，以增加本集團的收入來源，因而其符合本公司及本公司股東的整體利益。

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OPERATION REVIEW (continued)

Human resources

As at 31 March 2018, the Group had a total of 1,965 employees (as at 31 March 2017: 2,162 employees). The Group's staff costs for the year ended 31 March 2018 amounted to approximately HK\$331.1 million (2017: HK\$338.6 million). To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance.

Services contracts

Due to well-established team and project planning, during the year ended 31 March 2018, 17 property management contracts were awarded to the Group.

As at 31 March 2018, there were in total 434 service contracts (covering around 74,000 households) comprising 402 property management service contracts, 15 stand-alone security service contracts and 17 facility management service contracts.

Contract renewal complying with procedural requirements

A service contract which does not comply with the procedural requirements for contract renewal as stipulated in section 20A of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) may be cancelled by the owners' corporation. Included in 434 contracts in force as at 31 March 2018, 137 service contracts are not in strict compliance with the said contract renewal requirements, hence, termination notices were served on clients involving in these contracts. All of the remaining 297 valid contracts as at 31 March 2018 are in compliance with the said procedural requirements or not applicable under the Building Management Ordinance. Senior management adopts a tight control system to monitor the full compliance of the procedural requirements. All newly signed contracts during the year ended 31 March 2018 included the mandatory term requiring the client to follow the said procedural requirements, if applicable.

經營回顧(續)

人力資源

於2018年3月31日，本集團總共聘用1,965名員工（於2017年3月31日：2,162名員工）。截至2018年3月31日止年度本集團員工成本約為3.311億港元（2017年：3.386億港元）。為確保可吸引及留聘表現優秀的員工，本集團定期檢討員工薪津，另外因應本集團業績及個別員工表現發放非經常性獎金予合資格員工。

服務合約

有賴完善的團隊及項目計劃，截至2018年3月31日止年度，本集團獲授17份物業管理合約。

於2018年3月31日，服務合約總數為434份（涵蓋約74,000個住戶），包括402份物業管理服務合約、15份獨立保安服務合約及17份設施管理服務合約。

合約續期遵守程序要求

倘未能遵守建築物管理條例（香港法例第344章）20A條所規範的續期程序要求，則服務合約可能遭業主立案法團取消。於2018年3月31日，有效的434份服務合約中，137份服務合約未能嚴格遵守該續期要求，因此已向涉及該等合約的客戶發出終止通知書。於2018年3月31日，餘下所有297份有效合約已符合該程序要求或不適用於建築物管理條例。高級管理層採取嚴緊監控措施作出監管確保依足程序要求。截至2018年3月31日止年度，所有新簽訂合約已加入硬性條款要求客戶必須遵循該程序要求（如適用）。

OPERATION REVIEW (continued)

Client accounts

As at 31 March 2018, the Group held 61 (2017: 61) client accounts amounting to approximately HK\$43.7 million (2017: HK\$40.8 million) on trust for and on behalf of customers. These client accounts are opened in the names of the Group and the relevant properties. The management fees received from the tenants or owners of the properties were deposited into these client accounts and the expenditure of these customers was paid from these client accounts.

Performance bond

As at 31 March 2018, the banks issued 8 (2017: 10) bond certificates amounting to approximately HK\$15.7 million (2017: HK\$20.4 million) on behalf of the Group to the clients as required in the service contracts.

Capital expenditure

The Group purchased property, plant and equipment amounting to approximately HK\$0.6 million for the year ended 31 March 2018 (2017: HK\$10.4 million).

Capital commitments

The Group did not have any significant capital commitments as at 31 March 2018 and 31 March 2017.

Contingent liabilities

Details of contingent liabilities of the Group are set out in note 38 to the consolidated financial statements.

經營回顧(續)

客戶賬戶

於2018年3月31日，本集團以信託形式代表客戶持有61個(2017年：61個)客戶賬戶，金額約4,370萬港元(2017年：4,080萬港元)。該等客戶賬戶以本集團及相關物業的名義開立。從租戶或物業業主收取的管理費均存入該等客戶賬戶，而該等客戶的開支則從該等客戶賬戶支付。

履約保證金

於2018年3月31日，按服務合約的規定，銀行代表本集團向客戶發出8份(2017年：10份)履約證書，金額約1,570萬港元(2017年：2,040萬港元)。

資本開支

截至2018年3月31日止年度，本集團購入約60萬港元(2017年：1,040萬港元)的物業、機器及設備。

資本承擔

於2018年3月31日及2017年3月31日，本集團並無任何重大資本承擔。

或然負債

本集團或然負債的詳情載於綜合財務報表附註38。

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Foreign currency risk

The Group has certain exposure to foreign currency risk as the Group's deposits placed for life insurance policies are denominated in United States dollar ("US\$").

The Group considers the risk exposure to foreign currency fluctuation is limited as long as the HK\$ remains pegged to the US\$. This analysis is performed on the same basis for 2017.

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates, Joint Ventures and Future Plans for Material Investments or Capital Asset

Acquisition of a Financial Services Company

On 20 January 2017, the Company, as potential purchaser, entered into a non-legally binding memorandum of understanding (the "MOU") with a potential vendor (the "Potential Vendor"). Pursuant to the MOU, the Company intends to acquire, and the Potential Vendor intends to dispose of, the entire issued share capital in a company incorporated in the British Virgin Islands with limited liability ("Target Group") which, together with its subsidiaries (collectively, the "Target Group") is currently licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). The Target Group also holds a money lender's licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) (the "MLO"). In addition, the Target Group has recently submitted an application to the Securities and Futures Commission of Hong Kong for approval of the addition of Type 9 (asset management) regulated activity.

經營回顧(續)

外幣風險

本集團人壽保險保單之按金以美元(「美元」)計值，故本集團須承擔若干外幣風險。

本集團認為，只要港元與美元依然掛鉤，外幣波動風險有限。於2017年，該分析以相同基準進行。

由於本集團大多數業務交易、資產及負債均以集團實體之功能貨幣計值，故本集團面對的外幣風險甚微。本集團目前並無針對外幣資產及負債的外幣對沖政策。本集團將密切監管其外幣風險，並將考慮於有需要時對沖重大外幣風險。

重大所持投資、有關附屬公司、聯營公司及合營企業的重大收購及出售以及重大投資或資本資產的未來計劃

收購金融服務公司

於2017年1月20日，本公司作為有意買方與有意賣方(「有意賣方」)訂立不具法律約束力的諒解備忘錄(「諒解備忘錄」)。根據諒解備忘錄，本公司擬收購而有意賣方擬出售一間於英屬處女群島註冊成立的有限公司(連同其附屬公司統稱「目標集團」，現時持有牌照可進行香港法例第571章證券及期貨條例(「證券及期貨條例」)項下第1類(證券交易)、第2類(期貨合約交易)及第6類(就機構融資提供意見)受規管活動)的全部已發行股本。目標集團亦持有香港法例第163章放債人條例(「放債人條例」)項下放債人牌照。此外，目標集團最近向香港證券及期貨事務監察委員會提交申請批准新增第9類(提供資產管理)受規管活動。

OPERATION REVIEW (continued)

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates, Joint Ventures and Future Plans for Material Investments or Capital Asset (continued)

Acquisition of a Financial Services Company (continued)

On 13 February 2017, a wholly-owned subsidiary of the Company (as purchaser) and the Company (as guarantor) entered into an agreement (the “Agreement”) with Mr. Chang Tin Duk, Victor (“Mr. Chang”) (as vendor), pursuant to which the aforesaid purchaser has conditionally agreed to acquire, and Mr. Chang has conditionally agreed to sell, 30% of the issued share capital of the Target Company at a consideration of HK\$31,500,000.

On 28 April 2017, all the conditions precedent set out in the Agreement have been fulfilled and the aforesaid completion took place on 28 April 2017 in accordance with the terms and conditions of the Agreement.

Following the aforesaid completion, the Company is holding 30% of the equity interest in the Target Company and the Target Company has become an associate of the Company, and the investment of the Group in the Target Group is classified as investment in an associate.

Details of the acquisition are disclosed in the Company’s announcements dated 20 January 2017, 13 February 2017 and 28 April 2017.

經營回顧(續)

重大所持投資、有關附屬公司、聯營公司及合營企業的重大收購及出售以及重大投資或資本資產的未來計劃(續)

收購金融服務公司(續)

於2017年2月13日，本公司全資附屬公司(作為買方)及本公司(作為擔保人)與張天德先生(「張先生」)(作為賣方)訂立協議(「協議」)，據此，前述買方有條件同意收購而張先生有條件同意出售目標公司已發行股本30%，代價為31,500,000港元。

於2017年4月28日，協議所載全部先決條件已達成，上述完成於2017年4月28日根據協議的條款及條件落實。

於上述完成後，本公司現時持有目標公司的30%股權，而目標公司已成為本公司的聯營公司，且本集團於目標集團的投資分類為於一間聯營公司的投資。

有關收購事項的詳情於本公司日期為2017年1月20日、2017年2月13日及2017年4月28日的公佈內披露。

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OPERATION REVIEW (continued)

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates, Joint Ventures and Future Plans for Material Investments or Capital Asset (continued)

Acquisition of the Convertible Notes

On 14 July 2017, Oceanic Alliance Investments Limited (the “Seller”), and Lucky Stone Investments Limited, a wholly-owned subsidiary of the Company (the “Buyer”), entered into an agreement in relation to the acquisition of convertible notes of HK\$36,000,000 (the “CN Agreement”).

Subject to the satisfaction (or waiver) of the conditions precedent as set out in the CN Agreement, the Buyer conditionally agrees to acquire the convertible notes from the Seller at a total consideration of HK\$36,000,000 (equivalent to AUD6,000,000, using an agreed exchange rate of AUD1=HK\$6 and being the face value of the aggregate principal amount of the convertible notes) (the “CN Acquisition”). The convertible notes for the principal amount of AUD6,000,000 with a maturity date on 1 March 2019 are issued by ASF Group Limited (the “Issuer”), a public company limited by shares, incorporated and domiciled in Australia, with its issued shares being listed on the Australian Stock Exchange Limited (CAN 008 624 691), and are unsecured and not listed on any stock exchange. Further, the Buyer agrees to pay to the Seller an accrued interest of the convertible notes from 1 April 2017 and up to the completion date specified under the Agreement (both date inclusive) to be calculated at an interest rate of 10% per annum in accordance with terms of a deed of convertible note entered into between the Seller and the Issuer.

Completion of the CN Acquisition

On 12 October 2017, all conditions precedent under the CN Agreement have been fulfilled and the completion in relation to the CN Acquisition took place.

The convertible notes for the principal amount of AUD6,000,000 (equivalent to HK\$36,000,000) with a maturity date on 1 March 2019 are issued by the Issuer and are unsecured and not listed on any stock exchange.

Details of above are set out in the Company’s announcements dated 14 July 2017 and 13 October 2017.

經營回顧(續)

重大所持投資、有關附屬公司、聯營公司及合營企業的重大收購及出售以及重大投資或資本資產的未來計劃(續)

收購可換股票據

於2017年7月14日，Oceanic Alliance Investments Limited(「賣方」)及Lucky Stone Investments Limited(本公司的全資附屬公司)(「買方」)就收購36,000,000港元的可換股票據訂立一份協議(「可換股票據協議」)。

待可換股票據協議所載先決條件達成(或獲豁免)後，買方有條件同意向賣方收購可換股票據，總代價為36,000,000港元(按協定匯率1澳元=6港元計算，相當於6,000,000澳元，即可換股票據本金總額之面值)(「可換股票據收購事項」)。可換股票據由澳中財富集團有限公司(「發行人」，一間於澳洲註冊成立及落戶的公眾股份有限公司，其已發行股份於澳洲證券交易所有限公司(CAN 008 624 691)上市)發行，有關票據為無抵押及並無於任何證券交易所上市，本金額為6,000,000澳元，到期日為2019年3月1日。此外，買方同意自2017年4月1日起至該協議所訂明之完成日期(包括首尾兩日)向賣方支付可換股票據之應計利息，有關利息按賣方與發行人所訂立之可換股票據契據條款之年利率10%計算。

可換股票據收購事項完成

於2017年10月12日，可換股票據協議項下所有先決條件已獲達成，故可換股票據收購事項已告落實完成。

可換股票據由發行人發行，有關票據為無抵押及並無於任何證券交易所上市，本金額為6,000,000澳元(相當於36,000,000港元)，到期日為2019年3月1日。

有關上述事項的詳情載於本公司日期為2017年7月14日及2017年10月13日的公佈中。

OPERATION REVIEW (continued)

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates, Joint Ventures and Future Plans for Material Investments or Capital Asset (continued)

Conditional Mandatory Cash Offers

On 4 January 2018, the Company and Heng Sheng Capital Limited (“Offeror”) jointly announced that immediately prior to the share purchases on the market by the Offeror totalling 257,504,000 shares (the “Share(s)”) of the Company (including the Additional Share Purchases (as defined hereinafter)), representing approximately 30.11% of the entire share capital of the Company as at the date of the relevant joint announcement (the “Share Purchases”), the Offeror and parties acting in concert with it were not interested in any Shares. Immediately prior to the share purchases on the market by the Offeror of 15,000,000 Shares on 29 December 2017, representing approximately 1.76% of the entire share capital of the Company as at the date of the relevant joint announcement (the “Additional Share Purchases”), the Offeror and parties acting in concert with it were interested in 242,504,000 Shares, representing approximately 28.35% of the entire issued share capital of the Company as at the date of the relevant joint announcement. Immediately following the Share Purchases (including the Additional Share Purchases), the Offeror and parties acting in concert with it own an aggregate of 257,504,000 Shares, representing approximately 30.11% of the entire issued share capital of the Company as at the date of the relevant joint announcement.

The Offeror is required to make the conditional mandatory cash offers (the “Offers”) for all the issued Shares (other than those already owned or to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code and to cancel all the outstanding share options granted under the share option scheme adopted by the Company on 19 September 2013 pursuant to Rule 13.5 of the Takeovers Code.

Kingston Securities Limited, for and on behalf of the Offeror and in compliance with the Takeovers Code, made the Offers on the terms set out in the composite document dated 24 January 2018 (the “Composite Document”).

經營回顧(續)

重大所持投資、有關附屬公司、聯營公司及合營企業的重大收購及出售以及重大投資或資本資產的未來計劃(續)

有條件強制性現金要約

於2018年1月4日，本公司及恒生資本有限公司(「要約方」)聯合宣佈，緊接要約方於市場購買合共257,504,000股本公司股份(「股份」)(包括額外股份購買(定義見下文)，佔本公司於相關聯合公佈日期全部股本約30.11%(「股份購買」))前，要約方及其一致行動人士並無於任何股份中擁有權益。緊接要約方於2017年12月29日於市場購買15,000,000股股份(佔本公司於相關聯合公佈日期全部股本約1.76%(「額外股份購買」))前，要約方及其一致行動人士於242,504,000股股份中擁有權益，佔本公司於相關聯合公佈日期全部已發行股本約28.35%。緊隨股份購買(包括額外股份購買)後，要約方及其一致行動人士擁有合共257,504,000股股份，佔本公司於相關聯合公佈日期全部已發行股本約30.11%。

要約方須根據收購守則規則26.1就全部已發行股份(要約方及其一致行動人士已擁有或將予收購者除外)提出有條件強制性現金要約(「要約」)及根據收購守則規則13.5註銷本公司於2013年9月19日採納的購股權計劃項下所授出全部尚未行使購股權。

金利豐證券有限公司代表要約方及遵照收購守則，按照日期為2018年1月24日之綜合文件(「綜合文件」)所載的條款提出要約。

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OPERATION REVIEW (continued)

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates, Joint Ventures and Future Plans for Material Investments or Capital Asset (continued)

Conditional Mandatory Cash Offers (continued)

On 5 January 2018, the Board announced that the independent board committee of the Board (the “Independent Board Committee”), comprising all the independent non-executive Directors, namely Mr. Tso Siu Lun, Alan, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard, has been established for the purpose of making a recommendation to the shareholders of the Company other than the Offeror and parties acting in concert with it and the holders of the Share Options in respect of the Offers and, in particular, as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers. The recommendation of the Independent Board Committee was included in the Composite Document.

With the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code, the Company has appointed Euto Capital Partners Limited as an independent financial adviser to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers. Euto Capital Partners Limited is a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activities under the SFO. The letter of advice from Euto Capital Partners Limited in respect of the Offers was included in the Composite Document despatched jointly by the Company and the Offeror.

The Composite Document in relation to the Offers were despatched on 24 January 2018.

Details of above are set out in the Company’s announcements dated 4 January 2018 and 5 January 2018 and Composite Document dated 24 January 2018.

經營回顧(續)

重大所持投資、有關附屬公司、聯營公司及合營企業的重大收購及出售以及重大投資或資本資產的未來計劃(續)

有條件強制性現金要約(續)

於2018年1月5日，董事會宣佈，董事會的獨立董事委員會(「獨立董事委員會」)已告設立，其成員由全體獨立非執行董事(即曹肇楸先生、林繼陽先生及羅志豪先生)組成，旨在向本公司股東(要約方及其一致行動人士除外)及購股權持有人提供有關要約的推薦建議，尤其是就有關要約條款是否公平及合理，以及是否接納要約的推薦建議。獨立董事委員會之建議已納入綜合文件內。

根據收購守則規則2.1經獨立董事委員會批准，本公司已委任裕韜資本有限公司為獨立財務顧問，以就要約及(尤其是)要約的條款是否公平合理及是否接納要約向獨立董事委員會提供意見。裕韜資本有限公司為可從事證券及期貨條例項下第6類(就機構融資提供意見)受規管活動的持牌法團。裕韜資本有限公司就要約發出的意見函件已載入本公司與要約方共同寄發的綜合文件內。

有關要約之綜合文件已於2018年1月24日寄發。

有關上述事項的詳情載於本公司日期為2018年1月4日及2018年1月5日之公佈以及日期為2018年1月24日之綜合文件。

OPERATION REVIEW (continued)

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates, Joint Ventures and Future Plans for Material Investments or Capital Asset (continued)

Close, Results and Settlement of the Offers and Public Float of the Shares

On 22 February 2018, the Offeror and the Company jointly announced that the Offers were closed at 4:00 p.m. and were not revised or extended by the Offeror.

As at 4:00 p.m. (being the latest time for acceptance of the Offers) on the Closing Date (as defined in the Composite Document), the Offeror had received (i) 20 valid acceptances in respect of a total of 362,255,950 Offer Shares under the Share Offer, representing approximately 42.35% of the entire issued share capital of the Company as at the date of the joint announcement; and (ii) valid acceptances in respect of aggregate of 20,000,000 Share Options under the Option Offer (as defined in the Composite Document), representing 100% of the then outstanding Share Options (as defined in the Composite Document).

Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of the acceptances of the Share Offer) payable for the Offer Shares tendered under the Share Offer have been posted to the Independent Shareholders who have already accepted the Share Offer (to the address specified in the Form of Share Offer Acceptance) by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of the duly completed Form of Share Offer Acceptance and all the relevant documents of title necessary to render the acceptance under the Share Offer and the date on which the Offers became unconditional. Remittances in respect of the cash consideration payable for the Share Options tendered under the Option Offer have been posted to the Optionholders who have already accepted the Option Offer (to the address specified in the Form of Option Offer Acceptance) by ordinary post within seven (7) Business Days following the date on which the Offers became unconditional.

Immediately after the close of the Offers, subject to the due registration by the Registrar of the transfer of those Offer Shares acquired under the Share Offer to the Offeror, 235,591,565 Shares, representing approximately 27.54% of the entire issued share capital of the Company as at the date of the joint announcement, are held by the public (as defined under the GEM Listing Rules). Accordingly, as at the date of the joint announcement, the Company continues to satisfy the minimum public float requirement as set out under Rule 11.23(7) of the GEM Listing Rules.

Details of above is set out in the Company's announcement dated 22 February 2018.

經營回顧(續)

重大所持投資、有關附屬公司、聯營公司及合營企業的重大收購及出售以及重大投資或資本資產的未來計劃(續)

要約之截止、結果及結算及股份之公眾持股量

於2018年2月22日，要約方及本公司聯合公佈，要約於下午四時正截止，且並無由要約方修訂或延期。

於截止日期(定義見綜合文件)下午四時正(即接納要約之最後時間)，要約方接獲(i) 涉及根據股份要約之合共362,255,950股要約股份之20份有效接納，佔本公司於該聯合公佈日期全部已發行股本約42.35%；及(ii) 涉及購股權要約(定義見綜合文件)項下合共20,000,000份購股權(定義見綜合文件)之有效接納，佔當時尚未行使購股權100%。

就根據股份要約呈交之要約股份應付之現金代價款項(於扣除接納股份要約之賣方從價印花稅後)已盡快以平郵方式寄發，惟無論如何須於登記處接獲正式填妥之股份要約接納表格及所有相關必需所有權文件以使股份要約獲接納當日及要約成為無條件當日後七(7)個營業日內寄發予已接納股份要約的獨立股東(寄往股份要約接納表格所列明的地址)，郵誤風險概由彼等自行承擔。就根據購股權要約所呈交的購股權應付現金代價款項已於要約成為無條件當日後第七(7)個營業日內以平郵方式寄發予已接納購股權要約的購股權持有人(寄往購股權要約接納表格所列明的地址)。

緊隨要約截止及待登記處正式登記向要約方轉讓根據股份要約收購之要約股份後，公眾人士(定義見GEM上市規則)持有235,591,565股股份，佔本公司於該聯合公佈日期全部已發行股本約27.54%。因此，於該聯合公佈日期，本公司繼續符合GEM上市規則第11.23(7)條之最低公眾持股量規定。

有關上述事項的詳情載於本公司日期為2018年2月22日之公佈。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATION REVIEW (continued)

Compensation from All Profit

On 21 June 2015, the Company, Capital Creation (BVI) Limited and All Profit Alliance Limited (“All Profit”) entered into a subscription and shareholders’ agreement (the “Subscription and Shareholders’ Agreement”) pursuant to which the Company subscribed 10% of the issued share capital of All Profit at the subscription price of HK\$13 million.

Under the Subscription and Shareholders’ Agreement, All Profit guaranteed to the Company that the net profit of All Profit after tax (the “2016 After-Tax Profit”) for the period from 20 March 2015 (date of incorporation of All Profit) to 30 June 2016 (the “Initial Guarantee Period”) shall not be less than HK\$10 million (the “Guaranteed Profit Amount”). If the 2016 After-Tax Profit of All Profit falls below the Guaranteed Profit Amount, All Profit shall allot and issue to the Company such number of new All Profit Shares representing 10% of the then issued share capital of All Profit enlarged by the allotment and issue of such new All Profit Shares and the Guaranteed Profit Amount shall be extended for a further 12 months to the year ended 30 June 2017 (the “Extended Guarantee Period”) in the same guaranteed amount (the “Extended Profit Guarantee”). If the net profit of All Profit after tax for the year ended 30 June 2017 (the “2017 After-Tax Profit”) is less than that Extended Profit Guarantee, All Profit shall compensate the Company for the shortfall (the “Compensation”) calculated as follows:

The difference between the 2017 After-Tax Profit and the Extended Profit Guarantee × 13 × 20%

For the avoidance of doubt, if the 2017 After-Tax Profit is zero or a negative amount, the formula (HK\$10,000,000 × 13 × 20%) will be adopted in calculating the amount of the Compensation. Notwithstanding the above, the Company shall have the right to request All Profit to issue and allot to the Company such number of additional new All Profit Shares representing 5% of the then issued share capital of All Profit as enlarged by the allotment and issue of such new shares of All Profit (“All Profit Shares”) in lieu of the Compensation.

經營回顧(續)

來自All Profit的彌償

於2015年6月21日，本公司、Capital Creation (BVI) Limited 及 All Profit Alliance Limited (「All Profit」) 訂立認購及股東協議 (「認購及股東協議」)，據此，本公司認購All Profit已發行股本的10%，認購價為13,000,000港元。

根據認購及股東協議，All Profit向本公司擔保，All Profit自2015年3月20日 (All Profit註冊成立日期) 至2016年6月30日期間 (「初始擔保期間」) 的除稅後純利 (「2016年除稅後溢利」) 將不少於10,000,000港元 (「擔保溢利金額」)。倘All Profit的2016年除稅後溢利低於擔保溢利金額，All Profit須向本公司配發及發行數目相當於All Profit經配發及發行新All Profit股份擴大後的當時已發行股本10%的新All Profit股份，及擔保溢利金額將進一步延長12個月到截至2017年6月30日止年度 (「延長擔保期間」) 且擔保金額不變 (「延長溢利擔保」)。倘All Profit截至2017年6月30日止年度的除稅後純利 (「2017年除稅後溢利」) 低於延長溢利擔保，All Profit須向本公司彌償按以下方式計算的缺額 (「彌償」)：

2017年除稅後溢利與延長溢利擔保的差額 × 13 × 20%

為免生疑問，倘2017年除稅後溢利為零或負數金額，將採納公式 (10,000,000港元 × 13 × 20%) 計算彌償金額。儘管上文所述，本公司有權要求All Profit向本公司發行及配發數目相當於All Profit經配發及發行新All Profit股份 (「All Profit股份」) 擴大後的當時已發行股本5%的額外新All Profit股份，以代替彌償。

OPERATION REVIEW (continued)

Compensation from All Profit (continued)

As advised by All Profit, based on the audited financial statements of All Profit for the year ended 30 June 2017, it recorded an audited net loss of approximately HK\$7.3 million for the year ended 30 June 2017 and approximately HK\$3.9 million for the period from 20 March 2015 (date of incorporation) to 30 June 2016, respectively. Accordingly, the profit guarantee for both the Initial Guarantee Period and the Extended Guarantee Period are not met. The aforesaid audited financial statements of All Profit for the year ended 30 June 2017 were issued in late 2017.

Pursuant to the Subscription and Shareholders Agreement, the Company has demanded (i) the additional All Profit Shares, representing 10% of the then issued share capital of All Profit, to be allotted and issued to the Company as a result of All Profit failing to meet the profit guarantee for the Initial Guarantee Period such that the Company will be interested in approximately 20% of the issued share capital in All Profit; and (ii) the Compensation of HK\$26 million calculated based on the abovementioned formula (i.e. HK\$10,000,000 × 13 × 20%) from All Profit as a result of All Profit failing to meet the profit guarantee for the Extended Guarantee Period. All Profit has confirmed to the Company that allotment and issue of the additional All Profit Shares was completed on 26 January 2018 and the Compensation will be fully settled on or before 31 December 2018.

Details of above are set out in the Company's announcements dated 11 May 2015, 22 June 2015, 3 July 2015 and 30 January 2018.

Major Shareholders

Heng Sheng Capital Limited is an investment holding company incorporated in the British Virgin Islands on 4 August 2011 with limited liability and is beneficially and wholly owned by Mr. Huang Liming. Mr. Huang is the sole director of Heng Sheng Capital Limited.

As at 31 March 2018, Heng Sheng Capital Limited owns an aggregate of 619,911,950 shares of the Company, representing 72.47% of the issued share capital of the Company.

經營回顧(續)

來自All Profit的彌償(續)

據All Profit表示，根據All Profit截至2017年6月30日止年度的經審核財務報表，截至2017年6月30日止年度及自2015年3月20日(註冊成立日期)至2016年6月30日期間，All Profit分別錄得經審核淨虧損約7,300,000港元及約3,900,000港元。因此，初始擔保期間及延長擔保期間的溢利擔保均未能達成。上述All Profit截至2017年6月30日止年度的經審核財務報表已於2017年年底刊發。

根據認購及股東協議，本公司已要求(i) All Profit就未能達成初始擔保期間的溢利擔保而向本公司配發及發行額外All Profit股份(相當於All Profit當時已發行股本的10%)，致使本公司將擁有All Profit已發行股本約20%權益；及(ii) All Profit就未能達成延長擔保期間的溢利擔保而根據上述公式(即10,000,000港元 × 13 × 20%)計算得出的彌償26,000,000港元。All Profit已向本公司確認，配發及發行額外All Profit股份已於2018年1月26日完成，而彌償將於2018年12月31日或之前全數結清。

有關上述事項的詳情載於本公司日期為2015年5月11日、2015年6月22日、2015年7月3日及2018年1月30日的公佈。

主要股東

恒生資本有限公司為於2011年8月4日在英屬處女群島註冊成立之投資控股有限公司，由黃黎明先生全資實益擁有。黃先生為恒生資本有限公司之唯一董事。

於2018年3月31日，恒生資本有限公司擁有合共619,911,950股本公司股份，佔本公司已發行股本72.47%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATION REVIEW (continued)

Update on Directors' Information

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, changes in the Directors' information since the disclosure made in the Company's annual report 2016-2017 or the announcement in relation to the appointment of director (as the case may be) are set out as follows:

- Mr. Eric Todd, an executive Director of the Company, resigned as an independent non-executive director of Boill Healthcare Holdings Limited (formerly known as Ngai Shun Holdings Limited) with effect from 14 August 2017 (a company listed on the Main Board of the Stock Exchange Stock Code: 1246);
- Mr. Lo Chi Ho, Richard, an independent non-executive Director of the Company, was appointed as an independent non-executive director of Chinney Investments, Limited with effect from 3 November 2017 (a company listed on the Main Board of the Stock Exchange, Stock Code: 216);
- Mr. Tso Siu Lun, Alan, an independent non-executive Director of the Company, was appointed as an independent non-executive director of OCI International Holdings Limited (formerly known as Dragonite International Limited) (a company listed on the Main Board of the Stock Exchange, Stock Code: 329) since May 2017; and
- Mr. Lam Kai Yeung, an independent non-executive Director of the Company, was appointed as (i) an independent non-executive director of Kin Shing Holdings Limited (stock code: 1630) since May 2017; and (ii) a company secretary of Hua Long Jin Kong Company Limited (formerly known as Highlight China IoT International Limited) (stock code: 1682) since November 2017 and chief executive officer since September 2017. The securities of these companies are listed on the Main Board of the Stock Exchange.

經營回顧(續)

更新董事資料

根據GEM上市規則第17.50A(1)條，自本公司於2016至2017年報或有關委任董事的公佈(視情況而定)中作出披露以來，董事資料的變動載列如下：

- 本公司執行董事達振標先生辭任保集健康控股有限公司(前稱毅信控股有限公司)之獨立非執行董事一職，自2017年8月14日起生效。該公司於聯交所主板上市(股份代號：1246)；
- 本公司獨立非執行董事羅志豪先生獲委任為建業實業有限公司的獨立非執行董事，自2017年11月3日起生效。該公司於聯交所主板上市(股份代號：216)；
- 本公司獨立非執行董事曹肇楸先生於2017年5月獲委任為東建國際控股有限公司(前稱參龍國際有限公司)的獨立非執行董事，該公司於聯交所主板上市(股份代號：329)；及
- 本公司獨立非執行董事林繼陽先生(i)於2017年5月獲委任為建成控股有限公司(股份代號：1630)的獨立非執行董事；及(ii)於2017年11月及2017年9月分別獲委任為華隆金控有限公司(前稱高銳中國物聯網國際有限公司)(股份代號：1682)的公司秘書及行政總裁。該等公司的證券於聯交所主板上市。

OPERATION REVIEW (continued)

Change of Address of Head Office and Principal Place of Business in Hong Kong

As disclosed in the announcement of the Company dated 1 September 2017, the address of head office and principal place of business in Hong Kong of the Company has been changed to Unit 1001, 10 Floor, Chung Nam House, 59 Des Voeux Road Central, Hong Kong with effect from 1 September 2017.

Charges over assets of the Group

As at 31 March 2018, certain bank deposits of approximately HK\$10.2 million (2017: HK\$7.1 million) and the deposits placed for life insurance policies of approximately HK\$8.4 million (2017: HK\$8.2 million) were pledged to a bank to secure banking facilities granted to the Group. Besides, the Group had certain motor vehicles acquired under finance lease. The carrying values of motor vehicles under finance lease amounted to approximately HK\$0.3 million and HK\$0.4 million as at 31 March 2018 and 31 March 2017 respectively.

The deposits placed for life insurance policies are denominated in United States dollars, a currency other than the functional currency of the Group.

經營回顧(續)

總辦事處及香港主要營業地點地址變動

誠如本公司日期為2017年9月1日的公佈所披露，本公司總辦事處及香港主要營業地點地址已更改為香港中環德輔道中59號中南行10樓1001室，自2017年9月1日起生效。

本集團的資產抵押

於2018年3月31日，約1,020萬港元(2017年：710萬港元)的若干銀行存款和約840萬港元(2017年：820萬港元)就人壽保險保單存入的按金已抵押予一間銀行，作為本集團獲授銀行融資的抵押。此外，本集團若干汽車根據融資租賃購買。於2018年3月31日及2017年3月31日，有關根據融資租賃購買的汽車的賬面值分別約為30萬港元和40萬港元。

就人壽保險保單存入的按金以美元(並非本集團的功能貨幣)計值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATION REVIEW (continued)

經營回顧(續)

Fund raising activities

集資活動

In order to meet the needs of business development, the Group successfully completed a number of equity fund raising activities during the past twelve months immediately preceding 31 March 2018, as detailed below:

為應付業務發展需要，本集團於緊接2018年3月31日前過去12個月成功完成多項股本集資活動，詳情如下：

| Date of initial announcement 首次公佈日期 | Fund raising activities 集資活動 | Net proceeds 所得款項淨額 | Intended use of proceeds 所得款項擬定用途 | Actual use of proceeds as at the date of this report 所得款項於本公佈日期的實際用途 |
|--|---|---|--|---|
| 11 May 2017 (completed on 26 May 2017) 2017年5月11日(於2017年5月26日完成) | Placing of 118,800,000 new ordinary shares of HK\$0.01 each under general mandate at the placing price of HK\$0.24 per Share to not less than six placees who are independent professional, institutional or other investors (closing price of the Share as quoted on the Stock Exchange on the date of the placing agreement is HK\$0.245) 根據一般授權向不少於六名屬獨立專業、機構或其他投資者的承配人按配售價每股0.24港元(股份於配售協議日期在聯交所報收市價為0.245港元)配售118,800,000股每股面值0.01港元的新普通股 | Approximately HK\$27.6 million (net proceeds raised per Share was approximately HK\$0.23 per Share) 約2,760萬港元(每股股份產生的所得款項淨額約為每股0.23港元) | Intended to be used for future investment opportunities of the Company which includes but not limited to capital investment in the provision of financial services in Hong Kong such as money lending business, securities investments, and/or properties investment and/or as general working capital of the Group 擬用於本公司未來投資機遇，包括但不限於在香港提供金融服務(如放債業務)的資本投資、證券投資及/或物業投資及/或作為本集團的一般營運資金 | Utilised as to 10% for working capital and 90% in the money lending business as intended. All of the net proceeds thereof are fully utilised 10%用於營運資金及90%用於放債業務之擬定用途。所有所得款項淨額已全數動用 |

OPERATION REVIEW (continued)

經營回顧(續)

Fund raising activities (continued)

集資活動(續)

| Date of initial announcement 首次公佈日期 | Fund raising activities 集資活動 | Net proceeds 所得款項淨額 | Intended use of proceeds 所得款項擬定用途 | Actual use of proceeds as at the date of this report 所得款項於本報告日期的實際用途 |
|---|---|---|--|--|
| 29 August 2017 (completed on 21 September 2017) 2017年8月29日(於2017年9月21日完成) | Placing of 142,400,000 new ordinary shares of HK\$0.01 each under general mandate at the placing price of HK\$0.145 per Share to not less than six placeses who are independent third parties to the Company (closing price of the Share as quoted on the Stock Exchange on the date of the placing agreement is HK\$0.174) 根據一般授權向不少於六名屬本公司獨立第三方的承配人按配售價每股0.145港元(股份於配售協議日期在聯交所報收市價為0.174港元)配售142,400,000股每股面值0.01港元的新普通股 | Approximately HK\$20.0 million (net proceeds raised per share was approximately HK\$0.14 per share) 約2,000萬港元(每股股份產生的所得款項淨額約為每股0.14港元) | Intended to be used for (i) approximately HK\$18.0 million for future investment opportunities of the Company (including but not limited to capital investment in the provision of financial services in Hong Kong such as money lending business, securities investments, and/or properties investment); and (ii) approximately HK\$2 million as general working capital of the Group. (i)約1,800萬港元擬用於本公司未來投資機遇，包括但不限於在香港提供金融服務(如放債業務)的資本投資、證券投資及/或物業投資；及(ii)約200萬港元作為本集團的一般營運資金 | Approximately HK\$18 million was utilized as partial payment for an acquisition of the CN of principal amount of AUD6 million and approximately HK\$2 million has been used as working capital of the Group. 約1,800萬港元用作收購本金額為600萬澳元的可換股票據及約200萬港元用作本集團營運資金 |

RISKS RELATING TO THE GROUP AND ITS BUSINESS

有關本集團及其業務的風險

The Group faces intense competition which may adversely affect its market share and profitability. The property management industry in Hong Kong is competitive and the competition may exert some pressure on the service fees of property management companies. The Group may therefore be required to reduce its fees or maintain low service fees in view of the market pressure so as to retain customers or pursue new business opportunities. The Group's revenue stream and profitability may also be adversely affected if the customers terminate the services contracts with the Group, whether by serving written notice or for the reason of breach or material breach of the terms or conditions thereunder, prior to the expiry date.

本集團面對激烈競爭，其市場份額及盈利能力可能受到不利影響。香港物業管理行業充滿競爭，且有關競爭可能會對物業管理公司的服務費構成一定壓力。因此，鑑於市場壓力，本集團可能須減低其費用或維持低服務費，從而留住客戶或尋求新商機。倘客戶於屆滿日期前終止與本集團的服務合約(不論是以書面通知或因違反或嚴重違反合約條款或條件而終止)，則本集團的收入來源及盈利能力亦可能會受到不利影響。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Eric Todd (“Mr. Todd”) has been appointed as the chairman of the Board and an executive Director with effect from 1 August 2016. Mr. Todd has resigned from the position as the Chairman of the Board and remains as an executive Director of the Company with effect from 6 March 2018.

Mr. Todd, aged 56, holds a Bachelor of Science degree in business administration from Boston University in the United States. He was a certified public accountant in the State of California, the United States from September 1989 to January 2010. Mr. Todd started his career at the Hong Kong office of KPMG (formerly known as KPMG Peat Marwick) from 1985 to 1990 and subsequently joined the Standard Chartered Bank Group and worked from 1991 to 1995. Prior to joining the Company, he had been employed as a business consultant and also served as finance director for several companies engaged in the media industry.

Mr. Todd is currently an executive director of Hsin Chong Group Holdings Limited (stock code: 404) and a non-executive director of Leyou Technologies Holdings Limited (stock code: 1089). The securities of the these companies are listed on the Main Board of the Stock Exchange.

Mr. Todd was an independent non-executive director of Boil Healthcare Holdings Limited (formerly known as Ngai Shun Holdings Limited) (stock code: 1246) from July 2016 to August 2017, whose securities are listed on the Main Board of the Stock Exchange.

