

® TREE Holdings Limited
齊家控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成文的有限公司)

stock code 股份代號 8395



ANNUAL REPORT 年報 2019

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. Mary Kathleen Babington (*Chief Executive Officer*)

Mr. Tsui Wing Tak

Non-Executive Directors

Mr. Tong Tang Joseph (*Chairman*)

Ms. Nicole Lucy Haslock

Independent Non-executive Directors

Mr. Yeung Man Chung Charles

Mr. Tsang Wai Yin

Mr. Sit Hoi Wah Kenneth

COMPLIANCE OFFICER

Mr. Tsui Wing Tak

AUTHORISED REPRESENTATIVES

Mr. Tsui Wing Tak

Mr. Lam Yiu Cho

AUDIT COMMITTEE

Mr. Yeung Man Chung Charles (*Chairman*)

Mr. Tsang Wai Yin

Mr. Sit Hoi Wah Kenneth

REMUNERATION COMMITTEE

Mr. Sit Hoi Wah Kenneth (*Chairman*)

Mr. Tsui Wing Tak

Mr. Yeung Man Chung Charles

NOMINATION COMMITTEE

Mr. Tong Tang Joseph (*Chairman*)

Ms. Mary Kathleen Babington

Mr. Yeung Man Chung Charles

Mr. Tsang Wai Yin

Mr. Sit Hoi Wah Kenneth

COMPANY SECRETARY

Mr. Lam Yiu Cho

董事會

執行董事

Mary Kathleen Babington 女士 (行政總裁)

徐穎德先生

非執行董事

唐登先生 (主席)

Nicole Lucy Haslock 女士

獨立非執行董事

楊文忠先生

曾偉賢先生

薛海華先生

合規主任

徐穎德先生

授權代表

徐穎德先生

林耀祖先生

審核委員會

楊文忠先生 (主席)

曾偉賢先生

薛海華先生

薪酬委員會

薛海華先生 (主席)

徐穎德先生

楊文忠先生

提名委員會

唐登先生 (主席)

Mary Kathleen Babington 女士

楊文忠先生

曾偉賢先生

薛海華先生

公司秘書

林耀祖先生

CORPORATE INFORMATION 公司資料

REGISTERED OFFICE

PO Box 1350
Clifton House, 75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

28/F, Horizon Plaza, 2 Lee Wing Street
Ap Lei Chau, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited

PO Box 1350
Clifton House, 75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

Level 22, Hopewell Centre, 183 Queen's Road East
Hong Kong

AUDITOR

Grant Thornton Hong Kong Limited

Level 12, 28 Hennessy Road
Wan Chai, Hong Kong

COMPLIANCE ADVISER

China Tonghai Capital Limited

18-19/F, China Building,
29 Queen's Road Central,
Central, Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

1 Queen's Road Central, Hong Kong

WEBSITE

www.treeholdings.com

STOCK CODE

8395

註冊辦事處

PO Box 1350
Clifton House, 75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

總辦事處及香港主要營業地點

香港鴨脷洲
利榮街2號新海怡廣場28樓

開曼群島主要股份過戶登記處

Estera Trust (Cayman) Limited

PO Box 1350
Clifton House, 75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司

香港
皇后大道東183號合和中心22樓

核數師

致同(香港)會計師事務所有限公司

香港灣仔
軒尼詩道28號12樓

合規顧問

中國通海企業融資有限公司

香港中環
皇后大道中29號
華人行18-19樓

主要往來銀行

香港上海滙豐銀行有限公司

香港皇后大道中1號

網站

www.treeholdings.com

股份代號

8395

CHAIRMAN'S STATEMENT 主席報告

To our Shareholders

On behalf of the board of directors (the “**Directors**”) (the “**Board**”) I am pleased to present the second annual report of TREE Holdings Limited for the year ended 31 March 2019 after the successful listing of the Company’s shares on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 25 January 2018 (the “**Listing**”) by way of share offer (the “**Share Offer**”). The successful Listing marks a milestone for the Company and its subsidiaries (the “**Group**”).

Our Group is one of the leading lifestyle furniture and home furnishing companies in Hong Kong. Established and headquartered in Hong Kong and operating under the brand name “TREE”, the Group engages in (i) the sales and distribution of furniture and home accessories; (ii) the distribution and licensing of the Group’s intellectual property rights, currently in the United States of America (the “**US**”) and the Peoples Republic of China (the “**PRC**”); (iii) the operation of TREE Café at the Group’s flagship store in Ap Lei Chau (the “**Flagship Store**”); and (iv) the provision of styling and consulting services.

During the year, the Group expanded the scope of its distribution activities by acquiring Hong Kong Italiving International Co., Limited (“**HK Italiving**”) which engages in the sourcing of furnitures and related accessories from Italy for customers in the PRC.