執行董事

達振標先生(「達先生」)獲委任為董事會主席及執行董事，自2016年8月1日起生效。達先生辭任董事會主席，但仍為本公司執行董事，自2018年3月6日生效。

達先生，56歲，持有美國波士頓大學的工商管理學士學位。彼於1989年9月至2010年1月為美國加州註冊會計師。達先生於1985年至1990年加盟畢馬威會計師事務所(前稱畢馬域會計師行)香港辦公室開展其事業，並於其後加入及於1991年至1995年期間任職於渣打銀行集團。於加入本公司前，彼為業務顧問，並於從事傳媒業的多間公司擔任財務總監。

達先生現任新昌集團控股有限公司(股份代號：404)之執行董事及樂遊科技控股有限公司(股份代號：1089)的非執行董事。該等公司之證券均於聯交所主板上市。

達先生於2016年7月至2017年8月期間為保集健康控股有限公司(前稱毅信控股有限公司)(股份代號：1246)的獨立非執行董事，該公司之證券於聯交所主板上市。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

EXECUTIVE DIRECTORS (continued)

Mr. Ho Ying Choi (“Mr. Ho”), aged 58, is an executive Director of the Company. He is responsible for business operation, finance management and sales and marketing. He is also a member of the remuneration committee and the nomination committee of the Company.

Mr. Ho holds a Bachelor’s degree of science from the Memorial University of Newfoundland, Canada.

Mr. Ho is the brother of Mr. Ho Ying Cheung, member of the Group’s senior management. Mr. Lau Ping Kwai, a member of the Group’s senior management, is the spouse of Mr. Ho’s cousin. Save as disclosed, Mr. Ho is not connected with any other Directors, member of the senior management, Substantial Shareholders or controlling shareholders of the Company.

Mr. Lee Chin Ching, Cyrix (“Mr. Lee”) has been appointed as an executive Director of the Company with effect from 20 December 2016.

Mr. Lee, aged 33, holds a Bachelor’s degree in business administration from Washington State University in the United States of America. Mr. Lee has extensive experience in the real estate investments, acquisition, valuation and assets management. Prior to his appointment as an executive Director, Mr. Lee had been a business consultant of the Company since 1 May 2016.

執行董事(續)

何應財先生(「何先生」)，58歲，為本公司的執行董事。彼負責業務營運、財務管理及銷售與推廣。彼亦為本公司薪酬委員會及提名委員會成員。

何先生持有加拿大 Memorial University of Newfoundland 的理學學士學位。

何先生為何應祥先生(本集團高級管理層成員)的胞弟。柳炳貴先生(本集團之高級管理人員)為何先生表親的配偶。除所披露者外，何先生與本公司任何其他董事、高級管理層成員、主要股東或控股股東概無關連。

李展程先生(「李先生」)已獲委任為本公司執行董事，自2016年12月20日起生效。

李先生，33歲，持有美國華盛頓州立大學工商管理學士學位。李先生於房地產投資、收購、估值及資產管理方面擁有豐富經驗。李先生獲委任為執行董事前，彼自2016年5月1日起擔任本公司的業務顧問。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

NON-EXECUTIVE DIRECTOR

Mr. Huang Liming (“Mr. Huang”) has been appointed as a non-executive Director and the chairman of the Board with effect from 6 March 2018.

Mr. Huang, aged 42, is an entrepreneur with 16 years of experience in property development and property management business in the PRC. He is currently the chairman of Heng Sheng Real Estate Co., Ltd, a company that is principally engaged in property development and residential property management business in the PRC.

Mr. Huang, the ultimate beneficial owner of Heng Sheng Capital Limited (“Heng Sheng”), which is the controlling shareholder of the Company. Mr. Huang, through Heng Sheng, is interested in 619,911,950 share of the Company (the “Shares”) (representing approximately 72.47% of the total number of Shares in issue as at the date of this report).

非執行董事

黃黎明先生(「黃先生」)已獲委任為非執行董事並擔任董事會主席，自2018年3月6日起生效。

黃先生，42歲，為一名於中國地產開發和物業管理業務方面擁有16年經驗的企業家。彼目前為恒生地產有限公司的主席。該公司主要於中國從事地產開發和住宅物業管理業務。

黃先生為本公司控股股東恒生資本有限公司(「恒生」)之最終實益擁有人。黃先生透過恒生於本公司619,911,950股股份(「股份」)(於本報告日期約佔已發行股份總數之72.47%)中擁有權益。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tso Siu Lun, Alan (“Mr. Tso”) has been appointed as an Independent Non-executive Director, a member of each of the audit committee and the remuneration committee of the Company and the chairman of the nomination committee of the Company.

Mr. Tso, aged 35, graduated from the Cambridge University with a bachelor’s and a master’s degrees in Land Economy, majoring in real estate finance and property law. Mr. Tso is the founder of the Foresea Capital Group Limited (“FCG”) since 2013 and the China Mini Storage Limited (“CMS”) since 2014. Prior to establishing FCG and CMS, based in Beijing, Mr. Tso worked as an investment director of the Everbright Ashmore China Real Estate Fund from 2008 to 2012, a joint venture offshore real estate fund sponsored by the China Everbright Limited (stock code: 165) and the Ashmore Group PLC (London Stock Exchange stock code: ASHM). Previously, based in Hong Kong, Mr. Tso also worked at Merrill Lynch’s Global Commercial Real Estate team from 2006 to 2007, and where he was principally involved in the firm’s principal investing activities in Asian real estate. He also worked at the HSBC’s Global Capital Markets – ABS & Structured Bonds Team from 2005 to 2006, and where he was principally involved in the bank’s securitisation business. As for public services, Mr. Tso has been invited to become the 10th and 11th session member of the Beijing Youth Federation (HKSAR), the 3rd and 4th session member of the Beijing Overseas Friendship Association (HKSAR) and the Beijing Group Convener of China Real Estate Chamber of Commerce (“CRECC”) Hong Kong Chapter. Also, he has been appointed as a part-time lecturer for the Asia-Pacific Commercial Real Estate Academy (“APCREA”), an educational institution sponsored by the CRECC’s China Commercial Real Estate Commission. He has been appointed as responsible officer of Acer King Capital Hong Kong Limited, a company licensed to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, since September 2017.

Mr. Tso is currently an independent non-executive director of OCI International Holdings Limited (formerly known as Dragonite International Limited) (stock code: 329), whose securities are listed on the Main Board of the Stock Exchange.

獨立非執行董事

曹肇楡先生(「曹先生」)已獲委任為獨立非執行董事、本公司審核委員會及薪酬委員會成員以及本公司提名委員會主席。

曹先生，35歲，畢業於劍橋大學，獲土地經濟學士學位及碩士學位，主修房地產財務和法律。曹先生分別於2013年及2014年創辦前海資本集團有限公司(「前海資本」)及中國迷你倉有限公司(「中國迷你倉」)的創始人。成立前海資本及中國迷你倉前，曹先生於2008年至2012年在北京擔任光大安石中國房地產基金(由中國光大控股有限公司(股份代號：165)與Ashmore Group PLC(倫敦證券交易所股份代號：ASHM)出資成立的合資境外中國房地產基金)之投資總監。在此之前，曹先生於2006年至2007年在香港任職於美林證券的全球商業不動產團隊，主要參與該公司於亞洲房地產的資本投資活動。彼亦曾於2005年至2006年任職於滙豐投資銀行環球資本市場部－資產抵押證券及結構性債券團隊，主要參與該銀行的證券化業務。公職方面，曹先生獲邀擔任北京市青年聯合會(香港特區)第十屆及第十一屆委員、北京海外聯誼會(香港特區)第三屆及第四屆青年委員及全國工商聯房地產商會(「CRECC」)香港分會北京組召集人。此外，曹先生也獲聘為亞太商業不動產學院(「APCREA」，全國工商聯中國房地產商會贊助的教育機構)的客座講師。彼已自2017年9月起獲委任為雅景資本(香港)有限公司(一間根據香港證券及期貨條例獲准從事第四類(就證券提供意見)及第九類(提供資產管理)受規管活動之公司)的負責人。

曹先生現為東建國際控股有限公司(前稱叁龍國際有限公司)(股份代號：329)的獨立非執行董事，該公司證券於聯交所主板上市。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Lam Kai Yeung (“Mr. Lam”) has been appointed as an Independent Non-executive Director, chairman of the audit committee and the remuneration committee of the Company, and a member of the nomination committee of the Company.

Mr. Lam, aged 48, is a fellow of the Association of Chartered Certified Accountants and a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Lam obtained a bachelor degree in accounting from the Xiamen University in July 1990 and a master degree in business administration from the Oxford Brookes University in the United Kingdom in July 2010. Mr. Lam is a licensed person for type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO.

Mr. Lam is currently a chief executive officer and company secretary of an independent non-executive director of Hua Long Jin Kong Company Limited (“Hua Long Jin”) (formerly known as Highlight China IoT International Limited) (stock code: 1682), an independent non-executive director of Holly Futures Co., Ltd (stock code: 3678), Kin Shing Holdings Limited (stock code: 1630), Starrise Media Holdings Limited (formerly known as Silverman Holdings Limited) (stock code: 1616) Sunway International Holdings Limited (stock code: 58). The securities of these companies are listed on the Main Board of the Stock Exchange. Mr. Lam is also the independent non-executive director of Finsoft Financial Investment Holdings Limited (stock code: 8018) whose securities are listed on GEM of the Stock Exchange.

Mr. Lam was an independent non-executive director of Hua Long Jin from August 2014 to May 2017 and a non-executive director of Blockchain Group Company Limited (stock code: 364) from December 2014 to May 2015. The securities of these companies are listed on the Main Board of the Stock Exchange. Mr. Lam was also an independent non-executive director of Baytacare Pharmaceutical Co., Ltd. (stock code: 8197) from August 2008 to June 2015 whose securities are listed on GEM of the Stock Exchange.

獨立非執行董事(續)

林繼陽先生(「林先生」)獲委任為本公司獨立非執行董事、審核委員會及薪酬委員會主席，以及本公司提名委員會成員。

林先生，48歲，為英國特許公認會計師公會及香港會計師公會資深會員。林先生於1990年7月取得廈門大學的會計學士學位，並於2010年7月取得英國Oxford Brookes University的工商管理碩士學位。林先生為獲准從事證券及期貨條例項下第4類(就證券提供意見)及第9類(提供資產管理)受規管活動的持牌人士。

林先生現為華隆金控有限公司(「華隆金」)(前稱高銳中國物聯網有限公司)(股份代號：1682)的行政總裁及獨立非執行董事的公司秘書、Holly Futures Co., Ltd(股份代號：3678)、建成控股有限公司(股份代號：1630)、星宏傳媒控股有限公司(前稱銀仕來控股有限公司)(股份代號：1616)及新威國際控股有限公司(股份代號：58)的獨立非執行董事。該等公司的證券於聯交所主板上市。林先生亦為匯財金融投資控股有限公司(股份代號：8018)獨立非執行董事，該公司的證券於聯交所GEM上市。

林先生於2014年8月至2017年5月期間擔任華隆金的獨立非執行董事，並於2014年12月至2015年5月期間擔任區塊鏈集團有限公司(股份代號：364)的非執行董事。該等公司的證券於聯交所主板上市。林先生亦於2008年8月至2015年6月期間擔任北斗嘉藥業股份有限公司(股份代號：8197)的獨立非執行董事，該公司的證券於聯交所GEM上市。

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Lo Chi Ho, Richard (“Mr. Lo”) has been appointed as an Independent Non-executive Director, a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

Mr. Lo, aged 50, has over 27 years of experience in the investment and real estate industry. He is currently the chief executive officer of Fulldiamond Limited, an investment and consulting company specializing in real estate, finance, securities, project and fundraising.

Mr. Lo is the vice president and chairman of commercial liaison of The Hong Kong Real Property Federation. He is also a committee member of Chinese People’s Political Consultative Conference – Jiangxi.

Mr. Lo obtained his Bachelor of Arts degree in Economics from the University of California, Los Angeles in the United States, Master of Business Administration (Investment and Finance) degree from Hull University in the United Kingdom and an executive program certificate from Stanford University in the United States.

Mr. Lo is currently an independent non-executive director of Chinney Investments, Limited (stock code: 216) whose securities are listed on Main Board of the Stock Exchange.

SENIOR MANAGEMENT

Mr. Ho Ying Cheung, aged 65, one of the founders of the Group. He was appointed as a director of Kong Shum Union Property Management Company Limited (The “KSU”) since August 1984. He had been appointed as an Executive Director from 15 August 2012 to February 2015 and was responsible for the Group’s overall business development.

Mr. Ho Ying Cheung is the brother of Mr. Ho Ying Choi, an Executive Director. Mr. Lau Ping Kwai, a member of the Group’s senior management, is the spouse of Mr. Ho Ying Cheung’s cousin. Save as disclosed, Mr. Ho Ying Cheung is not connected with any other Directors or member of senior management, Substantial Shareholders or Controlling Shareholders of the Company.

獨立非執行董事(續)

羅志豪先生(「羅先生」)獲委任為本公司獨立非執行董事以及審核委員會、薪酬委員會及提名委員會成員。

羅先生，50歲，於投資及房地產業擁有逾27年經驗。彼目前為富鑽有限公司行政總裁，該公司為專門從事房地產、金融、證券、項目及集資方面的投資及顧問公司。

羅先生為香港房地產協會有限公司副會長兼商務聯繫主席。彼亦為中國人民政治協商會議江西省委員會委員。

羅先生取得美國洛杉磯加州大學經濟學文學士學位，於英國赫爾大學取得工商管理(投資及金融)碩士學位，並於美國史丹佛大學取得行政課程證書。

羅先生現時獲委任為建業實業有限公司(股份代號：216)的獨立非執行董事。該公司證券於聯交所主板上市。

高級管理層

何應祥先生，65歲，為本集團其中一名創辦人。彼自1984年8月起獲委任為港深聯合物業管理有限公司(「港深聯合」)的董事。彼於2012年8月15日至2015年2月期間獲委任為執行董事，負責本集團整體業務發展。

何應祥先生為何應財先生(執行董事)的胞兄。柳炳貴先生(本集團高級管理層成員)為何應祥先生表親的配偶。除所披露者外，何應祥先生與本公司任何其他董事或高級管理層成員、主要股東或控股股東概無關連。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

SENIOR MANAGEMENT (continued)

Mr. Lau Ping Kwai (“Mr. Lau”), aged 67, is an associate director of KSU (*note*). He has been working in KSU for more than seventeen years. He joined KSU as a property management officer in September 1996 and was promoted to this position in April 2008. He is responsible for supervising property managers and advising on the improvement of the Group’s overall standard. He is also responsible for marketing in the private sector.

Mr. Lau obtained a Certificate in Housing Practice at the School of Professional and Continuing Education of The University of Hong Kong (“HKUSPACE”) in August 2000 and was awarded a Diploma in Housing Management by the same institute in September 2002. He was elected a corporate member of the Chartered Institute of Housing (“CIH”) in October 2002 and a member of the Hong Kong Institute of Housing in November 2002. In April 2003, he registered as a Professional Housing Manager at the Housing Managers Registration Board.

Note: The position “associate director” is a corporate title only and not a “director” within the meaning of the Companies Ordinance and the GEM Listing Rules. An associate director named herein is principally responsible for (i) the supervision of property management of the Group or its staff; (ii) supervision of the Group’s administration or overall standard; and (iii) the Group’s customer relations.

Mr. Lau is the spouse of the cousin of Mr. Ho Ying Cheung, a director of KSU, and Mr. Ho, an executive Director. Save as disclosed, Mr. Lau is not connected with any other Directors, member of the senior management, Substantial Shareholders or controlling shareholders of the Company.

高級管理層(續)

柳炳貴先生(「柳先生」)，67歲，為港深聯合的聯席董事(附註)。彼效力港深聯合超過十七年，彼於1996年9月加入港深聯合擔任物業管理主任，並於2008年4月晉升至現有職位。彼負責監督物業經理及就改善本集團整體標準提供意見。彼亦負責於私營機構的市場推廣工作。

柳先生於2000年8月取得香港大學專業進修學院(「香港大學專業進修學院」)的房屋實務證書，並於2002年9月獲香港大學專業進修學院頒發房屋管理文憑。彼於2002年10月獲選為英國特許屋宇經理學會(「英國特許屋宇經理學會」)公司會員，以及於2002年11月成為香港房屋經理學會會員。於2003年4月，彼於房屋經理註冊管理局註冊為專業房屋經理。

附註：「聯席董事」僅為公司職位，並非公司條例及GEM上市規則所指「董事」。本文提及的聯席董事主要負責(i)監察本集團或其員工的物業管理；(ii)監督本集團的行政或整體標準；及(iii)本集團的客戶關係。

柳先生為何應祥先生(港深聯合董事)以及何先生(執行董事)表親的配偶。除所披露者外，柳先生與本公司任何其他董事、高級管理層成員、主要股東或控股股東概無關連。

SENIOR MANAGEMENT (continued)

Mr. Fong Shek Hung “(Mr. Fong)”, aged 59, is an associate director of KSU (*note*). He is mainly responsible for supervision of property management, customer relations and administration.

Mr. Fong worked for the Hong Kong Government from 1978 to 2001. He joined the Housing Department in October 1987 and was promoted to the position of housing officer in October 1989. He resigned in August 2001 and subsequently served as property manager in Synergis Management Services Limited. He was the district general manager before he left the company in February 2011 and joined KSU in May 2011 as senior property manager. He was promoted to the position of associate director of KSU (*note*) in February 2012.

Mr. Fong has awarded a Diploma in Housing Management by HKUSPACE in September 1997. He was elected as a corporate member of the CIH in June 1999 and a member of The Hong Kong Institute of Housing in June 2001. In May 2001, he registered as a Professional Housing Manager at the Housing Managers Registration Board.

Note: The position “associate director” is a corporate title only and not a “director” within the meaning of the Companies Ordinance and the GEM Listing Rules. An associate director named herein is principally responsible for (i) the supervision of property management of the Group or its staff; (ii) supervision of the Group’s administration or overall standard; and (iii) the Group’s customer relations.

高級管理層(續)

方錫雄先生(「方先生」)，59歲，為港深聯合的聯席董事(附註)。彼主要負責監督物業管理、客戶關係及行政工作。

方先生於1978年至2001年效力香港政府。彼於1987年10月加入房屋署，並於1989年10月晉升為房屋主任。彼於2001年8月辭職，其後擔任新昌管理服務有限公司的物業經理，於2011年2月離開公司前為地區總經理。彼於2011年5月加入港深聯合擔任高級物業經理，於2012年2月晉升為港深聯合的聯席董事(附註)。

方先生於1997年9月獲香港大學專業進修學院頒發房屋管理文憑。彼於1999年6月獲選為英國特許屋宇經理學會公司會員，以及於2001年6月獲選為香港房屋經理學會會員。於2001年5月，彼向房屋經理註冊管理局註冊為專業房屋經理。

附註：「聯席董事」僅為公司職位，並非公司條例及GEM上市規則所指「董事」。本文提及的聯席董事主要負責(i)監察本集團或其員工的物業管理；(ii)監督本集團的行政或整體標準；及(iii)本集團的客戶關係。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

SENIOR MANAGEMENT (continued)

Mr. Lai Chun Ho (“Mr. Lai”), aged 46, is senior property manager of KSU. He has already worked in KSU more than ten years. He is mainly assigned to supervise the general operation of the buildings in New Territories.

From December 1990 to February 1995, Mr. Lai worked in JLW Management Limited. For the period from June 1997 to May 2006, he worked in Urban Property Management Limited. He joined KSU as assistant property manager in August 2006.

He was awarded a Certification in Estate Management of Hong Kong Management Association in 1992, and was awarded a Diploma in Property Management of City University of Hong Kong in 2002.

Mr. Chan Ka Kit Kanly (“Mr. Chan”), aged 40, is a senior accounting manager of KSU. He has been working in KSU for about 14 years and was promoted to the current position in April 2018. He is responsible for management of accounting department and financial management of the clients.

Mr. Chan was appointed as the head of accounting department of the New Impact Printing Company Limited in 2002. He was responsible for financial management of mainland and Hong Kong. Since August 2004, he joined KSU and was responsible for financial management of comparative estates. He hereafter promoted to the position of senior accounting manager.

高級管理層(續)

賴鎮豪先生(「賴先生」)，46歲，為港深聯合的高級物業經理。彼已效力港深聯合超過10年，主要負責新界區物業管理的督導工作。

自1990年12月至1995年2月，賴先生於仲量行物業管理有限公司工作。於1997年6月至2006年5月期間，彼於富城物業管理有限公司工作。彼於2006年8月加入港深聯合擔任助理物業經理。

彼於1992年獲香港管理專業協會頒發物業管理證書，及於2002年獲香港城市大學頒發物業管理文憑。

陳家傑先生(「陳先生」)，40歲，為港深聯合的高級會計經理，彼已效力港深聯合約14年，於2018年4月晉升至此職位。彼主要負責會計部人事管理及監督客戶的會計及財務管理。

陳先生於2002年任職新先鋒印刷有限公司會計部主管，主要負責國內及香港財務管理。彼於2004年8月效力港深聯合，當時主要負責大型屋苑的會計財務管理，其後晉升至高級會計經理。

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the year ended 31 March 2018.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Group are committed to upholding high standards of corporate governance. The Board considers that enhanced public accountability and corporate governance are beneficial for the healthy growth of the Group, improving customer and supplier confidence and safeguarding the interests of shareholders of the Company.

The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules. The principles adopted by the Company emphasize a quality Board, sound internal controls, transparency and accountability to all shareholders. The Company engaged a third-party professional firm to conduct an internal control review for the year ended 31 March 2018.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 March 2018, the Company has complied with all CG Code except for the following deviation:

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company did not officially have a chief executive officer since 8 September 2015. Daily operation and management of the Company is monitored by the executive Directors as well as the senior management. The Board is of the view that although there is no chief executive officer of the Company, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who meet from time to time to discuss issues affecting the operations of the Company. The Board believes that the present arrangement is adequate to ensure an effective management and control of the Company’s business operations. The Board will continue to review the effectiveness of the Company’s structure as business continues to grow and develop in order to assess whether any changes, including the appointment of a chief executive officer, is necessary.

根據GEM上市規則第18.44條，董事會欣然提呈截至2018年3月31日止年度的企業管治報告。

企業管治常規

董事會及本集團管理層致力維持高水平的企業管治。董事會認為，加強公眾問責性及企業管治有利本集團穩健增長，提升客戶及供應商信心，並保障本公司股東的利益。

本公司已採納GEM上市規則附錄15所載的企業管治守則（「企業管治守則」）。本公司採納的原則著重高質素的董事會、健全的內部監控，以及對全體股東的透明度及問責性。截至2018年3月31日止年度，本公司委託第三方專業公司進行內部監控檢討。

遵守企業管治守則

截至2018年3月31日止年度，本公司已遵守所有企業管治守則，惟下列偏離除外：

企業管治守則條文第A.2.1條規定，主席與行政總裁的角色應有區分，且不應由一人同時兼任。主席與行政總裁之間職責的分工應清楚界定並以書面列載。

本公司自2015年9月8日以來並無正式設立行政總裁一職。本公司日常營運及管理均由執行董事以及高級管理層監控。董事會認為，儘管本公司並無行政總裁，惟董事會之運作會確保權力制衡，董事會由經驗豐富之個人組成，並不時舉行會議，以商討影響到本公司運作之事宜。董事會相信，現行安排足以確保本公司業務營運得到有效管理及監控。董事會將隨著業務繼續增長及發展而持續檢討本公司架構的成效，以評估是否需要作出任何變動，包括委任行政總裁。

DIRECTORS' SECURITIES TRANSACTIONS

The Group adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company. The Company also had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the financial year ended 31 March 2018.

BOARD COMPOSITION AND DIVERSITY POLICY

The Company has adopted the board diversity policy since 11 October 2013. The policy sets out the approach to achieve diversity in the Board that should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business and compliance with policies. The composition and diversity policies of the Board are reviewed annually and regularly. The Board should ensure that its changes in composition will not result in any undue interference. The Board members should possess appropriate professionalism, experience and trustworthiness in performing duties and functions. The Board would diversify its members according to the Company's situations and needs. While participating in nomination and recommendation of director candidates during the year, each member of the Board may consider a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, or professional experience in achieving diversity for the benefit of the Company's various business development and management. The Board is to review the policy concerning diversity of Board members, and to disclose the policy or a summary of the policy in the corporate governance report, including any quantitative targets and standards and its progress with policy implementation.

During the financial year ended 31 March 2018, the Board had reviewed the diversity of the Board and considered the Board composition and diversity policy appropriate.

董事證券交易

本集團已採納GEM上市規則第5.48條至5.67條所載的買賣指定準則，作為董事就本公司證券進行證券交易的行為守則。本公司亦已向全體董事作出特定查詢，截至2018年3月31日止財政年度，本公司並不知悉有任何違反董事進行證券交易的買賣規定準則及行為守則的情況。

董事會的組成及成員多元化政策

本公司自2013年10月11日起採納董事會成員多元化政策。政策列載董事會應按本集團業務及政策合規的要求，每年定期檢討董事會的組成及成員多元化政策，以使董事會具備適當所需技巧、經驗及多樣的觀點與角度。董事會應確保其組成人員的變動將不會帶來不適當的干擾。董事會成員應具備所需的專業、經驗及誠信，以履行其職責及效能。董事會應視乎本公司情況需要，對成員予以多元化，董事會各成員參與年內就董事候選人的提名及推薦時，可透過考慮多項因素達到，包括(但不限於)性別、年齡、文化及教育背景或專業經驗，有利於本公司各項業務的發展及管理。董事會檢討涉及董事會成員多元化的政策，於企業管治報告內披露其政策或政策摘要，包括為執行政策的任何可計量目標及達標的進度。

截至2018年3月31日止財政年度，董事會已檢討董事會成員的多元性及認為董事會的組成及成員多元化政策合適。

BOARD OF DIRECTORS

Responsibilities

The Board delegates the day-to-day management, administration and operation of the Group to the Management. The delegated functions are reviewed by the Board periodically to ensure they remain appropriate to the needs of the Group. The Board gives clear directions to the management as to the matters that must be approved by the Board before discussions are made on behalf of the Group by the Management. All the Directors carry out their duties in good faith and in compliance with applicable laws and regulations, taking decisions objectively and acting in the interests of the Company and its shareholders at all times.

Composition

The Board currently comprises 7 Directors, including 3 executive Directors, 1 non-executive Director and 3 independent non-executive Directors.

Executive Directors

Mr. Eric Todd
Mr. Ho Ying Choi
Mr. Lee Chin Ching, Cyrix

Non-executive Director

Mr. Huang Liming (*Chairman*)
(appointed with effect from 6 March 2018)

Independent Non-executive Directors

Mr. Tso Siu Lun, Alan
Mr. Lam Kai Yeung
Mr. Lo Chi Ho, Richard

Details of the backgrounds and qualifications of all Directors are set out in the “Biographies of Directors and Senior Management” section of this annual report. All Directors have given sufficient time and attention to the affairs of the Group. Each executive Director has sufficient experience, knowledge and execution ability to hold the position so as to carry out his duties effectively and efficiently.

董事會

職責

董事會授權管理層處理本集團的日常管理、行政和運作。獲授出的職能將由董事會定期檢討，以確保適切符合本集團的需要。就須經董事會批准的事宜，董事會會先向管理層給予清晰指示，再由管理層代表本集團作出決策。全體董事時刻均本著真誠態度履行職責，遵守適用法律及法規，並客觀地作出決定及以本公司及其股東的利益行事。

組成

董事會現時由7名董事組成，包括3名執行董事、1名非執行董事及3名獨立非執行董事。

執行董事

達振標先生
何應財先生
李展程先生

非執行董事

黃黎明先生(主席)
(自2018年3月6日起獲委任)

獨立非執行董事

曹肇綸先生
林繼陽先生
羅志豪先生

全體董事的背景及資歷詳情載於本年報「董事及高級管理層履歷」一節。全體董事均已充份付出時間及精力處理本集團事務。各執行董事均具有職位所需的充分經驗、知識及行政能力，能有效率地履行職務。

BOARD OF DIRECTORS (continued)

Appointment, Re-election and Removal of Directors

The Board has assumed the responsibility to consider the appointment, re-election and removal of the directors of the Company. The Board set up a Nomination Committee to recommend the appointment, re-election and removal of the Directors.

All executive Directors, namely, Mr. Eric Todd, Mr. Ho Ying Choi and Mr. Lee Chin Ching, Cyrix, have respectively entered into a service contract with the Company for a term of 1 to 3 years unless terminated by not less than 1 to 3 months' notice in writing served by either part on the other. Executive Directors are subject to retirement by rotation and re-election at the annual general meeting ("AGM") in accordance with articles of association of the Company (the "Articles").

The non-executive Director, namely, Mr. Huang Liming has entered into a letter of appointment with the Company for a term of one year. Non-executive Director is subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

All the independent non-executive Directors, namely, Mr. Lam Kai Yeung, Mr. Lo Chi Ho, Richard and Mr. Tso Siu Lun, Alan, have respectively entered into a letter of appointment with the Company for a term of 3 years unless terminated by not less than 2 months' notice in writing served by either part on the other. The independent non-executive Directors are subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

At each following AGM, one-third of the Directors are required to retire from office. Each Director shall retire from office once every 3 years. The Directors to retire in every year shall be those appointed by the Board during the year and those who have been longest in office since their last election or re-election. New Directors appointed by the Board during the year shall retire and may submit themselves for re-election at the AGM immediately following their appointments.

董事會(續)

委任、重選及罷免董事

董事會負責考慮委任、重選及罷免本公司董事。董事會已成立提名委員會，就委任、重選及罷免董事提出建議。

全體執行董事(即達振標先生、何應財先生及李展程先生)已分別與本公司訂立服務合約，為期1至3年，除非任何一方向另一方發出不少於1至3個月的書面通知。執行董事須根據本公司組織章程細則(「細則」)於股東週年大會(「股東週年大會」)上輪席退任及重選連任。

非執行董事(即黃黎明先生)已與本公司訂立委任函件，為期1年。非執行董事須根據細則於股東週年大會上輪席退任及重選連任。

全體獨立非執行董事(即林繼陽先生、羅志豪先生及曹肇楹先生)已分別與本公司訂立委任函件，為期3年，除非任何一方向另一方發出不少於2個月的書面通知。獨立非執行董事須根據細則於股東週年大會上輪席退任及重選連任。

於每屆股東週年大會上，三分之一董事須退任。每位董事均須至少每3年退任一次。每年退任的董事須為年內獲董事會委任，且自上一次獲選或膺選連任後任期最長者。年內獲董事會委任的新董事須退任並可於緊隨彼等獲委任後的股東週年大會上提請重選連任。

CONFIRMATION OF INDEPENDENCE

Each of the independent non-executive Directors has made an annual confirmation in writing of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers that all the independent non-executive Directors were independent during the year.

Save as disclosed in the section headed “Biographies of Directors and Senior Management” in this annual report, there is no financial, business, family or other material/relevant relationship among the members of the Board.

MANAGEMENT

The daily management, administration and operation of the Company are delegated to the Chairman, the executive Directors and senior management (the “Management”). The delegated functions and assignments are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the above mentioned officers.

The overall responsibilities of the Management include considering and making decisions on implementing the Group’s policy and strategies as set by the Board; strategic planning of different business and functions; closely monitoring operational and financial results in accordance with plans and budgets; putting adequate operational, planning and financial control systems in place; and managing the Group’s day to day business.

NON-EXECUTIVE DIRECTORS

The Board fulfilled the requirement of appointing at least three independent non-executive Directors and they represented at least one-third of the Board as stipulated by the GEM Listing Rules. It met requirement of having at least one of the Independent Non-executive Directors with appropriate professional qualifications or accounting or related financial management expertise. The independent non-executive Directors have appropriate and sufficient experience and qualification to carry out their duties so as to fully represent the interests of the shareholders of the Company.

獨立性確認書

各獨立非執行董事已根據GEM上市規則第5.09條書面作出年度獨立性確認，本公司認為於年內全體獨立非執行董事均為獨立。

除本年報「董事及高級管理層履歷」一節所披露者外，董事會成員間概無財務、業務、家庭或其他重大／相關關係。

管理層

本公司的日常管理、行政及營運已授予主席、執行董事及高級管理層（「管理層」）。獲授出的職能及工作定期進行檢討。上述高級職員於訂立任何重大交易前須取得董事會批准。

管理層的整體職責包括就審議及決定實行董事會制定本集團的政策和策略；策劃不同的業務及職能；按照計劃及預算密切監察營運及財務業績；建立適當的營運、規劃和財務控制制度；及管理本集團的日常業務。

非執行董事

董事會已遵守GEM上市規則的規定委任最少三名獨立非執行董事，彼等佔董事會最少三分之一，此符合須有最少一名擁有適當專業資格或會計或有關財務管理專業知識的獨立非執行董事的規定。獨立非執行董事有適當及充足的經驗及資格履行職務，以全面代表本公司股東利益。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD MEETING, GENERAL MEETING AND PROCEDURES

董事會會議、股東大會及議事程序

Directors' attendance record of Board, Committee and General Meetings during the year ended 31 March 2018 are as follows:

截至2018年3月31日止年度，董事出席董事會、委員會及股東大會之記錄如下：

| Directors: 董事： | Notes 附註 | Board 董事會 | Meetings attended/eligible to attend 出席/合資格出席會議 | | | | | Annual General Meeting 股東週年大會 | Extraordinary General Meeting 特別股東大會 |
|---|-------------|--------------|--|------------------------------------|----------------------------------|-----|-----|--|---|
| | | | Audit Committee 審核委員會 | Remuneration Committee 薪酬委員會 | Nomination Committee 提名委員會 | | | | |
| Executive Directors: 執行董事： | | | | | | | | | |
| Eric Todd 達振標 | 1 | 21/22 | n/a | n/a | n/a | 1/1 | 1/1 | | |
| Ho Ying Choi 何應財 | | 22/22 | n/a | 4/4 | 3/3 | 1/1 | 1/1 | | |
| Lee Chin Ching, Cyrix 李展程 | | 22/22 | n/a | n/a | n/a | 1/1 | 1/1 | | |
| Non-executive Director: 非執行董事： | | | | | | | | | |
| Huang Liming 黃黎明 | 2 | 2/2 | n/a | n/a | n/a | n/a | 1/1 | | |
| Independent Non-executive Directors: 獨立非執行董事： | | | | | | | | | |
| Tso Siu Lun, Alan 曹肇楹 | | 17/22 | 5/5 | 4/4 | 3/3 | 1/1 | 1/1 | | |
| Lam Kai Yeung 林繼陽 | | 21/22 | 5/5 | 4/4 | 3/3 | 1/1 | 1/1 | | |
| Lo Chi Ho, Richard 羅志豪 | | 21/22 | 4/5 | 4/4 | 3/3 | 1/1 | 1/1 | | |

Notes:

附註：

- Mr. Eric Todd resigned as the chairman of the Board and remains as an executive Director with effect from 6 March 2018.
- Mr. Huang Liming was appointed as the chairman of the Board and a non-executive Director with effect from 6 March 2018.

- 達振標先生自2018年3月6日起辭任董事會主席，但仍為執行董事。
- 黃黎明先生自2018年3月6日起獲委任為董事會主席及非執行董事。

BOARD MEETING, GENERAL MEETING AND PROCEDURES (continued)

Board members were provided with complete, adequate and timely information to allow them to fulfill their duties properly.

Draft agenda of each Board meeting is sent to all Directors in advance. Notice of at least fourteen days is given for a regular Board meeting. For other Board and committees meetings, reasonable notice is generally given. Board papers together with all appropriate, complete and reliable information are dispatched to all Directors at least three days before each regular Board meeting to ensure that the Directors have sufficient time to review the related documents and be adequately prepared for the meeting.

The Company Secretary is responsible to keep minutes of all Board meetings and committees meetings. Draft minutes are normally circulated to all Directors for comments within a reasonable time after each meeting and the final versions are opened for Director's inspection.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME

All Directors, including non-executive Director and independent non-executive Directors, should keep abreast of their collective responsibilities as Directors and of the business and activities of the Group.

All Directors confirmed that they had complied with code provision A.6.5 of the Code during the year ended 31 March 2018, that all Directors had participated in continuous professional development to develop and refresh their knowledge and skills.

董事會會議、股東大會及議事程序 (續)

董事會成員獲提供完整、適當和及時的資料，以使彼等能恰當履行其職責。

各董事會會議的議程初稿會預先送交全體董事。董事會常規會議則於最少十四日前給予通知。就其他董事會及委員會會議而言，一般給予合理通知。董事會文件連同所有適當、完整及可靠的資料最少於各董事會常規會議前三天寄發予全體董事，以確保董事有足夠時間審閱相關文件，為會議作充份準備。

公司秘書負責保存所有董事會會議及委員會會議的會議記錄。會議記錄初稿通常於各會議後一段合理時間內供全體董事傳閱以供提出意見，而最終定稿則公開供董事查閱。

董事持續專業發展計劃

所有董事(包括非執行董事及獨立非執行董事)均應瞭解彼等作為董事的共同職責，以及本集團的業務及活動。

全體董事確認彼等於截至2018年3月31日止年度已遵守守則的守則條文第A.6.5條，彼等已參與持續專業發展，以開拓及增進彼等的知識及技能。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME (continued)

董事持續專業發展計劃(續)

A summary of training received by the Directors for the year ended 31 March 2018 according to the records provided by the Directors as follows:

根據各董事提供之記錄，董事於截至2018年3月31日止年度所接受之培訓概述如下：

| Directors: | 董事： | Attending seminars, conferences or forums | Reading newspapers, to obtain update relating to economy, accounting, rules, law or regulation, etc. | Reading materials relevant to directors' duties and responsibilities |
|--|------------------------|---|--|--|
| | | 參加研討會、會議或論壇 | 閱讀報章、取得經濟、會計、條例、法律或法規等最新資料 | 閱讀與董事的職責及責任有關的材料 |
| Executive Directors: | 執行董事： | | | |
| Eric Todd | 達振標 | ✓ | ✓ | ✓ |
| Ho Ying Choi | 何應財 | ✓ | ✓ | ✓ |
| Lee Chin Ching, Cyrix | 李展程 | ✓ | ✓ | ✓ |
| Non-executive Director: | 非執行董事： | | | |
| Huang Liming (appointed with effect from 6 June 2018) | 黃黎明 (自2018年6月6日獲委任) | ✓ | ✓ | ✓ |
| Independent Non-executive Directors: | 獨立非執行董事： | | | |
| Tso Siu Lun, Alan | 曹肇倫 | ✓ | ✓ | ✓ |
| Lam Kai Yeung | 林繼陽 | ✓ | ✓ | ✓ |
| Lo Chi Ho, Richard | 羅志豪 | ✓ | ✓ | ✓ |

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) with written terms of reference, available on the Company’s website, in compliance with the GEM Listing Rules. The Audit Committee is currently composed of all the independent non-executive Directors, namely, Mr. Lam Kai Yeung (chairman), Mr. Tso Siu Lun, Alan and Mr. Lo Chi Ho, Richard.

The Audit Committee held 5 meetings during the year ended 31 March 2018 and reviewed the Company’s audited annual results for the year ended 31 March 2017 and the unaudited quarterly and interim results during the year ended 31 March 2018.

The function of the Audit Committee includes the following:

- (i) Relationship with the Company’s auditors:
 - (a) to be primarily responsible for make recommendation to the Board on the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal;
 - (b) to review and monitor the external auditor’s independence and objectively and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditors the nature and scope of the audit and reporting obligations before the audit commences; and
 - (c) to develop and implement policy on engaging and external auditor to supply non-audit services. For this purpose, “external auditor” includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed.

審核委員會

本公司已根據GEM上市規則成立審核委員會(「審核委員會」)，並以書面列明其職權範疇，其內容可見本公司網站。審核委員會現時由全體獨立非執行董事組成，即林繼陽先生(主席)、曹肇倫先生及羅志豪先生。

截至2018年3月31日止年度，審核委員會曾舉行5次會議，並已審閱本公司截至2017年3月31日止年度的經審核年度業績以及截至2018年3月31日止年度的未經審核季度及中期業績。

審核委員會的職能包括以下各項：

- (i) 與本公司核數師的關係：
 - (a) 主要就委任、重新委任及罷免外聘核數師向董事會提出建議以及批准外聘核數師的薪酬及聘用條款，及處理任何有關核數師辭職或辭退該核數師的問題；
 - (b) 按適用基準檢討及監察外聘核數師的獨立性及核數過程的有效性。審核委員會應於審核工作開始前與核數師討論審核工作性質及範疇及有關申報責任；及
 - (c) 就外聘核數師提供非核數服務制定政策，並予以執行。就此規定而言，「外聘核數師」包括與負責核數的公司處於同一控制權、所有權或管理權之下的任何實體，或一個合理知悉所有有關資料的第三方，在合理情況下會斷定該實體屬於該負責核數的公司的本土或國際業務的一部分的任何實體。審核委員會應就任何須採取行動或改善的事項向董事會報告並提出建議。

AUDIT COMMITTEE (continued)

- (ii) Review of the Company's financial information:
- (a) to monitor the integrity of the Company's financial statements and annual report and accounts, half-year report and/or quarterly reports, and to review significant financial reporting judgments contained in them before submission to the Board, focusing particularly on:
- any changes in accounting policies and practices;
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - the going concern assumptions and any qualifications;
 - compliance with accounting standards; and
 - compliance with GEM Listing Rules and legal requirements in relation to financial reporting.

- (iii) Oversight of the Company's financial reporting system, risk management and internal control procedures:

- (a) to review the Company's financial controls, internal control and risk management systems.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditors for the year ended 31 March 2018. The Audit Committee has reviewed the audited financial statements of the Group for the year and recommended approval to the Board.

審核委員會(續)

- (ii) 審閱本公司的財務資料：
- (a) 監察本公司的財務報表、年報及賬目及半年度報告及／或季度報告的完整性，並在提交予董事會前審閱上述報表及報告所載有關財務申報的重大意見，尤其是下列事項：
- 會計政策及常規的任何更改；
 - 涉及重要判斷之處；
 - 因審核產生的重大調整；
 - 企業持續經營的假設及任何保留意見；
 - 是否遵守會計準則；及
 - 是否遵守有關財務申報的GEM上市規則及法律規定。

- (iii) 監管本公司的財務申報制度、風險管理及內部監控程序：

- (a) 檢討公司的財務監控、內部監控及風險管理制度。

截至2018年3月31日止年度，董事會及審核委員會就甄選及委任外聘核數師事宜並沒有意見分歧。審核委員會已審閱本集團於本年度的經審核財務報表，並推薦董事會批准。

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the “Remuneration Committee”) with written terms of reference, available on the Company’s website, in compliance with GEM Listing Rules. The Remuneration Committee is currently composed of 1 executive Directors, namely, Mr. Ho Ying Choi and 3 independent non-executive Directors, namely, Mr. Lam Kai Yeung (chairman), Mr. Tso Siu Lun, Alan and Mr. Lo Chi Ho, Richard.

During the year under review, 4 Remuneration Committee meetings were held to review the remuneration package of the Directors and senior management of the Group.

The Remuneration Committee’s principal duties are the determination of specific remuneration packages of all Executive Directors, including benefits in kind, pension rights and compensation payments, any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board on the remuneration of non-executive Directors. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities.

The Remuneration Committee meets regularly to determine the policy for the remuneration of Directors and assess the performance of Executive Directors and certain senior management of the Group.

Remuneration of Directors

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualification and competence.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company’s operating results, individual performance and comparable market statistics.

The Directors’ fees and all other emoluments paid or payable to the Directors during the year are set out on an individual and named basis in note 12 to the consolidated financial statements.

薪酬委員會

本公司已根據GEM上市規則成立薪酬委員會(「薪酬委員會」)，並以書面列明其職權範疇，其內容可見本公司網站。薪酬委員會現時由1名執行董事(即何應財先生)及3名獨立非執行董事(即林繼陽先生(主席)、曹肇楸先生及羅志豪先生)組成。

於回顧年度，曾召開4次薪酬委員會會議以檢討本集團董事及高級管理層之薪酬方案。

薪酬委員會的主要職責為釐定全體執行董事的具體薪酬方案，包括實物利益、退休金權利及賠償款項、離職或終止委任的任何應得賠償，以及就非執行董事的薪酬向董事會提出推薦建議。薪酬委員會考慮多項因素，例如可資比較公司所付的薪酬、時間承諾及職責。

薪酬委員會定期會面以釐定董事之薪酬政策及評估本集團執行董事及若干高級管理層的表現。

董事薪酬

本集團僱員的薪酬政策由薪酬委員會制定，以彼等的表現優劣、資歷及才幹為基礎。

本公司董事的薪酬由薪酬委員會經考慮本公司的經營業績、其個別表現及可資比較的市場統計數據後決定。

年內已付或應付董事之董事袍金及所有其他薪酬於綜合財務報表附註12內以個別基準實名載列。

REMUNERATION COMMITTEE (continued)

Remuneration of Senior Management

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the senior management by band for the year ended 31 March 2018 is set out below:

| In the band of | 範圍 | Number of individual 人數 |
|---------------------|---------------|----------------------------|
| Nil – HK\$1,000,000 | 零至1,000,000港元 | 2 |
| Over HK\$1,000,000 | 1,000,000港元以上 | 2 |

Further details of the remuneration of the Directors and the 5 highest paid employees are set out in note 12 to the consolidated financial statements.

NOMINATION COMMITTEE

The Company set up a nomination committee (the “Nomination Committee”) with written terms of reference, available on the Company’s website, in compliance with the GEM Listing Rules. At the date of this annual report, the Nomination Committee consists of 4 members, of which the majority are Independent Non-executive Directors, namely, Mr. Tso Siu Lun, Alan (chairman), Mr. Lam Kai Yeung, Mr. Lo Chi Ho, Richard and an Executive Director, namely, Mr. Ho Ying Choi.

During the year under review, 3 meetings of the Nomination Committee were held.

The duties of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually; making recommendations on any proposed changes to the Board to complement the Company’s corporate strategy; identifying individuals suitably qualified to become the Board members and select or make recommendations to the Board on selection of individuals nominated for directorships of the Company; assessing the independence of Independent Non-executive Directors; reviewing and recommending the appointment of new Directors; identifying the competences required to enable the Board to fulfill its responsibilities; and reviewing the Board Diversity Policy established for implementing diversity on the Board periodically.

薪酬委員會(續)

高級管理層的薪酬

根據企業管治守則守則條文第B.1.5條，截至2018年3月31日止年度，高級管理層之薪酬範圍載列如下：

董事及五位最高薪酬人士之薪酬之進一步詳情載於綜合財務報表附註12。

提名委員會

本公司已根據GEM上市規則成立提名委員會(「提名委員會」)，並以書面列明其職權範疇，其內容可見本公司網站。於本年報日期，提名委員會由4名成員組成，大部分為獨立非執行董事(即曹肇倫先生(主席)、林繼陽先生及羅志豪先生)及執行董事(即何應財先生)。

於回顧年度，提名委員會已舉行3次會議。

提名委員會之職責包括每年檢討董事會的架構、規模及組成(包括技能、知識、經驗及多元化範疇)；配合本公司的企業策略而就董事會作出的建議變動提出推薦建議；物色合資格成為董事會成員的人士，並甄選或就提名出任本公司董事的人士向董事會提出推薦建議；評估獨立非執行董事的獨立性；檢討及建議委任新董事；識別董事會履行其職責所需的能力；及定期審核為實施董事會多元化而建立的董事會多元化政策。

COMPLIANCE COMMITTEE

The Company set up a compliance committee (the “Compliance Committee”) which is a committee under the Company’s Audit Committee and is chaired by Mr. Ho Ying Choi, an Executive Director, and comprises Mr. Lau Ping Kwai, the associate director (note) of the Company, Mr. Fong Shek Hung, the associate director (note) of the Company. The Group’s legal adviser, Y.C. Lee, Pang, Kwok & Ip Solicitors, is procured to provide legal advices and to attend the committee meeting on a needed basis. For the year ended 31 March 2018, 11 meetings were held and the Group’s legal adviser had participated in 2 meetings. The minutes of the meetings were distributed to the Group’s legal adviser, Y.C. Lee, Pang, Kwok & Ip Solicitors, and the Audit Committee members for scrutiny and comment. The Compliance Committee addresses the matters concerning the compliance of law and regulations, contract terms and litigation cases of the Group.

Note: The position “associate director” is a corporate title only and not a “director” within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the GEM Listing Rules. An associate director named herein is principally responsible for (i) the supervision of property management of the Group or its staff; (ii) supervision of the Group’s administration or overall standard; and (iii) the Group’s customer relations.

AUDITOR’S REMUNERATION

For the year ended 31 March 2018, the remuneration for audit and non-audit services are summarized below:

| | | 2018 2018年 HK\$000 千港元 |
|---|--------------------|---------------------------------|
| Audit services | 審核服務 | 640 |
| Non-audit services | 非審核服務 | |
| Fee for performing review on the interim and quarter financial information of the Company | 就審閱本公司中期及季度財務資料之費用 | 200 |
| Fee for performing services in relation to the Composite document of the Company | 就提供有關本公司綜合文件之服務之費用 | 68 |
| | | 908 |

合規委員會

本公司已成立合規委員會（「合規委員會」），其為本公司審核委員會下的一個委員會，由執行董事何應財先生任主席，成員包括本公司聯席董事（附註）柳炳貴先生及本公司聯席董事（附註）方錫雄先生。本集團的法律顧問李宇祥、彭錦輝、郭威、葉澤深律師事務所已獲聘任，以為委員會提供法律意見和在需要時出席委員會會議。截至2018年3月31日止年度，委員會曾舉行11次會議，而本集團法律顧問出席其中2次會議。委員會的會議記錄已抄送到本集團法律顧問李宇祥、彭錦輝、郭威、葉澤深律師事務所和審核委員會委員予以審閱和提供意見，合規委員會處理的事宜包括本集團的法律和法例的合規、合約條款和訴訟案件。

附註：「聯席董事」僅為公司職位，並非香港法例第622章公司條例及GEM上市規則所指「董事」。本文提及的聯席董事主要負責(i)監察本集團或其員工的物業管理；(ii)監督本集團的行政或整體標準；及(iii)本集團的客戶關係。

核數師酬金

截至2018年3月31日止年度，審核及非審核服務的薪酬概述如下：

DIRECTORS' RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group and ensure that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any matters uncertainly relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROLS

The Board acknowledges its responsibilities for the Group's internal control system and its effectiveness to ensure that the internal control measures are in place to safeguard the Group's assets and to comply with relevant regulations and best practices.

RISK MANAGEMENT

The Company improves its business and operational activities by identifying the areas of significant business risks via a regular review and taking appropriate measures to control and mitigate these risks. The Management of the Company reviews all significant control policies and procedures and highlights all significant matters to the Board and Audit Committee.

COMPANY SECRETARY

The Company engages Mr. Sheung Kwong Cho ("Mr. Sheung"), representative of Miracle Corporate Services Limited, as its company secretary. His primary corporate contact person at the Company is Mr. Eric Todd, an executive Director.

In compliance with Rule 5.15 of the GEM Listing Rules, Mr. Sheung has undertaken no less than 15 hours of relevant professional training during the year ended 31 March 2018.

董事有關編製財務報表的責任

董事知悉其負責編製本集團的財務報表，並確保有關財務報表乃根據法定規定及適用會計準則編製。董事亦確保本集團財務報表獲適時公佈。

董事確認，經作出一切合理查詢後，就彼等所知、所獲資料及所信，彼等並不知悉任何可能會對本公司持續經營能力造成重大疑慮的事件或情況的不確定因素。

內部監控

董事會明瞭須對本集團的內部監控制度及其成效負責，以確保內部監控措施能保障本集團資產，並符合相關規例及最佳常規之規定。

風險管理

本公司透過定期檢討以確定重大業務風險領域，以及採取適當措施控制和減低該等風險，從而改進其業務與營運活動。本公司管理層審閱所有重要監控政策及程序，並向董事會及審核委員會特別提出所有重大事件。

公司秘書

本公司委聘Miracle Corporate Services Limited代表商光祖先生(「商先生」)為公司秘書。彼於本公司的首要公司聯絡人為執行董事達振標先生。

為符合GEM上市規則第5.15條，商先生於截至2018年3月31日止年度已接受不少於15個小時的相關專業培訓。

SHAREHOLDERS' RIGHT TO CONVENE EXTRAORDINARY GENERAL MEETING

Pursuant to Article 58 of the Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting (“EGM”). EGM shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders and other stakeholders can make any enquiry in respect of the Company in writing to our Head Office at Unit 1001, 10 Floor, Chung Nam House, 59 Des Voeux Road Central, Hong Kong.

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

There are no provisions allowing Shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of Cayman Islands. However, pursuant to the Articles, Shareholders who wish to move a resolution may by means of requisition convene an EGM following the procedures set out above.

股東要求召開股東特別大會的權利

根據章程細則之細則第58條，董事會可在其認為合適時召開股東特別大會（「股東特別大會」）。股東特別大會須按一名或以上於遞交申請當日持有有權於股東大會投票的本公司繳足股本不少於十分之一的股東要求召開。有關要求須以書面向董事會或公司秘書提出，述明要求董事會召開股東特別大會以處理要求內訂明的任何事項。該大會須於作出該要求後兩個月內召開。倘於遞交要求後21日內，董事會未有召開該大會，則遞交要求人士可自行以同樣方式召開大會，而遞呈要求人士因董事會未有召開大會而產生的所有合理開支應由本公司向要求人償付。

向董事會提出股東查詢的程序

股東及其他利益相關者可以書面形式向我們的總辦事處（地址為香港中環德輔道中59號中南行10樓1001室）提出有關本公司的任何查詢。

股東於股東大會提呈建議的程序

根據開曼群島公司法（經修訂），概無條文批准股東於股東大會動議新決議案。然而，根據章程細則，有意動議決議案的股東可於依循上述程序後按提交要求書方式召開股東特別大會。

CORPORATE GOVERNANCE REPORT

企業管治報告

CONSTITUTIONAL DOCUMENTS

For the year ended 31 March 2018, there is no significant change in its constitutional documents.

CONTINUOUS CORPORATE GOVERNANCE ENHANCEMENT

The Board is committed to continuous corporate governance enhancement including giving closer attention to any regulatory changes with a view to maintaining a corporate culture built on ethics and integrity and increasing the Shareholders value as a whole.

章程文件

截至2018年3月31日止年度，本集團的章程文件概無發生重大變動。

不斷提升企業管治水平

董事會承諾將不斷提升企業管治水平，包括密切留意任何法規變動，旨在著重道德和誠信之企業文化，並提升股東之整體利益。

The Directors present their report and the audited financial statements of Heng Sheng Holdings Limited (formerly known as Kong Shum Union Property Management (Holding) Limited) (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES AND ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 20 to the consolidated financial statements.

An analysis of the Group's performance and its financial position are provided in the section headed "Management Discussion and Analysis" in this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year end 31 March 2018 and the state of affairs of the Group as at 31 March 2018 are set out on pages 91 to 182.

The state of affairs of the Company is set out in note 36 to the consolidated financial statements.

DIVIDENDS

The Directors do not recommend the payment of a dividend for the year ended 31 March 2018.

CHARITABLE DONATIONS

The Group did not make any charitable donation for the year ended 31 March 2018.

FIVE YEAR FINANCIAL SUMMARY

The summary of the results and the assets and liabilities of the Group for the past five financial years, as extracted from the audited financial statements, is set out on page 183 of this annual report. This summary does not form part of the audited financial statements.

董事提呈恒生控股有限公司(前稱為港深聯合物業管理(控股)有限公司)(「本公司」)及其附屬公司(統稱「本集團」)截至2018年3月31日止年度的年報及經審核財務報表。

主要業務及營運分析

本公司的主要業務為投資控股。主要附屬公司的主要業務詳情載於綜合財務報表附註20。

本集團業績及其財務狀況的分析載於本年報「管理層討論及分析」一節。

業績及分派

本集團截至2018年3月31日止年度的業績及本集團於2018年3月31日的事務狀況載於第91至182頁。

本公司的事務狀況載於綜合財務報表附註36。

股息

董事不建議就截至2018年3月31日止年度派付股息。

慈善捐款

本集團於截至2018年3月31日止年度並無作出任何慈善捐款。

五年財務概要

本集團過去五個財政年度的業績以及資產及負債概要(摘錄自經審核財務報表)載於本年報第183頁。該概要並不構成經審核財務報表的部分。

DIRECTORS' REPORT

董事會報告

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2018 and a review of its future development is set out in the section headed “Management Discussion and Analysis” in this annual report.

RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group have been addressed in the “Management Discussion and Analysis” section in this annual report.

In addition, various financial risks have been disclosed in the notes to the consolidated financial statements of this annual report.

AN ANALYSIS USING FINANCIAL KEY PERFORMANCE INDICATORS

The relevant financial key performance indicators relating to the business of the Group are set out under the paragraphs headed “Financial Review” in the “Management Discussion and Analysis” section and the consolidated financial statements in this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises its responsibility to protect the environment from its business activities. The Group continually seeks to identify and manage environmental impacts attributable to its operational activities in order to minimise these impacts if possible. The Group aims to maximise energy conservation in its offices by promoting efficient use of resources and adopting green technologies. For instance, the Group seeks to upgrade equipment such as lighting and air-conditioning systems in order to increase overall operating efficiency. To identify energy efficiency opportunities, the Group measures and records the energy consumption intensity from time to time. Information on the environmental policies and performance of the Company is set out in the “Environmental, Social and Governance Report” on pages 72 to 83 of this Annual Report.

業務回顧

本集團截至2018年3月31日止年度的業務回顧以及未來發展概況載於本年報「管理層討論及分析」一節。

風險及不確定性

本集團面對的主要風險及不確定性已載於本年報「管理層討論及分析」一節。

此外，各種財務風險已於本年報綜合財務報表附註內披露。

運用財務關鍵表現指標的分析

有關本集團業務的相關財務關鍵表現指標載於本年報「管理層討論及分析」內「財務回顧」一段及綜合財務報表內。

環境政策及表現

本集團深知其於業務經營活動中負有保護環境的責任。本集團持續辨識及管理其經營活動對環境造成的影響，務求將該等影響減至最低。本集團藉著促進善用資源及採納綠色科技，使旗下辦公室積極實踐節約能源。舉例而言，本集團不斷提升照明及空調系統等設備，藉此提高整體經營效率。為發掘提升能源效益的方法，本集團不時量度及記錄耗能情況。有關本公司環境政策及表現的資料載於本年報第72至83頁「環境、社會及管治報告書」。

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHER STAKEHOLDERS

The Group ensures all staff is reasonably remunerated and regularly reviews the employment policies on remuneration and other benefits.

The Group maintains a good relationship with its customers and suppliers. The Group maintains close contacts with the customers and has regular review of requirements of customers and complaints. The Group will conduct appraisal of the performance of suppliers on regular basis.

The Board believes effective communication and accurate and timely information disclosure builds the Shareholders' and investors' confidence, and also facilitates the flow of constructive feedback and ideas that are beneficial for investor relations and future corporate development. For details, please refer to the Corporate Governance Report on pages 43.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and risks of non-compliance with such requirements. The Group has on-going review the newly enacted laws and regulations affecting the operations of the Group. The Group is not aware of any material non-compliance with the laws and regulations that have significant impact on the business of the Group.

SHARES ISSUED FOR THE YEAR

Details of the shares issued for the year ended 31 March 2018 are set out in note 34 to the consolidated financial statements.

FUND RAISING ACTIVITIES

Details of the fund raising activities of the Group during the year under review are set out in the paragraphs under "Fund raising activities" in the section headed "Management Discussion and Analysis" of this annual report.

與僱員、客戶、供應商及其他權益 相關人士的關係

本集團確保所有員工得到合理的薪酬，並定期檢討有關薪酬及其他福利的僱傭政策。

本集團與其客戶及供應商維持良好的關係。本集團與客戶維持緊密聯繫，並定期審閱客戶的要求及投訴。本集團會對供應商的表現作定期評核。

董事會相信，有效溝通及準確適時披露信息不但可建立股東及投資者信心，亦有助接收具建設性的反饋及意見，有利投資者關係及未來企業發展。詳情請參閱載於第43頁的企業管治報告。

遵守法律及法規

本集團明白遵守法規要求的重要性及不遵守此等要求的風險。本集團持續審閱會影響本集團營運之新實施法例及法規。本集團並不知悉任何對本集團業務有嚴重影響的重大違法及違規事件。

本年度已發行股份

截至2018年3月31日止年度已發行股份的詳情載於綜合財務報表附註34。

集資活動

於回顧年度本集團集資活動的詳情載於本年報「管理層討論及分析」一節「集資活動」一段。

DIRECTORS' REPORT

董事會報告

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2018.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out on page 95 and in note 36 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 March 2018, calculated under the Cayman Islands Companies Law, amounted to HK\$101,637,541 (2017: HK\$63,328,102) including share premium of HK\$145,805,565, accumulated losses of HK\$35,040,025, option reserve of HK\$3,872,000, contributed surplus of HK\$4,750,108 and equity investment revaluation deficit of HK\$13,000,000.

EQUITY LINKED AGREEMENTS

Share options

Details of movements the share options of the Company during the year are set out in note 37 to the consolidated financial statements. No share options were granted during the year ended 31 March 2018.

優先購買權

本公司的公司章程細則及開曼群島法律均無有關優先購買權的條文，本公司無須按比例向現有股東提供新股。

購買、出售或贖回上市證券

截至2018年3月31日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司的任何上市證券。

儲備

年內本集團及本公司的儲備變動詳情載於綜合財務報表第95頁及附註36。

可分派儲備

於2018年3月31日，根據開曼群島公司法計算，本公司的可分派儲備為101,637,541港元（2017年：63,328,102港元），包括股份溢價145,805,565港元、累計虧損35,040,025港元、購股權儲備3,872,000港元、實繳盈餘4,750,108港元及股本投資重估虧絀13,000,000港元。

股票掛鈎協議

購股權

本公司購股權於年內變動的詳情載於綜合財務報表附註37。截至2018年3月31日止年度概無授出任何購股權。

DIRECTORS

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

Executive Directors

Mr. Eric Todd
Mr. Ho Ying Choi
Mr. Lee Chin Ching Cyrix

Non-executive Director

Mr. Huang Liming (appointed with effect from 6 March 2018)

Independent Non-executive Directors

Mr. Tso Siu Lun, Alan
Mr. Lam Kai Yeung
Mr. Lo Chi Ho, Richard

Mr. Eric Todd (“Mr. Todd”) had resigned as the Chairman of the Board with effect from 6 March 2018 due to change of work positions. Mr. Todd confirmed that he has no disagreement with the Board and there are no matter relating to his resignation which need to be brought the attention of the Shareholders of the Company.

In accordance with article 84 the Articles, one-third of the Directors will retire and being eligible offer themselves for re-election at the forthcoming AGM. Accordingly, Mr Eric Todd, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard shall hold office until the next following AGM of the Company and shall then be eligible for re-election.

In accordance with the article 83 of the Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Mr. Huang Liming will retire from office and being eligible, he will offer himself for re-election in the forthcoming AGM.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors of the Company and the senior management of the Group are set out on page 34 to 42 of the annual report.

董事

本公司於本年度及截至本報告日期的董事為：

執行董事

達振標先生
何應財先生
李展程先生

非執行董事

黃黎明先生(於2018年3月6日獲委任)

獨立非執行董事

曹肇楸先生
林繼陽先生
羅志豪先生

達振標先生(「達先生」)因工作職位變動而辭任董事會主席職務，自2018年3月6日起生效。達先生確認彼與董事會並無意見分歧，亦無有關彼辭任的事宜須敦請本公司股東垂注。

根據細則第84條，三分之一董事將退任並合資格於應屆股東週年大會上重選連任。因此，達振標先生、林繼陽先生及羅志豪先生將在任至本公司下屆股東週年大會，屆時將合資格重選連任。

根據細則第83條，凡董事會為增補現有董事會委任的董事的任期均將於本公司下屆股東週年大會屆滿，屆時將合資格重選連任。因此，黃黎明先生將於下屆股東週年大會上退任並合資格及願意重選連任。

董事及高級管理層履歷

本公司董事及本集團高級管理層的履歷詳情載於本年報第34至42頁。

DIRECTORS' REPORT

董事會報告

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of the Company, a permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year. The Company has purchased the Directors' and Officers' Liability Insurance to provide protection against claims arising from the lawful discharge of duties by the Directors.

DIRECTORS' SERVICE CONTRACTS

Each of the independent non-executive Directors is appointed for an initial term of three year commencing from their respective dates of appointment and shall continue thereafter from year to year until terminated by two month's notice in writing served by either party on the other party.

The non-executive Director is appointed for a term of one year commencing from the date of his appointment. Such appointment can be terminated by one month's notice in writing served by either party on the other party.

Save as disclosed above, none of the Directors who are proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENT AND CONTRACTS

Save for the respective director service contracts with each of the executive Directors, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party in which a Director of the Company and the Director's connected party had a material interest whether directly or indirectly, subsisted at the end of the year or at any time during the year under review.

DIRECTORS' REMUNERATION

The Directors' fees are subject to Shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group as well as the recommendation of the Remuneration Committee. Further details of the Company's Remuneration Committee are set out in the corporate governance report on page 53 of the annual report.

獲准許彌償條文

根據本公司細則，以董事為受益人的獲准許彌償條文現正生效並於整個財政年度一直有效。本公司已投購董事及高級人員責任保險，為董事依法履職過程中可能產生的賠償責任提供保障。

董事服務合約

各獨立非執行董事已獲委任，初始任期由各自的委任日期起計為期三年，並將於其後每年繼續生效，直至其中一方給予對方兩個月的書面通知而終止。

非執行董事任期由彼獲委任日期起計一年。該項委任可由任一方向另一方發出一個月的書面通知予以終止。

除上文披露者外，概無擬於應屆股東週年大會上重選連任之董事與本公司訂立本公司須作補償(法定補償除外)方可於一年內終止之服務合約。

董事於交易、安排及合約的重大權益

除各執行董事的董事服務合約，於年末或回顧年度內任何時間，概不存在由本公司附屬公司、同系附屬公司或其母公司訂立而本公司董事及董事關連人士直接或間接於其中擁有重大權益並與本集團業務有關之重大交易、安排或合約。

董事薪酬

董事袍金須於股東大會上取得股東批准。其他薪酬乃董事會參考董事之職責、表現及本集團之業績以及薪酬委員會的推薦意見而釐定。本公司薪酬委員會的進一步詳情載於本年報第53頁的企業管治報告。

EMOLUMENT POLICY

The emolument of the employees of the Group is determined by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

RETIREMENT BENEFIT SCHEME

The Group participates in a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees employed. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the Group and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF scheme vest immediately.

The assets of the MPF Scheme are held separately from those of the Group, in fund under the control of trustees. During the year ended 31 March 2018, total contributions paid or payable to the MPF scheme by the Group amounted to approximately HK\$9.0 million (2017: HK\$9.5 million) which had been recognized as expenses and included in staff costs in the consolidated statement of comprehensive income.

DIRECTORS' SECURITIES TRANSACTIONS

The Group adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding the Directors' securities transactions in securities of the Company. The Company also had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the year ended 31 March 2018.

酬金政策

本集團僱員的酬金政策由薪酬委員會按其表現、資歷及能力而訂立。

本公司董事的酬金由薪酬委員會經考慮本公司的經營業績、個人表現及可比較市場統計數據而釐定。

退休福利計劃

本集團為所有合資格僱員參與根據香港強制性公積金計劃條例設立的強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立信託人管理的定額供款退休計劃。根據強積金計劃，本集團和其僱員分別須按僱員有關收入的5%向該計劃作出供款，而有關收入以每月30,000港元為上限。向強積金計劃作出的供款即時歸屬。

強積金計劃的資產與本集團的資產分開持有，資金由信託人控制。本集團於截至2018年3月31日止年度向強積金計劃已付或應付的供款總額約為900萬港元（2017年：950萬港元），該等金額已確認為支出及於綜合全面收益表中列為員工成本。

董事證券交易

本集團已採納GEM上市規則第5.48至5.67條所載買賣規定準則，作為規管董事進行本公司證券交易的行為守則。本公司亦已向全體董事作出特定查詢，截至2018年3月31日止年度，本公司並不知悉有任何違反董事進行證券交易的買賣規定準則及行為守則的情況。

DIRECTORS' REPORT

董事會報告

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

At 31 March 2018, the interests and short positions of the Directors and their associates in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in the ordinary shares of HK\$0.01 each of the Company

董事及最高行政人員於本公司或任何相聯法團股份、相關股份及債券的權益及淡倉

於2018年3月31日，董事及其聯繫人士於本公司及其相聯法團的股份、相關股份或債券中，擁有任何記錄於本公司根據證券及期貨條例第352條存置的登記冊內，或根據GEM上市規則第5.46條另行通知本公司及聯交所的權益及淡倉如下：

於本公司面值為0.01港元之普通股之好倉

| Name of Director | Capacity and nature of interest | Number of shares | Approximate percentage of interests in the issued share capital |
|-----------------------------------|--|--------------------------------------|---|
| 董事名稱 | 身份及權益性質 | 股份數目 | 佔已發行股本之權益概約百分比 |
| Huang Liming (note 1) 黃黎明(附註1) | Interested in controlled corporation 受控法團權益 | 619,911,950 (L) (note 2) (附註2) | 72.47% |

Notes:

1. Mr. Huang is interested in the said shares through his wholly owned company, Heng Sheng Capital Limited.
2. The Letter "L" denotes long position in the shares

附註：

1. 黃先生透過其全資公司恒生資本有限公司於上述股份中擁有權益。
2. 字母「L」表示於股份的好倉

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 March 2018.

除上文所披露者外，於2018年3月31日，董事及其聯繫人士概無於本公司或其任何相聯法團的股份、相關股份或債權證中擁有任何權益或淡倉。

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 March 2018 was the Company, its subsidiaries, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangement to enable the Directors and chief executive of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of acquisition of shares or underlying shares in, or debentures of, the Company or its specified undertakings or other associated corporation.

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

As at 31 March 2018, the following persons/entities (other than a Director or chief executive of the Company) had or were deemed or taken to have interests and short positions in the Shares and underlying shares of the Company as recorded in the register of interests and short positions of substantial shareholders (the "Register of Substantial Shareholders") required to be kept by the Company pursuant to section 336 of the SFO:

Long Positions in the ordinary shares of HK\$0.01 each of the Company

購買股份或債券的安排

於截至2018年3月31日止年度內任何時間，本公司、其附屬公司、同系附屬公司、母公司或其他相聯法團概無訂立任何安排，以使本公司董事及最高行政人員（包括彼等的配偶及未滿18歲子女）可透過購入本公司或其指明企業或其他相聯法團的股份、相關股份或債券而獲益。

主要股東及其他人士於本公司股份及相關股份中擁有之權益及淡倉

於2018年3月31日，根據證券及期貨條例第336條本公司須予存置之主要股東權益及淡倉登記冊（「主要股東登記冊」）所記錄，下列人士／實體（本公司董事或行政總裁除外）於本公司股份及相關股份中擁有或被視為或當作擁有權益及淡倉：

於本公司每股面值為0.01港元之普通股之好倉

| Name of Shareholders | Capacity and nature of interest | Number of shares | Approximate percentage of interests in the issued share capital 佔已發行股本之權益概約百分比 |
|-------------------------------------|------------------------------------|-----------------------------|---|
| 股東名稱 | 身份及權益性質 | 股份數目 | |
| Heng Sheng Capital Limited (note 1) | Beneficial Owner | 619,911,950 (L) (note 2) | 72.47% |
| 恒生資本有限公司(附註1) | 實益擁有人 | 619,911,950 (L) (附註2) | 72.47% |
| Huang Liming (note 1) | Interest in controlled corporation | 619,911,950 (L) (note 2) | 72.47% |
| 黃黎明(附註1) | 受控法團權益 | 619,911,950 (L) (附註2) | 72.47% |
| Li Mengya (note 1) | Interest of spouse | 619,911,950 (L) (note 2) | 72.47% |
| 李夢雅(附註1) | 配偶權益 | 619,911,950 (L) (附註2) | 72.47% |

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

Notes:

- 1 Heng Sheng Capital Limited is a company incorporated in the British Virgin Islands whose entire issued share capital is owned by Mr. Huang Liming, and accordingly under the SFO, Mr. Huang is deemed to be interested in the Shares held by Heng Sheng Capital Limited. Ms. Li Mengya is the spouse of Mr. Huang Liming and, accordingly under the SFO, she is deemed to be interested in the same number of Shares in which Mr. Huang Liming is interested.
- 2 The letter "L" denotes long position in the Shares.

Save as disclosed above, as at 31 March 2018, the Directors were not aware of any persons/entities (other than a Director or chief executive of the Company) who/which had or were deemed or taken to have any other interests or short positions in Shares or underlying shares of the Company as recorded in the Register of Substantial Shareholders required to be kept by the Company pursuant to under section 336 of the SFO.

SHARE OPTION SCHEME

Particulars of the Company's share option schemes are set out in note 37 to the consolidated financial statement. The total number of shares available for issue under the share option scheme is 40,000,000 shares, which represented approximately 4.68% of the issued shares of the Company as at the date of this annual report.

CONNECTED TRANSACTION

So far as the Directors and chief executive are aware, no non-exempt connected transactions or continuing connected transactions were entered into by the Group during the year ended 31 March 2018.

A summary of the related party transactions entered into by the Group during the year ended 31 March 2017 and 31 March 2018 is contained in note 41 to the consolidated financial statements. The related party transactions disclosed in note 41 to the consolidated financial statements are connected transactions or continuing connected transactions that were fully exempt from reporting, announcement, independent shareholders' approval and/or annual review pursuant to Rules 14A.76(1), 14A.90 and 14A.95 of the Listing Rules. The Company has complied with the applicable disclosure requirements under Chapter 14A of the Listing Rules in respect of such connected transactions.

主要股東及其他人士於本公司股份及相關股份中擁有之權益及淡倉 (續)

附註：

- 1 恒生資本有限公司為一間於英屬處女群島註冊成立的公司，其全部已發行股本由黃黎明先生擁有，因此，根據證券及期貨條例，黃先生被視為於恒生資本有限公司持有的股份中擁有權益。李夢雅女士為黃黎明先生的配偶，因此，根據證券及期貨條例，彼被視為於黃黎明先生擁有權益的相同數目股份中擁有權益。
- 2 字母「L」表示於股份的好倉。

除上文所披露者外，於2018年3月31日，董事並無獲悉任何人士／實體（本公司董事或行政總裁除外）於本公司股份或相關股份中擁有或被視為或當作擁有記錄於本公司根據證券及期貨條例第336條須存置之主要股東登記冊之任何其他權益或淡倉。

購股權計劃

本公司購股權計劃的詳情載於綜合財務報表附註37。根據購股權計劃可供發行之股份總數為40,000,000股，相當於本年報日期本公司已發行股份約4.68%。

關連交易

據董事及最高行政人員所悉，本集團於截至2018年3月31日止年度並無進行不獲豁免關連交易或持續關連交易。

本集團於截至2017年3月31日及2018年3月31日止年度進行的關聯方交易之概要載於綜合財務報表附註41。綜合財務報表附註41所披露的關聯方交易為根據上市規則第14A.76(1)、14A.90及14A.95條獲豁免遵守所有申報、公告及獨立股東批准及／或年度審核規定的關連交易或持續關連交易。本公司已遵守上市規則第14A章有關該等關連交易的適用披露規定。

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's revenue and purchases attributable to the major customers and suppliers respectively during the year are as follows:

| | | Revenue 收益 HK\$ 港元 | Purchases and cleaning subcontracting 採購及清潔承辦 HK\$ 港元 |
|-------------------------------------|---------|------------------------------------|---|
| The largest customer | 最大客戶 | 13,742,215 | N/A不適用 |
| Five largest customers in aggregate | 五大客戶合計 | 55,364,722 | N/A不適用 |
| The largest supplier | 最大供應商 | N/A不適用 | 6,664,199 |
| Five largest suppliers in aggregate | 五大供應商合計 | N/A不適用 | 14,458,156 |

For the year ended 31 March 2018, the aggregate percentage of purchase attributable to the Group's five largest suppliers is approximately 92.6% of the total purchases of the Group and the largest supplier included therein amounted to approximately 42.7%.

For the year ended 31 March 2018, the aggregate percentage of sales attributable to the Group's five largest customers is approximately 13.4% of the total sales of the Group and the largest customer included therein amounted to approximately 3.3%.

None of the Directors, their close associates or any shareholders (which to the knowledge of the Directors owned more than 5% of the Company's issued shares) had any interest in the Group's five largest customers or suppliers.

MANAGEMENT CONTRACTS

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

COMPETING BUSINESS

None of the controlling Shareholders or Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business.

主要客戶及供應商

本集團的主要客戶及供應商應佔本年度收益及採購的資料如下：

截至2018年3月31日止年度，本集團五大供應商應佔採購量百分比合共為本集團總採購量約92.6%，其中最大供應商佔約42.7%。

截至2018年3月31日止年度，本集團五大客戶應佔銷量百分比合共為本集團總銷量約13.4%，其中最大客戶佔約3.3%。

董事、彼等之緊密聯繫人士或任何就董事所知擁有本公司已發行股份逾5%之股東概無擁有於本集團五大客戶或供應商的任何權益。

管理合約

於本年度，本公司概無訂立或存有與本公司全部或任何重大部分業務之管理有關之合約。

競爭業務

概無控股股東或董事以及彼等各自的緊密聯繫人士(定義見GEM上市規則)於與本集團業務直接或間接構成或可能構成競爭的任何業務(除由本集團營運的業務以外)中擁有權益。

DIRECTORS' REPORT

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

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

CHANGE OF COMPANY NAME

Special resolutions were passed by the Shareholders at an extraordinary general meeting held on 7 May 2018, to approve the change of the name of the Company, the Registrar of Companies in the Cayman Islands approved the registration of the new names of the Company and issued the Certificate of Incorporation on Change of Name on 8 May 2018. The conditions for the Change of Company Name have therefore been satisfied and the English name of the Company has been changed from "Kong Shum Union Property Management (Holding) Limited" to "Heng Sheng Holdings Limited" and the dual foreign name of the Company in Chinese has been changed from "港深聯合物業管理(控股)有限公司" to "恒生控股有限公司", both with effect from 8 May 2018. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 29 May 2018 confirming the registration of the new names of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from 29 May 2018.

CORPORATE GOVERNANCE

The Company's corporate governance report is set out on pages 43 to 58 of the annual report.

公眾持股量充足

根據可提供予本公司的公開資料及就董事所知，於刊發年報前的最後實際可行日期，已確認有足夠公眾持股量，其最少佔本公司已發行股份25%。

更改公司名稱

股東於2018年5月7日舉行之股東特別大會通過特別決議案，以批准更改本公司名稱，而開曼群島公司註冊處已於2018年5月8日批准註冊本公司新名稱並發出更改名稱註冊證書。因此，更改公司名稱的條件已獲達成，而本公司之英文名稱已由「Kong Shum Union Property Management (Holding) Limited」更改為「Heng Sheng Holdings Limited」，而本公司中文雙重外文名稱已由「港深聯合物業管理(控股)有限公司」更改為「恒生控股有限公司」，均自2018年5月8日起生效。香港公司註冊處處長已於2018年5月29日發出註冊非香港公司變更名稱註冊證明書，確認本公司新名稱根據香港法例第622章公司條例第16部在香港註冊登記，自2018年5月29日起生效。

企業管治

本公司的企業管治報告載於本年報第43至58頁。

AUDITORS

The consolidated financial statements have been audited by ZHONGHUI ANDA CPA Limited who retire and, being eligible, offer themselves for re-appointment.