FINANCIAL RESULTS

For the year ended 31 March 2019, the total revenue of the Company was approximately HK\$85.4 million, an increase of approximately HK\$6.3 million attributable to an increase of styling and consulting incomes in relation to residential show flats in Hong Kong, and the agency income for sourcing furnitures imported from Italy. The gross profit margin remained similar at approximately 68%. We do however operate in an increasingly competitive landscape and the short term profitability of the Company has been impacted by the increase in salaries, rental expenses and post-Listing professional fees.

We are pleased to have launched, our e-commerce store, two months ago which enables our customers to shop online, and helps to mitigate the impact of increasing rental expenses and staff costs.

THE FUTURE

The economy of Hong Kong has been negatively affected by the PRC-US conflicts since the second quarter of 2018, and our industry continues to be challenging in Hong Kong with increasing competition and rising costs. However, we have taken a number of proactive measures to strengthening our capabilities including the launch of online e-commerce platform and the launch of a new furniture rental business in Hong Kong.

Outside Hong Kong, we are actively expanding in the PRC where the market potential is huge. In addition to the sale of Tree products in the PRC, our acquisition of HK Italiving in December 2018 also enables us to expand our product offerings of premium Italian furnitures to customers in the PRC and Hong Kong.

各位股東：

本人欣然代表董事（「**董事**」）會（「**董事會**」），於本公司股份在2018年1月25日透過股份發售（「**股份發售**」）於香港聯合交易所有限公司（「**聯交所**」）GEM成功上市（「**上市**」）後，提呈齊家控股有限公司截至2019年3月31日止年度的第二份年報。成功上市乃本公司及其附屬公司（「**本集團**」）具象徵意義的里程碑。

本集團為香港領先的生活家具及家居公司之一。本集團於香港成立，總部亦位於香港，並以「TREE」品牌經營業務，從事(i)銷售及分銷家具及家居配飾；(ii)目前在美利堅合眾國（「**美國**」）及中華人民共和國（「**中國**」）分銷及許可使用本集團的知識產權；(iii)於本集團在鴨脷洲的旗艦店（「**旗艦店**」）內經營TREE Café；及(iv)提供設計及諮詢服務。

年內，本集團通過收購香港意享世家國際貿易有限公司（「**香港意享世家**」）以擴大大分銷活動的範圍，意享世家從事為中國客戶採購意大利進口的家具及相關配飾。

財務業績

截至2019年3月31日止年度，本公司總收益約為85.4百萬港元，增加約6.3百萬港元，此乃由於香港住宅物業展銷廳的設計及諮詢收入增加以及採購意大利進口家具的代理收入增加。毛利率維持穩定，約在68%。然而，本公司經營業務時面對日益激烈的競爭環境，本公司的短期盈利能力亦因薪金、租金開支及上市後專業費用增加而受影響。

本公司欣然宣佈已於兩個月前推出我們的電子商務店，使我們客戶可在網上購物，並有助減輕租金開支及員工成本不斷增加的影響。

未來

自2018第二季以來，香港經濟受到中美衝突的負面影響，隨着競爭加劇及成本上升，我們的行業在香港仍然面對挑戰。然而，我們已採取若干積極措施，以加強我們的能力，包括推出網上電子商務平台，並在香港推出新的家具租賃業務。

在香港以外，我們正積極拓展潛力龐大的中國市場。除在中國銷售Tree產品外，我們於2018年12月收購香港意享世家，亦使我們能向中國及香港的客戶擴大優質意大利家具的產品組合。

CHAIRMAN'S STATEMENT 主席報告

THE FINAL NOTE

The Group is proud of the TREE brand that was found in Hong Kong and was built up with heart over the last twenty years as a reliable partner on home furnishings in Hong Kong, and we are pleased to see that the brand has now expanded into US and the PRC.

On behalf of the Board we would like to thank the staff of TREE, our suppliers, partners and of course our customers for their continuous support of TREE.

Tong Tang Joseph

Chairman

19 June 2019

謝辭

本集團為在香港建立的TREE品牌而自豪，並於過去20年用心經營，成為香港家居設備的可靠合作夥伴，並欣然看到該品牌已拓展至美國及中國。

本公司謹代表董事會，就本公司獲TREE員工、供應商、合作夥伴及本公司客戶持續的鼎力支持TREE表示感謝。

唐登

主席

2019年6月19日



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

Headquartered in Hong Kong and operating under the brand name "TREE", we engage in (i) the sale and distribution of furniture and home accessories; (ii) the distribution and licencing of our intellectual property rights; (iii) the operation of TREE café in our Flagship Store in Ap Lei Chau; (iv) consignment sales of home accessories and furniture agency service; and (v) the provision of styling and consulting services. We offer a variety of (i) furniture including tables, chairs, storage solutions, sofas and beds; and (ii) home accessories including kitchenware, bed and bathroom related products, jars, cushions, mattresses, utensils and baskets. In addition, we acquired, HK Itliving during the year, and it is principally engaged in the provision of furniture agency service.

As at the date of this report, we operated three "TREE" retail stores in Hong Kong namely, our Flagship Store, our Sha Tin store, and our Yuen Long store which we opened in May 2018.

During the year ended 31 March 2019, we generated revenue from the (i) sale of furniture and home accessories; (ii) distribution and license fee income; (iii) operation of TREE Café; (iv) consignment sales of home accessories and furniture agency service; and (v) provision of styling, consulting services. The table below sets forth a breakdown of our revenue for the years ended 31 March 2019 and 2018:

		Year ended 31 March 截至3月31日止年度	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Sale of furniture and home accessories	銷售家具及家居配飾	73,296	73,414
Distribution and license fee income	分銷及許可權費收入	3,432	3,504
Food and beverage income	食品及飲料收入	2,818	1,641
Commission income	佣金收入	2,822	202
Consulting income	諮詢收入	3,040	312
		85,408	79,073

For the year ended 31 March 2019 ("FY2019"), our revenue amounted to approximately HK\$85.4 million, representing an increase of approximately HK\$6.3 million or 8.0% from approximately HK\$79.1 million for year ended 31 March 2018 ("FY2018"). Such increase was mainly attributable to the increase in the sale of food and beverage income, commission income and consulting income.

業務回顧

我們總部位於香港並以「TREE」品牌經營業務，從事(i)銷售及分銷家具及家居配飾；(ii)分銷及許可使用知識產權；(iii)於我們的鴨脷洲旗艦店內經營TREE Café；(iv)寄售家居配飾及家具代理服務；及(v)提供設計及諮詢服務。我們提供多種(i)家具，包括桌椅、收納解決方案、沙發及床；及(ii)家居配飾，包括廚房用品、床及浴室相關產品、罐子、靠墊、床墊、餐具及籃子。此外，我們於年內收購香港意享世家，其主要從事提供家具代理服務。

於本報告日期，我們於香港經營三家「TREE」零售店，即旗艦店、沙田店及2018年5月開設的元朗店。

截至2019年3月31日止年度，我們的收益來自(i)銷售家具及家居配飾；(ii)分銷及許可權費收入；(iii)經營TREE Café；(iv)寄售家居配飾及家具代理服務；及(v)提供設計、諮詢服務。下表載列我們於截至2019年及2018年3月31日止年度的收益明細：

截至2019年3月31日止年度（「2019財政年度」），收益約為85.4百萬港元，較截至2018年3月31日止年度（「2018財政年度」）約79.1百萬港元增加約6.3百萬港元或8.0%。該增幅主要由於銷售食品及飲料收入、佣金收入及諮詢收入增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Sale of furniture and home accessories

TREE primarily sells its products to (i) retail customers who visited our retail stores, being the Direct Sales; and (ii) our distributor in the PRC, being the Distribution Sales. The following table sets forth a breakdown of our sale of furniture and home accessories by the Direct Sales and Distribution Sales for FY2019 and FY2018, respectively.

銷售家具及家居配飾

TREE主要將產品售予(i)光顧我們零售店的零售客戶，即直接銷售；及(ii)我們的中國分銷商，即分銷銷售。下表載列2019財政年度及2018財政年度按直接銷售及分銷銷售劃分的家具及家居配飾銷售明細：

		2019 2019年		2018 2018年	
		% of total revenue from sale of furniture and home accessories		% of total revenue from sale of furniture and home accessories	
		Revenue	佔銷售家具 及家居配飾 總收益之 百分比	Revenue	佔銷售家具 及家居配飾 總收益之 百分比
		收益 HK\$'000 千港元	% 百分比	收益 HK\$'000 千港元	% 百分比
Direct Sales	直接銷售				
Flagship Store	旗艦店	52,410	71.5	53,611	73.0
Sai Kung store ⁽¹⁾	西貢店 ⁽¹⁾	1,117	1.5	2,131	2.9
Yuen Long store ⁽²⁾	元朗店 ⁽²⁾	3,009	4.1	–	–
Sha Tin store	沙田店	15,026	20.5	15,836	21.6
Sub-total	小計	71,562	97.6	71,578	97.5
Distribution Sales	分銷銷售	1,734	2.4	1,836	2.5
Total	總計	73,296	100.0	73,414	100.0

Notes:

- (1) Our Sai Kung store ceased operations in May 2018.
 (2) Our Yuen Long store commenced operations in May 2018.

附註：

- (1) 西貢店於2018年5月停止營業。
 (2) 元朗店於2018年5月開始營業。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

For FY2019, revenue generated from the Direct Sales maintained at approximately HK\$71.6 million.

For FY2019, revenue generated from the Distribution Sales amounted to approximately HK\$1.7 million, representing a slight decrease of approximately HK\$0.1 million or 5.6% from approximately HK\$1.8 million for FY2018.