ON BEHALF OF THE BOARD

Eric Todd

Executive Director

Hong Kong

22 June 2018

核數師

綜合財務報表已經中匯安達會計師事務所有限公司審核，而其將退任及符合資格重選連任。

代表董事會

達振標

執行董事

香港

2018年6月22日

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

REPORTING PERIOD

As a company that bases and serves in Hong Kong, Heng Sheng Holdings Limited (formerly known as Kong Shum Union Property Management (Holding) Limited) (the “Company”), is fully committed to environment protection, socially responsible and equipped with the strictest corporate governance. In pursuant to the requirement of the Environmental, Social and Governance Reporting guide (“Environmental, Social and Governance Guide”) in Appendix 20 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) from the Stock Exchange of Hong Kong Limited, we have prepared the 2017–2018 Environmental Social and Governance Report (thereafter “ESG Report”), covering business segments that includes financial management, property management services (including cleaning, repair and maintenance), property security service and household e-commerce services.

The scope of this report will cover the Company’s initiatives on introducing the concept of ESG to our employees and clients, putting them into practices to our daily operations and disclosing results as a year-end summary over this reporting period. It is also the intention of our management to provide an overview of our Company’s direction in managing ESG related issues, driving for ESG initiatives throughout the Company, and communicating our ESG performance result with our stakeholders.

BOUNDARY AND REPORTING PERIOD

The reporting boundary shall cover our operation activities throughout the Company as listed above, and the reporting period of this report shall cover the date from 1 April 2017 to 31 March 2018.

ENVIRONMENT

Generating revenue for our shareholders, while providing the best service to our clients, and recognizing the importance and contribution to the local environment and community have always been one of our guiding principles. As part of our business include property and estate management, it is important for the Company to adopt the highest standard in environmental protection, setting examples and showing that our Company cares about the community and its development.

報告期間

作為一間紮根於香港的公司，恒生控股有限公司(前稱港深聯合物業管理(控股)有限公司)(「本公司」)致力推動環保，肩負社會責任，秉持嚴謹企業管治。按照香港聯合交易所有限公司頒佈的香港聯合交易所有限公司GEM證券上市規則(「GEM上市規則」)附錄20的環境、社會及管治報告指引(「環境、社會及管治指引」)的規定，我們編製2017年至2018年環境、社會及管治報告書(下文簡稱為「環境、社會及管治報告」)，範圍包括公司業務在財務管理、物業管理服務(清潔、維修和保養)、物業保安服務及家居電子商貿服務等分部。

本報告將涵蓋本公司向僱員及客戶提出在環境、社會及管治概念的措施，於日常營運中實踐有關概念，並以年末概要方式披露報告期間的結果。管理層亦旨在概述本公司在管理環境、社會及管治相關議題的方針、於公司內部推動相關措施以及通知持份者有關環境、社會及管治上的表現結果。

範圍及報告期間

報告範圍涵蓋上文所列的本公司整體業務活動，本報告的報告期間為2017年4月1日至2018年3月31日。

環境

為股東創造收益，同時為客戶提供最佳服務，並對環境及社區作出實際貢獻，一直是我們的指導原則之一。由於我們的業務包括物業及房地產管理，本公司採納最高標準的環保措施，以樹立榜樣並彰顯本公司對社區及其發展的關懷。

ENVIRONMENT (continued)

The Company took effort in identifying environmental impacts attributable to its business activities and carefully managing our operation in order to minimize these impacts if possible. The intention is not only promoting environment protection internally, but also encouraging the same to our clients and improve all together.

Air emission

The Company took the initiative to examine the issue of air emission across the operation, and the result indicated no significant impact could be reported. Due to our business nature, the Company did not involve with any combustion process, industrial, or heavy transportation activities that could lead to direct emission to the atmosphere. Thus, no significant impact from air emission can be identified. We will continue monitoring our operation and ensuring our air emission will be maintained at this level, and will disclosure further information as changes occur.

Carbon emission

Besides our effort in monitoring air pollutant emission, our Company is closely assessing our carbon emission, and the management is implementing measures to reduce our overall carbon footprint. Our estimated carbon emission, as the Company and for this reporting year, is calculated based on electricity consumption (the most significant in-direct carbon emitting source) and the emission factor provided by our electricity providers. Figures on electricity consumption and the carbon intensity factor were acquired from electricity bill and the recently posted Sustainability Report from electricity provider. With this information available to us, the Company looks to further investigate and work with our employees, along with external stakeholders, on enhancing our overall performance and minimizing our carbon footprint.

As a summary, the Carbon Footprint for the Company in this reporting year (1 April 2017 to 31 March 2018) was 210 tCO₂e.

環境(續)

本公司努力識別因其業務活動而產生的環境影響，並審慎管理我們的營運以儘量減少該等影響。此舉用意不僅在於促進內部環保，更為了鼓勵客戶效仿及共同改進。

氣體排放

本公司主動審視所有跟業務有關氣體排放上的問題，有關結果表明並無錄得任何重大影響。由於我們的業務性質，本公司並無涉及任何可導致將廢氣直接排放到大氣中的活動(例如燃燒，工業或重型運輸活動)。因此，概無發現氣體排放造成任何重大影響。我們將繼續監控營運，確保排放維持於現時水平，並在情況有變時進一步披露有關資料。

碳排放

除致力監控氣體污染物排放外，本公司密切評估碳排放，而管理層正實施減少總體碳足跡的措施。本公司整體於本報告年度的估算碳排放乃根據電力供應商所提供的耗電量(最重大的間接碳排放源)及排放因素計算。耗電量及碳強度數據乃從電費單及電力供應商近期發佈的可持續發展報告中獲取。以可得資料，本公司尋求作出規劃，並希望和員工及外部持份者進一步合作，以提升整體表現及減少碳足跡。

綜合上述，本公司於本報告年度(2017年4月1日至2018年3月31日)的碳足跡為210噸二氧化碳排放當量。

ENVIRONMENT (continued)

Waste management

After careful investigation, the Company concluded that the operation did not involve handling any hazardous waste, and thus no significant impact was recorded.

For non-hazardous waste, the Company had been promoting waste reduction internally, and adopted the same principle while working with our partners and communities that we served. Our attentions are especially spent on paper, metal and plastic recycling, which worked in parallel with the promotional campaign of the government. Appropriate use of recycled-paper was encouraged in our workplaces, and our employees are reminded to dispose waste in respective collection bins. In addition, the Company adopted a paper-less working procedure, that encouraged the communication through emails and e-format documents instead of hard copies. The effort was well received and was supported by our staff.

As a result, and with the collective efforts with our employees, our recorded waste generation in this reporting period was estimated to be 10L of container in daily operation waste.

Use of resources

As an environmental friendly company, the Company promotes the “Smart Usage” culture, encouraging our employees the cautious use of Natural Resources, particularly on electricity, operational materials, and water consumption.

The Company adopts *Environmental Policy* on energy conservation and efficiency, while implementing green practices and green technologies as much as possible in all of our premises. Our lighting and air-conditioning systems were upgraded with the aims for further energy reduction, and our operation team took energy consumption record in an attempt to identify energy efficiency opportunities.

In addition, the concept of “Smart Usage” had been incorporated in different parts of our business and was proposed as different actionable plans. Plans were designed according to estimated demand and supply, cost effectiveness, energy saving, equipment and was used as promotional strategies to attract potential carpark clients. As a result, proposed plans were either discussed or already implemented with our potential clients, and would be carried out in phases.

環境(續)

廢棄物管理

經仔細調查後，本公司在營運上並無處理任何有害廢棄物，因此並無記錄任何重大影響。

對於無害廢棄物，本公司不僅在內部推動廢棄減排，更在與合作夥伴及服務社區合作時應用相同的原則。我們尤其關注紙張、金屬及塑料的回收，以配合政府的宣傳活動。我們鼓勵在工作場所合理使用回收紙張，並提醒員工將廢棄物丟棄到回收箱。此外，本公司採納無紙化工作程序，鼓勵透過電郵及電子格式文件交流，而非紙質文件。有關措施深受歡迎，並得到員工支持。

最終，在所有員工共同努力下，我們於本報告期每天產生的廢棄物估計為10升容器的經營廢棄物。

資源運用

作為一間注重環保的公司，本公司推動「智慧運用」文化，鼓勵員工審慎使用天然資源，尤其著眼於電力、經營物料及水消耗。

本公司在節能及提效方面採納環境政策，同時在我們的所有物業中實施綠色措施並採納綠色科技。我們同時提升照明及空調系統以進一步減少能耗，而我們的經營團隊保存能耗記錄，以發現提高能源效率的契機。

此外，「智慧運用」的概念更被應用在業務上不同層面並作為可執行計劃予以提出。我們按照估算供求量、成本效益、節能及設備制定計劃，並作為營銷策略加以應用以吸引更多停車場客戶。因此，我們會與客戶討論或已實施所建議的計劃，並分階段實施。

ENVIRONMENT (continued)

Environment and resources

As discussed, resource management is considered as an important aspect in the Company's operation, especially in managing buildings and properties.

The Company understands energy generation requires fossil fuel burning, which can lead to a significant impact to the environment as air pollution problem. Thus, the Company reminds employees to be cautious about our electricity consumption to minimize our impacts.

The Company worked with our staff by promoting the "Smart Usage" culture, and reminded them to take-action throughout their daily operation. For example, notices were posted around different office area, reminding our staff on turning off lights and photocopiers after use. Staff were also reminded to maintain a good practice on utilizing other electronics devices, such as creating a comfortable working environment by setting the air-conditioner to 25.5°C, or printing documents double-sided whenever it was appropriate.

Working in line with the "Smart Usage" direction, our Company actively promoted the concept of smart usage of electricity in all premises. Initiatives such as adopting an *Energy Conservation and Efficiency Policy* and practices in offices and utilizing green technologies, were successfully implemented throughout the year. Heavy energy consuming devices were regularly checked and upgraded, as necessary (i.e. lighting and air conditioning), to ensure they were operating at their level of optimum.

As a summary, and after a careful data consolidation and analysis, the Company consumed the followings natural resources this reporting period:

Summary – 2017 Kong Shum environmental data

| |
|--|
| Electricity Consumption (kWh) |
| Water Consumption (m ³) |
| Non-hazardous Waste (L) |
| Electricity Consumption Intensity (kWh/ft ²) |
| Water Consumption Intensity (m ³ /ft ²) |
| Petroleum (L) |
| Diesel (L) |
| Paper Consumption (kg) |

Table 1. Use of Resources as of 31 March, 2018
表格1.截至2018年3月31日的資源運用

環境(續)

環境與天然資源

如上文討論，資源管理乃視作本公司營運之重要方面，尤其是樓宇及物業管理。

本公司深知發電過程需要燃燒大量化石燃料，導致空氣污染問題，對環境產生重大影響。因此，本公司提醒員工審慎消耗電力，以儘量減少我們的影響。

本公司保持與員工溝通，提醒於日常工作中推動「智慧使用」文化。例如，我們在不同辦公區域張貼通告，提醒員工於使用後關閉電燈及影印機。我們亦提醒員工於使用其他電子設備應有的良好習慣：例如通過將空調設置為25.5度，減低耗電並創造舒適的工作環境、或在適當情況下以雙面打印文件。本公司將繼續監控及改善我們在資源使用上的表現，珍惜天然資源。

為配合「智慧運用」方向，本公司於旗下所有物業中積極推廣「智慧電力運用」的概念。年內，我們成功實施多項舉措，如於辦公室內採納節能及提效政策及各項措施並採納綠色的科技。我們更定期檢查、升級耗能裝置(照明及空調)，以確保該等裝置能達至最佳運作水平。

綜合上述，經過仔細整合及分析數據後，本公司於本報告期間的天然資源消耗如下：

概要 – 2017年港深環境數據

| | |
|---------------|---------|
| 耗電量(千瓦時) | 330,900 |
| 耗水量(立方米) | 600 |
| 無害廢棄物(升) | 10 |
| 耗電強度(千瓦時/平方尺) | 19.31 |
| 耗水強度(千瓦時/平方尺) | 0.04 |
| 石油(升) | 12,840 |
| 柴油(升) | 77 |
| 紙張消耗(公斤) | 704,800 |

SOCIAL

The Company's business spreads across several industry sectors, and involves a large number of great individuals working with us. Offering competitive compensation to our staff, while treating them equally and fairly, and complying to laws and regulations have always been one of the Company's guiding principles. The Company will monitor and improve in areas as needed, and continue to grow sustainably and in a socially responsible manner.

Employment

Employees are our internal stakeholders and are pivotal to our success. As a socially responsible company, our Company understands success hinges largely on the People that works with us. The Company thus recognizes the contribution from our People and the success that they bring, and considers them as the greatest asset. The Company believes works of excellence must be well compensated, and offers a competitive remuneration and benefits scheme to retain and attract qualified employees. Salaries are reviewed and adjusted regularly based on performance appraisals, and according to the guideline from the remuneration and incentive system. At the end of the term, rewards that are based on the *Reward and Punishment Measures*, will be handed to those who made significant contributions in daily work. Outstanding employees are given priority on potential promotion or improvement opportunity during annual employee appraisals.

Emolument policy

The emolument of the employees of the Company is determined by the remuneration Committee, and will be assessed according to merit, qualifications and competence. The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

社會

本公司業務遍及多個行業，涉及與大量優秀人才合作。為員工提供具競爭力的薪酬，同時公平公正對待員工，遵守法律法規一直是本公司的指導方針之一。本公司將根據需要，在各個領域持續監察和改進，並以可持續及肩負社會責任的方式繼續發展。

僱傭

員工為我們的內部持份者，對於我們取得成功至關重要。作為一間倡導社會責任的公司，本公司深知成功很大程度有賴出色的員工與公司配合。故此，本公司肯定員工對公司所作的貢獻，並視員工為最大的資產。本公司認為應合理地回報表現優秀的員工，因此提供具競爭力的薪酬待遇及福利計劃以吸引及留聘優秀員工。我們還根據表現評核並按照薪酬及獎勵制度的指引定期檢視及調整薪酬。於期末，我們根據所訂立的僱員獎罰措施，向在日常工作中作出重大貢獻之僱員給予獎勵。進行年度僱員評核時，表現優秀之員工優先獲潛在晉升或增值機會。

薪酬政策

本公司僱員的薪酬由薪酬委員會釐定，並按照彼等的表現優劣、資歷及才幹進行評估。本公司董事的薪酬由薪酬委員會經考慮本公司的經營業績、其個別表現及可資比較的市場統計數據後決定。

SOCIAL (continued)

Remuneration committee

To ensure the remuneration scheme stays competitive, the Company established a Remuneration Committee, and with the principal duties in determination of specific remuneration packages of all executive Directors, including benefits in kind, pension rights and compensation payments, any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board on the remuneration of non-executive Directors. The Remuneration Committee should also consider factors such as salaries paid by comparable companies, time commitment and responsibilities, and include those factors into the decision process.

The Remuneration Committee shall meet regularly determining on policies for Directors' remuneration, and assess the performance of Executive Directors and certain senior management of the Company.

Retirement benefit scheme

The Company operates the Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees employed. The assets of the MPF Scheme are held separately from those of the Company, and under the control of independent trustees. Both the Company and the employees contribute a fixed percentage to the MPF Scheme based on monthly salary in accordance with government regulations.

During the year ended 31 March 2018, total contributions paid or payable to the MPF scheme by the Company amounted to approximately HK\$9.00 million (approximately HK\$9.5 million in the previous year), which had been recognized as expenses and included in staff costs in the consolidated statement of profit or loss and other comprehensive income.

社會(續)

薪酬委員會

為確保薪酬計劃在市場上保持競爭力，本公司特設立薪酬委員會，列明主要職責以釐定全體執行董事的具體薪酬方案，包括實物利益、退休金權利及賠償款項、離職或終止委任的任何應得賠償，以及就非執行董事的薪酬向董事會提出推薦建議。薪酬委員會亦考慮多項因素，例如可資比較公司所付的薪酬、時間承諾及職責，並將該等因素納入決策過程。

薪酬委員會應定期會面以釐定董事的薪酬政策及評估本公司執行董事及若干高級管理層表現。

退休福利計劃

本公司為所有合資格僱員營運根據香港強制性公積金計劃條例設立的強制性公積金計劃(「強積金計劃」)。強積金計劃的資產與本公司的資產分開持有，且由獨立信託人控制。按照政府規例，本公司及員工根據月薪分別按固定比例向強積金計劃供款。

本公司於截至2018年3月31日止年度向強積金計劃已付或應付的供款總額約為900百萬港元(去年約為950百萬港元)，該等金額已確認為支出及於綜合損益及其他全面收益表中列為員工成本。

SOCIAL (continued)

Operation health and safety

The Company considers the topic of operational health and safety as one of the top priorities, and enforced the highest standard on maintaining a safe and comfortable working environment for employees.

The Company provides employees with a spacious working place and with abundant ancillary resources, including a dining room, resting area, and basic household appliances. All equipment, such as drinking facilities, air-conditioning system and wiring are under regular inspection. Equipment such as fire extinguishers, fire escape masks and safety helmets at construction sites were placed in prominent locations in offices, and were easily accessible to all employees. In addition, safety guidance such as fire drills or tips were constantly circulated to remind our staff to pay attention to public safety.

In summary, the following measures were adopted during the reporting period to strengthen our staff's awareness on Health and Safety issues:

- A one-time health and safety training was conducted for new employees to strengthen their overall health and safety awareness;
- A work safety and health meeting were held monthly to fulfil employees' daily health and first-aid needs; and
- Regular workshop was conducted on enhancing our security staff knowledge on emergency incident management (ie: gas leak, riot and etc).

During the reporting period from 1 April 2017 to 31 March 2018, the Company had no material non-compliance breach with relevant standards, rules and regulations, and no any major accident were encountered during operation.

社會(續)

職業健康及安全

本公司認為職業健康及安全話題乃頭等大事之一，並按最高標準為員工提供安全及舒適的工作環境。

本公司為員工提供寬敞的工作場所，配套資源豐富，包括員工餐廳、休息區和基本家用電器。所有設備均進行定期檢查，如飲水設施、空調系統及電綫。我們將滅火器，防火口罩和安全頭盔等設備放置在施工現場及辦公室當眼位置，讓員工在緊急情況下使用。此外，持續傳播消防演習或建議等安全指引，提醒員工注意公共安全。

總括而言，我們於報告期間已採納下列措施，以加強員工對健康及安全問題的意識：

- 為新入職員工舉行一次健康及安全培訓，以加強整體健康及安全意識；
- 每月召開工作健康及安全會議，落實僱員日常健康及急救需求；及
- 定期舉辦工作坊，以提升保安員工有關緊急事故管理(例如氣體洩漏、騷亂等)的知識。

於2017年4月1日起至2018年3月31日止報告期間內，本公司並無違反相關準則、法例及規例，於營運過程中並無發生重大事故。

SOCIAL (continued)

Equal opportunities, workforce diversity and anti-discrimination

The Company has a policy in place to cover employee compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

A comprehensive staff handbook was issued and available to all employees that included:

- employment policy;
- welfare and benefits;
- leave and rest days;
- conduct and discipline;
- occupational health and safety;
- personal data (Privacy); and
- equal opportunity.

A copy of this Employee Handbook was given upon the first day of joining our Company, and updates should be revised accordingly.

The Company emphasizes on equal opportunity, as our employment and training and promotion practices do not discriminate on grounds of gender, disability, pregnancy, family status, race, color, religion, age, sexual orientation, national origin, trade union membership or other conditions recognized in law.

Our *Corporate Policy* includes provisions on any kind of discrimination or harassment will not be tolerated either in job duty assignment or career advancement and victimization in the workplace. In addition, the Company collected applicant ID cards, QAS certificates and security personnel permits, according to the *Security and Guarding Services Ordinance (Chapter 460)*, in order to verify the identity and qualification of our security guard applicant.

To the Company's best knowledge, and during the year ended 31 March 2018 and up to the date of this report, the Company was not aware of any non-compliance with relevant laws and regulations.

社會(續)

平等機會、多元化及反歧視

本公司採取政策以管限員工補償及解聘、招聘及晉升、工作時間、休息期限、平等機會、多元化、反歧視及其他待遇及福利。

本公司發佈並向全體員工提供全面的員工手冊，其中載列：

- 僱傭政策；
- 福利及待遇；
- 年假及休息日；
- 行為及紀律；
- 職業健康及安全；
- 個人資料(私隱)政策；及
- 平等機會。

僱員手冊於員工加入本公司的首日即向其提供，如有更新應作相應修訂。

本公司注重平等機會，包括聘任、培訓及晉升常規人士。對性別、殘疾、懷孕、家庭狀況、種族、膚色、宗教、年齡、性別取向、國籍、工會會籍或法律上認可之其他狀態均無任何歧視。

我們的企業政策規定包括無論在工作職責安排或職業發展中，絕不容忍任何形式的歧視或騷擾，亦不容許工作場所的任何傷害行為。此外，為核實保安申請人之身分及資格，本公司會根據保安及護衛服務條例(第460章)收集申請人之身分證、QAS證書及保安人員許可證。

盡本公司所深知，於截至2018年3月31日止年度及直至本報告日期，本公司並未知悉任何不遵循相關法律及法規的行為。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

SOCIAL (continued)

Development and training

To encourage career development, the Company provided different training programs, including training programmes for security guards on working attitude and security knowledge. Our management and staff were also provided with real-life case study to enhance their management skills and risk management knowledge. In addition, effect and updates on new law, complaints, and new company policy in operations and accounting were regularly debriefed for consistency throughout the operation.

In summary, the total hours of our provided training programme according to genders can be found as below:

社會(續)

發展及培訓

為鼓勵職業發展，本公司提供多種培訓課程，包括向保安人員提供有關工作態度及保安知識之培訓課程。我們亦向管理層及員工提供實質案例研究，以增強其管理技能及風險管理知識。此外，我們定期匯報經營及會計方面的新法例、申訴及新公司政策的效力及更新，以在經營中貫徹實施。

總括而言，我們提供的培訓課程總時數按性別載列如下：

| | | Male | Female | Total (Number of staff trained) 總計 (受訓員 工人數) | Total (Hours) 總計 (小時) |
|---------------------------------|----------|------|--------|---|--------------------------------|
| | | 男 | 女 | | |
| Management and General Staff | 管理層及普通員工 | 119 | 149 | 268 | 1404 |
| Security Guard | 保安人員 | 1285 | 386 | 1,671 | 10,026 |

Table 2. Employee total training hours (as of 31 March 2018)
表格2. 員工培訓總時數(截至2018年3月31日)

SOCIAL (continued)

社會(續)

Development and training (continued)

發展及培訓(續)

We value talent and employ those that best fit the position regardless of their genders. Public recruitment will be conducted annually and equal opportunity. The following charts thus provide an overview of our staff's age and gender distribution in this reporting period:

我們重用人才，並就各職位聘用最合適人才而不論其性別。公開招聘將每年進行，提供平等機會。於本報告期內，我們員工之性別及年齡分佈情況概覽載於下圖：

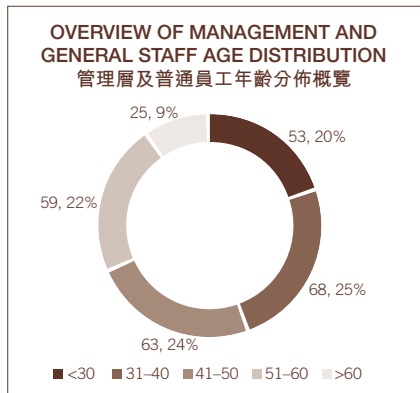


Chart 1. Management and general staff age distribution (as of 31 March 2018)

圖1. 管理層及普通員工年齡分佈 (截至2018年3月31日)

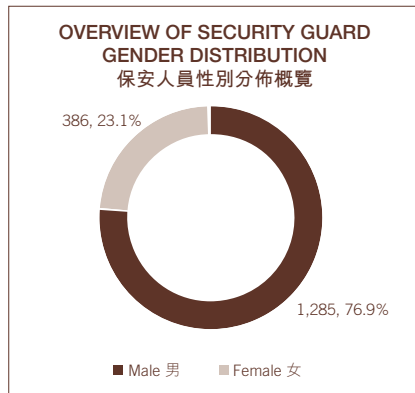


Chart 2. Security Guard gender distribution (as of 31 March 2018)

圖2. 保安人員性別分佈 (截至2018年3月31日)

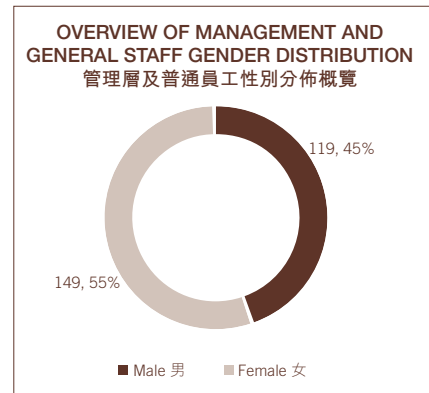


Chart 3. Management and General staff gender distribution (as of 31 March 2018)

圖3. 管理層及普通員工性別分佈 (截至2018年3月31日)

At the year ended in 31 March 2018, the majority of our staff were employed under a full-time arrangement, where the turnover rate of Management and General Staff of our operations in Hong Kong was 6% (15.6 person average per month).

於截至2018年3月31日止年度，我們的員工大部分為全職僱傭，我們香港業務的管理層及普通員工流失率為6% (平均每月15.6人)。

SOCIAL (continued)

Employees, customers, suppliers and other stakeholders

The Company values relationship with our customers and suppliers, and treats it as an important aspect of our business. An open engagement channel with our customers was maintained through complaint revision meetings, as it brings insight to our operation performance. It was proven to be effective in understanding the latest updates and to better our services. The Company is also dedicated to build a close working relationship with our suppliers, and by conducting regular performance revision and appraisal for a closer working relationship with our clients. Our effective communication strategy includes timely and accurate information disclosure. Not only it brought confident to our Shareholders' and investors', which were beneficial for investor relations, it also invited constructive feedback for perfecting our operation.

We will continue the success of our open communication, and the interactions will be sustained for a successful working relationship with our stakeholders in the future.

Anti-corruption

The Company is strictly complying to all laws and regulations requirements and is fully committed in restricting any of illegal activities, including Corruption, without exception. The Company requested our staff to understand, prohibit and work with us to safeguard our Company throughout the daily operation, and also prevented money laundering activities. A whistleblowing channel was established for reporting inappropriate conduct and other irregularities issues that were against our relevant policies and guidelines. In order to strengthen our employee's understanding on the topic, regular internal trainings were organized, and real-life cases and measures to avoid non-compliance activity that may incur were provided as examples. A working guideline on "Anti-Corruption Measures on Account, Security, Construction, Property Management" was provided as a reference, and it was publicly available and fully accessible to all our employees.

社會(續)

僱員、客戶、供應商及其他持份者

本公司十分重視與客戶及供應商維持良好的合作關係。我們會透過投訴檢討會議從而維持與客戶之公開溝通渠道，以了解我們之營運表現。此舉有助我們了解公司的最新情況及有助改進服務。本公司更會透過定期進行供應商表現檢討及評核，致力與供應商建立良好工作關係，為客戶提供更佳服務，建立更緊密的工作關係。我們的有效溝通策略包括及時準確地作出資料披露。此舉不單給予股東及投資者信心，加強與其合作，亦可引入具建設性回應，從而完善我們之營運。

我們日後將會繼續與不同持份者公開溝通，並維持一直以來成功的合作關係。

反貪污

本公司嚴格遵守所有法律法規規定並致力禁止任何非法活動，包括貪污。本公司要求員工了解及禁制有關非法活動，並攜手合作以於日常營運中保障本公司及預防任何洗錢活動。本公司已設立舉報渠道供舉報違反相關政策及指引之不當行為及其他違規問題。本集團更會定期舉行內部培訓以加深僱員對此方面之了解，並提供防止任何不合規活動的實質案例及措施作為示例。本集團就「會計、保安、工程及物業管理之反貪污措施」提供工作指引作參考用途，有關工作指引供全體僱員公開查閱及閱覽。

SOCIAL (continued)

Anti-corruption (continued)

During the period from 1 April 2017 to 31 March 2018, our Company was unaware of any action that non-compliance to legal regulation, and related to corruption, bribery, extortion, fraud and money laundering.

COMMUNITY

The Company understands the importance of our business is to both generate and bring in profit to our shareholders, and being socially responsible to care, serve and give back to our community wherever is needed at the same time.

Community investment

For the past ten years, our Company has been receiving the recognition as a “Caring Company” under the Caring Company Scheme by The Hong Kong Council of Social Service (HKCSS). The Company, and together with our staff, are dedicated and committed to fully support local charity organizations, NGOs and their volunteering activities by allocating portion of our revenue to build a better local community.

In addition, and to better support our local community, the Company engaged and participated in the “Lions Territory-wide Blood Donation Day 2017” (獅子全城愛心捐血日2017), launched by Leo Club of Hong Kong and “New Year Thousand Elderly Caring Feast 2018” (新春敬老獻愛心千人盆菜宴2018) organized by Mount Davis Kaifong Welfare Association. The result was well received, where participants expressed appreciation and looked forward for future events from the organizers.

During this reporting period from 1 April 2017 to 31 March 2018, our Company contributed a total of HK\$3,000 in supporting the local charity in both the social and health area.

社會(續)

反貪污(續)

於2017年4月1日至2018年3月31日期間，本公司並無發現任何違反法律規例及貪污、賄賂、敲詐、舞弊及洗錢有關的行為。

社區

本公司了解除為股東帶來利潤，承擔社會責任和於有需要時服務及回饋社區，同樣重要。

社區投資

於過去十年，本公司一直獲香港社會服務聯會(HKCSS)認可為商界展關懷計劃項下之「商界展關懷」公司。本公司連同員工致力透過分配部分收益，向本地慈善團體、非牟利機構及彼等之義工活動提供全面支持，從而建立更好本地社區。

此外，為更好支援我們的當地社區，本公司參與香港青年獅子會舉行的「獅子全城愛心捐血日2017」及摩星嶺街坊福利會組織的「新春敬老獻愛心千人盆菜宴2018」。結果深受歡迎，參與者表達感激之情並期待參加組織者今後開展的活動。

於2017年4月1日至2018年3月31日報告期間，本公司就支持社會及健康範疇之本地慈善機構貢獻合共3,000港元。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



TO THE SHAREHOLDERS OF HENG SHENG HOLDINGS LIMITED
*(formerly known as Kong Shum Union Property Management
(Holding) Limited)*
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Heng Sheng Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 91 to 182, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HSAs”) 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.

致恒生控股有限公司
(前稱港深聯物業管理(控股)有限公司)
(於開曼群島註冊成立的有限公司)
列位股東

意見

吾等已審核載列於第91至182頁恒生控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於2018年3月31日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

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

意見的基礎

吾等已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。吾等在該等準則下承擔的責任已在吾等的報告「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佈的專業會計師道德守則(「守則」)，吾等獨立於 貴集團，並已履行守則中的其他專業道德責任。吾等相信，吾等所獲得的審計憑證能充足及適當地為吾等的意見提供基礎。

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.

(i) Investment property

Refer to Note 18 to the consolidated financial statements.

The Group measured its investment property at fair value with the changes in fair value recognised in the consolidated profit or loss. This fair value measurement is significant to our audit because the balance of investment property of HK\$32,000,000 as at 31 March 2018 and the fair value gain of HK\$3,182,699 for the year ended 31 March 2018 are material to the consolidated financial statements. In addition, the Group's fair value measurement involves application of judgement and is based on assumptions and estimates.

“Our audit procedures included, among others:

- Assessing the competence, independence and integrity of the external valuer engaged by client;
- Obtaining the external valuation report and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model;
- Checking key assumptions and input data in the valuation model to supporting evidence;
- Checking arithmetical accuracy of the valuation model; and
- Assessing the disclosure of the fair value measurement in the consolidated financial statements.”

We consider that the Group's fair value measurement of the investment property is supported by the available evidence.

關鍵審計事項

關鍵審計事項是根據吾等的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下來進行處理的，吾等不對這些事項提供單獨的意見。

(i) 投資物業

茲提述綜合財務報表附註18。

貴集團按公允值計量其投資物業，並於綜合損益中確認公允值變動。由於投資物業於2018年3月31日的結餘為32,000,000港元及公允值收益於截至2018年3月31日止年度為3,182,699港元，對綜合財務報表而言屬重大，故此公允值計量對吾等的審計而言屬重大。此外，貴集團的公允值計量涉及應用判斷並基於多項假設及估計。

「吾等的審計程序包括(其中包括)：

- 評估客戶所委聘外聘估值師的資格、獨立性身分及誠信；
- 取得外部估值報告及與外聘估值師會面以討論估值過程、所用方法以及用於支持估值模式所用重大判斷及假設的市場證據並質疑上述各項；
- 檢查估值模式中用於佐證的重大假設及輸入數據；
- 檢查估值模式的算術準確性；及
- 評估綜合財務報表對公允值計量的披露。」

吾等認為 貴集團投資物業的公允值計量乃以可獲得的證據支持。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

(ii) Trade receivables

Refer to note 26 to the consolidated financial statements.

The Group tested the amount of trade receivables for impairment. This impairment test is significant to our audit because the balance of trade receivables of HK\$50,221,847 as at 31 March 2018 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

“Our audit procedures included, among others:

- Assessing the Group's procedures on granting credit limits and credit periods to customers;
- Assessing the Group's relationship and transaction history with the customers;
- Evaluating the Group's impairment assessment;
- Assessing ageing of the debts;
- Assessing creditworthiness of the customers;
- Checking subsequent settlements from the customers; and
- Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.”

We consider that the Group's impairment test for trade receivables is supported by the available evidence.

(ii) 貿易應收款項

茲提述綜合財務報表附註26。

貴集團測試貿易應收款項的減值金額。由於貿易應收款項於2018年3月31日的結餘為50,221,847港元，對綜合財務報表而言屬重大，故減值測試對吾等的審計而言屬重大。此外，貴集團的減值測試涉及應用判斷及基於多項估計。

[吾等的審計程序包括(其中包括)：

- 評估 貴集團授予客戶信貸限額及信貸期的程序；
- 評估 貴集團與客戶的關係及交易記錄；
- 評價 貴集團的減值評估；
- 評估債務賬齡；
- 評估客戶的信譽；
- 檢查客戶的其後結算款項；及
- 評估綜合財務報表中對 貴集團所承擔信貸風險的披露。」

吾等認為 貴集團對貿易應收款項的減值測試乃以可獲得的證據支持。

(iii) Investment at fair value through profit or loss

Refer to note 29 to the consolidated financial statements

The Group measured its investment at fair value through profit or loss with the changes in fair value recognised in the consolidated profit or loss. This fair value measurement is significant to our audit because the balance of investment at fair value through profit or loss of HK\$37,793,793 as at 31 March 2018 and the fair value gain of HK\$1,347,877 for the year then ended are material to the consolidated financial statements. In addition, the Group's fair value measurement involves application of judgement and is based on assumptions and estimates.

"Our audit procedures included, among others:

- Assessing the competence, independence and integrity of the external valuer engaged by client;
- Obtaining the external valuation report and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model;
- Checking key assumptions and input data in the valuation model to supporting evidence;
- Checking arithmetical accuracy of the valuation model; and
- Assessing the disclosure of the fair value measurement in the consolidated financial statements."

We consider that the Group's fair value measurement of the investment at fair value through profit or loss is supported by the available evidence.

(iii) 按公允值計入損益的投資

茲提述綜合財務報表附註29。

貴集團計量其之按公允值計入損益投資，並於綜合損益中確認公允值變動。由於按公允值計入損益之投資於2018年3月31日的結餘為37,793,793港元且截至該日止年度公允值收益為1,347,877港元，對綜合財務報表而言屬重大，故此公允值計量對吾等的審計而言屬重大。此外，貴集團的公允值計量涉及應用判斷並基於多項假設及估計。

「吾等的審計程序包括(其中包括)：

- 評估客戶所委聘外聘估值師的資格、獨立性身分及誠信；
- 取得外部估值報告及與外聘估值師會面以討論估值過程、所用方法以及用於支持估值模式所用重大判斷及假設的市場證據並質疑上述各項；
- 檢查估值模式中用於佐證的重大假設及輸入數據；
- 檢查估值模式的算術準確性；及
- 評估綜合財務報表對公允值計量的披露。」

吾等認為 貴集團按公允值計入損益之投資的公允值計量乃以可獲得的證據支持。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

(iv) Investment in an associate

Refer to note 25 to the consolidated financial statements

The Group tested the amount of investment in an associate for impairment. This investment in an associate is significant to our audit because the balance of investment in an associate of HK\$36,499,071 as at 31 March 2018 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.

“Our audit procedures included, among others:

- Evaluating the Group's impairment assessment;
- Assessing the financial information of the associate;
- Obtaining and checking to evidence to support the Group's impairment assessment;
- Assessing the arithmetical accuracy of the value-in-use calculations;
- Assessing the reasonableness of the key assumptions (including revenue growth, profit margins and discount rates); and
- Checking input data to supporting evidence.”

We consider that the Group's impairment test for investment in an associate is supported by the available evidence.

(iv) 於一間聯營公司的投資

茲提述綜合財務報表附註25。

貴集團測試於一間聯營公司的投資的減值金額。此項於一間聯營公司的投資對審核而言屬重大，因為於一間聯營公司的投資於2018年3月31日的結餘為36,499,071港元，對綜合財務報表而言屬重大。此外，貴集團的減值測試涉及應用判斷及基於多項假設及估計。

「吾等的審計程序包括(其中包括)：

- 評價 貴集團的減值評估；
- 評核聯營公司之財務資料；
- 取得及檢查 貴集團減值評估之佐證；
- 評估使用價值計算之算數準確性；
- 評估主要假設(包括收益增長率、利潤率及貼現率)之合理性；及
- 對照支持憑證，檢查輸入數據。」

吾等認為 貴集團對於一間聯營公司的投資的減值測試乃以可獲得的證據支持。

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of 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.

其他資料

董事須對其他資料負責。其他資料包括刊載於 貴公司年報的全部資料，但不包括綜合財務報表及吾等的核數師報告。預期吾等將於本核數師報告日期後獲得有關其他資料。

吾等對綜合財務報表作出的意見並無涵蓋其他資料，而吾等不會對其他資料發表任何形式的核證結論。

就吾等審計綜合財務報表而言，吾等的責任為在取得上文所識別的其他資料時閱讀有關資料，從而考慮其他資料是否與綜合財務報表或吾等在審計過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

董事就綜合財務報表須承擔的責任

董事須負責遵照香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，編製反映真實而公平的綜合財務報表，並對董事認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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.

“A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at: <http://www.hkicpa.org.hk/en/standards-andregulations/standards/auditing-assurance/auditre/>. This description forms part of our auditor's report.”