Distribution and license fee income

We entered distribution agreements with our PRC distributor, and we are entitled to receive annual non-refundable fees of HK\$2.4 million and HK\$0.8 million from our PRC distributor for the distribution of our products in Beijing and Hainan province, the PRC, respectively. Our distribution and license fee income was approximately HK\$3.2 million for FY2019 and HK\$3.5 million for FY2018, respectively, representing approximately 3.7% and 4.4% of our total revenue for FY2019 and FY2018, respectively.

We entered into licence agreements with American Tree, Ltd. (“**American Tree**”), pursuant to which, we granted an exclusive licence to American Tree to use certain trademarks and intellectual property of our Group in the United States and Canada for a term of three years from the Listing on 25 January 2018, for a license fee based on the revenue of American Tree. We recognised license fee income of approximately HK\$0.2 million from American Tree for FY2019 and HK\$24,000 in FY2018.

Food and beverage income

Our food and beverage income generated from operating TREE Café in our Flagship Store was approximately HK\$2.8 million and HK\$1.6 million for FY2019 and FY2018, respectively. The increase was mainly due to a better performance.

Commission income

Our commission income comprised income generated from (i) the furniture agency service by HK Italiving and (ii) the sales of consignment goods. The increase of approximately HK\$2.6 million was mainly contributed by HK Italiving since our acquisition.

Consulting income

Our consulting income comprised income generated from providing styling ideas, advising on furniture to be used and conducting site visits and sourcing trips for projects. During FY2019, the Group provided more styling and consulting services in relation to Hong Kong residential show flats as compare to FY2018.

就2019財政年度而言，直接銷售所得收益維持於約71.6百萬港元。

就2019財政年度而言，分銷銷售所得收益約為1.7百萬港元，較2018財政年度約1.8百萬港元輕微減少約0.1百萬港元或5.6%。

分銷及許可權費收入

我們與中國分銷商訂立分銷協議，我們有權向中國分銷商就於中國北京及海南省分銷產品分別收取2.4百萬港元及0.8百萬港元的不可退還年度費用。於2019財政年度及2018財政年度，我們的分銷及許可權費收入分別約為3.2百萬港元及3.5百萬港元，分別佔2019財政年度及2018財政年度的總收益約3.7%及4.4%。

我們與American Tree, Ltd. (「**American Tree**」)訂立許可協議，據此，我們向American Tree授出一項可於美國及加拿大使用本集團若干商標及知識產權的獨家許可權，自2018年1月25日上市起為期三年，並基於American Tree的收益收取許可權費。我們於2019財政年度自American Tree確認許可權費收入約0.2百萬港元，而2018財政年度則確認24,000港元。

食品及飲料收入

於2019財政年度及2018財政年度，於我們的旗艦店內經營TREE Café產生的食品及飲料收入分別約為2.8百萬港元及1.6百萬港元。該增幅主要由於表現改善。

佣金收入

我們的佣金收入包括以下收入：(i)香港意享世家的家具代理服務；(ii)寄售貨品。約2.6百萬港元的增長主要來自自我們收購以來的香港意享世家。

諮詢收入

我們的諮詢收入包括為項目提供設計創意、就將予使用的家具提供意見、出差進行實地考察及採購所產生的收入。於2019財政年度，本集團相比2018財政年度向香港住宅物業展銷廳提供更多設計及諮詢服務。

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FINANCIAL REVIEW

Revenue

The Group's revenue increased to approximately HK\$85.4 million for FY2019 from approximately HK\$79.1 million for FY2018, representing a growth of approximately 8.0%. Such increase was mainly due to the increase in food and beverage income, commission income and consulting income, resulting from the better performance of the café together with providing more styling and consulting services in relation to Hong Kong residential show flats for FY2019 as compared with FY2018 and the additional revenue generated from HK Italiving for providing furniture agency service.

Gross profit and gross profit margin

Our overall gross profit increased to approximately HK\$57.9 million for FY2019 from approximately HK\$53.6 million for FY2018. Our overall gross profit margin maintained at approximately 67.8% for FY2019.

Our gross profit margin for the sale of furniture and home accessories remained stable at approximately 66.5% for FY2019 and approximately 66.3% for FY2018, the slightly increase was mainly attributable to the increase in the average selling price of our furniture sold during FY2019. Our gross profit margin for the Distribution Sales decreased from approximately 57.8% for FY2018 to approximately 50.9% for FY2019, mainly attributable to the decrease in sales.

Our gross profit margin for the sale of food and beverages increased to approximately 64.0% for FY2019 from approximately 53.8% for FY2018.

Selling and marketing expenses

Our selling and marketing expenses comprised of (i) rental payments and related expenses for our shop premises, warehouses and office; (ii) staff costs attributable to the salary of our staff engaged in sales and marketing activities; (iii) marketing expenses; (iv) payment gateway charges attributable to fees for our payment channels such as credit cards or EPS; and (v) electricity and water expenses.