ZHONGHUI ANDA CPA Limited
Certified Public Accountants

Ngan Hing Hon
Audit Engagement Director
Practising Certificate Number P05294

Hong Kong, 22 June 2018

核數師就審計綜合財務報表承擔的 責任

吾等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，並出具包括吾等意見的核數師報告。吾等僅向閣下(作為整體)匯報吾等的意見，除此以外別無其他目的。吾等概不就本報告內容向任何其他人士承擔或負上責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其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，則有關錯誤陳述被視作重大。

有關吾等就審計綜合財務報表須承擔責任的進一步說明載於香港會計師公會網站：<http://www.hkicpa.org.hk/en/standards-andregulations/standards/auditing-assurance/auditre/>。本說明構成吾等的核數師報告的一部分。

中匯安達會計師事務所有限公司
執業會計師

顏興漢
審計項目董事
執業證書編號P05294

香港，2018年6月22日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 March 2018 截至2018年3月31日止年度

| | | Notes | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--|-------------------------------|-------|-----------------------------|-----------------------------|
| | | 附註 | | |
| Revenue | 收益 | 7 | 412,270,727 | 395,513,512 |
| Cost of services | 服務成本 | | (317,871,870) | (312,205,562) |
| Gross profit | 毛利 | | 94,398,857 | 83,307,950 |
| Other revenue | 其他收益 | 8 | 8,384,170 | 338,310 |
| Share of profits of an associate | 分佔一間聯營公司溢利 | | 4,999,071 | – |
| Administrative expenses | 行政開支 | | (49,982,733) | (51,957,774) |
| Other operating expenses | 其他營運開支 | | (18,144,129) | (17,984,352) |
| Finance costs | 融資成本 | 10 | (1,328,746) | (195,855) |
| Profit before tax | 除稅前溢利 | | 38,326,490 | 13,508,279 |
| Income tax expense | 所得稅開支 | 13 | (7,363,534) | (3,320,101) |
| Profit for the year | 年內溢利 | 11 | 30,962,956 | 10,188,178 |
| Other comprehensive income/ (loss), net of tax | 其他全面收益／(虧損) (扣除稅項) | | | |
| <i>Items that will not be reclassified to profit or loss:</i> | <i>將不會重新分類至損益的 項目：</i> | | | |
| Loss on equity investment at fair value through other comprehensive income | 按公允值計入其他全面收益的 股本投資的虧損 | | – | (4,267,000) |
| <i>Items that may be reclassified to profit or loss:</i> | <i>可能重新分類至損益的項目：</i> | | | |
| Exchange differences on translation of foreign operation | 換算海外業務所產生之 匯兌差額 | | 173,260 | – |
| Other comprehensive income/(loss) for the year | 年內其他全面收益／(虧損) | | 173,260 | (4,267,000) |
| Total comprehensive income for the year | 年內全面收益總額 | | 31,136,216 | 5,921,178 |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 March 2018 截至2018年3月31日止年度

| | | Notes | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|---|------------------------|-------|-----------------------------|-----------------------------|
| | | 附註 | | |
| Profit for the year attributable to: | 下列各項應佔年內溢利： | | | |
| Owners of the Company | 本公司擁有人 | | 28,694,621 | 10,188,178 |
| Non-controlling interests | 非控股權益 | | 2,268,335 | – |
| | | | 30,962,956 | 10,188,178 |
| Total comprehensive income for the year attributable to: | 下列各項應佔年內全面收益總額： | | | |
| Owners of the Company | 本公司擁有人 | | 28,815,903 | 5,921,178 |
| Non-controlling interests | 非控股權益 | | 2,320,313 | – |
| | | | 31,136,216 | 5,921,178 |
| Earnings per share | 每股盈利 | | | |
| Basic (HK\$) | 基本(港元) | 14 | 0.037 | 0.018 |
| Diluted (HK\$) | 攤薄(港元) | 14 | 0.037 | 0.018 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2018 於2018年3月31日

| | | Notes | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|---|-----------------|-------|-----------------------------|-----------------------------|
| | | 附註 | | |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 17 | 11,763,803 | 12,654,309 |
| Investment property | 投資物業 | 18 | 32,000,000 | 28,817,301 |
| Intangible assets | 無形資產 | 19 | 5,838,386 | 7,886,735 |
| Goodwill | 商譽 | 21 | 784,704 | 784,704 |
| Deposits placed for life insurance policies | 就人壽保險保單存入的按金 | 22 | 8,382,078 | 8,169,842 |
| Deposits for acquisition of an associate | 收購一間聯營公司的按金 | 23 | – | 28,350,000 |
| Deferred tax assets | 遞延稅項資產 | 24 | 2,553,540 | 2,547,327 |
| Investment in an associate | 於一間聯營公司的投資 | 25 | 36,499,071 | – |
| | | | 97,821,582 | 89,210,218 |
| Current assets | 流動資產 | | | |
| Trade and other receivables | 貿易及其他應收款項 | 26 | 72,501,637 | 61,914,124 |
| Pledged bank deposits | 已抵押銀行存款 | 27 | 10,176,374 | 7,105,972 |
| Cash and cash equivalents | 現金及現金等價物 | 28 | 54,164,638 | 45,164,990 |
| Investment at fair value through profit or loss | 按公允值計入損益的投資 | 29 | 37,793,793 | – |
| | | | 174,636,442 | 114,185,086 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付款項 | 30 | 54,553,501 | 64,006,351 |
| Bank borrowings – secured | 銀行借貸 – 有抵押 | 31 | 9,869,600 | 9,370,264 |
| Finance leases payables | 應付融資租賃款項 | 32 | 140,288 | 219,346 |
| Promissory notes payables | 應付承兌票據 | 33 | 7,674,841 | – |
| Current tax liabilities | 即期稅項負債 | | 3,839,536 | 999,259 |
| | | | 76,077,766 | 74,595,220 |
| Net current assets | 流動資產淨值 | | 98,558,676 | 39,589,866 |
| Total assets less current liabilities | 總資產減流動負債 | | 196,380,258 | 128,800,084 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2018 於2018年3月31日

| | | Notes 附註 | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--|--------------|-------------|-----------------------------|-----------------------------|
| Non-current liabilities | 非流動負債 | | | |
| Promissory notes payables | 應付承兌票據 | 33 | – | 12,157,882 |
| Finance leases payables | 應付融資租賃款項 | 32 | 83,847 | 83,805 |
| Deferred tax liabilities | 遞延稅項負債 | 24 | 220,318 | 288,108 |
| | | | 304,165 | 12,529,795 |
| NET ASSETS | 資產淨值 | | 196,076,093 | 116,270,289 |
| Equity | 權益 | | | |
| Share capital | 股本 | 34 | 8,553,515 | 5,941,515 |
| Reserves | 儲備 | 36 | 184,200,002 | 110,328,774 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 192,753,517 | 116,270,289 |
| Non-controlling interests | 非控股權益 | | 3,322,576 | – |
| TOTAL EQUITY | 權益總額 | | 196,076,093 | 116,270,289 |

The consolidated financial statements on pages 91 to 182 were approved and authorised for issue by the board of directors on 22 June 2018 and are signed on its behalf by:

第91至182頁的綜合財務財表已由董事會於2018年6月22日批准及授權刊發，並由以下人士代表簽署：

Approved by:

由以下人士批准：

Eric Todd
達振標
Director
董事

Ho Ying Choi
何應財
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2018 截至2018年3月31日止年度

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | | |
|--|-----------------|---|-----------------------|----------------------|------------------|---------------------------------------|--------------------------------------|-------------------|--------------------|---------------------------|--------------------|
| | | Share capital | Share premium account | Share option reserve | Merger reserve | Equity investment revaluation reserve | Foreign currency translation reserve | Retained profits | Total | Non-controlling interests | Total equity |
| | | 股本 | 股份溢價賬 | 購股權儲備 | 合併儲備 | 股本投資重估儲備 | 外幣換算儲備 | 保留溢利 | 合計 | 非控股權益 | 權益總額 |
| | | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 |
| At 1 April 2016 | 於2016年4月1日 | 4,951,515 | 74,982,817 | 3,872,000 | 4,750,108 | (8,733,000) | - | 8,518,356 | 88,341,796 | - | 88,341,796 |
| Placing of shares (note 34) | 配售股份(附註34) | 990,000 | 21,017,315 | - | - | - | - | - | 22,007,315 | - | 22,007,315 |
| Total comprehensive income/(loss) for the year | 年內全面收益/(虧損)總額 | - | - | - | - | (4,267,000) | - | 10,188,178 | 5,921,178 | - | 5,921,178 |
| At 31 March 2017 | 於2017年3月31日 | 5,941,515 | 96,000,132 | 3,872,000 | 4,750,108 | (13,000,000) | - | 18,706,534 | 116,270,289 | - | 116,270,289 |
| At 1 April 2017 | 於2017年4月1日 | 5,941,515 | 96,000,132 | 3,872,000 | 4,750,108 | (13,000,000) | - | 18,706,534 | 116,270,289 | - | 116,270,289 |
| Placing of shares (note 34) | 配售股份(附註34) | 2,612,000 | 45,055,325 | - | - | - | - | - | 47,667,325 | - | 47,667,325 |
| Capital injection by non-controlling interests of a subsidiary | 於一間附屬公司之非控股權益注資 | - | - | - | - | - | - | - | - | 1,002,263 | 1,002,263 |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | - | - | - | 121,282 | 28,694,621 | 28,815,903 | 2,320,313 | 31,136,216 |
| At 31 March 2018 | 於2018年3月31日 | 8,553,515 | 141,055,457 | 3,872,000 | 4,750,108 | (13,000,000) | 121,282 | 47,401,155 | 192,753,517 | 3,322,576 | 196,076,093 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2018 截至2018年3月31日止年度

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--|---------------------|-----------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營活動所得現金流量 | | |
| Profit before tax | 除稅前溢利 | 38,326,490 | 13,508,279 |
| Adjustments for: | 就下列各項作出調整： | | |
| Finance costs | 融資成本 | 1,328,746 | 195,855 |
| Interest income | 利息收入 | (1,997,437) | (303,310) |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 1,465,127 | 1,163,297 |
| Premium charged on life insurance policies | 人壽保險保單所收取溢價 | 86,877 | 80,414 |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備的收益 | (33,000) | (5,000) |
| Amortisation of intangible assets | 無形資產攤銷 | 2,048,349 | 717,512 |
| Loss on early settlement of promissory notes | 提早結算承兌票據之虧損 | 1,684,860 | - |
| Share of profits of an associate | 分佔一間聯營公司溢利 | (4,999,071) | - |
| Fair value gain on an investment property | 一間投資物業公允值收益 | (3,182,699) | - |
| Fair value gain on investment at fair value through profit or loss | 按公允值計入損益的投資的公允值收益 | (1,347,877) | - |
| | | 33,380,365 | 15,357,047 |
| Change in trade and other receivables | 貿易及其他應收款項變動 | (10,570,674) | (6,347,003) |
| Change in trade and other payables | 貿易及其他應付款項變動 | (9,363,998) | 5,598,148 |
| | | 13,445,693 | 14,608,192 |
| Cash generated from operations | 經營產生之現金 | 13,445,693 | 14,608,192 |
| Interest paid | 已付利息 | (254,997) | (177,962) |
| Finance lease charges paid | 已付融資租賃費用 | (10,854) | (17,893) |
| Income tax paid | 已付所得稅 | (4,597,262) | (3,777,303) |
| | | 8,582,580 | 10,635,034 |
| Net cash flows generated from operating activities | 經營活動所得現金流量淨額 | 8,582,580 | 10,635,034 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2018 截至2018年3月31日止年度

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--|--------------------------|-----------------------------|-----------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動所得現金流量 | | |
| Purchase of property, plant and equipment | 購買物業、廠房及設備 | (402,418) | (4,575,069) |
| Purchase of investment property | 購買投資物業 | – | (11,277,372) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | 33,000 | 5,000 |
| Purchase of intangible assets | 購買無形資產 | – | (6,550,000) |
| Net cash outflow arising from business combination | 業務合併產生的現金流出淨額 | – | (2,499,851) |
| Deposit for acquisition of an associate | 收購一間聯營公司的按金 | – | (28,350,000) |
| Increase in pledged bank deposits | 已抵押銀行存款之增加 | (3,070,402) | 489,999 |
| Interest received | 已收利息 | 21,613 | 8,970 |
| Investment in an associate | 於一間聯營公司的投資 | (3,150,000) | – |
| Investment at fair value through profit or loss | 按公允值計入損益之投資 | (16,000,000) | – |
| Net cash flows used in investing activities | 投資活動所用現金流量淨額 | (22,568,207) | (52,748,323) |
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動所得現金流量 | | |
| Repayment of bank loans | 償還銀行貸款 | (370,801) | (1,697,054) |
| Bank loans raised | 新增銀行貸款 | 5,000,000 | – |
| Proceeds from placing of shares | 配售股份所得款項 | 49,160,000 | 22,770,000 |
| Share issue expenses paid | 已付股份發行開支 | (1,492,675) | (762,685) |
| Repayment of promissory notes | 償還承兌票據 | (26,000,000) | – |
| Capital injection by non-controlling interests of a subsidiary | 於一間附屬公司之非控股權益注資 | 1,002,263 | – |
| Repayment of finance lease payables | 償還應付融資租賃款項 | (251,219) | (289,042) |
| Net cash flows generated from financing activities | 融資活動所得現金流量淨額 | 27,047,568 | 20,021,219 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等價物增加／(減少)淨額 | 13,061,941 | (22,092,070) |
| Effect of foreign exchange rate changes | 外幣匯率變動之影響 | 67,570 | – |
| Cash and cash equivalents at beginning of year | 年初現金及現金等價物 | 41,035,127 | 63,127,197 |
| Cash and cash equivalents at end of year | 年末現金及現金等價物 | 54,164,638 | 41,035,127 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | 現金及現金等價物之結餘分析 | | |
| Cash and bank balances | 現金及銀行結餘 | 54,164,638 | 45,164,990 |
| Bank overdrafts | 銀行透支 | – | (4,129,863) |
| | | 54,164,638 | 41,035,127 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

1. GENERAL INFORMATION

Heng Sheng Holdings Limited (the “Company”) (formerly known as Kong Shum Union Property Management (Holding) Limited) was incorporated in the Cayman Islands with limited liability. Its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited. The address of its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Unit 1001, 10 Floor, Chung Nam House, 59 Des Voeux Road Central, Hong Kong.

The Board announced that the English name of the Company has been changed from “Kong Shum Union Property Management (Holding) Limited” to “Heng Sheng Holdings Limited”, with effect from 8 May 2018.

Since February 2018, Heng Sheng Capital Limited (“Heng Sheng”) became the new controlling shareholder of the Company and the Company became a non-wholly-owned subsidiary of Heng Sheng. For details of such change of controlling shareholder, please refer to the Company’s announcements dated 4 January 2018, 24 January 2018 and 22 February 2018.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 20 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), unless otherwise stated.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2017 and early adopted HKFRS 9 (2014) “Financial Instruments” in last year. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations.

Other than HKFRS 9 (2014), the Group has not applied other new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

1. 一般資料

恒生控股有限公司(「本公司」)(前稱為港深聯合物業管理(控股)有限公司)為於開曼群島註冊成立之有限公司。其股份於香港聯合交易所有限公司GEM上市。其註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands及其主要營業地點位於香港德輔道中59號中南行10樓1001室。

董事會宣佈將本公司英文名稱由「Kong Shum Union Property Management (Holding) Limited」更改為「Heng Sheng Holdings Limited」，於2018年5月8日生效。

自2018年2月起，恒生資本有限公司(「恒生」)已成為本公司新控股股東及本公司已成為恒生非全資附屬公司。有關該控股股東變更詳情，請參閱本公司日期為2018年1月4日、2018年1月24日及2018年2月22日之公佈。

本公司為一間投資控股公司。其附屬公司主要業務載於綜合財務報表附註20。

除非另有指明，綜合財務報表以港元(「港元」)呈列。

2. 採納新訂及經修訂香港財務報告準則

於上一年度，本集團已採納香港會計師公會所頒佈與其營運有關及於2017年4月1日開始的會計年度生效的所有新訂及經修訂香港財務報告準則(「香港財務報告準則」)，並提早採納香港財務報告準則第9號(2014年)「金融工具」。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋。

除香港財務報告準則第9號(2014年)外，本集團並未採納其他已頒佈但尚未生效之新訂及經修訂香港財務報告準則。本集團已開始評估該等新訂及經修訂香港財務報告準則之影響，但尚未載明該等新訂及經修訂香港財務報告準則是否會對其經營業績及財務狀況產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property and investment at fair value through profit or loss which are carried at its fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 4 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

3. 重大會計政策

此等綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則、香港公認會計原則以及香港聯合交易所有限公司GEM證券上市規則及香港公司條例規定的適用披露而編製。

此等綜合財務報表按歷史成本法編製，按重估投資物業及按公允值計入損益的投資作出修訂，有關重估投資物業及按公允值計入損益的投資按公允值列賬。

編製符合香港財務報告準則的綜合財務報表須採用若干主要假設及估計，並需要董事在應用會計政策過程中行使其判斷。涉及主要判斷的範疇及對綜合財務報表而言屬重大的假設及估計範疇於綜合財務報表附註4披露。

編製此等綜合財務報表應用的重大會計政策載列如下。

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至3月31日的財務報表。附屬公司為受本集團控制的實體。當本集團因參與實體業務而承擔可變動回報或因此享有可變動回報，且有能力透過向實體施加權力而影響該等回報時，則本集團控制該實體。當本集團的現有權利賦予其現有有能力掌控有關活動（如重大影響實體回報的活動），本集團對該實體擁有權力。

於評估控制權時，本集團會考慮其潛在投票權以及其他各方持有的潛在投票權，以評估有否控制權。潛在投票權僅於持有人擁有實質能力行使該權利時才予以考慮。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Consolidation (continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated income statement and consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling interests and owners of the Company.

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

3. 重大會計政策(續)

(a) 綜合賬目(續)

附屬公司自本集團取得控制權當日起一直綜合入賬，直至失去控制權當日為止。

喪失控制權的附屬公司出售時引致的盈虧指以下兩項的差額：(i) 銷售代價公允值加附屬公司所保留的任何投資的公允值；及(ii)本公司分佔該附屬公司資產淨值加與該附屬公司有關的任何其餘商譽及任何於外幣換算儲備內累計的相關金額。

所有集團內公司間交易、結餘、及未變現溢利均會對銷。除非交易中有證據顯示所轉讓資產出現減值，否則未變現虧損亦會對銷。附屬公司的會計政策於有需要時更改以確保與本集團所採納政策貫徹一致。

非控股權益指並非直接或間接屬於本公司之附屬公司權益。非控股權益乃呈列於綜合財務狀況表及綜合權益變動表之權益中。非控股權益作為非控股權益與本公司擁有人之間分配本年度溢利或虧損及全面收益總額呈列於綜合損益表及綜合全面收益表上。

溢利或虧損及其他全面收益的每個成份歸屬於本公司擁有人及非控股權益，即使導致非控股權益產生虧絀結餘亦然。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

3. 重大會計政策(續)

(b) 業務合併及商譽

於業務合併中收購附屬公司乃以收購法入賬。收購成本按有關資產於收購日期的公允值、所發行權益工具、所產生負債及或然代價計量。收購相關成本於產生成本及獲得服務的期間確認為開支。收購事項中附屬公司的可識別資產及負債按收購日期的公允值計量。

收購成本超出本公司所佔附屬公司可識別資產及負債的公允值淨值的部分入賬為商譽。本公司所佔附屬公司可識別資產及負債的公允值淨值超出收購成本的部分於綜合損益確認為本公司應佔議價購買收益。

本公司每年或於有事件或情況變動顯示商譽可能出現減值時更頻密地測試商譽減值。商譽按成本減累計減值虧損計量。計量商譽減值虧損的方法與下文會計政策所述計量其他資產所用者相同。商譽的減值虧損於綜合損益中確認，其後不會撥回。就減值測試而言，商譽分配至預期會受惠於收購事項的協同效應的現金產生單位。

附屬公司的非控股權益初步按非控股股東於收購日期所佔附屬公司可識別資產及負債的公允值淨值的比例計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

3. 重大會計政策(續)

(c) 聯營公司

聯營公司指本集團對其擁有重大影響力之實體。重大影響力指參與實體之財務及營運政策決定但並非控制或共同控制該等政策之權力。於評估本集團是否擁有重大影響力時，目前可行使或可兌換之潛在投票權(包括其他實體持有之潛在投票權)之存在及影響均予考慮。於評估潛在投票權是否有助於重大影響力時，不會考慮持有人行使或轉換該權利之意圖及財務能力。

於聯營公司之投資以權益會計法於綜合財務賬目內入賬，並初步按成本確認。聯營公司於收購事項中之可識別資產及負債於收購日期乃按其公允值計量。收購成本超出本集團應佔聯營公司可識別資產及負債之公允值淨額部分乃列作商譽。倘有客觀證據顯示投資減值，則商譽計入投資賬面值並於各報告期末連同投資作減值測試。本集團應佔可識別資產及負債之公允值淨額超出收購成本之差額乃於綜合損益內確認。

本集團應佔聯營公司之收購後溢利或虧損於綜合損益內確認，而應佔其收購後儲備之變動則於綜合儲備賬內確認。累計之收購後變動於投資賬面值中調整。倘本集團應佔聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款項，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。倘聯營公司其後報告溢利，本集團僅在其應佔溢利等於未確認應佔虧損時方會恢復確認其應佔該等溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Associates (continued)

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong Dollars, which is the Company's functional and presentation currency.

(ii) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

(iii) *Translation on consolidation*

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

3. 重大會計政策(續)

(c) 聯營公司(續)

本集團與其聯營公司交易之未變現溢利抵銷至本集團於聯營公司之權益。除非交易提供證據顯示轉移資產出現減值，未變現虧損亦會被抵銷。聯營公司之會計政策已予變動(倘必要)以確保與本集團採納之政策一致。

(d) 外幣換算

(i) *功能及呈報貨幣*

本集團各實體財務報表內的項目，均以該實體經營所在主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以港元呈列，港元為本公司的功能貨幣及呈列貨幣。

(ii) *於每個實體財務報表的交易及結餘*

外幣交易使用交易日的匯率在初步確認後換算為功能貨幣。外幣貨幣資產及負債按各報告期末的匯率進行換算。因換算政策而產生的盈虧於損益內確認。

(iii) *綜合賬目時的換算*

功能貨幣與本公司呈報貨幣不同的所有本集團實體的業績及財務狀況按以下方式換算為本公司的呈報貨幣：

- 所呈報的每個財務狀況表的資產及負債按財務狀況表日期的收市匯率進行換算；

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綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Foreign currency translation (continued)

(iii) Translation on consolidation (continued)

- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Property, plant and equipment

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

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

3. 重大會計政策(續)

(d) 外幣換算(續)

(iii) 綜合賬目時的換算(續)

- 收入及開支按平均匯率進行換算(除非該平均數並非交易日現行匯率累計影響的合理概約數,在該情況下,收入及開支按交易日匯率進行換算);及
- 所有因此而產生的匯兌差額於外幣換算儲備中確認。

於綜合賬目時,因換算海外實體投資淨額及借款而產生的匯兌差額於外幣換算儲備中確認。當海外業務出售後,該匯兌差額於綜合損益確認為出售盈虧的一部分。

收購海外實體所產生商譽及公允值調整列作有關海外實體的資產及負債,並按收市匯率換算。

(e) 物業、廠房及設備

物業、廠房及設備乃按成本值減累計折舊和任何減值虧損列賬。物業、廠房及設備項目的成本值,包括其購買價及使該項資產達至現時營運狀態和地點以用於其擬定用途的任何直接應佔成本。

其後成本列入資產的賬面值或於單獨的資產內確認(如適用),僅當與該項目相關的未來經濟利益有可能流向本集團及項目成本能可靠估計時。所有其他維修及保養於產生期間在損益內確認。

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綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The estimated useful lives are as follows:

| | |
|-----------------------------|---------------------|
| Leasehold land and building | Over the lease term |
| Leasehold improvement | 20% |
| Furniture and fixture | 10% |
| Motor vehicles | 30% |
| Office equipment | 25% |

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

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(f) Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value based on valuation by an external independent valuer. Gains or losses arising from changes in fair value of the investment property are recognised in profit or loss for the period in which they arise.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

3. 重大會計政策(續)

(e) 物業、廠房及設備(續)

物業、廠房及設備的折舊按足以撇銷其成本的折舊率減其於估計可使用年期內的剩餘價值，以直線法計算。估計可使用年期如下：

| | |
|---------|-----|
| 租賃土地及樓宇 | 按租期 |
| 租賃物業裝修 | 20% |
| 傢俬及裝置 | 10% |
| 汽車 | 30% |
| 辦公室設備 | 25% |

剩餘價值、可使用年期和折舊方法於各報告期末進行檢討和調整(如適合)。

出售物業、廠房及設備之損益乃銷售所得款項淨額與有關資產賬面值兩者之差額，並於損益內確認。

(f) 投資物業

投資物業為持作賺取租金及／或資本增值的土地及／或樓宇。投資物業初步按其成本(包括物業應佔所有直接成本)計量。

初步確認後，投資物業根據外聘獨立估值師的估值按其公允值列賬。投資物業公允值變動所產生收益或虧損益所產生期間的損益中確認。

出售投資物業的收益或虧損指銷售所得款項淨額與物業賬面值之間的差額，有關金額於損益中確認。

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綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Leases

The Group as lessee

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

The Group as lessor

(i) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

3. 重大會計政策(續)

(g) 租賃

本集團作為承租人

(i) 經營租賃

並無將資產擁有權絕大部分風險及回報轉移至本集團的租賃列賬計入為經營租賃。租賃付款(扣除自出租人收取的任何獎勵)於租賃期間按直線法確認為開支。

(ii) 融資租賃

凡將資產擁有權絕大部分風險及回報轉移至本集團的租賃列賬計入為融資租賃。租賃期開始時，融資租賃按租賃資產公允值與最低租賃付款現值的較低者撥充資本，兩者均於訂立租賃時釐定。

出租人的相應負債於財務狀況表列作應付融資租賃。租賃付款按比例分配至融資開支及削減未償還負債。融資開支於各租賃期內分攤，以便就負債餘下結餘計算固定定期利率。

融資租賃項下資產按與自置資產相同的方式折舊。

本集團作為出租人

(i) 經營租賃

並無將資產擁有權絕大部分風險及回報轉移至承租人的租賃列賬計入為經營租賃。經營租賃的租金收入於有關租賃期間按直線法確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Intangible assets

Customer contracts

Customer contracts with finite useful lives that are acquired through business combination are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives of 5 years. The estimate useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software

Computer software are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 4 years.

(i) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

3. 重大會計政策(續)

(h) 無形資產

客戶合約

透過業務合併收購具有有限可使用年期的客戶合約乃按成本減累計攤銷及累計減值虧損列賬。攤銷於估計可使用年期5年內按直線法確認。估計可使用年期及攤銷方法於各報告期末檢討，任何估計變動的影響按前瞻基準列賬。

電腦軟件

電腦軟件按成本減累計攤銷及減值虧損列賬。攤銷於其可使用年期4年內按直線法計算。

(i) 確認及終止確認金融工具

當本集團成為工具合同條文的訂約方時，在財務狀況報表內確認金融資產及金融負債。

當收取資產現金流量的合同權利屆滿時；本集團將資產所有權的大部分風險及回報轉移時；或本集團實質上既不轉移亦不保留資產所有權的大部分風險及回報但尚未保留對資產的控制權，則終止確認金融資產。於終止確認金融資產後，資產賬面值與已收代價和在其他全面收益內已確認的累計盈虧總和之間的差額在損益內確認。

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For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Recognition and derecognition of financial instruments (continued)

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

(j) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised cost;
- Equity investments at fair value through other comprehensive income; and
- Investments at fair value through profit or loss.

3. 重大會計政策(續)

(i) 確認及終止確認金融工具(續)

當有關合同內規定的責任被解除、註銷或屆滿時終止確認金融負債。終止確認的金融負債的賬面值與已付代價之間的差額在損益內確認。

(j) 金融資產

金融資產按交易日基準確認或終止確認。金融資產根據合約進行買賣，且其中條款要求於市場所制定時限內交付金融資產時，有關金融資產按交易日基準確認及終止確認，並初步按公允值加直接相關交易成本計量，惟按公允值計入損益的投資則除外。按公允值計入損益的收購投資直接相關交易成本即時於損益確認。

本集團將金融資產分類為以下類別：

- 按攤銷成本列賬的金融資產；
- 按公允值計入其他全面收益的股本投資；及
- 按公允值計入損益的投資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial assets (continued)

(i) *Financial assets at amortised cost*

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

(ii) *Equity investments at fair value through other comprehensive income*

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that are not held for trading as at fair value through other comprehensive income.

Equity investments at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair values recognised in other comprehensive income and accumulated in the equity investment revaluation reserve. On derecognition of an investment, the cumulative gains or losses previously accumulated in the equity investment revaluation reserve are not reclassified to profit or loss.

Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

3. 重大會計政策(續)

(j) 金融資產(續)

(i) *按攤銷成本列賬的金融資產*

符合下列兩項條件的金融資產(包括貿易及其他應收款項)分類至此類別：

- 資產乃按目的為持有資產以收集合約現金流量的業務模式持有；及
- 資產合約條款於特別日期產生現金流量，有關現金流量僅為本金或就未償還本金的利息付款。

有關項目其後以實際利率法按攤銷成本減預期信貸虧損的虧損撥備計算。

(ii) *按公允值計入其他全面收益的股本投資*

於初步確認時，本集團可不可撤回地選擇(按個別工具基準)將並非持作買賣的權益工具投資指定為按公允值計入其他全面收益。

按公允值計入其他全面收益的股本投資其後按公允值計量，公允值變動所產生收益及虧損於其他全面收益確認及於股本投資重估儲備累計。終止確認投資時，過往於股本投資重估儲備累計的累計收益或虧損不會重新分類至損益。

該等投資的股息於損益中確認，除非股息明顯屬收回投資成本的一部分。

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綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial assets (continued)

(iii) Investments at fair value through profit or loss

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. Interest income and dividend income are recognised in profit or loss.

(k) Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument (“lifetime expected credit losses”) for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

3. 重大會計政策(續)

(j) 金融資產(續)

(iii) 按公允值計入損益的投資

倘金融資產不符合按攤銷成本計量的條件及按公允值計入其他全面收益的債務投資條件，除非本集團於初步確認時將並非持作買賣的股本投資指定為按公允值計入其他全面收益，則金融資產分類至此類別。

按公允值計入損益的投資其後按公允值計量，公允值變動產生的任何收益或虧損於損益中確認。利息收入及股息收入於損益中確認。

(k) 預期信貸虧損之虧損撥備

本集團就按攤銷成本列賬的金融資產的預期信貸虧損確認虧損撥備。預期信貸虧損為加權平均信貸虧損，並以發生違約風險的金額為加權數值。

於各報告期末，倘金融工具的信貨風險自初始確認以來大幅增加，本集團就貿易應收款項按所有可能發生違約事件的預期信貸虧損除以該金融工具的預期年期（「預期信貸風險年期」），從而計量金融工具的虧損撥備。

倘於報告期末金融工具（不包括貿易應收款項）的信貨風險自初始確認以來並無大幅增加，則本集團按相等於反映該金融工具可能於報告期間後12個月內發生的違約事件所引致預期信貸虧損的預期信貸虧損年期部分的金額計量金融工具的虧損撥備。

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綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Loss allowances for expected credit losses (continued)

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

(l) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(m) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

3. 重大會計政策(續)

(k) 預期信貸虧損之虧損撥備(續)

預期信貸虧損金額或為調整報告期末虧損撥備至所需金額所作撥回金額乃於損益確認為減值收益或虧損。

(l) 現金及現金等價物

就現金流量表而言，現金及現金等價物指銀行及手頭的現金、存放於銀行及其他金融機構的活期存款，以及短期高流動性的投資，即在沒有涉及重大價值變動的風險下可以容易地轉換為預知金額的投資。現金及現金等價物亦包括須按要求償還及為本集團整體現金管理一部分的銀行透支。

(m) 金融負債及權益工具

金融負債及權益工具乃根據所訂立合同安排的內容及金融負債及權益工具在香港財務報告準則項下的定義而進行分類。權益工具乃在扣除所有負債後顯示本集團資產的剩餘權益的任何合同。就特定金融負債及權益工具採納的會計政策載於下文。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

(o) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Equity instruments

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

(q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

- (i) Revenue from property management services are recognised when services are rendered in accordance with the terms of the agreements.

Revenue from the provision of other supporting services for the management of the property is recognised when the services are rendered.

Revenue from the rental income is recognised on a straight-line basis over the lease term.

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

3. 重大會計政策(續)

(n) 借貸

借貸初步按公允值扣除所產生的交易成本確認，其後以實際利率法按攤銷成本計量。

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

(o) 貿易及其他應付款項

貿易及其他應付款項初步按公允值列賬，其後以實際利率法按攤銷成本計量，除非貼現的影響並不重大，在此情況下按成本列賬。

(p) 權益工具

本公司所發行權益工具按已收所得款項(扣除直接發行成本)入賬。

(q) 收益確認

收益按已收取或應收取代價的公允值計量，並於倘經濟利益有可能流入本集團，且收益金額能可靠地計量時確認。

- (i) 來自物業管理服務的收益於根據協議條款提供服務時確認。

來自提供物業管理的其他配套服務的收益於提供服務時確認。

來自租金收入的收益按直線法於租期內確認。

- (ii) 利息收入根據時間比例基準按實際利率法確認。

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綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Pension obligations*

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) *Termination benefits*

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

(iv) *Bonus plan*

The expected bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

3. 重大會計政策(續)

(r) 僱員福利

(i) *僱員的假期福利*

僱員享有的年假及長期服務假期福利於僱員應獲得假期時確認，並就截至報告期末僱員提供服務而應得的年假及長期服務假期的估計負債計提撥備。

僱員的病假及產假福利於放假時才確認。

(ii) *退休金責任*

本集團向所有僱員參與的定額供款退休計劃供款。本集團及僱員向計劃的供款按僱員基本薪金的百分比計算。自損益扣的退休福利計劃成本指本集團應付基金的供款。

(iii) *離職福利*

離職福利於以下較早日期確認離職福利：於本集團不能取消提供該等福利時；及本集團確認重組成本及涉及支付離職福利時。

(iv) *花紅計劃*

倘本集團因僱員提供服務而產生現有法律或推定責任，以及能夠可靠估計該責任時，預期花紅金額將確認為負債。花紅計劃的負債預期於12個月內付清，並以預期付清時應付的金額計算。

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綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Employee benefits (continued)

(v) Share-based payments

The Group issues equity-settled share-based payments to certain directors and consultants.

Equity-settled share-based payments to directors are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

(s) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss 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)

(r) 僱員福利(續)

(v) 以股份支付的款項

本集團向若干董事及僱員發出按股權結算以股份支付的款項。

應付董事及僱員的按股權結算以股份支付的款項按權益工具於授出日期的公允值計量(不包括非市場歸屬條件的影響)。根據本集團對股份最終歸屬的估計及就非市場歸屬條件的影響作出調整,按股權結算以股份支付的款項於授出日期釐定的公允值於歸屬期按直線法支銷。

向顧問作出按權益結算以股份支付的款項按所提供服務之公允值計量,或如所提供服務之公允值無法可靠地計量,則按所授出股本工具之公允值計量。公允值乃按本集團獲得服務當日計量及確認為開支。

(s) 稅項

所得稅指即期應繳稅項及遞延稅項的總和。

即期應繳稅項乃按年內應課稅溢利計算。應課稅溢利不計入其他年度的應課稅或可扣稅收支項目,以及毋須課稅或不獲扣稅項目,故有別於損益中確認之溢利。本集團即期稅項的負債使用於報告期末已頒佈或實質上已頒佈的稅率計算。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Taxation (continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such 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 arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities 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)

(s) 稅項(續)

遞延稅項乃就財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基的差額予以確認。遞延稅項負債通常就所有應課稅暫時差額予以確認，而遞延稅項資產於可能有用於抵銷該等可扣減暫時差額之應課稅溢利，並可動用未使用稅項虧損或未使用稅項抵免時方予確認。如為自商譽所產生或初步確認(業務合併除外)一項交易中不影響應課稅溢利或會計溢利的其他資產及負債所產生的暫時差額，則有關資產及負債將不予確認。

自附屬公司的投資產生的應課稅暫時差額確認為遞延稅項負債，除非本集團能夠控制暫時差額的撥回，而暫時差額在可預見未來很可能不會撥回，則屬例外。

遞延稅項資產的賬面值乃於各報告期末進行檢討，並於不再可能有足夠應課稅溢利以收回全部或部分資產的金額時作調減。

遞延稅項乃按預期適用於清還負債或變現資產期間的稅率，根據於報告期末已頒佈或實際上已頒佈的稅率計算。遞延稅項於損益確認，惟與在其他全面收益或直接於權益中確認的項目有關者除外，在此情況下，遞延稅項亦於其他全面收益或直接於權益確認。

遞延稅項資產及負債的計量反映按照本集團預期於報告期末以可收回或結算其資產及負債的賬面值方式計算而得出的稅務結果。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Taxation (continued)

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(t) Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

3. 重大會計政策(續)

(s) 稅項(續)

就計量按公允值模式計量的投資物業的遞延稅項而言，假定該等物業的賬面值可透過出售收回，除非假定被駁回則另作別論。惟若該投資物業可予折舊，而本集團的業務目標為隨時間消耗該投資物業所包含絕大部分經濟利益(而非透過出售)的商業模式持有，此假定則被駁回。如假定被駁回，該等投資物業的遞延稅項按該等物業的預期收回方式計量。

當存在可依法強制執行權利以抵銷對沖現有稅務負債的現有稅項資產時及當彼等與同一稅務機關徵收的所得稅有關及本集團擬按淨額基準清償現有稅項資產及負債時，遞延稅項資產及負債將予抵銷。

(t) 關聯方

關聯方為與本集團有關連的個人或實體。

- (a) 倘屬以下人士，即該人士或該人士的近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Related parties (continued)

- (b) An entity is related to the Group (reporting entity) if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

3. 重大會計政策(續)

(t) 關聯方(續)

- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本公司屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司的集團旗下成員公司的聯營公司或合營企業)。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關連的實體就僱員利益設立的離職福利計劃。倘本集團本身屬有關計劃，提供資助的僱主亦與本集團有關連。
 - (vi) 實體受(a)所識別人士控制或受共同控制。
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
 - (viii) 實體或其所屬集團旗下任何成員公司向本公司或本公司母公司提供主要管理人員服務。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business in different geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(v) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except goodwill, investment property, deferred tax assets and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. 重大會計政策(續)

(u) 分部報告

經營分部及財務報表所呈報的各分部項目金額取自向本集團最高行政管理人員定期提供以便其向本集團各業務及區域分配資源以及評估該等業務及區域表現的財務資料。

個別重大經營分部不會為財務報告而合併，除非相關分部具有類似的經濟特徵，且產品及服務性質、生產流程性質、客戶類型或類別、分銷產品或提供服務所用方法及監管環境的性質相似。符合上述多數標準的非個別重大經營分部可合併。

(v) 資產減值

於各報告期末，本集團檢討有形及無形資產(惟商譽、投資物業、遞延稅項資產及應收款項除外)的賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損。倘存在任何有關跡象，則估計該資產的可收回金額以釐定減值虧損的程度。倘無法估計對單項資產的可收回金額，則本集團會估計該資產所屬的現金產生單位的可收回金額。

可收回金額乃公允值減銷售成本與使用價值的較高者。在評估使用價值時，估計日後現金流量按反映當時市場對貨幣時值及該項資產的風險的評估的稅前貼現率折算成現值。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Impairment of assets (continued)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(w) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

3. 重大會計政策(續)

(v) 資產減值(續)

倘資產或現金產生單位的可收回金額估計低於其賬面值，則資產或現金產生單位的賬面值將減至其可收回金額。減值虧損會即時於損益確認，除非有關資產按重估金額列賬，在該情況下減值虧損視為重估減值。

倘若減值虧損其後撥回，資產或現金產生單位的賬面值乃增加至其可收回金額的經修訂估計值，惟已增加賬面值並不超過如過往年度並無確認資產或現金產生單位減值虧損而釐定的賬面值(扣除攤銷或折舊)。減值虧損撥回會即時於損益確認，除非有關資產按重估金額列賬，在該情況下減值虧損撥回視為重估增值。

(w) 撥備及或然負債

本集團因已發生的事件須承擔現有法定或推定責任，而履行責任有可能導致經濟利益流出，並可準確估計責任金額的情況下，須對該等時間或金額不確定的負債確認撥備。倘時間價值重大，則撥備金額乃按預期用於解除該責任支出的現值列賬。

倘需要流出經濟利益的機會不大，或責任金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出之可能性極低則另作別論。可能出現之責任存在與否將取決於日後是否會發生一宗或多宗事件而定，除非經濟利益流出之可能性極低，否則這些負債亦披露為或然負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical judgments in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred tax for investment properties

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred tax for investment properties, the directors have adopted the presumption that investment properties measured using the fair value model are recovered through sale.

3. 重大會計政策(續)

(x) 報告期後事項

提供有關本集團於報告期末的狀況的額外資料或顯示持續經營假設並不合適的報告期後事項為調整事項，於財務報表中反映。並非調整事項的報告期後事項如屬重大，則於財務報表附註中披露。

4. 主要會計判斷及估計不確定性的 主要來源

(a) 應用會計政策時的重大判斷

應用會計政策時，董事已作出下列判斷，其對綜合財務報表內已確認的金額構成最大影響。

投資物業之遞延稅項

就計量按公允值模型計量的投資物業的遞延稅項而言，董事審閱本集團的投資物業組合並得出本集團投資物業並非按目標是隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益的業務模型持有。因此，釐定本集團投資物業的遞延稅項時，董事所採納假設為按公允值模型計量的投資物業乃透過銷售收回。

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) *Fair value of investment property*

The Group appointed an independent professional valuer to assess the fair value of the investment property. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

(ii) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. 主要會計判斷及估計不確定性的主要來源(續)

(b) 估計不確定性的主要來源

以下為涉及日後的主要假設及於報告期末估計的不確定性的其他主要來源(均擁有導致下個財政年度資產及負債的賬面值出現大幅調整的重大風險)。

(i) *投資物業的公允值*

本集團委任獨立專業估值師評估投資物業的公允值。釐定公允值時，估值師已使用涉及若干估計的估值方法。董事已行使判斷並信納估值方法反映現時市況。

(ii) *物業、廠房及設備及折舊*

本集團釐定本集團物業、廠房及設備的估計可使用年期、剩餘價值及相關折舊開支。此估計乃基於對性質及功能相似的物業、廠房及設備的實際可使用年期及剩餘價值的過往經驗。倘可使用年期及剩餘價值與先前估計不同，本集團將修訂折舊開支，或撇銷或撇減已廢棄或出售的技術上已過時或非策略性的資產。

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4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Key sources of estimation uncertainty (continued)

(iii) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

(iv) Recoverability of intangible assets

During the year, the Group reconsidered the recoverability of its intangible assets arising from the Group's development, which is included in its consolidated statement of financial position at 31 March 2018 at HK\$5,838,386 (2017: HK\$7,886,735). Detailed sensitivity analysis has been carried out and the Group is confident that the carrying amount of the assets will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods, if future market activity indicates that such adjustments are appropriate.

(v) Impairment loss for trade and other receivables

The Directors periodically review its receivables to assess whether impairment exists. In determining whether impairment should be provided, the directors of the Company evaluated individually each account for impairment after taking into account the value of each client account's underlying collateral and the latest financial position of those clients in default of settlement.

4. 主要會計判斷及估計不確定性的主要來源(續)

(b) 估計不確定性的主要來源(續)

(iii) 物業、廠房及設備折舊

物業、廠房及設備於出現事件或情況變化顯示資產賬面值超過其可收回金額時作出減值檢討。可收回金額參考估計未來現金流量現值釐定。未來現金流量少於預期或出現不利事件或事實及情況有所變動導致須修訂估計未來現金流量時可能產生重大減值虧損。

(iv) 無形資產的可收回性

年內，本集團重新考慮本集團發展所產生無形資產的可收回性，有關數字計入於2018年3月31日綜合財務狀況表為5,838,386港元(2017年：7,886,735港元)。本集團已進行詳細敏感度分析，本集團有信心，儘管回報減少，有關資產的賬面值將可全數收回。本集團密切監控有關情況，並將於未來市場活動顯示作出調整屬合適時於未來期間作出調整。

(v) 貿易及其他應收款項減值

董事定期審閱本集團之應收款項以評估是否存在減值。董事於釐定減值應否作出撥備時就各賬戶作出獨立減值評估，並已計及各客戶賬戶相關抵押品的價值及該等欠款客戶的最近財務狀況。

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4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Key sources of estimation uncertainty (continued)

(vi) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vii) Fair values of investment at fair value through profit or loss

The Group has significant amounts of investment at fair value through profit or loss that are classified as Level 2 fair value measurement under HKFRS 13 Fair Value Measurement. The Group engaged independent competent valuers to perform the valuation of investment.

As at 31 March 2018, the investment at fair value through profit or loss that are classified as Level 2. Fair value measurement under HKFRS 13 amounted to approximately HK\$37,793,793. Details of the fair value measurement are set out in note 29 to the consolidated financial statements not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot be reasonably determined until the individual position is realized.

4. 主要會計判斷及估計不確定性的主要來源(續)

(b) 估計不確定性的主要來源(續)

(vi) 所得稅

本集團須繳納若干司法管轄區的所得稅。釐定所得稅撥備時須作出重大判斷。日常業務中有多項交易及計算未能確定最終稅項。倘此等事宜的最終稅務結果與當初記錄的金額有所不同，則該等差額將會影響釐定稅項期間的所得稅及遞延所得稅撥備。

(vii) 按公允值計入損益的投資的公允值

本集團擁有大量按公允值計入損益之投資，該等投資乃歸類為香港財務報告準則第13號公允值計量項下之第二級公允值計量。本集團聘用獨立專業估值師對投資進行估值。

於2018年3月31日，歸類為香港財務報告準則第13號項下第二級公允值計量之按公允值計入損益之投資金額約為37,793,793港元。有關公允值計量之詳情載於綜合財務報表附註29，其未必可代表最終可能變現的金額，此乃由於該等金額取決於未來狀況，且於個別情況出現之前可能無法合理釐定。

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For the year ended 31 March 2018 截至2018年3月31日止年度

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Key sources of estimation uncertainty (continued)

(viii) Impairment loss recognised in respect of interests in an associate

Interest in an associate is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Value-in-use calculations are used for assessing the recoverable amount of these interests. These calculations require use of judgments and estimates.

Management judgment is required for assessing impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related carrying value of interests may not be recoverable; and (ii) whether the carrying value of the interests can be supported by the recoverable amount. Changing the estimations used by management in assessing impairment could materially affect the recoverable amount used in the impairment test and as a result affect the Group's consolidated financial position and consolidated results of operations. At the end of the reporting period, the carrying value of interests in an associate was HK\$36,499,071 (2017:Nil).

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.

During the reporting period, the capital structure of the Group consist of debt which includes interest-bearing loans and equity attributable to owners of the Company, comprising issued share capital and reserves. The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the associated risks, and take appropriate actions to adjust the Group's capital structure. The Group's overall strategy remains unchanged from prior periods.

4. 主要會計判斷及估計不確定性的主要來源(續)

(b) 估計不確定性的主要來源(續)

(viii) 就於聯營公司的權益確認的減值虧損

倘有事件或情況變化顯示賬面值可能無法收回時，則應對於聯營公司之權益進行減值檢討。使用價值計算用於評估該等權益的可收回金額。該等計算須使用判斷及估計。

管理層於評估以下事項時尤需作出判斷：(i)是否已發生事件而可能顯示權益相關賬面值可能無法收回；及(ii)權益賬面值是否可透過可收回金額予以支持。管理層於評估減值時所用估計變動可能對減值測試所用的可收回金額產生重大影響，因而影響本集團的綜合財務狀況及綜合經營業績。於報告期末，於一間聯營公司之權益之賬面值為36,499,071港元(2017年：無)。

5. 資本風險管理

本集團管理其資本旨在確保本集團旗下實體可持續經營，同時透過優化債務及股本結餘，盡量為股東帶來最大回報。

於報告期間本集團的資本架構包括債務(包括計息貸款)及本公司擁有人應佔權益(包括已發行股本及儲備)。董事定期檢討資本架構。作為檢討其中一部分，董事考慮資本成本及相關風險，並採取合適行動調整本集團的資本架構。本集團的整體策略與過往期間一致，維持不變。

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as the Group's deposits placed for life insurance policies are denominated in United States dollar ("US\$").

The Group considers the risk exposure to foreign currency fluctuation is limited as long as the HK\$ remains pegged to the US\$. This analysis is performed on the same basis for 2017.

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Interest rate risk

The Group's finance lease payables bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to interest-rate risk arises from its pledged bank deposits and bank borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

The Group does not consider that it has any significant exposure to the risk of changes in market interest rates from its bank deposits and borrowings as a reasonably possible change of 50 basis points in the interest rates would have no material impact on the Group's consolidated profit or loss for the years ended 31 March 2018 and 2017.

6. 財務風險管理

本集團業務面臨多種財務風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃集中於金融市場的不可預測性及尋求將本集團的財務表現上潛在不利影響減至最低。

(a) 外匯風險

由於本集團就人壽保險保單存入的按金以美元(「美元」)列值，故本集團需承受若干外匯風險。

本集團認為承受外匯波動的風險有限，原因為港元仍與美元掛鈎。本分析乃按2017年的相同基準進行。

由於本集團絕大多數業務交易、資產及負債主要以集團實體的功能貨幣計值，故本集團面臨的外匯風險很小。本集團現時並無針對外幣資產及負債的外幣對沖政策。本集團將密切監控其外匯風險，並在必要時考慮對沖重大外匯風險。

(b) 利率風險

本集團應付融資租賃款項以固定利率計息，因而面對公允值利率風險。

本集團面對已抵押銀行存款及銀行借貸所產生的利率風險。該等存款及借貸按當時市況以浮動利率計息。

由於利率合理可能變動50個基點對本集團截至2018年及2017年3月31日止年度的綜合損益並無任何重大影響，故本集團認為其並無因銀行存款及銀行借款市場利率變動而面臨任何重大風險。

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6. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The carrying amount of the cash and bank balances, pledged bank deposits and trade and other receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to director's approval. Receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant.

At the end of the reporting period, the Group had a certain concentration of credit risk as 8.78% (2017: 15.8%) of the total trade receivables was due from the Group's five largest customers. Details of the credit quality of the trade receivables that are neither past due nor impaired were set out in note 26 to the consolidated financial statements.

The credit risk on cash and bank balances and pledged bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

6. 財務風險管理(續)

(c) 信貸風險

綜合財務狀況表內所列的現金及銀行結餘、已抵押銀行存款、貿易及其他應收款項的賬面值乃指本集團就本集團的金融資產所承受的最大信貸風險。

本集團並無信貸集中風險。本集團有政策確保向擁有適當信貸歷史的客戶進行銷售。

本集團僅與獲認可及信譽良好的第三方交易。本集團政策為所有有意按信貸條款交易的客戶均須獲董事批准。本集團持續監控應收款項結餘以確保本集團所承受壞賬並不重大。

於報告期末，本集團的貿易應收款項總額的信貸集中風險為8.78% (2017年：15.8%)，有關金額由本集團的五大客戶結欠。未逾期亦無減值的貿易應收款項的信貸質素詳情載於綜合財務報表附註26。

現金及銀行結餘及已抵押銀行存款的信貸風險有限，原因是交易對方乃獲國際信貸評級機構給予高度信貸評級的銀行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

6. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- external credit rating (if available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower;
- significant changes in the value of the collateral or in the quality of guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 365 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

6. 財務風險管理(續)

(c) 信貸風險(續)

本集團比較金融資產於報告日期之違約風險與於初始確認日期之違約風險，以評估金融資產之信貸風險有否於各報告期內按持續基準大幅增加。本集團亦考慮所得合理及有理據支持之前瞻性資料。尤其使用以下資料：

- 內部信貸評級；
- 外部信貸評級(倘有)；
- 預期導致對借款人履行責任的能力出現重大變動之業務、財務或經濟狀況之實際或預期重大不利影響；
- 借款人經營業績之實際或預期重大變動；
- 同一借款人之其他金融工具之信貸風險大幅增加；
- 抵押品價值或擔保或信貸提升措施之質素出現重大變動；及
- 借款人預期表現及行為之重大變動，包括借款人之付款狀況變動。

倘涉及合約付款之債務人逾期超過30日，則假定信貸風險大幅增加。當交易對手無法於合約付款到期時180日內支付款項，則金融資產出現違約。

金融資產於合理預期無法收回(如債務人無法與本集團達成還款計劃)時撇銷。倘債務人於逾期後超過365日無法作出合約付款，本集團通常會撇銷有關貸款或應收款項。倘貸款或應收款項撇銷，則本集團在實際可行及符合經濟效應的情況下，繼續採取強制行動試圖收回到期應收款項。

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綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

6. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity profile of the Company's financial liabilities as at the end of reporting period, based on the contracted undiscounted payments, was as follows:

| 2018 | 2018年 | On demand | Less than 1 year | More than 1 year but less than 5 years 超過1年 但少於5年 | Total contractual undiscounted cash flow 合約未貼現 現金流量總額 | Carrying amounts |
|---------------------------|------------|-------------------|---------------------|--|--|---------------------|
| | | 按要求 HK\$ 港元 | 少於1年 HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Trade and other payables | 貿易及其他應付款項 | - | 54,553,501 | - | 54,553,501 | 54,553,501 |
| Finance lease payables | 應付融資租賃款項 | - | 147,936 | 90,626 | 238,562 | 224,135 |
| Promissory notes payable | 應付承兌票據 | - | 8,000,000 | - | 8,000,000 | 7,674,841 |
| Bank borrowings – secured | 銀行借貸 – 有抵押 | 9,869,600 | - | - | 9,869,600 | 9,869,600 |
| | | 9,869,600 | 62,701,437 | 90,626 | 72,661,663 | 72,322,077 |

| 2017 | 2017年 | On demand | Less than 1 year | More than 1 year but less than 5 years 超過1年 但少於5年 | Total contractual undiscounted cash flow 合約未貼現 現金流量總額 | Carrying amounts |
|---------------------------|------------|-------------------|---------------------|--|--|---------------------|
| | | 按要求 HK\$ 港元 | 少於1年 HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Trade and other payables | 貿易及其他應付款項 | - | 64,006,351 | - | 64,006,351 | 64,006,351 |
| Finance lease payables | 應付融資租賃款項 | - | 226,611 | 84,695 | 311,306 | 303,151 |
| Promissory notes payable | 應付承兌票據 | - | - | 14,000,000 | 12,157,882 | 7,674,841 |
| Bank borrowings – secured | 銀行借貸 – 有抵押 | 9,370,264 | - | - | 9,370,264 | 9,370,264 |
| | | 9,370,264 | 64,232,962 | 14,084,695 | 87,687,921 | 85,837,648 |

6. 財務風險管理(續)

(d) 流動資金風險

本集團政策為定期監控目前及預期的流動資金需求，以確保其維持充裕現金儲備，以應付長短期流動資金需求。

於報告期末，本公司金融負債按合約未貼現付款的到期分析如下：

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6. FINANCIAL RISK MANAGEMENT (continued) 6. 財務風險管理(續)

(e) Categories of financial instruments

(e) 金融工具類別

| | | At 31 December | |
|--|---------------------------|--------------------|-------------|
| | | 於3月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Financial assets: | 金融資產： | | |
| Financial assets at amortised cost (including cash and cash equivalents) | 按攤銷成本列賬的金融資產 (包括現金及現金等價物) | | |
| – Deposits placed for life insurance policies | – 就人壽保險保單存入的按金 | 8,382,078 | 8,169,842 |
| – Trade and other receivables | – 貿易及其他應收款項 | 68,071,566 | 60,836,884 |
| – Pledged bank deposits | – 已抵押銀行存款 | 10,176,374 | 7,105,972 |
| – Cash and cash equivalents | – 現金及現金等價物 | 54,164,638 | 45,164,990 |
| Investment at fair value through profit or loss | 按公允值計入損益的投資 | | |
| – Designated as such upon initial recognition | – 於初步確認時指定 | 37,793,793 | – |
| | | 178,588,449 | 121,277,688 |
| Financial liabilities: | 金融負債： | | |
| Financial liabilities at amortised cost | 按攤銷成本列賬的金融負債 | | |
| – Trade and other payables | – 貿易及其他應付款項 | 54,553,501 | 64,006,351 |
| – Promissory notes payable | – 應付承兌票據 | 7,674,841 | 12,157,882 |
| – Bank borrowings – secured | – 銀行借貸 – 有抵押 | 9,869,600 | 9,370,264 |
| | | 72,097,942 | 85,534,497 |

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綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

6. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

6. 財務風險管理(續)

(f) 公允值

綜合財務狀況表所反映本集團金融資產及金融負債的賬面值與其各自的公允值相若。

公允值是市場參與者在計量日進行之有秩序交易中出售一項資產所收取或轉讓一項負債所支付的價格。以下披露的公允值計量使用公允值等級機制，有關機制將用以計量公允值之估值技術之輸入數據分為三級，詳情如下：

第一級輸入數據：本集團可在計量日取得之相同資產或負債在活躍市場之報價(未經調整)。

第二級輸入數據：除第一級市場報價以外，基於可直接或間接觀察取得之資產或負債輸入數據。

第三級輸入數據：資產或負債之無法觀察輸入數據。

本集團的政策是於導致轉撥情況的事件或變動發生當日，確認三個級別的任何轉入及轉出。

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For the year ended 31 March 2018 截至2018年3月31日止年度

6. FINANCIAL RISK MANAGEMENT (continued)

6. 財務風險管理(續)

(f) Fair value (continued)

(f) 公允值(續)

(i) Disclosures of level in fair value hierarchy at 31 March 2018:

(i) 於2018年3月31日的公允值層級的披露：

| Description | 描述 | Fair value measurements using: | |
|--|--------------------------|--------------------------------|--|
| | | Level 2 第二級 HK\$ 港元 | Total 總計 2018 2018年 HK\$ 港元 |
| Recurring fair value measurements: | | | |
| <i>Investment at fair value through profit or loss</i> | | | |
| | 經常性公允值計量： 按公允值計入損益的投資 | | |
| Convertible notes | 可換股票據 | 37,793,793 | 37,793,793 |
| <i>Investment property</i> | 投資物業 | | |
| Commercial – Hong Kong | 商業 – 香港 | 32,000,000 | 32,000,000 |
| Total recurring fair value measurements | 經常性公允值計量總額 | 69,793,793 | 69,793,793 |

Disclosures of level in fair value hierarchy at 31 March 2017:

於2017年3月31日的公允值層級的披露：

| Description | 描述 | Fair value measurements using: | |
|---|-------------------|--------------------------------|--|
| | | Level 2 第二級 HK\$ 港元 | Total 總計 2017 2017年 HK\$ 港元 |
| Recurring fair value measurements: | | | |
| <i>Investment property</i> | | | |
| | 經常性公允值計量： 投資物業 | | |
| Commercial – Hong Kong | 商業 – 香港 | 28,817,301 | 28,817,301 |
| Total recurring fair value measurements | 經常性公允值計量總額 | 28,817,301 | 28,817,301 |

During the year, there was no asset transferred out of any of the three levels of fair value hierarchy.

年內，並無資產於三個公允值層級間轉出。

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綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

6. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value (continued)

(ii) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 March:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least four times a year.

The Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Level 2 fair value measurements

| Description 描述 | Valuation technique 估值技術 | Inputs 輸入數據 | Fair value | Fair value |
|--|---|---|------------------------------------|------------------------------------|
| | | | 公允值 2018 2018年 HK\$ 港元 | 公允值 2017 2017年 HK\$ 港元 |
| <i>Investment property</i> Commercial – Hong Kong 商業投資 商業－香港 | Market comparable approach 可資比較市場法 | Price per square metre 每平方米價格 | 32,000,000 | 28,817,301 |
| <i>Investment at fair value through profit or loss</i> Convertible notes 按公允值計入損益的 投資－可換股票據 | Binomial option pricing model 二項式購股權定價 模式 | Share price/Discount rate/Volatility Conversion price 股價／貼現率／ 波幅／換股價 | 37,793,793 | – |

6. 財務風險管理(續)

(f) 公允值(續)

(ii) 本集團採用估值程序及估值技術以及公允值計量所採用輸入數據於3月31日之披露：

本集團財務總監負責進行財務申報所需資產及負債公允值計量，當中包括第三級公允值計量。財務總監直接向董事會匯報該等公允值計量。財務總監及董事會每年就估值程序及結果進行至少四次討論。

本集團一般委聘具認可專業資格及近期經驗的外部估值專家進行估值。

第二級公允值計量

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For the year ended 31 March 2018 截至2018年3月31日止年度

7. REVENUE

The Group is principally engaged in the provision of property management services, properties investment and money lending business during the year. An analysis of the Group's revenue recognised during the years is as follows:

7. 收益

本集團於年內主要從事提供物業管理服務、物業投資及放債業務。年內本集團的已確認收益分析如下：

| | | 2018 | 2017 |
|---|------------|--------------------|-------------|
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Provision of property management services | 提供物業管理服務 | 409,577,174 | 395,513,512 |
| Rental income from an investment property | 投資物業租金收入 | 1,100,860 | – |
| Loan interest income from money lending | 放債業務貸款利息收入 | 1,592,693 | – |
| | | 412,270,727 | 395,513,512 |

8. OTHER REVENUE

| | | 2018 | 2017 |
|--|-------------------|------------------|---------|
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Bank interest income | 銀行利息收入 | 21,613 | 8,969 |
| Interest income from investment at fair value through profit or loss | 按公允值計入損益的投資的利息收入 | 1,676,712 | – |
| Interest income from deposits placed for life insurance policies | 就人壽保險保單存入的按金的利息收入 | 299,112 | 294,341 |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備的收益 | 33,000 | 5,000 |
| Consultancy services income | 顧問服務收入 | 1,733,157 | 30,000 |
| Fair value gain on an investment property | 一間投資物業的公允值收益 | 3,182,699 | – |
| Fair value gain on investment at fair value through profit or loss | 按公允值計入損益的投資的公允值收益 | 1,347,877 | – |
| Management services income | 管理服務收入 | 90,000 | – |
| | | 8,384,170 | 338,310 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

9. SEGMENT INFORMATION

(a) Reportable segments

The Group has three (2017: two) reportable segments. The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- (i) Provision of property management services;
- (ii) Properties investment; and
- (iii) Money lending business.

The accounting policies of the operating segments are the same as those described in note 3 to the consolidated financial statements. Segment profits or losses do not include dividend income and gains or losses from investments at fair value through profit or loss. Segment assets do not include investments. Segment non-current assets do not include deferred tax assets and financial instruments.

9. 分部資料

(a) 可呈報分部

本集團目前經營三個(2017年：兩個)可呈報分部。本集團的可呈報分部為提供不同產品及服務的策略性業務單位。有關單位獨立管理，原因為各業務需要不同的科技及營銷策略。下文概述本集團各可呈報分部的營運：

- (i) 提供物業管理服務；
- (ii) 物業投資；及
- (iii) 放債業務。

經營分部的會計政策與綜合財務報表附註3所說明者相同。分部溢利或虧損不包括股息收入以及按公允值計入損益之投資的收益或虧損。分部資產不包括投資。分部非流動資產不包括遞延稅項資產及金融工具。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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For the year ended 31 March 2018 截至2018年3月31日止年度

9. SEGMENT INFORMATION (continued)

9. 分部資料(續)

(a) Reportable segments (continued)

(a) 可呈報分部(續)

(i) Business segments

(i) 業務分部

For the year ended 31 March 2018
截至2018年3月31日止年度

| | | Provision of property management services 提供物業 管理服務 HK\$ 港元 | Properties investment 物業投資 HK\$ 港元 | Money lending business 放債業務 HK\$ 港元 | Total 總計 HK\$ 港元 |
|---|---------------------------|--|--|--|---------------------------|
| Reportable segment revenue: Revenue from external customers | 可呈報分部收益： 來自外界客戶的 收益 | 409,577,174 | 1,100,860 | 1,592,693 | 412,270,727 |
| Reportable segment profit | 可呈報分部溢利 | 33,007,585 | 4,031,400 | 643,456 | 37,682,441 |
| Depreciation of property, plant and equipment | 物業、廠房及 設備折舊 | 1,142,803 | 5 | - | 1,142,808 |
| Amortisation of intangible assets | 無形資產攤銷 | 2,048,349 | - | - | 2,048,349 |
| Income tax expense | 所得稅開支 | 7,127,985 | 129,363 | 106,186 | 7,363,534 |
| Interest revenue | 利息收益 | 320,725 | - | - | 320,725 |
| Interest expense | 利息開支 | 1,221,628 | - | - | 1,221,628 |
| Additions to segment non-current assets | 添置分部非流動資產 | 569,481 | - | - | 569,481 |
| | | At 31 March 2018 於2018年3月31日 | | | |
| | | Provision of property management services 提供物業 管理服務 HK\$ 港元 | Properties investment 物業投資 HK\$ 港元 | Money lending business 放債業務 HK\$ 港元 | Total 總計 HK\$ 港元 |
| Reportable segment assets | 可呈報分部資產 | 144,909,202 | 32,664,740 | 3,742,626 | 181,316,568 |
| Reportable segment liabilities | 可呈報分部負債 | 70,698,027 | 204,400 | - | 70,902,427 |

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For the year ended 31 March 2018 截至2018年3月31日止年度

9. SEGMENT INFORMATION (continued)

(a) Reportable segments (continued)

(i) Business segments (continued)

| | | For the year ended 31 March 2017 截至2017年3月31日止年度 | | |
|---|---------------------------|--|--|---------------------------|
| | | Provision of property management services 提供物業 管理服務 HK\$ 港元 | Properties investment 物業投資 HK\$ 港元 | Total 總計 HK\$ 港元 |
| Reportable segment revenue: Revenue from external customers | 可呈報分部收益： 來自外界客戶的 收益 | 395,513,512 | – | 395,513,512 |
| Reportable segment profit | 可呈報分部溢利 | 21,299,712 | – | 21,299,712 |
| Depreciation of property, plant and equipment | 物業、廠房及 設備折舊 | 1,156,573 | – | 1,156,573 |
| Amortisation of intangible assets | 無形資產攤銷 | 717,512 | – | 717,512 |
| Income tax expense | 所得稅開支 | 3,320,101 | – | 3,320,101 |
| Interest revenue | 利息收益 | 303,310 | – | 303,310 |
| Interest expense | 利息開支 | 195,847 | – | 195,847 |
| Additions to segment non-current assets | 添置分部非流動資產 | 806,686 | 9,512,507 | 10,319,193 |
| | | At 31 March 2017 於2017年3月31日 | | |
| | | Provision of property management services 提供物業 管理服務 HK\$ 港元 | Properties investment 物業投資 HK\$ 港元 | Total 總計 HK\$ 港元 |
| Reportable segment assets | 可呈報分部資產 | 114,236,708 | 29,074,278 | 143,310,986 |
| Reportable segment liabilities | 可呈報分部負債 | 85,324,191 | 417,221 | 85,741,412 |

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For the year ended 31 March 2018 截至2018年3月31日止年度

9. SEGMENT INFORMATION (continued)

9. 分部資料(續)

(a) Reportable segments (continued)

(a) 可呈報分部(續)

(ii) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

(ii) 可呈報分部的收益、溢利或虧損、資產及負債的對賬：

| Year ended 31 March | 截至3月31日止年度 | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|---|----------------|---------------------------------------|---------------------------------------|
| Revenue | 收益 | | |
| Reportable segment revenue and consolidated revenue | 可呈報分部收益及綜合收益 | 412,270,727 | 395,513,512 |
| Profit or loss | 損益 | | |
| Reportable segment profits | 可呈報分部溢利 | 37,682,441 | 21,299,712 |
| Inter-segment (charges)/profits | 分部間(費用)/溢利 | (838,293) | 409,375 |
| Unallocated other income | 未分配其他收入 | 3,024,589 | - |
| Share of profits of an associate | 分佔一間聯營公司溢利 | 4,999,071 | - |
| Unallocated corporate expenses | 未分配企業開支 | (6,434,200) | (8,200,800) |
| Unallocated finance costs | 未分配融資成本 | (107,118) | (8) |
| Consolidated profit before tax | 除稅前綜合溢利 | 38,326,490 | 13,508,279 |
| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
| At 31 March | 於3月31日 | | |
| Assets | 資產 | | |
| Reportable segment assets | 可呈報分部資產 | 181,316,568 | 143,310,986 |
| Unallocated cash and cash equivalents | 未分配現金及現金等價物 | 10,016,807 | 13,033,990 |
| Other unallocated corporate assets | 其他未分配企業資產 | 81,124,649 | 47,050,328 |
| Consolidated total assets | 綜合資產總值 | 272,458,024 | 203,395,304 |
| Liabilities | 負債 | | |
| Reportable segment liabilities | 可呈報分部負債 | 70,902,427 | 85,741,412 |
| Unallocated corporate liabilities | 未分配企業負債 | 5,479,504 | 1,383,603 |
| Consolidated total liabilities | 綜合負債總額 | 76,381,931 | 87,125,015 |

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綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

9. SEGMENT INFORMATION (continued)

(b) Geographical information

| | | Revenue | |
|-----------|----|--------------------|--------------------|
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Hong Kong | 香港 | 402,772,752 | 395,513,512 |
| PRC | 中國 | 9,497,975 | – |
| | | 412,270,727 | 395,513,512 |

The Group's non-current assets as at 31 March 2018 and 2017 are all located in Hong Kong.

(c) Information about major customers

An analysis of the Group's revenue is set out in note 7 above. No customer accounted for 10 percent or more of the total revenue for the years ended 31 March 2018 and 2017.

10. FINANCE COSTS

| | | 2018 | 2017 |
|-----------------------|------------|------------------|----------------|
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Interest expenses on: | 以下各項的利息開支： | | |
| – bank borrowings | – 銀行借貸 | 254,997 | 177,962 |
| – promissory notes | – 承兌票據 | 1,062,895 | – |
| Finance lease charges | 融資租賃費用 | 10,854 | 17,893 |
| | | 1,328,746 | 195,855 |

9. 分部資料(續)

(a) 地區資料

本集團於2018年及2017年3月31日的非流動資產均位於香港。

(c) 有關主要客戶的資料

本集團收益的分析載於上文附註7。截至2018年及2017年3月31日止年度，概無客戶佔總收益10%或以上。

10. 融資成本

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For the year ended 31 March 2018 截至2018年3月31日止年度

11. PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group's profit for the year is arrived at after charging/ (crediting):

11. 本公司擁有人應佔年內溢利

本集團年內溢利乃經扣除／(計入)下列項目：

| | | 2018 | 2017 |
|--|-------------------|--------------------|-------------|
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Staff costs (including directors' remuneration): | 員工成本(包括董事薪酬)： | | |
| – Salaries, wages and allowances | – 薪金、工資及津貼 | 322,060,873 | 329,102,653 |
| – Retirement benefits scheme contributions | – 退休福利計劃供款 | 9,021,557 | 9,487,160 |
| | | 331,082,430 | 338,589,813 |
| Auditors' remuneration | 核數師酬金 | 640,000 | 540,000 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 1,465,127 | 1,163,297 |
| Fair value gain on an investment property | 投資物業的公允值收益 | (3,182,699) | – |
| Fair value gain on investment at fair value through profit or loss | 按公允值計入損益的投資的公允值收益 | (1,347,877) | – |
| Amortisation of intangible assets | 無形資產攤銷 | 2,048,349 | 717,512 |
| Operating lease charges in respect of | 下列各項的經營租賃開支 | | |
| – Premises | – 物業 | 2,951,300 | 3,413,400 |
| – Motor vehicles | – 汽車 | 592,000 | 568,000 |

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For the year ended 31 March 2018 截至2018年3月31日止年度

12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

(a) DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

12. 董事及五位最高薪人士薪酬

(a) 董事及高級管理人員薪酬

| | | For the year ended 31 March 2018 截至2018年3月31日止年度 | | | | |
|---|-----------------|---|--|-----------------------------|--|------------------|
| | | Fees | Salaries, allowances and other benefits | Share- based payments | Contributions to retirement scheme | Total |
| | | 袍金 | 薪金、津貼 及其他福利 | 以股份 支付的款項 | 退休計劃供款 | 總計 |
| Notes 附註 | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Executive directors: | 執行董事： | | | | | |
| Ho Ying Choi | 何應財 | - | 2,208,000 | - | 18,000 | 2,226,000 |
| Lee Chin Ching, Cyrix | 李展程 | - | 540,000 | - | 18,000 | 558,000 |
| Eric Todd | 達振標 | (i) | 600,000 | - | 18,000 | 618,000 |
| Non-executive director: | 非執行董事： | | | | | |
| Huang Liming (Chairman) | 黃黎明(主席) | (ii) | 16,774 | - | - | 16,774 |
| Independent non-executive directors: | 獨立非執行董事： | | | | | |
| Tso Siu Lun, Alan | 曹肇綸 | | 120,000 | - | - | 120,000 |
| Lam Kai Yeung | 林繼陽 | | 120,000 | - | - | 120,000 |
| Lo Chi Ho, Richard | 羅志豪 | | 120,000 | - | - | 120,000 |
| | | | 376,774 | 3,348,000 | - | 3,778,774 |

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For the year ended 31 March 2018 截至2018年3月31日止年度

12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

(a) DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

12. 董事及五位最高薪人士薪酬 (續)

(a) 董事及高級管理人員薪酬 (續)

| | | For the year ended 31 March 2017 截至2017年3月31日止年度 | | | | |
|---|-----------------|---|---|----------------------|------------------------------------|-----------|
| | | Fees | Salaries, allowances and other benefits | Share-based payments | Contributions to retirement scheme | Total |
| | | 袍金 | 薪金、津貼及其他福利 | 以股份支付的款項 | 退休計劃供款 | 合計 |
| | | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 | 港元 | 港元 |
| Executive directors: | 執行董事： | | | | | |
| Yan Chi Ming | 甄子明 | 196,774 | - | - | - | 196,774 |
| Ho Ying Choi | 何應財 | - | 3,903,318 | - | 18,000 | 3,921,318 |
| Wu Yulin | 吳以琳 | - | 281,667 | - | 9,000 | 290,667 |
| Lee Chin Ching, Cyrix | 李展程 | - | 152,419 | - | 5,371 | 157,790 |
| Eric Todd (Chairman) | 達振標(主席) | - | 400,000 | - | 14,750 | 414,750 |
| Huang He | 黃鶴 | - | 94,087 | - | 4,121 | 98,208 |
| Non-executive director: | 非執行董事： | | | | | |
| Wong Kui Shing, Danny | 王鉅成 | 95,484 | - | - | - | 95,484 |
| Independent non-executive directors: | 獨立非執行董事： | | | | | |
| Tso Siu Lun, Alan | 曹肇綸 | 120,000 | - | - | - | 120,000 |
| Lam Kai Yeung | 林繼陽 | 120,000 | - | - | - | 120,000 |
| Lo Chi Ho, Richard | 羅志豪 | 120,000 | - | - | - | 120,000 |
| | | 652,258 | 4,831,491 | - | 51,242 | 5,534,991 |

Notes:

- (i) Resigned from the position of chairman on 6 March 2018.
- (ii) Appointed on 6 March 2018 as a non-executive director and the chairman of the Company.

附註：

- (i) 於2018年3月6日辭任主席一職。
- (ii) 於2018年3月6日獲委任為本公司非執行董事兼主席。

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綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

(b) FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

One (2017: one) of the five highest paid individuals of the Group was the director whose emolument is set out in the above. For the year ended 31 March 2018, the remaining four (2017: four) employees' emoluments of the Group were as follows:

| | | 2018 | 2017 |
|---|----------|------------------|-----------|
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Basic salaries and allowances | 基本薪金及津貼 | 4,262,400 | 5,325,371 |
| Discretionary bonus | 酌情花紅 | 296,400 | 873,428 |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 54,000 | 54,000 |
| | | 4,612,800 | 6,252,799 |

The emoluments fell within the following bands:

| | | Number of individuals | |
|-------------------------------|---------------------------|------------------------------|-------|
| | | 人數 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| Emolument band: | 薪酬範圍： | | |
| Nil – HK\$1,000,000 | 零至1,000,000港元 | 2 | 2 |
| HK\$1,000,001 – HK\$1,500,000 | 1,000,001港元 – 1,500,000港元 | 1 | 1 |
| HK\$2,000,001 – HK\$2,500,000 | 2,000,001港元 – 2,500,000港元 | 1 | – |
| HK\$3,500,001 – HK\$4,000,000 | 3,500,001港元 – 4,000,000港元 | – | 1 |
| | | 4 | 4 |

(c) During the year, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, none of the directors waived any emoluments during the reporting period (2017: Nil).

12. 董事及五位最高薪人士薪酬 (續)

(b) 五位最高薪人士薪酬

本集團的五位最高薪人士包括一名(2017年：一名)董事，其薪酬詳情載於上文。截至2018年3月31日止年度，餘下四名(2017年：四名)本集團僱員的薪酬如下：

| | | 2018 | 2017 |
|---|----------|------------------|-----------|
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Basic salaries and allowances | 基本薪金及津貼 | 4,262,400 | 5,325,371 |
| Discretionary bonus | 酌情花紅 | 296,400 | 873,428 |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 54,000 | 54,000 |
| | | 4,612,800 | 6,252,799 |

薪酬介乎下列範圍：

| | | Number of individuals | |
|-------------------------------|---------------------------|------------------------------|-------|
| | | 人數 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| Emolument band: | 薪酬範圍： | | |
| Nil – HK\$1,000,000 | 零至1,000,000港元 | 2 | 2 |
| HK\$1,000,001 – HK\$1,500,000 | 1,000,001港元 – 1,500,000港元 | 1 | 1 |
| HK\$2,000,001 – HK\$2,500,000 | 2,000,001港元 – 2,500,000港元 | 1 | – |
| HK\$3,500,001 – HK\$4,000,000 | 3,500,001港元 – 4,000,000港元 | – | 1 |
| | | 4 | 4 |

(c) 年內，本集團概無向任何董事或最高薪人士支付薪酬，作為其加盟本集團或加盟後的獎金或離職補償。此外，概無董事於報告期間放棄任何薪酬(2017年：無)。

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13. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% (2017: 16.5%) based on the estimated assessable profit for the year.

PRC corporate income tax is calculated at a standard rate of 25% on the estimated assessable profits arising from the operation of the PRC subsidiary.