For FY2019, our selling and marketing expenses amounted to approximately HK\$37.0 million, representing an increase of approximately HK\$2.9 million or approximately 8.4% from approximately HK\$34.1 million for FY2018. Such increase was mainly due to (i) the increase in rental expenses and (ii) the increase in staff costs resulting from the general increment of salary and additional headcount of our staff for FY2019.

財務回顧

收益

本集團的收益由2018財政年度約79.1百萬港元增至2019財政年度約85.4百萬港元，增長約8.0%。有關增長主要由於相比2018財政年度，本集團於2019財政年度咖啡廳的表現改善以及向香港住宅物業展銷廳提供更多設計及諮詢服務，導致食品及飲料收入、佣金收入及諮詢收入增加，及從香港意享世家提供的家具代理服務而獲得的額外收益。

毛利及毛利率

整體毛利由2018財政年度約53.6百萬港元增至2019財政年度約57.9百萬港元。2019財政年度整體毛利率維持在約67.8%。

我們銷售家具及家居配飾的毛利率維持穩定，分別為2019財政年度的約66.5%及2018財政年度的約66.3%，該輕微增幅主要由於2019財政年度所出售家具的平均售價增加所致。然而，我們分銷銷售的毛利率卻由2018財政年度的約57.8%減至2019財政年度的約50.9%，主要由於銷售減少所致。

我們銷售食品及飲料的毛利率由2018財政年度的約53.8%增至2019財政年度的約64.0%。

銷售及市場推廣開支

我們的銷售及市場推廣開支包括(i)我們的商舖、倉庫及辦公室的租賃付款及相關開支；(ii)我們從事銷售及市場推廣活動員工的薪金所佔的員工成本；(iii)市場推廣開支；(iv)由信用卡或易辦事等付款通道費用所引起的付款通道開支；及(v)水電開支。

於2019財政年度，我們的銷售及市場推廣開支約為37.0百萬港元，較2018財政年度的約34.1百萬港元增加約2.9百萬港元或約8.4%。該增長主要因(i)租金開支增加及(ii)2019財政年度員工的薪金整體上漲及增加員工人數致使員工成本增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Administrative expenses

Our administrative expenses comprised (i) staff costs for our administrative staff and Directors' emoluments; (ii) professional fees which included legal fees, consultancy fees and auditor's remuneration; (iii) travel expenses; (iv) office expenses; (v) depreciation of our property, plant and equipment, and amortisation of our intangible assets; (vi) repairs and maintenance for our trucks and retail stores; (vii) insurance expenses which included business insurance, vehicle insurance and medical insurance; (viii) recruitment expenses which included fees to the recruitment agents and advertisements on websites; (ix) bank charges; and (x) others which included motor vehicle expenses, net foreign exchange losses and entertainment expenses.

For FY2019, our administrative expenses amounted to approximately HK\$18.8 million, representing an increase of approximately HK\$7.2 million or approximately 62.3% as compared to approximately HK\$11.6 million for FY2018. Such increase was primarily due to (i) increase in staff costs resulting from the general increment of salary and additional headcount of our staff for FY2019 and (ii) increase in professional fees.

Share-based compensation expense

There were no share-based compensation expense of the Group for FY2019, as compared to approximately HK\$0.7 million for FY2018. Share-based compensation expense was incurred due to the incentive shares and the put option granted to Ms. Mary Kathleen Babington, a Director of the Company, in June 2015. The decrease was mainly due to the end of the vesting period on 30 June 2017.

Finance costs

Finance costs mainly comprised interest expenses on interest-bearing borrowings and fair value changes on contingent consideration payable. Finance costs were approximately HK\$0.3 million and HK\$0.3 million for FY2019 and FY2018, respectively.

Income tax expense

Income tax expense for the Group decreased to approximately HK\$1.0 million for FY2019 from approximately HK\$1.4 million for FY2018. The decrease was mainly due to the decrease in taxable profits.

行政開支

我們的行政開支包括(i)我們行政人員及董事酬金的員工成本；(ii)專業費用，包括法律費用、諮詢費及核數師薪酬；(iii)差旅開支；(iv)辦公開支；(v)物業、廠房及設備折舊及無形資產攤銷；(vi)我們的卡車及零售店的維修及保養；(vii)保險費用，包括商業保險、車輛保險及醫療保險；(viii)招聘費用，包括招聘代理費及網站廣告費；(ix)銀行手續費；及(x)包括汽車費用、淨外匯虧損及應酬費用等的其他費用。

2019財政年度，我們的行政開支約為18.8百萬港元，較2018財政年度約11.6百萬港元增加約7.2百萬港元或約62.3%。該增幅主要由於(i)我們的員工於2019財政年度的薪金普遍增加及增加員工人數導致員工成本增加，及(ii)專業費用增加。