13. 所得稅開支

香港利得稅已根據年內估計應課稅溢利按16.5%(2017年: 16.5%)作出撥備。

中國企業所得稅根據中國附屬公司營運所產生之估計應課稅溢利按標準稅率25%計算。

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|-------------------------------------|--------------|-----------------------------|-----------------------------|
| Current tax – Hong Kong Profits Tax | 即期稅項 – 香港利得稅 | | |
| – Provision for the year | – 一年內撥備 | 5,097,164 | 3,691,480 |
| – One-off deduction | – 一次性減扣 | (180,000) | (80,000) |
| | | 4,917,164 | 3,611,480 |
| Current tax- PRC | 即期稅項 – 中國 | | |
| – Provision for the year | – 一年內撥備 | 2,520,373 | – |
| Deferred tax (note 24) | 遞延稅項(附註24) | (74,003) | (291,379) |
| | | 7,363,534 | 3,320,101 |

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

所得稅開支與除稅前溢利乘香港利得稅稅率的對賬如下：

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--|-------------------------------|-----------------------------|-----------------------------|
| Profit before tax | 除稅前溢利 | 38,326,490 | 13,508,279 |
| Tax calculated at the domestic tax rate of 16.5% (2017: 16.5%) | 按本地稅率16.5%(2017年: 16.5%)計算的稅項 | 6,323,871 | 2,228,866 |
| Effect of different tax calculation basis for the PRC | 中國計稅基準不同的影響 | 856,928 | – |
| Tax effect of income that is not taxable | 毋須課稅收入的稅務影響 | (1,619,852) | (122,764) |
| Tax effect of expenses that are not deductible | 不可扣減開支的稅務影響 | 1,982,587 | 1,293,999 |
| One-off deduction | 一次性減扣 | (180,000) | (80,000) |
| Income tax expense | 所得稅開支 | 7,363,534 | 3,320,101 |

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14. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of HK\$28,694,621 (2017: HK\$10,188,178) and the weighted average number of ordinary shares of 769,956,447 (2017: 551,296,720) in issue during the year.

Diluted earnings per share

The effect of the Company's outstanding share options for the years ended 31 March 2017 and 2018 did not give rise to any dilution effect to the earnings per share.

15. DIVIDEND

No dividend was paid or proposed for the year ended 31 March 2018, nor has any dividend been proposed since the end of the reporting period and up to the date of this report. (2017: Nil).

16. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,500 per employee and vest fully with employees when contributed into the MPF Scheme.

14. 每股盈利

每股基本盈利

本公司擁有人應佔每股基本盈利乃按本公司擁有人應佔年內溢利28,694,621港元(2017年：10,188,178港元)及年內已發行普通股加權平均數769,956,447股(2017年：551,296,720股)計算。

每股攤薄盈利

截至2017年及2018年3月31日止年度，本公司的尚未行使購股權的影響並無對每股盈利產生任何攤薄影響。

15. 股息

截至2018年3月31日止年度概無支付或建議派付任何股息，自報告期間結束以來及直至本報告日期亦無建議派付任何股息(2017年：無)。

16. 退休福利計劃

本集團根據香港強制性公積金計劃條例為所有香港的合資格僱員設立強制性公積金計劃(「強積金計劃」)。本集團對強積金計劃的供款乃根據薪金及工資5%計算(每位員工每月最高金額為1,500港元)，且供款於支付予強積金計劃時完全歸僱員所有。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

| | | Leasehold land and buildings 租賃土地 及樓宇 HK\$ 港元 | Leasehold improvement 租賃 物業裝修 HK\$ 港元 | Furniture and fixture 傢俬及裝置 HK\$ 港元 | Office equipment 辦公室設備 HK\$ 港元 | Motor vehicle 汽車 HK\$ 港元 | Total 合計 HK\$ 港元 |
|--|---------------------------|---|--|---|--|--------------------------------------|---------------------------|
| COST | 成本 | | | | | | |
| At 1 April 2016 | 於2016年4月1日 | - | 3,925,767 | 1,722,624 | 2,891,146 | 3,445,918 | 11,985,455 |
| Additions | 添置 | 9,512,507 | 138,350 | 109,237 | 604,854 | - | 10,364,948 |
| Disposal | 出售 | - | - | - | - | (181,724) | (181,724) |
| At 31 March 2017 and 1 April 2017 | 於2017年3月31日及 2017年4月1日 | 9,512,507 | 4,064,117 | 1,831,861 | 3,496,000 | 3,264,194 | 22,168,679 |
| Additions | 添置 | - | 85,900 | 1,060 | 315,415 | 172,246 | 574,621 |
| Disposal | 出售 | - | - | - | - | (377,383) | (377,383) |
| At 31 March 2018 | 於2018年3月31日 | 9,512,507 | 4,150,017 | 1,832,921 | 3,811,415 | 3,059,057 | 22,365,917 |
| ACCUMULATED DEPRECIATION AND IMPAIRMENT | 累計折舊及減值 | | | | | | |
| At 1 April 2016 | 於2016年4月1日 | - | 2,857,531 | 623,328 | 2,349,611 | 2,702,327 | 8,532,797 |
| Provided during the year | 年內撥備 | - | 339,483 | 163,367 | 328,748 | 331,699 | 1,163,297 |
| Disposal | 出售 | - | - | - | - | (181,724) | (181,724) |
| At 31 March 2017 and 1 April 2017 | 於2017年3月31日及 2017年4月1日 | - | 3,197,014 | 786,695 | 2,678,359 | 2,852,302 | 9,514,370 |
| Provided during the year | 年內撥備 | 306,855 | 346,989 | 166,615 | 384,329 | 260,339 | 1,465,127 |
| Disposal | 出售 | - | - | - | - | (377,383) | (377,383) |
| At 31 March 2018 | 於2018年3月31日 | 306,855 | 3,544,003 | 953,310 | 3,062,688 | 2,735,258 | 10,602,114 |
| CARRYING AMOUNT | 賬面值 | | | | | | |
| At 31 March 2018 | 於2018年3月31日 | 9,205,652 | 606,014 | 879,611 | 748,727 | 323,799 | 11,763,803 |
| At 31 March 2017 | 於2017年3月31日 | 9,512,507 | 867,103 | 1,045,166 | 817,641 | 411,892 | 12,654,309 |

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17. PROPERTY, PLANT AND EQUIPMENT (continued)

At 31 March 2018 the carrying amount of motor vehicle held by the Group under finance leases amounted to HK\$323,799 (2017: HK\$411,892).

At 31 March 2018, the leasehold land and buildings with net carrying amount of HK\$9,205,652 was pledged to secure bank facilities granted to the Group (2017: Nil).

17. 物業、廠房及設備(續)

於2018年3月31日，本集團根據融資租賃持有的汽車的賬面值為323,799港元(2017年：411,892港元)。

於2018年3月31日，賬面淨值為9,205,652港元(2017年：無)的租賃土地及樓宇已作抵押，以取得授予本集團的銀行融資。

18. INVESTMENT PROPERTY

18. 投資物業

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|---|--------------|-----------------------------|-----------------------------|
| At 1 April | 於4月1日 | 28,817,301 | – |
| Additions | 添置 | – | 28,817,301 |
| Fair value gain on an investment property | 一間投資物業的公允值收益 | 3,182,699 | – |
| At 31 March | 於3月31日 | 32,000,000 | 28,817,301 |

Investment property was revalued at 31 March 2018 on the open market value basis by reference to market evidence of recent transactions for similar properties by Roma Appraisals Group, an independent professional valuer.

投資物業由獨立專業估值師Roma Appraisals Group參考類似物業的近期交易市場證據按公開市值基準於2018年3月31日重估。

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19. INTANGIBLE ASSETS

19. 無形資產

| | | Customer contracts | Computer software | Total |
|--|----------------------------------|-------------------------------|------------------------------|--------------|
| | | 客戶合約 | 電腦軟件 | 合計 |
| | | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 |
| COST | 成本 | | | |
| At 1 April 2016 | 於2016年4月1日 | – | – | – |
| Addition | 添置 | – | 6,550,000 | 6,550,000 |
| Acquired through business combination | 透過業務合併收購 | 2,054,247 | – | 2,054,247 |
| | | <hr/> | <hr/> | <hr/> |
| At 31 March 2017, 1 April 2017 and 31 March 2018 | 於2017年3月31日、2017年4月1日及2018年3月31日 | 2,054,247 | 6,550,000 | 8,604,247 |
| | | <hr/> | <hr/> | <hr/> |
| ACCUMULATED AMORTISATION | 累計攤銷 | | | |
| At 1 April 2016 | 於2016年4月1日 | – | – | – |
| Amortisation for the year | 年內攤銷 | 308,137 | 409,375 | 717,512 |
| | | <hr/> | <hr/> | <hr/> |
| At 31 March 2017 and 1 April 2017 | 於2017年3月31日及2017年4月1日 | 308,137 | 409,375 | 717,512 |
| Amortisation for the year | 年內攤銷 | 410,849 | 1,637,500 | 2,048,349 |
| | | <hr/> | <hr/> | <hr/> |
| At 31 March 2018 | 於2018年3月31日 | 718,986 | 2,046,875 | 2,765,861 |
| | | <hr/> | <hr/> | <hr/> |
| CARRYING AMOUNT: | 賬面值： | | | |
| At 31 March 2018 | 於2018年3月31日 | 1,335,261 | 4,503,125 | 5,838,386 |
| | | <hr/> | <hr/> | <hr/> |
| At 31 March 2017 | 於2017年3月31日 | 1,746,110 | 6,140,625 | 7,886,735 |
| | | <hr/> | <hr/> | <hr/> |

The customer contracts are the property management business's critical value driver. They represent the values of rights that arise from contractual arrangement. The average remaining amortisation period of the customer contract is 3 years.

客戶合約為物業管理業務的主要價值動力，指合約安排產生的權利價值。客戶合約的平均剩餘攤銷期為3年。

The computer software is an internal management system which functions address book management for office usage, office communication and office bulletin for property management business. The average remaining amortisation period of the computer software is 3 years.

電腦軟件為內部管理系統，用作辦公室用途的通訊錄管理、物業管理業務的辦公室通訊及辦公室公佈。電腦軟件的平均剩餘攤銷期為3年。

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20. SUBSIDIARIES

Particulars of the Company's major subsidiaries as at 31 March 2018 are set out below:

| Name 名稱 | Place of incorporation/ registration 註冊成立/ 登記地點 | Issued and paid-up capital 已發行及繳足股份 | Percentage of ownership interest attributable to the Company 本公司應佔擁有人 權益的百分比 | Principal activities 主要業務 |
|---|--|--|---|---|
| Kong Shum Union Property Management Group Limited ("KSG") 港深聯合物業管理集團有限公司(「KSG」) | British Virgin Islands 英屬處女群島 | 11 shares of US\$1.00 each 11股每股面值1.00美元的股份 | 100% direct 100%直接 | Investment holding 投資控股 |
| Kong Shum Union Property Management Company Limited ("KSU") 港深聯合物業管理有限公司(「港深聯合」) | Hong Kong 香港 | HK\$22,000,000 22,000,000港元 | 100% indirect 100%間接 | Provision of property management services 提供物業管理服務 |
| K-King Cleaning Services Limited ("K-King") 其勁清潔服務有限公司(「其勁」) | Hong Kong 香港 | HK\$100 100港元 | 100% indirect 100%間接 | Provision of cleaning services 提供清潔服務 |
| Q&V Security Company Limited ("Q&V") 僑璋警衛有限公司(「僑璋」) | Hong Kong 香港 | HK\$2,100,000 2,100,000港元 | 100% indirect 100%間接 | Provision of security services 提供保安服務 |
| Yorkshire Property Management Limited ("YSL") 約克夏物業管理服務有限公司(「YSL」) | Hong Kong 香港 | HK\$1,000,000 1,000,000港元 | 100% indirect 100%間接 | Provision of property management services 提供物業管理服務 |
| More Rise Investment Limited ("MRIL") 添昇投資有限公司(「MRIL」) | Hong Kong 香港 | HK\$2.00 2.00港元 | 100% indirect 100%間接 | Properties investment 物業投資 |
| Fortune Trend Investment Limited ("FTIL") 升運投資有限公司(「FTIL」) | Hong Kong 香港 | HK\$2.00 2.00港元 | 100% indirect 100%間接 | Properties investment 物業投資 |
| Lucky Stone Investments Limited ("LSI") Lucky Stone Investments Limited(「LSI」) | British Virgin Islands 英屬處女群島 | 1 share of US\$1.00 each 1股每股面值1.00美元的股份 | 100% direct 100%直接 | Investment holding 投資控股 |

20. 附屬公司

本公司主要附屬公司於2018年3月31日之詳情載列如下：

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20. SUBSIDIARIES (continued)

20. 附屬公司(續)

| Name 名稱 | Place of incorporation/ registration 註冊成立/ 登記地點 | Issued and paid-up capital 已發行及繳足股份 | Percentage of ownership interest attributable to the Company 本公司應佔擁有人 權益的百分比 | Principal activities 主要業務 |
|--|--|---|---|--|
| Lucky Stone Property Investment Limited | Hong Kong | HK\$100 | 100% indirect | Dormant |
| Lucky Stone Property Investment Limited | 香港 | 100港元 | 100%間接 | 暫無營業 |
| Lucky Stone Finance Limited | Hong Kong | HK\$100 | 100% indirect | Money lending business |
| Lucky Stone Finance Limited | 香港 | 100港元 | 100%間接 | 放債業務 |
| One Direction Property Management Company Limited | Hong Kong | HK\$10,000 | 100% indirect | Dormant |
| One Direction Property Management Company Limited | 香港 | 10,000港元 | 100%間接 | 暫無營業 |
| 淄博悦生活物業服務有限公司 | PRC | HK\$30,000,000* | 70% indirect | Provision of property management consultancy services |
| 淄博悦生活物業服務有限公司 | 中國 | 30,000,000港元* | 70%間接 | 提供物業管理諮詢服務 |

* The registered capital of 淄博悦生活物業服務有限公司 is HK\$30,000,000, of which HK\$1,002,263 has been paid up as at 31 March 2018.

* 淄博悦生活物業服務有限公司之註冊資本為30,000,000港元，其中1,002,263港元已於2018年3月31日繳足。

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20. SUBSIDIARIES (continued)

The following table shows information of a subsidiary that has non-controlling interests (“NCI”) which is material to the Group. The summarised financial information represents amounts before inter-company eliminations.

20. 附屬公司(續)

下表列示擁有對本集團而言屬重大的非控股權益(「非控股權益」)之附屬公司資料。財務資料概要指公司內部對銷前之金額。

| Name 名稱 | | 淄博悅生活 業務服務 有限公司 2018 2018年 |
|--|------------------|--|
| Principal place of business/country of incorporation | 主要營業地點／註冊成立國家 | PRC/PRC 中國／中國 |
| % of ownership interests/voting rights held by NCI | 非控股權益持有之擁有權／表決權% | 30%/30% |
| At 31 March: | 於3月31日： | HK\$ 港元 |
| Non-current assets | 非流動資產 | — |
| Current assets | 流動資產 | 15,041,593 |
| Non-current liabilities | 非流動負債 | — |
| Current liabilities | 流動負債 | (3,966,339) |
| Net assets | 資產淨值 | <u>11,075,254</u> |
| Accumulated NCI | 累計非控股權益 | 3,322,576 |
| Year ended 31 March: | 截至3月31日止年度： | |
| Revenue | 收益 | 9,497,975 |
| Profit | 溢利 | 7,561,118 |
| Total comprehensive income | 全面收益總額 | 7,734,378 |
| Profit allocated to NCI | 分配至非控股權益之溢利 | 2,268,335 |
| Net cash generated from operating activities | 經營活動所得現金淨額 | 13,294,790 |
| Net cash generated from investing activities | 投資活動所得現金淨額 | 1,343 |
| Net cash generated from financing activities | 融資活動所得現金淨額 | — |
| Net increase in cash and cash equivalents | 現金及現金等價物增加淨額 | <u>13,296,133</u> |

As at 31 March 2018, the bank and cash balance is HK\$11,951,283 denominated in RMB dollars placed with banks in the PRC.

於2018年3月31日，銀行及現金結餘11,951,283港元以人民幣列值及存放於中國的銀行。

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21. GOODWILL

21. 商譽

| | | 2018 | 2017 |
|-----------------------------------|------------|----------------|---------|
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| COST | 成本 | | |
| At 1 April | 於4月1日 | 784,704 | – |
| Arising from business combination | 因業務合併產生 | – | 784,704 |
| | | 784,704 | 784,704 |
| At 31 March | 於3月31日 | 784,704 | 784,704 |
| CARRYING AMOUNTS | 賬面值 | | |
| At 31 March | 於3月31日 | 784,704 | 784,704 |

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit (“CGU”) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

業務合併所獲商譽會於收購時分配至預期將受益於該業務合併的現金產生單位(「現金產生單位」)。商譽的賬面值分配如下：

| | | Total | |
|---|----------|----------------|---------|
| | | 合計 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Provision of property management services | 提供物業管理服務 | | |
| YSL | YSL | 784,704 | 784,704 |

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21. GOODWILL (continued)

Impairment testing of goodwill

Provision of property management services

The recoverable amounts of the CGU are determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGU operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years. The recoverable amount of the relevant assets has been determined based on a value in use calculation using cash flow projections based on the financial budgets approved by the management covering a 5 year period. Key assumptions used by the management in the value in use calculations of the cash-generating unit include budgeted gross profit margin. The pre-tax discount rate used for estimating the value in use is 19.97%.

The assumptions have been determined based on past performance and management's expectations in respect of the property management market in the Hong Kong.

The management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

21. 商譽(續)

商譽減值測試

提供物業管理服務

現金產生單位的可收回金額乃採用貼現現金流量法以計算使用價值釐定。貼現現金流量法的主要假設與期內貼現率、增長率、預算毛利率及收入有關。本集團採用可反映目前市場對貨幣時間價值的評估及現金產生單位特定風險的稅前比率以估計貼現率。增長率乃以現金產生單位經營業務所在地區的長期平均經濟增長率為基準。預算毛利率及收入乃以過往慣例及對市場發展的預期為基準。

本集團編製的現金流量預測乃按最近由董事批准的未來五年財務預算計算。相關資產的可收回金額已按管理層批准的五年期財務預算為基準編製的現金流量預測以使用價值計算釐定。管理層於現金產生單位使用價值計算所用主要假設包括預算毛利率。用作估計使用價值的稅前貼現率為19.97%。

有關假設已根據過往表現及管理層對於香港物業管理市場的期望而釐定。

管理層現時並不知悉任何其他可能變化會令其必須改變其主要估計。

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22. DEPOSITS PLACED FOR LIFE INSURANCE POLICIES

22. 就人壽保險保單存入的按金

| | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--|-----------------------------|-----------------------------|
|--|-----------------------------|-----------------------------|

| | | | |
|---|--------------|-----------|-----------|
| Deposits placed for life insurance policies | 就人壽保險保單存入的按金 | 8,382,078 | 8,169,842 |
|---|--------------|-----------|-----------|

The Group can terminate the policies at any time and receive cash refund based on the cash value of the policies at the date of withdrawal, which is determined by the upfront payment plus accumulated interest earned and minus the expense charged at inception, the accumulated insurance charge and policy expense charge.

本集團可於任何時候終止該保單及根據退保時該保單之現金價值收回現金退款，此乃根據預付款及所賺取之累計利息及扣減開立保單時須支付之開支費用、累計保費及保單費用開支而釐定。

23. DEPOSITS FOR ACQUISITION OF AN ASSOCIATE

23. 收購一間聯營公司的按金

| | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--|-----------------------------|-----------------------------|
|--|-----------------------------|-----------------------------|

| | | | |
|---|----------------|---|------------|
| Deposits for acquisition of equity interest of an associate | 就收購一間聯營公司股權的按金 | - | 28,350,000 |
|---|----------------|---|------------|

On 13 February 2017, LSI, a wholly-owned subsidiary of the Company, entered into the sales and purchase agreement with Mr. Chang Tin Duk, Victor ("Mr. Chang") to purchase 30% of the equity interest of Dakin Holdings Inc. ("Dakin"), a company incorporated in the British Virgin Islands with limited liability, at a total consideration of HK\$31,500,000. As at 31 March 2017, the Group had paid deposits in the sum of HK\$28,350,000 in cash. Upon completion, the Group shall pay to Mr. Chang HK\$3,150,000, being the remaining balance of the consideration in cash. Further details are set out in the Company's announcement dated 13 February 2017.

於2017年2月13日，本公司全資附屬公司LSI與張天德先生（「張先生」）訂立買賣協議以收購Dakin Holdings Inc.（「Dakin」）30%股權，總代價為31,500,000港元。Dakin為於英屬處女群島註冊成立的有限公司。於2017年3月31日，本集團以現金支付按金28,350,000港元。於完成時，本集團將以現金向張先生支付代價餘額3,150,000港元。進一步詳情載於本公司日期為2017年2月13日的公佈。

The transaction was completed on 28 April 2017. Upon completion, the Group is holding 30% of the equity interest of Dakin which has become an associate of the Group. For more detail, please refer to note 25.

交易已於2017年4月28日完成。完成後，本集團持有Dakin的30%股權，而Dakin成為本集團的聯營公司。有關更多詳情，請參閱附註25。

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24. DEFERRED TAX ASSETS/LIABILITIES

The following are the major deferred tax liabilities and assets recognised by the Group.

24. 遞延稅項資產／負債

以下為本集團確認的主要遞延稅項負債及資產。

| | | Accelerated tax depreciation | Decelerated tax depreciation | Provisions (note) 撥備 (附註) | Fair value adjustment arising from business combination 業務合併產生的 公允值調整 | Total |
|--|---------------------------|------------------------------------|------------------------------------|------------------------------------|---|------------|
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| At 1 April 2016 | 於2016年4月1日 | (29,762) | 20 | 2,336,533 | - | 2,306,791 |
| Arising from business combination | 因業務合併產生 | - | - | - | (338,951) | (338,951) |
| (Charge)/credit to profit or loss for the year | 於年內(自損益扣除)/ 計入損益 | | | | | |
| - Origination and reversal of temporary differences | - 暫時差額的來源及撥回 | (18,428) | 4,807 | 254,157 | 50,843 | 291,379 |
| At 31 March 2017 and 1 April 2017 | 於2017年3月31日及 2017年4月1日 | (48,190) | 4,827 | 2,590,690 | (288,108) | 2,259,219 |
| (Charge)/credit to profit or loss for the year | 於年內(自損益扣除)/ 計入損益 | | | | | |
| - Origination and reversal of temporary differences | - 暫時差額的來源及撥回 | (49,735) | (10,211) | 66,159 | 67,790 | 74,003 |
| At 31 March 2018 | 於2018年3月31日 | (97,925) | (5,384) | 2,656,849 | (220,318) | 2,333,222 |

Note: Provisions represent the temporary differences of provision for certain expenses (including provisions for long service payments, unrealised annual leaves and bonuses) made in the consolidated financial statements of the Group which would only be allowed for tax deduction when these expenses were actually paid.

附註: 撥備指本集團綜合財務報表的若干開支撥備(包括長期服務金、未變現年假撥備及花紅撥備)的暫時差額,其僅於實際支付該等開支後可作扣稅。

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24. DEFERRED TAX ASSETS/LIABILITIES (continued)

The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--------------------------|--------|-----------------------------|-----------------------------|
| Deferred tax liabilities | 遞延稅項負債 | (220,318) | (288,108) |
| Deferred tax assets | 遞延稅項資產 | 2,553,540 | 2,547,327 |
| | | 2,333,222 | 2,259,219 |

24. 遞延稅項資產／負債(續)

為財務狀況表的遞延稅項結餘(經抵銷後)分析如下：

25. INVESTMENT IN AN ASSOCIATE

| | | | |
|---|-----------|------------|---|
| <i>Unlisted investment in Hong Kong</i> | 於香港之非上市投資 | | |
| Share of net assets | 分佔資產淨值 | 13,849,612 | - |
| Goodwill | 商譽 | 22,649,459 | - |

Below is the information of the associate. The associate is accounted for in the consolidated financial statements using the equity method.

25. 於一間聯營公司的投資

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--|--|-----------------------------|-----------------------------|
| | | 36,499,071 | - |

以下為聯營公司之資料。該聯營公司以權益法於綜合財務報表入賬。

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25. INVESTMENT IN AN ASSOCIATE (continued) 25. 於一間聯營公司的投資(續)

| Name 名稱 | Principal place of business/country of incorporation 主要營業地點/註冊 成立國家 | Principal activities 主要業務 | % of ownership interests/voting rights held by the Company 本公司持有之擁有權/ 表決權% | |
|---|---|---|---|-----------------------------|
| | | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
| Dakin Holding Inc. | Hong Kong/BVI | Provision of financial services in Hong Kong | 30%/30% | – |
| Dakin Holding Inc. | 香港/英屬處女群島 | 於香港提供金融服務 | | |
| | | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
| Non-current assets | | 非流動資產 | 19,979,229 | – |
| Current assets | | 流動資產 | 128,285,256 | – |
| Non-current liabilities | | 非流動負債 | (3,046,620) | – |
| Current liabilities | | 流動負債 | (99,052,491) | – |
| Net assets | | 資產淨值 | 46,165,374 | – |
| Group's share of net assets | | 本集團分佔資產淨值 | 13,849,612 | – |
| Goodwill | | 商譽 | 22,649,459 | – |
| Group's share of carrying amount of interests | | 本集團分佔權益賬面值 | 36,499,071 | – |
| Revenue – post-acquisition | | 收益–收購後 | 70,211,504 | – |
| Profit and total comprehensive income – post-acquisition | | 溢利及全面收益總額–收購後 | 16,663,570 | – |

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26. TRADE AND OTHER RECEIVABLES

26. 貿易及其他應收款項

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|---|----------------|-----------------------------|-----------------------------|
| Trade receivables | 貿易應收款項 | 50,221,847 | 47,009,460 |
| Loan receivables (note) | 應收貸款(附註) | 3,627,534 | - |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 18,652,256 | 14,904,664 |
| | | 72,501,637 | 61,914,124 |

The Group does not grant credit terms to its customers (2017: Nil). The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the senior management and directors.

本集團並無向其客戶授予信貸期(2017年：無)。本集團致力嚴格控制其未償還的應收款項。高級管理層及董事定期檢討逾期結餘。

Note: The money lenders license is granted on 15 June 2017 for a period of twelve months from 15 June 2017. Money lending business is a new segment for the year ended 31 March 2018. The loan is lent to an independent third party.

附註：放債人牌照於2017年6月15日授出，自2017年6月15日起計為期十二個月。截至2018年3月31日止年度，放債業務為新分部。貸款乃借予獨立第三方。

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

基於發票日期及扣除撥備後貿易應收款項的賬齡分析如下：

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|---------------|--------|-----------------------------|-----------------------------|
| 1 to 30 days | 1至30日 | 11,399,550 | 10,193,862 |
| 31 to 60 days | 31至60日 | 33,115,405 | 28,261,606 |
| 61 to 90 days | 61至90日 | 2,310,673 | 3,924,994 |
| Over 90 days | 超過90日 | 3,396,219 | 4,628,998 |
| | | 50,221,847 | 47,009,460 |

The aging analysis of loan receivables are due within 90 days.

應收貸款賬齡分析於90日內到期。

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26. TRADE AND OTHER RECEIVABLES (continued)

As of 31 March 2018, trade receivables of HK\$50,221,847 (2017: HK\$47,009,460) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have good settlement records with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

26. 貿易及其他應收款項(續)

於2018年3月31日，貿易應收款項50,221,847港元(2017年：47,009,460港元)已逾期但並未減值。其與數名並無近期不良信貸記錄的獨立客戶有關。

已逾期但未減值應收款項乃與多名與本集團有良好付款記錄的客戶有關。根據過往經驗，董事認為信貸質素並無重大變動，且有關結餘仍被視為可全數收回，故此毋須就該等結餘計提減值撥備。

本集團根據香港財務報告準則第9號之簡易方法就所有貿易應收款項使用預期虧損撥備期限提供預期信貸虧損。為計量預期信貸虧損，貿易應收款項已根據共享風險特徵及逾期日期分類。預期信貸虧損亦包含前瞻性資料。

| | | Past due | Over 30 days past due | Over 60 days past due | Over 90 but less than 365 days past due 逾期90日 但少於 365日 | Total |
|---------------------------|-------------|------------|-----------------------------|-----------------------------|---|------------|
| | | 逾期 | 逾期30日 | 逾期60日 | 逾期90日 但少於 365日 | 總計 |
| At 31 March 2018 | 於2018年3月31日 | | | | | |
| Expected loss rate | 逾期虧損比率 | 0% | 0% | 0% | 0% | |
| Receivables amount (HK\$) | 應收款項(港元) | 11,399,550 | 33,115,405 | 2,310,673 | 3,396,219 | 50,221,847 |
| Loss allowance (HK\$) | 虧損撥備(港元) | - | - | - | - | - |
| At 31 March 2017 | 於2017年3月31日 | | | | | |
| Expected loss rate | 逾期虧損比率 | 0% | 0% | 0% | 0% | |
| Receivables amount (HK\$) | 應收款項(港元) | 10,193,862 | 28,261,606 | 3,924,994 | 4,628,998 | 47,009,460 |
| Loss allowance (HK\$) | 虧損撥備(港元) | - | - | - | - | - |

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26. TRADE AND OTHER RECEIVABLES (continued)

Details of the prepayments, deposits and other receivables are as follows:

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--------------------------|------------|-----------------------------|-----------------------------|
| Prepayments | 預付款項 | 2,939,766 | 1,077,240 |
| Deposits | 按金 | 1,490,304 | 3,631,991 |
| Other receivables (note) | 其他應收款項(附註) | 14,222,186 | 10,195,433 |
| | | 18,652,256 | 14,904,664 |

Note: Other receivables mainly included amounts paid on behalf of incorporated owners for property management.

26. 貿易及其他應收款項(續)

預付款項、按金及其他應收款項詳情如下：

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--------------------------|------------|-----------------------------|-----------------------------|
| Prepayments | 預付款項 | 2,939,766 | 1,077,240 |
| Deposits | 按金 | 1,490,304 | 3,631,991 |
| Other receivables (note) | 其他應收款項(附註) | 14,222,186 | 10,195,433 |
| | | 18,652,256 | 14,904,664 |

附註：其他應收款項主要包括代業主立案法團支付物業管理款項。

27. PLEDGED BANK DEPOSITS

Pledged bank deposits

The Group's pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group as set out in note 31 to the consolidated financial statements. The pledged bank deposits are denominated in HK\$ and are made for varying periods of between one day and one year depending on the immediate cash requirement of the Group and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The annual interest rate of 0.01% to 0.3% (2017: 0.01% to 0.3%) as at 31 March 2018.

27. 已抵押銀行存款

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|-----------------------|---------|-----------------------------|-----------------------------|
| Pledged bank deposits | 已抵押銀行存款 | 10,176,374 | 7,105,972 |

本集團之已抵押銀行存款指綜合財務報表附註31所載已抵押予銀行之存款，作為本集團獲授銀行融資的抵押。已抵押銀行存款以港元計值，期限由一日至一年不等，視乎本集團之即時現金需求而定，按有關短期定期存款利率計息。銀行結餘及已抵押存款存置在近期並無拖欠記錄、信譽良好之銀行。於2018年3月31日的年利率為0.01%至0.3% (2017年：0.01%至0.3%)。

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28. CASH AND CASH EQUIVALENTS

28. 現金及現金等價物

| | | 2018 | 2017 |
|---------------|------|-------------------|------------|
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Cash on hand | 手頭現金 | 311,005 | 304,006 |
| Bank balances | 銀行結餘 | 53,853,633 | 44,860,984 |
| | | 54,164,638 | 45,164,990 |

The cash and bank balances are denominated in HK\$ and RMB.

現金及銀行結餘以港元及人民幣計值。

As at 31 March 2018, the board and cash balances of the Group denominated in RMB amounted to HK\$11,951,283 (2017: Nil). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulation.

於2018年3月31日，本集團以人民幣計值的銀行及現金結餘為11,951,283港元(2017年：無)。人民幣兌換為外幣受中國外匯管治法規的規限。

29. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

29. 按公允值計入損益的投資

| | | 2018 | 2017 |
|----------------------------|----------|-------------------|-------|
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Unlisted convertible notes | 非上市可換股票據 | | |
| Acquisition | 收購 | 34,769,204 | — |
| Change in fair value | 公允值變動 | 1,347,877 | — |
| Interest income | 利息收入 | 1,676,712 | — |
| | | 37,793,793 | — |

29. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

On 14 July 2017, Oceanic Alliance Investments Limited (the “Seller”), and Lucky Stone Investments Limited, a wholly-owned subsidiary of the Company (the “Buyer”), entered into an agreement in relation to the acquisition of convertible notes of principal amount of AUD 6,000,000 (the “CN”) (for the agreement, the “CN Agreement”).

Subject to the satisfaction (or waiver) of the conditions precedent as set out in the CN Agreement, the Buyer conditionally agrees to acquire the CN from the Seller at a total consideration of HK\$36,000,000 (equivalent to AUD6,000,000, using an agreed exchange rate of AUD1=HK\$6 and being the face value of the aggregate principal amount of the CN) (the “CN Acquisition”). The CN of the principal amount of AUD6,000,000 with a maturity date on 1 March 2019 are issued by ASF Group Limited, a public company limited by shares, incorporated and domiciled in Australia, with its issued shares being listed on the Australian Stock Exchange Limited (CAN 008 624 691) (the “Issuer”) and are unsecured and not listed on any stock exchange. Further, the Buyer agrees to pay to the Seller an accrued interest of the CN from 1 April 2017 and up to the completion date specified under the CN Agreement (both date inclusive) to be calculated at an interest rate of 10% per annum in accordance with terms of a deed of CN entered into between the Seller and the Issuer.

The acquisition of the CN was completed on 12 October 2017. For details, please refer to the Company’s announcement dated 13 October 2017.

29. 按公允值計入損益的投資(續)

於2017年7月14日，Oceanic Alliance Investments Limited(「賣方」)與本公司全資附屬公司Lucky Stone Investments Limited(「買方」)就收購本金額為6,000,000澳元的可換股票據(「可換股票據」)訂立協議(就協議而言，「可換股票據協議」)。

待可換股票據協議所載先決條件達成(或獲豁免)後，買方有條件同意向賣方收購可換股票據，總代價為36,000,000港元(相當於6,000,000澳元，按協定匯率1澳元=6港元)，即可換股票據本金總額之面值(「可換股票據收購事項」)。可換股票據由澳中財富集團有限公司(「發行人」)發行，本金額為6,000,000澳元，到期日為2019年3月1日，為無抵押及並無於任何證券交易所上市。澳中財富集團有限公司為一間於澳洲註冊成立及落戶的公眾股份有限公司，其已發行股份於澳洲證券交易所(CAN 008 624 691)上市。此外，買方同意自2017年4月1日起至可換股票據協議訂明的完成日期(包括首尾兩日)向賣方支付可換股票據之應計利息，有關利息根據賣方與發行人訂立之可換股票據契據條款之年利率10%計算。

收購可換股票據已於2017年10月12日完成。有關詳情，請參閱本公司日期為2017年10月13日的公佈。

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For the year ended 31 March 2018 截至2018年3月31日止年度

30. TRADE AND OTHER PAYABLES

30. 貿易及其他應付款項

| | | 2018 | 2017 |
|---------------------------------------|--------------|-------------------|------------|
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Trade payables | 貿易應付款項 | 1,138,952 | 1,147,980 |
| Building management deposits received | 已收樓宇管理按金 | 4,348,892 | 4,297,586 |
| Accruals and other payables | 應計提費用及其他應付款項 | 40,059,010 | 50,494,669 |
| Provision for long service payment | 長期服務金撥備 | 9,006,647 | 8,066,116 |
| | | 54,553,501 | 64,006,351 |

The aging analysis of trade payables, based on the invoice date, is as follows:

貿易應付款項按發票日期的賬齡分析如下：

| | | 2018 | 2017 |
|--------------|-------|------------------|-----------|
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| 1 to 30 days | 1至30日 | 1,138,952 | 1,147,980 |

Details of the accruals and other payables are as follows:

應計提費用及其他應付款項詳情如下：

| | | 2018 | 2017 |
|--------------------------------------|--------------|-------------------|------------|
| | | 2018年 | 2017年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Accrued staff cost and staff benefit | 應計提員工成本及員工福利 | 23,236,330 | 20,148,888 |
| Accrued staff bonus and annual leave | 應計提員工花紅及年假 | 7,095,479 | 7,635,048 |
| Accrued expenses | 應計提開支 | 1,117,097 | 1,268,952 |
| Amount due to a director | 應付一名董事款項 | - | 5,500,000 |
| Amount due to a related party | 應付一名關聯方款項 | - | 5,500,000 |
| Other payables | 其他應付款項 | 8,610,104 | 10,441,781 |
| | | 40,059,010 | 50,494,669 |

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30. TRADE AND OTHER PAYABLES (continued)

Movement of provision for long services payment is stated as follows:

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--------------------------------|--------|-----------------------------|-----------------------------|
| At 1 April | 於4月1日 | 8,066,116 | 7,501,066 |
| Provision made during the year | 年內撥備 | 2,914,045 | 2,195,177 |
| Paid during the year | 年內付款 | <u>(1,973,514)</u> | <u>(1,630,127)</u> |
| At 31 March | 於3月31日 | <u>9,006,647</u> | <u>8,066,116</u> |

30. 貿易及其他應付款項(續)

長期服務金撥備變動載列如下：

31. BANK BORROWINGS – SECURED

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--------------------------|----------|-----------------------------|-----------------------------|
| Bank loans, secured | 銀行貸款，有抵押 | 9,869,600 | 5,240,401 |
| Bank overdrafts, secured | 銀行透支，有抵押 | – | 4,129,863 |
| | | <u>9,869,600</u> | <u>9,370,264</u> |

31. 銀行借貸－有抵押

The borrowings are repayable as follows:

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--|-------------------------|-----------------------------|-----------------------------|
| On demand or within one year | 按要求或於一年內 | 9,869,600 | 9,370,264 |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | 減：於12個月內到期支付的款項(列為流動負債) | <u>(9,869,600)</u> | <u>(9,370,264)</u> |
| Amount due for settlement after 12 months | 12個月後到期支付的款項 | <u>–</u> | <u>–</u> |

應償還借貸如下：

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31. BANK BORROWINGS – SECURED (continued)

31. 銀行借貸 – 有抵押(續)

The average interest rates at 31 March were as follows:

於3月31日的平均利率如下：

| | 2018 | 2017 |
|--------------------------|--------------|----------|
| | 2018年 | 2017年 |
| | % | % |
| Bank loans, secured | 2.42% | 2.61% |
| Bank overdrafts, secured | NIL無 | 6.25% |

As at 31 March 2018, borrowings of the Group denominated in HK\$.

於2018年3月31日，本集團借貸以港元列值。

The Group's banking facilities were secured by:

本集團的銀行融資由下列各項作抵押：

- (a) Pledge of deposits placed for life insurance (note 22);
- (b) Pledge of the Group's fixed bank deposits (note 27);
- (c) Unlimited guarantee by related companies (note 41);
- (d) Joint and several unlimited personal guarantees by a director of the Company and a director of a subsidiary (note 41); and
- (e) Various Counter Indemnities for issuance of performance bonds.

- (a) 抵押就人壽保險存入的按金(附註22)；
- (b) 抵押本集團的定期銀行存款(附註27)；
- (c) 抵押關連公司的無限額擔保(附註41)；
- (d) 本公司一名董事及附屬公司一名董事的共同及個別無限額個人擔保(附註41)；及
- (e) 就發出履約保證金作出多項反彌償保證。

As at 31 March 2018, banking facilities granted to the Group are approximately HK\$52.9 million (2017: HK\$58.5 million).