以股份為基礎的薪酬開支

本集團於2019財政年度概無以股份為基礎的薪酬開支，而2018財政年度則約為0.7百萬港元。以股份為基礎的薪酬開支乃由於在2015年6月授予本公司董事Mary Kathleen Babington女士的獎勵股份及認沽期權而產生。有關減少主要由於歸屬期已於2017年6月30日屆滿。

財務成本

財務成本主要包括計息借貸利息開支及應付或然代價的公允價值變動。2019財政年度及2018財政年度的財務成本分別約為0.3百萬港元及0.3百萬港元。

所得稅開支

本集團的所得稅開支由2018財政年度約1.4百萬港元減至2019財政年度約1.0百萬港元。有關減少主要由於應課稅溢利減少。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Profit/(Loss) for the year

As a result of the foregoing, our profit for the year amounted to approximately HK\$1.1 million for FY2019. The turnaround from the loss for the year of the Group of approximately HK\$10.1 million for FY2018, which is due to no listing-related expenses and share-based compensation expense recorded in current year as compared to FY2018.

Our adjusted net profit for the year after excluding listing-related expenses and share-based compensation expense amounted to approximately HK\$1.1 million and HK\$6.3 million for FY2019 and FY2018 respectively.

KEY FINANCIAL POSITION ITEMS

Inventories

Our inventories consisted of finished goods and goods in transit which we purchased from our suppliers. The inventories balance increased to HK\$13.8 million as at 31 March 2019 from approximately HK\$11.4 million as at 31 March 2018, which was mainly in line with the change in revenue.

Trade and other receivables

Our trade receivables consisted of trade receivables from customers and payment vendors. As at 31 March 2019 and 2018, our trade receivables amounted to approximately HK\$24.7 million and HK\$1.2 million, respectively. The increase by approximately HK\$23.4 million was mainly due to the increase in trade receivables from the acquisition of HK Itliving.

Our other receivables consisted of rental deposits, utilities deposits, trade deposits, prepayments, and prepayment to a related company. As at 31 March 2019 and 2018, our other receivables amounted to approximately HK\$11.0 million and HK\$10.5 million, respectively.

Pledged bank deposits and cash and cash equivalents

As at 31 March 2019, there is no pledged bank deposits (2018: approximately HK\$0.2 million). Pledged bank deposits represents deposits pledged to a bank to secure a bank borrowing. The pledged bank deposit was released during FY2019 upon the repayment of the bank borrowing.

Cash and cash equivalents include cash at bank and in hand. As at 31 March 2019 and 2018, our cash and cash equivalents amounted to approximately HK\$22.8 million and HK\$36.0 million, respectively.

年內溢利／(虧損)

由於以上各項，我們於2019財政年度錄得年內溢利約為1.1百萬港元。本集團由2018財政年度的年度虧損約10.1百萬港元扭轉為錄得盈利，此乃由於相比2018財政年度，本年度並無錄得上市相關開支及以股份為基礎的薪酬開支。

於2019財政年度及2018財政年度，我們的年度經調整純利(扣除上市相關開支及以股份為基礎的薪酬開支後)分別約為1.1百萬港元及6.3百萬港元。

主要財務狀況項目

存貨

存貨包括我們向供應商購買的成品及在途貨品。存貨結餘由2018年3月31日約11.4百萬港元增至2019年3月31日的13.8百萬港元，大致與收益變動一致。

貿易及其他應收款項

貿易應收款項包括來自客戶及支付服務供應商的貿易應收款項。於2019年及2018年3月31日，貿易應收款項分別約為24.7百萬港元及1.2百萬港元。增加約為23.4百萬港元乃主要由於來自收購香港意享世家的貿易應收款項增加所致。

其他應收款項包括租賃按金、公用按金、貿易按金、預付款項及向一間關聯公司預付款項。於2019年及2018年3月31日，其他應收款項分別約為11.0百萬港元及10.5百萬港元。

抵押銀行存款以及現金及現金等價物

於2019年3月31日，概無抵押銀行存款(2018年：約0.2百萬港元)。抵押銀行存款為獲取銀行借貸抵押予銀行的存款。於償還銀行借貸後，抵押銀行存款已於2019財政年度解除。

現金及現金等價物包括於銀行及手頭之現金。於2019年及2018年3月31日，現金及現金等價物分別約為22.8百萬港元及36.0百萬港元。

MANAGEMENT DISCUSSION AND ANALYSIS

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Trade and other payables

Our trade payables consisted of trade payables to suppliers in relation to the purchase of goods. There were no credit periods granted by our suppliers. As at 31 March 2019 and 2018, our trade payables amounted to approximately HK\$4.2 million and HK\$0.2 million, respectively.

As at 31 March 2018, our other payables comprised accrued charges, deposits received in advance which represented unrecognised revenue from customers where delivery of products is required and pending, and provision for long service payments. With the adoption of HKFRS 15 in 1 April 2018, the deposits received in advance were reclassified to contract liabilities in FY2019. As at 31 March 2019 and 2018, our other payables amounted to approximately HK\$7.6 million and HK\$8.7 million, respectively.

Interest-bearing borrowings

As at 31 March 2019 and 2018, our Group recorded interest-bearing borrowings of approximately HK\$1.6 million and HK\$5.3 million, respectively. The decrease in interest-bearing borrowings was mainly due to the repayment of bank borrowings during FY2019.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2019, the Group had total assets of approximately HK\$101.7 million, which is financed by total liabilities and Shareholders' equity of approximately HK\$51.3 million and HK\$50.4 million, respectively. The Group's current ratio at 31 March 2019 was approximately 3.1 compared to approximately 3.9 at 31 March 2018.

Gearing ratio

The gearing ratio of the Group as at 31 March 2019 was approximately 3.2% while as at 31 March 2018 was approximately 10.8%. The gearing ratio decreased significantly as the Group repaid the bank borrowings during FY2019.

The gearing ratio is calculated based on the total interest-bearing borrowings divided by total equity at each reporting date.

Capital expenditure

Total capital expenditure for FY2019 was approximately HK\$2.2 million, which was mainly used for the purchase of motor vehicles and leasehold improvements.

貿易及其他應付款項

貿易應付款項包括就購買貨品應付供應商的貿易款項。我們的供應商並未授出任何信貸期。於2019年及2018年3月31日，貿易應付款項分別約為4.2百萬港元及0.2百萬港元。

於2018年3月31日，其他應付款項包括應計費用、預收按金（指因尚未完成客戶要求的產品交付而產生之未確認收益）及長期服務付款撥備。於2018年4月1日採納香港財務報告準則第15號後，於2019財政年度，預收按金已重新分類為合約負債。於2019年及2018年3月31日，其他應付款項分別約為7.6百萬港元及8.7百萬港元。

計息借貸

於2019年及2018年3月31日，本集團分別錄得計息借貸約1.6百萬港元及5.3百萬港元。計息借貸減少，主要由於2019財政年度償還銀行借貸所致。

流動資金及財務資源

於2019年3月31日，本集團總資產約為101.7百萬港元，即總負債及股東權益分別約為51.3百萬港元及50.4百萬港元。本集團於2019年3月31日的流動比率約為3.1，而於2018年3月31日則約為3.9。

資產負債比率

於2019年3月31日，本集團資產負債比率約為3.2%，而於2018年3月31日則約10.8%。資產負債比率大幅下跌，因本集團2019財政年度償還銀行借貸。

資本負債比率按各報告日期的計息借貸總額除以權益總額計算。

資本開支

2019財政年度的資本開支總額約為2.2百萬港元，主要用作採購汽車及租賃裝修。

MANAGEMENT DISCUSSION AND ANALYSIS

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Contingent liabilities

As at 31 March 2019, there were no significant contingent liabilities for the Group.

Commitments

As at 31 March 2019, the Group's operating lease commitments was approximately HK\$13.7 million (2018: HK\$22.2 million).

As at 31 March 2019, there were no capital commitments of the Group related to purchase of property, plant and equipment (2018: Nil).

Charges on Group assets

As at 31 March 2019, there was no pledged bank deposits (2018: approximately HK\$0.2 million), and motor vehicle with net book value of approximately HK\$1.1 million (2018: approximately HK\$0.4 million) were held under finance leases.

Segment information

Segment information is presented for the Group as disclosed on Note 4 to the consolidated financial statements.

CAPITAL STRUCTURE

The shares of the Company were successfully listed on GEM of the Stock Exchange on 25 January 2018. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares.

As at 31 March 2019, the Company's issued share capital was HK\$15,840,000 and the number of its issued ordinary shares was 1,584,000,000 of HK\$0.01 each.

DIVIDENDS

The Board does not recommend the payment of a final dividend for FY2019 (FY2018: Nil).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 31 December 2018, the Company completed the acquisition of HK Italiving, a company incorporated in Hong Kong, and it is principally engaged in the provision of furniture agency service. The management of the Company believed that the acquisition will help strengthen and expand the Company's business by increasing the revenue of the Company after acquisition, broadening the diversity of furniture products of the Company and expanding furniture sales through cross selling between the Company's and the HK Italiving's customers.