於2018年3月31日，授予本集團的銀行融資約5,290萬港元(2017年：5,850萬港元)。

As at 31 March 2018, approximately HK\$25.6 million (2017: HK\$29.8 million) of the banking facilities have been utilised by the Group.

於2018年3月31日，約2,560萬港元(2017年：2,980萬港元)的銀行融資已獲本集團動用。

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32. FINANCE LEASE PAYABLES

32. 應付融資租賃款項

| | | Minimum lease payments | | Present value of minimum lease payments | |
|--|----------------------------|------------------------|---------|---|-----------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | 2018年 | 2017年 | 2018年 | 2017年 |
| | | HK\$ | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 | 港元 |
| Within one year | 一年內 | 147,936 | 226,611 | 140,288 | 219,346 |
| In the second to fifth years, inclusive | 第二年至第五年 (包括首尾兩年) | 90,626 | 84,695 | 83,847 | 83,805 |
| | | 238,562 | 311,306 | 224,135 | 303,151 |
| Less: Future finance charge | 減：未來融資開支 | (14,427) | (8,155) | - | - |
| Present value of lease obligations | 租賃承擔現值 | 224,135 | 303,151 | | |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | 減：十二個月內到期支付的款項 (列為流動負債) | | | (140,288) | (219,346) |
| Amount due for settlement after 12 months | 十二個月後到期支付的款項 | | | 83,847 | 83,805 |

It is the Group's policy to lease certain of its motor vehicles under finance leases. The average lease term is 3 years. At 31 March 2018, the average effective borrowing rate was at the rate per annum of 3.8% to 4.27% (2017: 3.8% to 4.27%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has the option to purchase the motor vehicles at nominal prices.

All finance lease payables are denominated in Hong Kong dollars.

本集團政策為以融資租賃租借若干汽車。平均租期為3年。於2018年3月31日，平均實際借貸利率為每年3.8%至4.27% (2017年：3.8%至4.27%)。利率於合約日期釐定，本集團因此承擔公允值利率風險。所有租約按固定還款基準，並無就或然租金付款訂立安排。於各租期屆滿時，本集團有選擇權按面值購買汽車。

全部應付融資租賃款項均以港元計值。

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33. PROMISSORY NOTES PAYABLES

Promissory note (A)

On 31 March 2017, the Company issued two promissory notes of HK\$7,000,000 each to settle part of the consideration in the acquisition of the 100% equity interest in MRIL and FTIL.

The amount is unsecured and interest free. The sum of HK\$14,000,000 is to be repaid on the date following 18 months after the date of issuance. The fair value of the promissory notes were HK\$12,157,882 on initial recognition which was measured by computing the present value of estimated future cash flows at the effective interest rate of 10%. Further details are set out in the Company's announcement dated 8 February 2017 and 31 March 2017.

In September 2017, the Company repaid HK\$6,000,000 of the promissory note and recorded a loss on early settlement of HK\$561,182.

During the year, imputed interest of HK\$955,777 (2017: Nil) was charged to the consolidated profit or loss.

Promissory note (B)

On 12 October 2017, the Company issued a promissory note of HK\$20,000,000 to settle part of the consideration in acquisition of the convertible notes in a company listed on the Australian Stock Exchange Limited (note 29).

The amount is unsecured and interest free. The sum of HK\$20,000,000 is to be repaid on the date following 18 months after the date of issuance. The fair value of the promissory note was HK\$18,769,204 on initial recognition which was measured by computing the present value of estimated future cash flows at the effective interest rate of 6.3%.

On 30 November 2017, the promissory note was early settled. The Group recorded a loss of HK\$1,123,678 on early settlement of this promissory note.

During the year, imputed interest of HK\$107,118 (2017: nil) for this promissory note was charged to the consolidated profit or loss.

33. 應付承兌票據

承兌票據(A)

於2017年3月31日，本公司發行兩張金額各為7,000,000港元的承兌票據，以償付收購MRIL及FTIL全部股權的部分代價。

有關金額為無抵押及免息。為數14,000,000港元的款項須於發行日期後18個月內償還。於初步確認時，承兌票據的公允值為12,157,882港元，乃按實際利率10%計算估計未來現金流量的現值而計算得出。進一步詳情載於本公司日期為2017年2月8日及2017年3月31日的公佈。

於2017年9月，本公司償還承兌票據6,000,000港元，並錄得提早結算虧損561,182港元。

年內，推算利息955,777港元(2017年：無)已自綜合損益扣除。

承兌票據(B)

於2017年10月12日，本公司發行20,000,000港元的承兌票據，以償付收購澳洲證券交易所有限公司上市公司的可換股票據的部分代價(附註29)。

有關金額為無抵押及免息。為數20,000,000港元的款項須於發行日期後18個月內償還。於初步確認時，承兌票據的公允值為18,769,204港元，乃按實際利率6.3%計算估計未來現金流量的現值而計算得出。

於2017年11月30日，承兌票據已提早結算。本集團錄得提早結算本承兌票據的虧損1,123,678港元。

年內，本承兌票據的推算利息107,118港元(2017年：無)已自綜合損益扣除。

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33. PROMISSORY NOTES PAYABLES (continued) 33. 應付承兌票據(續)

Promissory note (B) (continued)

承兌票據(B)(續)

| | | 2018 2018年 | | 2017 2017年 | |
|---|-----------------|---|---|---|---|
| | | Promissory Note (A) 承兌票據(A) HK\$ 港元 | Promissory Note (B) 承兌票據(B) HK\$ 港元 | Promissory Note (A) 承兌票據(A) HK\$ 港元 | Promissory Note (B) 承兌票據(B) HK\$ 港元 |
| At initial recognition | 於初步確認時 | 12,157,882 | 18,769,204 | 12,157,882 | - |
| Loss on early settlement of promissory notes | 提早結算承兌票據之 虧損 | 561,182 | 1,123,678 | - | - |
| Interest charged | 已收利息 | 955,777 | 107,118 | - | - |
| Repayment | 還款 | (6,000,000) | (20,000,000) | - | - |
| | | 7,674,841 | - | 12,157,882 | - |

34. SHARE CAPITAL

34. 股本

| Ordinary shares of HK\$0.01 each 每股面值0.01港元的普通股 | | Number of shares 股份數目 | HK\$ 港元 |
|---|--|-----------------------------|------------|
| Authorised: | 法定： | | |
| Ordinary shares of HK\$0.01 each At 1 April 2016, 31 March 2017 and 31 March 2018 | 每股面值0.01港元的普通股 於2016年4月1日、2017年3月31日 及2018年3月31日 | 5,000,000,000 | 50,000,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| Ordinary shares of HK\$0.01 each At 1 April 2016 | 每股面值0.01港元的普通股 於2016年4月1日 | 495,151,515 | 4,951,515 |
| Issue of shares on placement | 配售時發行股份 | 99,000,000 | 990,000 |
| At 31 March 2017 | 於2017年3月31日 | 594,151,515 | 5,941,515 |
| Issue of shares on placement | 配售時發行股份 | 261,200,000 | 2,612,000 |
| At 31 March 2018 | 於2018年3月31日 | 855,351,515 | 8,553,515 |

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34. SHARE CAPITAL (continued)

On 18 August 2016, the Company and a placing agent entered into a placing agreement in respect of the placement of 99,000,000 ordinary shares of HK\$0.01 each to independent investors at a price of HK\$0.23 per share. The placement was completed on 6 September 2016 and the premium on the issue of shares, amounting to approximately HK\$21.0 million, net of share issue expenses of approximately HK\$0.8 million, was credited to the Company's share premium account.

On 11 May 2017, the Company and the placing agent entered into a placing agreement in respect of the placement of 118,800,000 ordinary shares of HK\$0.01 each at a price of HK\$0.24 per share. The placement was completed on 26 May 2017 and the premium on the issue of shares, amounting to approximately HK\$26.5 million, net of share issue expenses of approximately HK\$0.86 million was credited to the Company's share premium account.

On 29 August 2017, the Company and the placing agent entered into a placing agreement in respect of the placement of 142,400,000 ordinary shares of HK\$0.01 each at a price of HK\$0.145 per share. The placement was completed on 21 September 2017 and the premium on the issue of shares, amounting to approximately HK\$18.6 million, net of share issue expenses of approximately HK\$0.63 million was credited to the Company's share premium account.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, retained profits and other reserves).

34. 股本(續)

於2016年8月18日，本公司與配售代理訂立配售協議，以按每股0.23港元的價格向獨立投資者配售99,000,000股每股面值0.01港元的普通股。配售事項已於2016年9月6日完成，發行股份溢價約21,000,000港元(已扣除股份發行開支約800,000港元)已撥入本公司股份溢價賬。

於2017年5月11日，本公司與配售代理訂立配售協議，以按每股0.24港元的價格配售118,800,000股每股面值0.01港元的普通股。配售事項已於2017年5月26日完成，發行股份溢價約2,650萬港元(已扣除股份發行開支約86萬港元)已撥入本公司股份溢價賬。

於2017年8月29日，本公司與配售代理訂立配售協議，以按每股0.145港元的價格配售142,400,000股每股面值0.01港元的普通股。配售事項已於2017年9月21日完成，發行股份溢價約1,860萬港元(已扣除股份發行開支約63萬港元)已撥入本公司股份溢價賬。

本集團資本管理的目標為保障本集團持續經營的能力及透過優化債務及權益結餘為股東帶來最大回報。

本集團按比例設定風險資本金額。本集團管理其資本結構，並因應經濟狀況及相關資產風險特徵的變化而調整。為維持或調整資本結構，本集團可能會調整股息派付、發行新股份、回購股份、籌措新債、贖回現有債務或出售資產以減少債務。

本集團以債務與經調整資本比率監控資本。該比率按債務淨額除以經調整資本計算。債務淨額按總債務減現金及現金等價物計算。經調整資本包括權益的所有組成部分(即股本、股份溢價、保留溢利及其他儲備)。

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35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

35. 綜合現金流量表附註

(a) Major non-cash transaction

- (i) During the year, the Group acquired convertible notes (note 29) of the principal amount of AUD 6,000,000 issued by a listed company in Australia at the cost of HK\$36,000,000. The consideration was settled by issue of promissory note and cash. The principal amount of the promissory note is HK\$20,000,000.
- (ii) The consideration of HK\$31,500,000 for the acquisition of Dakin which were partly settled by the deposit of HK\$28,350,000 paid in last year and cash of HK\$3,150,000.
- (iii) Additions to property, plant and equipment during the year of HK\$172,246 (2017: Nil) were financed by finance leases.

(a) 重大非現金交易

- (i) 年內，本集團以成本36,000,000港元收購由一間澳大利亞上市公司發行本金額為6,000,000澳元的可換股票據(附註29)。代價通過發行承兌票據及現金結算。承兌票據本金額為20,000,000港元。
- (ii) 收購Dakin的31,500,000港元代價部分通過上一年度支付之按金28,350,000港元及3,150,000港元現金結算。
- (iii) 年內添置物業、廠房及設備172,246港元(2017年：無)由融資租賃撥付資金。

(b) Change in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

(b) 來自融資活動之負債變動

下表載列本集團年內來自融資活動之負債變動：

| | Promissory notes payables | Bank Borrowings | Finance leases payables | Total liabilities from financing activities |
|--|---------------------------|-----------------|-------------------------|---|
| | 應付承兌票據 | 銀行借貸 | 應付融資租賃款項 | 融資活動負債總額 |
| | HK\$ | HK\$ | HK\$ | HK\$ |
| | 港元 | 港元 | 港元 | 港元 |
| At 31 March 2017 and 1 April 2017 | 12,157,882 | 9,370,264 | 303,151 | 21,831,297 |
| Changes in cash flows | (26,000,000) | 4,629,199 | (251,219) | (21,622,020) |
| Repayment of bank overdrafts | - | (4,129,863) | - | (4,129,863) |
| Non-cash changes: | | | | |
| — addition | 18,769,204 | - | 172,203 | 18,941,407 |
| — interest charged | 1,062,895 | - | - | 1,062,895 |
| — loss on early settlement of promissory notes | 1,684,860 | - | - | 1,684,860 |
| At 31 March 2018 | 7,674,841 | 9,869,600 | 224,135 | 17,768,576 |

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36. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Company

The amounts of the Company's reserves and the movements therein for the year ended 31 March 2018 are as follows:

36. 儲備

(a) 本集團

本集團儲備的金額及其中的變動在綜合損益及其他全面收益表及綜合權益變動表內呈列。

(b) 本公司

本公司於截至2018年3月31日止年度的儲備金額及其中的變動如下：

| | | Share premium | Share option reserve | Contributed surplus | Equity investment revaluation reserve | Accumulated losses | Total |
|---------------------------------------|-----------------------|---------------|----------------------|---------------------|---------------------------------------|--------------------|--------------|
| | | 股份溢價 | 購股權儲備 | 繳入盈餘 | 股本投資重估儲備 | 累計虧損 | 合計 |
| | | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 |
| At 1 April 2016 | 於2016年4月1日 | 74,982,817 | 3,872,000 | 4,750,108 | (8,733,000) | (20,533,525) | 54,338,400 |
| Issue of shares on placement | 配售時發行股份 | 21,017,315 | - | - | - | - | 21,017,315 |
| Total comprehensive loss for the year | 年內全面虧損總額 | - | - | - | (4,267,000) | (7,760,613) | (12,027,613) |
| At 31 March 2017 and 1 April 2017 | 於2017年3月31日及2017年4月1日 | 96,000,132 | 3,872,000 | 4,750,108 | (13,000,000) | (28,294,138) | 63,328,102 |
| Issue of shares on placement | 配售時發行股份 | 45,055,325 | - | - | - | - | 45,055,325 |
| Total comprehensive loss for the year | 年內全面虧損總額 | - | - | - | - | (6,745,886) | (6,745,886) |
| At 31 March 2018 | 於2018年3月31日 | 141,055,457 | 3,872,000 | 4,750,108 | (13,000,000) | (35,040,024) | 101,637,541 |

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36. RESERVES (continued)

(c) Nature and purpose of reserves

(i) *Share premium account*

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) *Merger reserve*

The merger reserve represents the aggregated amounts of issued capital of KSG, KSU, K-King and Q&V as at 31 March 2013, the date on which the aggregated issued capital was reallocated to merger reserve after the Group's reorganisation for the purpose of the listing of the Company's shares on the GEM of the Stock Exchange.

(iii) *Contributed surplus*

The contributed surplus of the Company arose as a result of the Group reorganisation implemented in preparation for the listing of the Company's shares on the GEM of the Stock Exchange and represented the excess of the then consolidated net assets of the subsidiaries acquired, over the nominal value of the share capital of the Company issued in exchange therefore.

(iv) *Share option reserve*

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors and consultants of the Company recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3(q) to the consolidated financial statements.

36. 儲備(續)

(c) 儲備的性質及宗旨

(i) 股份溢價賬

根據開曼群島公司法，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。

(ii) 合併儲備

合併儲備指於2013年3月31日KSG、港深聯合、其勁及僑璋之已發行股本之總金額，就本公司股份於聯交所GEM上市而言，於該日上述股本總額於本集團之重組後已重新分配至合併儲備。

(iii) 繳入盈餘

本公司繳入盈餘乃就本公司股份於聯交所GEM上市進行本集團重組而產生，指當時所收購附屬公司綜合資產淨值超過本公司發行以作交換的股本面值部分。

(iv) 購股權儲備

以股份支付的儲備指授予本公司董事及顧問之未行使購股權之實際或估計數目之公允值，其按照財務報表附註3(q)就按股權結算以股份支付的款項而採納之會計政策確認。

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36. RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(v) *Equity investment revaluation reserve*

The equity investment revaluation reserve comprises the cumulative net change in the fair value of equity investment through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 3(j)(ii) to the consolidated financial statements.

(vi) *Foreign currency translation reserve*

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(d) to the financial statements.

36. 儲備(續)

(c) 儲備的性質及宗旨(續)

(v) *股本投資重估儲備*

股本投資重估儲備包括於報告期末所持計入其他全面收益的股本投資的公允值的累計變動淨額，並根據綜合財務報表附註3(j)(ii)的會計政策處理。

(vi) *外幣換算儲備*

外幣換算儲備包括所有換算海外業務財務報表所產生之匯兌差額。有關儲備已根據財務報表附註3(d)所載之會計政策處理。

37. SHARE-BASED PAYMENTS

On 19 September 2013, the Company has adopted a share option scheme (the "Share Option Scheme") under which the board of directors is authorised to grant share options to any employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the board, has contributed or may contribute to the Group (the "Eligible Participants") as incentive or reward for their contribution to the Group.

37. 以股份支付的款項

於2013年9月19日，本公司已採納一項購股權計劃(「購股權計劃」)，據此，董事會獲授權向本公司或任何附屬公司的任何僱員、諮詢人、顧問、服務供應商、代理、客戶、夥伴或合營夥伴(包括本公司或任何附屬公司的董事)授出購股權，而向該等僱員、諮詢人、顧問、服務供應商、代理、客戶、夥伴或合營夥伴或董事會全權酌情認為曾經或可能對本集團作出貢獻的任何人士(「合資格參與人士」)授出購股權時，彼等必須為本公司或任何附屬公司的全職或兼職僱員或以其他方式獲聘用，藉此鼓勵或獎勵彼等對本集團作出的貢獻。

37. SHARE-BASED PAYMENTS (continued)

- (i) Subject to (ii) below, the maximum number of shares of the Company (“Shares”) in respect of which options may be granted at any time under the Share Option Scheme together with options which may be granted under any other share option schemes for the time being of the Group shall not exceed such number of Shares as equals 10% of the issued share capital of the Company at the date of approval of the Share Option Scheme. On 14 August 2015, the Company successfully sought approval by its shareholders in general meeting to refresh the 10% limit (the “Refreshment”). Upon the Refreshment approved by the shareholders of the Company at the annual general meeting on 14 August 2015, the Company may grant Options entitling holders thereof to subscribe for up to a maximum number of 40,000,000 Shares. Options previously granted under the Share Option Scheme and any other share option schemes of the Group (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes and exercised options) will not be counted for the purpose of calculating the limit as refreshed. No further share option was granted after 14 August 2015, Options entitling holders thereof to subscribe for up to a maximum number of 40,000,000 Shares may be granted by the Company under the Share Option Scheme, representing 8.1% of the issued shares as at 31 March 2016;
- (ii) The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other options granted and yet to be exercised under any other share option schemes of the Group must not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Group if this will result in the limit being exceeded; and

37. 以股份支付的款項(續)

- (i) 受下文(ii)所限，於任何時間根據購股權計劃可能授出的購股權連同根據本集團當時任何其他購股權計劃可能授出的購股權所涉及本公司股份(「股份」)數目上限，不得超過相等於批准購股權計劃當日本公司已發行股本10%的股份數目。於2015年8月14日，本公司於股東大會上成功取得股東批准以更新10%限額(「更新事項」)。於2015年8月14日本公司股東在股東週年大會上批准更新事項後，本公司可授出購股權，以賦予持有人認購數目上限最多為40,000,000股股份的權利。就計算經更新限額而言，早前根據購股權計劃及本集團任何其他購股權計劃授出的購股權將不會計算在內，包括根據購股權計劃或任何其他購股權計劃尚未行使、已註銷、失效及已行使的購股權。由於在2015年8月14日後並無授出更多購股權，故本公司根據購股權計劃可能授出賦予持有人權利認購數目上限最多為40,000,000股股份的購股權，相當於2016年3月31日已發行股份的8.1%；
- (ii) 根據購股權計劃已授出但有待行使的所有尚未行使購股權，以及根據本集團任何其他購股權計劃已授出但有待行使的任何其他購股權獲行使時可予發行的股份數目上限，不得超過不時已發行股份的30%。倘授出購股權將導致超出該限額，則不得根據購股權計劃或本集團任何其他購股權計劃授出購股權；及

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37. SHARE-BASED PAYMENTS (continued)

- (iii) Unless approved by the shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the shareholders of the Company in general meeting with such Eligible Participant and his associates abstaining from voting. The Company must send a circular to the shareholders of the Company and the circular must disclose the identity of the Eligible Participant, the number and terms of the options to be granted (and options previously granted to such Eligible Participant), and such information as may be required under the GEM Listing Rules from time to time. The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before approval of the shareholders of the Company and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price. The exercise of any option shall be subject to the shareholders of the Company in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Directors shall make available sufficient of the then authorised but unissued share capital of the Company to allot the Shares on the exercise of any option.

37. 以股份支付的款項(續)

- (iii) 除非獲本公司股東批准，否則於任何12個月期間向各承授人授出的購股權(包括已行使及尚未行使的購股權)獲行使時已發行及將予發行的股份總數，不得超過已發行股份的1%。倘向合資格參與人士進一步授出任何購股權，將會導致於截至進一步授出日期止12個月期間向該名人士授出及將予授出的所有購股權(包括已行使、已註銷及尚未行使的購股權)獲行使時已發行及將予發行的股份數目合共超過已發行股份1%，有關進一步授出須獲本公司股東於股東大會另行批准，而有關合資格參與人士及彼的聯繫人士須放棄表決。本公司須向本公司股東寄發通函，通函內須披露合資格參與人士的身份、將予授出及早前已向該合資格參與人士授出的購股權數目及條款以及GEM上市規則可能不時規定的有關資料。將向有關合資格參與人士授出的購股權數目及條款(包括認購價)須於取得本公司股東批准前釐定，而就計算認購價而言，建議進一步授出的董事會會議日期將被視為授出日期。任何購股權須待本公司股東於股東大會，批准本公司法定股本的任何必要增加後，方可行使。在此規限下，董事須預留足夠的本公司當時法定但未發行股本，以於任何購股權獲行使時配發股份。

37. SHARE-BASED PAYMENTS (continued)

An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Share Option Scheme.

Though there is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme, the Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as the Directors may determine in their absolute discretion.

Subject to the terms of the Share Option Scheme, the Directors may, in their absolute discretion, make offer to the Eligible Participants. An offer shall be made to an Eligible Participant in writing in such form as the Directors may from time to time determine. An offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant, together with a non-refundable remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer.

The subscription price for Shares under the Share Option Scheme shall be determined at the discretion of the Directors but in any event will not be less than the highest of (a) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average of the closing price of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of the particular option; and (c) the nominal value of a Share on the offer date of the particular option.

37. 以股份支付的款項(續)

購股權可於董事會向各承授人提呈授出購股權時所釐定及確定之期間內任何時間行使，惟於任何情況下最遲為授出日期起計10年(須受提早終止購股權計劃所限)。

儘管購股權計劃的條款及條件並無訂明，於購股權獲行使前須根據購股權計劃持有購股權的指定最短期限或須達到的表現目標，惟董事可就授出購股權施加有關持有購股權最短期限及／或董事可能全權酌情決定須達到的表現目標的條款及條件。

在購股權計劃條款規限下，董事可全權酌情決定向合資格參與人士提呈購股權。購股權須按董事不時決定的格式以書面向合資格參與人士提呈。當本公司在提呈可能指定有關時限內收訖經合資格參與人士正式簽署的接納提呈函件複本，連同作為獲授購股權代價向本公司支付的1.00港元不可退還付款時，合資格參與人士將被視為已就彼所獲提呈購股權涉及的所有股份接納有關提呈。

購股權計劃項下股份的認購價將由董事酌情釐定，惟於任何情況下不得低於下列最高者：(a)股份於特定購股權授出日期(必須為營業日)在聯交所每日報價表所報的收市價；(b)股份於緊接特定購股權授出日期前五個營業日在聯交所每日報價表所報的平均收市價；及(c)股份於特定購股權授出日期的面值。

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37. SHARE-BASED PAYMENTS (continued)

The Share Option Scheme shall be valid and effective commencing from the adoption date of the Share Option Scheme (i.e. 19 September 2013) until the termination date as provided therein which being the close of business of the Company on the date which falls ten years from the date of the adoption of the Share Option Scheme (i.e. 18 September 2023). The principal terms of the Share Option Scheme are summarised in the section headed “Share Option Scheme” in Appendix IV to the Prospectus of the Company dated 30 September 2013.

Details of the specific categories of options are as follows:

| Categories 類別 | Date of grant 授出日期 | Vesting period 歸屬期 | Exercise period 行使期 | Exercise price 行使價 HK\$ 港元 |
|------------------|-----------------------|------------------------------------|---------------------------------------|-------------------------------------|
| 2015(A) | 6 February 2015 | N/A | 6 February 2015 to 5 February 2018 | 1.09 |
| 2015(A) | 2015年2月6日 | 不適用 | 2015年2月6日至 2018年2月5日 | |
| 2015(B) | 6 February 2015 | 6 February 2015 to 29 June 2015 | 30 June 2015 to 5 February 2018 | 1.09 |
| 2015(B) | 2015年2月6日 | 2015年2月6日至 2015年6月29日 | 2015年6月30日至 2018年2月5日 | |
| 2015(C) | 6 February 2015 | N/A | 6 February 2015 to 5 February 2018 | 1.09 |
| 2015(C) | 2015年2月6日 | 不適用 | 2015年2月6日至 2018年2月5日 | |
| 2015(D) | 6 February 2015 | 6 February 2015 to 29 June 2015 | 30 June 2015 to 5 February 2018 | 1.09 |
| 2015(D) | 2015年2月6日 | 2015年2月6日至 2015年6月29日 | 2015年6月30日至 2018年2月5日 | |

37. 以股份支付的款項(續)

購股權計劃自購股權計劃採納日期(即2013年9月19日)起至該計劃所規定終止日期,即購股權計劃採納日期起計滿十年之日(即2023年9月18日)本公司營業時間結束為止有效及生效。購股權計劃的主要條款於本公司日期為2013年9月30日的招股章程附錄四「購股權計劃」一節內概述。

購股權的特定分類詳情如下:

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37. SHARE-BASED PAYMENTS (continued)

Details of the share options outstanding during the year are as follows:

37. 以股份支付的款項(續)

年內尚未行使購股權的詳情如下：

| | | 2018 2018年 | | 2017 2017年 | |
|--|--------|-------------------------------------|--|-------------------------------------|--|
| | | Number of share options 購股權數目 | Weighted average exercise price 加權平均 行使價 HK\$ 港元 | Number of share options 購股權數目 | Weighted average exercise price 加權平均 行使價 HK\$ 港元 |
| Outstanding at the beginning of the year | 年初尚未行使 | 20,000,000 | 1.09 | 20,000,000 | 1.09 |
| Forfeited during the year | 年內沒收 | <u>(20,000,000)</u> | | — | |
| Outstanding at the end of the year | 年末尚未行使 | <u>—</u> | | <u>20,000,000</u> | 1.09 |

During the year, Kingston Securities Limited, made the offers for and on behalf of Heng Sheng to all optionholders for the cancellation of all outstanding share option at a price of HK\$0.01 per share option. Further details are set out in the Company's announcement dated 24 January 2018 and 22 February 2018.

年內，金利豐證券有限公司，代表恒生向所有購股權持有人作出要約，以每份購股權0.01港元的價格註銷所有尚未行使購股權。更多詳情載於本公司日期為2018年1月24日及2018年2月22日公佈。

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38. CONTINGENT LIABILITIES

(a) Performance bond and incorporated owners' fund

Performance bond has been issued by several banks as the Group maintains certain incorporated owners' funds in the form of client accounts which were held on trust for and on behalf of the incorporated owners. These client accounts are not recognised as assets and associated liabilities in the financial statements of the Group. At the end of reporting period, the directors of the Company do not consider it probable that a claim on the performance bonds will be made against the Group.

As at 31 March 2018, the amount of outstanding performance bond was approximately HK\$15.7 million (2017: HK\$20.4 million).

As at 31 March 2018, the aggregate amount of the bank balances in the client accounts not dealt with in the consolidated financial statements of the Group is approximately HK\$43.7 million (2017: HK\$40.8 million).

(b) Legal cases

In carrying out the ordinary course of business, the Group is subject to the risk of being named as defendant in legal actions, claims and disputes in connection with its business activities. The nature of the legal proceedings initiated against the Group generally include (i) claims for employees' compensation by the Group's employees; (ii) claims for personal injury caused by the negligence of the Group and owners' corporations of the properties by passersby, residents or other users of the respective properties; (iii) claims for property damage or economic loss caused by the negligence of the Group and owners' corporations of the properties by residents or other users of the respective properties; and (iv) claims for property damage caused by the negligence of individual flat owners by other residents or users of the respective properties. The Group maintains insurance cover and, in the opinion of the directors of the Company, based on current evidence, any such existing claims have no material financial impact to the Group as at 31 March 2018.

38. 或然負債

(a) 履約保證金及業主立案法團資金

多間銀行已發出履約保證金，原因為本集團以客戶賬戶（為及代表業主立案法團信託持有形式）保留若干業主立案法團資金。該等客戶賬戶並無於本集團財務報表確認為資產及相關負債。於報告期末，本公司董事認為對本集團作出履約保證金索償的可能性不大。

於2018年3月31日，未償付履約保證金約為1,570萬港元（2017年：2,040萬港元）。

於2018年3月31日，客戶賬戶內未有於本集團綜合財務報表處理的銀行結餘總金額約為4,370萬港元（2017年：4,080萬港元）。

(b) 法律個案

於進行日常業務過程中，本集團因其業務活動可能於法律行動、索償及爭議中成為被告而面對風險。向本集團提出法律程序的性質大致上包括(i)本集團的僱員就僱員賠償提出的索償；(ii)本集團及物業的業主立案法團因疏忽引致的人身受傷，由相關物業的路人、住客或其他使用人士提出的索償；(iii)本集團及物業的業主立案法團因疏忽引致物業損害賠償或經濟損失，由相關物業的住客或其他使用人士提出的索償；及(iv)個別單位業主疏忽引致物業損害賠償，由相關物業的其他住客或使用人士提出的索償。本集團的保險提供保障，而本公司董事認為，根據目前證據，於2018年3月31日，任何該等現有索償概不會對本集團造成重大財務影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

39. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

| | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| Investment in an associate | | |
| Contracted but not provided for in the financial statements in respect of unpaid balance of capital contributions | - | 3,150,000 |

於一間聯營公司的投資
已訂約但未於財務報表
就未付注資結餘作出撥備

39. 資本承擔

本集團於報告期末的資本承擔如下：

40. LEASE COMMITMENTS

Commitments under operating leases

As lessee

At 31 March 2018 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

| | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| Within one year | 2,727,436 | 2,998,800 |
| In the second to fifth years, inclusive | 3,100 | 2,202,200 |
| | 2,730,536 | 5,201,000 |

Operating lease payments represent rentals payable by the Group for certain of its offices, a carpark space and a motor vehicle. Leases are negotiated for an average term of 2 years and rentals are fixed over the lease terms and do not include contingent rentals.

40. 租約承擔

經營租約項下承擔

作為承租人

於2018年3月31日，不可撤銷經營租約項下的應付未來最低租約付款總額如下：

經營租約付款指本集團就其若干辦公室、一個車位及一輛汽車應付的租金。協定租約期平均為兩年，而租賃期內租金為固定，並不包括或然租金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

40. LEASE COMMITMENTS (continued)

Commitments under operating leases (continued)

As lessor

The Group leases out certain of its investment property. At the end of reporting period, the future minimum lease payments under non-cancellable leases are receivables as follows:

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|---|-----------------|-----------------------------|-----------------------------|
| Within one year | 一年內 | 1,367,823 | 812,600 |
| In the second to fifth years, inclusive | 第二年至第五年(包括首尾兩年) | 486,703 | 388,700 |
| | | 1,854,526 | 1,201,300 |

Operating lease income represent rentals receivables by the Group for its investment properties. Leases are negotiated for terms of 2 years and rentals are fixed over the lease terms and do not include contingent rentals.

41. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|---|------------------------------|-----------------------------|-----------------------------|
| Rental paid to related companies | 已付關連公司租金 | | |
| – MRIL | – MRIL | – | 384,000 |
| – Kong Shum Union (China) Limited (“KSU China”) | – 港深聯合(中國)有限公司 (「港深聯合中國」) | 592,000 | 568,000 |
| Compensation paid to directors | 已付董事酬金 | 3,778,774 | 5,534,991 |
| Acquisition of MRIL and FTIL | 收購MRIL及FTIL | – | 38,157,882 |

40. 租約承擔(續)

經營租約項下承擔(續)

作為出租人

本集團出租其若干投資物業。於報告期末，不可撤銷租約項下的應收未來最低租約付款如下：

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|---|-----------------|-----------------------------|-----------------------------|
| Within one year | 一年內 | 1,367,823 | 812,600 |
| In the second to fifth years, inclusive | 第二年至第五年(包括首尾兩年) | 486,703 | 388,700 |
| | | 1,854,526 | 1,201,300 |

經營租約收入指本集團就投資物業應收的租金。協定租約期為兩年，而租賃期內租金為固定，並不包括或然租金。

41. 關聯方交易

除綜合財務報表其他部分所披露關聯方交易及結餘外，本集團於年內與其關聯方有以下交易：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

41. RELATED PARTY TRANSACTIONS (continued)

Mr. Ho Ying Choi, a director of the Company and Mr. Ho Ying Cheung, a director of KSU, have control over the related companies, KSU China, MRIL and FTIL.

At 31 March 2018 and 2017, Mr. Ho Ying Choi and Mr. Ho Ying Cheung had provided joint and several unlimited personal guarantees in favour of banking facilities granted to certain subsidiaries within the Group (note 31).

On 8 February 2017, KSU, a wholly-owned subsidiary of the Company and Mr. Ho Ying Choi, an executive director of the Company and Mr. Ho Ying Cheung, a director of KSU and brother of Mr. Ho Ying Choi entered into sale and purchase agreement to acquire assets and liabilities by way of acquisition of the entire equity interest in MRIL and FTIL at a cash consideration of HK\$26,000,000 and promissory notes of sum of HK\$12,157,882 (face value: HK\$14,000,000). MRIL and FTIL owned properties located in Hong Kong and were engaged properties investment business during the year. The acquisition is for the purpose of expanding the Group's business diversity and was completed on 31 March 2017.

41. 關聯方交易(續)

本公司董事何應財先生及港深聯合董事何應祥先生對關連公司港深聯合中國、MRIL及FTIL擁有控制權。

於2018年及2017年3月31日，何應財先生及何應祥先生就本集團旗下若干附屬公司獲授銀行信貸提供共同及個別無限額個人擔保(附註31)。

於2017年2月8日，本公司全資附屬公司港深聯合與何應財先生(本公司執行董事)及何應祥先生(港深聯合董事兼何應財先生的胞兄)訂立買賣協議，以現金代價26,000,000港元及價值為12,157,882港元(面值：14,000,000港元)的承兌票據收購MRIL及FTIL全部股權的方式收購資產及負債。MRIL及FTIL於香港擁有物業，於年內從事物業投資業務。是項收購旨在多元化拓展本集團業務，並已於2017年3月31日完成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

42. 本公司財務狀況表

| | | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|--|-----------------|-----------------------------|-----------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 25,577 | 32,264 |
| Investments in subsidiaries | 投資附屬公司 | 4,750,116 | 4,750,116 |
| Loan to a subsidiary | 貸款予一間附屬公司 | 15,000,000 | 15,000,000 |
| Deposits for acquisition of an associate | 收購一間聯營公司的按金 | – | 28,350,000 |
| | | 19,775,693 | 48,132,380 |
| CURRENT ASSETS | 流動資產 | | |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 343,872 | 456,804 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 84,712,946 | 12,864,201 |
| Cash and cash equivalents | 現金及現金等價物 | 9,676,932 | 12,988,230 |
| | | 94,733,750 | 26,309,235 |
| CURRENT LIABILITIES | 流動負債 | | |
| Accruals and other payables | 應計提費用及其他應付款項 | 1,059,650 | 1,073,012 |
| Amounts due to subsidiaries | 應付附屬公司款項 | 3,258,737 | 4,098,986 |
| | | 4,318,387 | 5,171,998 |
| NET CURRENT ASSETS | 流動資產淨值 | 90,415,363 | 21,137,237 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | 110,191,056 | 69,269,617 |
| NET ASSETS | 資產淨值 | 110,191,056 | 69,269,617 |
| EQUITY | 權益 | | |
| Share capital | 股本 | 8,553,515 | 5,941,515 |
| Reserves | 儲備 | 101,637,541 | 63,328,102 |
| TOTAL EQUITY | 權益總額 | 110,191,056 | 69,269,617 |

43. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 22 June 2018.

43. 批准刊發財務報表

此等綜合財務報表已於2018年6月22日獲董事會批准及授權刊發。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

下列為本集團於過去五個財政年度之業績以及資產及負債，乃摘錄自己刊發的經審核財務報表並已經適當地加以重新分類。

RESULTS

業績

| | | For the years ended 31 March 截至3月31日止年度 | | | | |
|--|----------------------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2018 2018年 HK\$'000 千港元 | 2017 2017年 HK\$'000 千港元 | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 | 2014 2014年 HK\$'000 千港元 |
| Revenue | 收益 | 412,271 | 395,514 | 374,024 | 339,722 | 324,981 |
| Cost of services | 服務成本 | (317,872) | (312,206) | (295,756) | (269,280) | (258,781) |
| Gross profit | 毛利 | 94,399 | 83,308 | 78,268 | 70,442 | 66,200 |
| Other revenue | 其他收益 | 8,384 | 338 | 1,494 | 349 | 279 |
| Share of profit of an associate | 應佔一間聯營公司溢利 | 4,999 | | | | |
| Administrative expenses | 行政開支 | (49,983) | (51,958) | (53,823) | (44,122) | (37,980) |
| Other operating expenses | 其他營運開支 | (18,144) | (17,984) | (18,991) | (18,717) | (19,775) |
| Finance costs | 融資成本 | (1,329) | (196) | (992) | (658) | (1,105) |
| Profit before taxation | 除稅前溢利 | 38,326 | 13,508 | 5,956 | 7,294 | 7,619 |
| Income tax expense | 所得稅開支 | (7,363) | (3,320) | (3,141) | (2,320) | (2,591) |
| Net profit for the year | 年內溢利淨額 | 30,963 | 10,188 | 2,815 | 4,974 | 5,028 |
| Other comprehensive income/(loss) | 其他全面收益/(虧損) | | | | | |
| Exchange differences on translation of foreign operations | 換算海外業務所產生之匯兌差額 | 173 | - | - | - | - |
| Loss on equity investment at fair value through other comprehensive income | 按公允值計入其他全面收益的股本投資虧損 | - | (4,267) | (8,733) | - | - |
| Other comprehensive income/(loss) for the year, net of tax | 年內其他全面收益/(虧損)(扣除稅項) | 173 | (4,267) | (8,733) | - | - |
| Total comprehensive income/(loss) for the year | 年內全面收益/(虧損)總額 | 31,136 | 5,921 | (5,918) | 4,974 | 5,028 |

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

ASSETS AND LIABILITIES

資產及負債

| | | As at 31 March 於3月31日 | | | | |
|---|-------------------|--------------------------|----------|----------|----------|----------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| | | 2018年 | 2017年 | 2016年 | 2015年 | 2014年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Total assets | 資產總值 | 272,458 | 203,395 | 144,871 | 100,563 | 115,994 |
| Total liabilities | 負債總額 | (76,381) | (87,125) | (56,529) | (61,276) | (62,427) |
| Net assets | 資產淨值 | 196,077 | 116,270 | 88,342 | 39,287 | 53,567 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 192,754 | 116,270 | 88,342 | 39,287 | 53,567 |
| Non-controlling interests | 非控股權益 | 3,323 | - | - | - | - |
| | | 196,077 | 116,270 | 88,342 | 39,287 | 53,567 |



恒 | 生 | 控 | 股
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