或然負債

於2019年3月31日，本集團並無重大或然負債。

承擔

於2019年3月31日，本集團的經營租賃承擔約為13.7百萬港元(2018年：22.2百萬港元)。

於2019年3月31日，本集團並無與採購物業、廠房及設備有關的資本承擔(2018年：無)。

本集團資產抵押

於2019年3月31日，概無抵押銀行存款(2018年：約0.2百萬港元)，賬面淨值約1.1百萬港元(2018年：約0.4百萬港元)的汽車已根據融資租賃持有。

分部資料

本集團呈列的分部資料於綜合財務報表附註4披露。

資本架構

本公司股份於2018年1月25日在聯交所GEM成功上市。自此，本集團的資本架構並無變動。本集團的股本僅包括普通股。

於2019年3月31日，本公司已發行股本為15,840,000港元，其已發行普通股數目為1,584,000,000股，每股面值0.01港元。

股息

董事會不建議派付2019財政年度末期股息(2018財政年度：無)。

主要投資、重大收購或出售附屬公司及聯營公司

於2018年12月31日，本公司完成收購香港意享世家，該公司為一間於香港註冊成立的公司，主要從事提供家具代理服務。本公司管理層相信，該收購有助加強及擴展本公司的業務，因收購後本公司的收益將有所提升，本公司的家具產品亦會更多元化，而透過本公司及香港意享世家客戶之間的交叉銷售，家具的銷售額亦將會提高。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed herein, the Group did not have any concrete plan for material investments or capital assets for the coming year.

PRINCIPAL RISKS AND UNCERTAINTIES

In the course of conducting business, our Group is exposed to various types of risks, including operational risks, credit risks, liquidity risk and interest rate risks. Our Group has established a set of risk management policies and measures to identify, evaluate and manage risks arising from our operations.

The followings set out some of the primary operational risks our Group faces that may materially and adversely affect our Group's business, financial condition and results of operation and our risk management measures:

1. Risk of remaining competitive in a highly fragmented and competitive market

The lifestyle furniture and home furnishing market is highly fragmented and competitive with low barriers to entry, and there are no specific market leaders. Our competitors may have greater financial, marketing, personnel and other relevant resources compared to us. In particular, the pricing strategies implemented by our competitors may affect the pricing of our products. If our competitors significantly reduce their product prices, we may have to reduce our selling prices or engage in further marketing to remain competitive. This would likely reduce our revenue and profitability.

2. Risk of dependent on the shift in customer's tastes and preferences

Due to the nature of the furniture retail industry, the customers generally purchase our products on an infrequent basis. Apart from the PRC distributor, there is no purchase commitments from our customers and there is no obligation for them to purchase any products from us in the future. There is a risk that we may not be able to attract new customers or existing customers to purchase our products if we fail to successfully track changing customers tastes and preferences and market trends.

3. Risk of failure in expanding sales network to new locations in Hong Kong or through online platform

It may take longer than expected for the new stores to reach breakeven or achieve investment payback, if at all. There is no guarantee that we will execute our expansion plans according to business strategies in the prospectus of the Company dated 12 January 2018 (the "Prospectus") successfully, or that we will be able to attract more customers from our expansion. If we fail to execute our expansion plans, our operations and results of operations will be materially and adversely affected.

重大投資及資本資產的未來計劃

除本公佈所披露者外，本集團於來年並無任何有關重大投資或資本資產的具體計劃。

主要風險及不確定因素

在進行業務的過程中，本集團會面臨各種風險，包括經營風險、信貸風險、流動性風險及利率風險。本集團已建立一套風險管理政策及措施，以識別、評估及管理因營運而產生的風險。

下文載列本集團面臨而可能對本集團的業務、財務狀況及經營業績造成重大不利影響的部分主要經營風險及風險管理措施：

1. 於高度分散且競爭激烈之市場保持競爭力之風險

生活家具及家居市場高度分散且競爭激烈，進入門檻低，市場中並無明確的市場領先者。與我們相比，我們的競爭對手可能擁有更多財務、市場推廣、人員及其他相關資源。尤其是，競爭對手實行的定價策略或會影響我們產品的定價。倘競爭對手大幅降低其產品價格，我們可能不得不降低售價或進行進一步市場推廣以保持競爭力，而這可能會削減我們的收益及盈利能力。

2. 對客戶品味及喜好轉變加以倚賴之風險

由於家具零售行業的性質使然，我們的客戶一般不經常購買我們的產品。除中國分銷商以外，我們並無客戶的採購承諾且彼等日後毋須向我們採購任何產品。倘我們未能成功緊跟不斷變化的客戶品味及喜好以及市場趨勢，則我們可能面臨無法吸引新客戶或現有客戶購買產品的風險。

3. 無法成功將銷售網絡擴大至香港的新地點或透過線上平台擴大銷售網絡之風險

新店要達到收支平衡或實現投資回本可能需要比預期更長的時間或根本無法達到收支平衡或實現投資回本。概不保證我們將根據本公司日期為2018年1月12日的招股章程（「招股章程」）內的業務策略成功執行擴張計劃，或我們將能透過擴張吸引更多客戶。倘我們未能執行擴張計劃，則我們的業務及經營業績將受到重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

4. Risk of not entering into any long-term contracts with our major suppliers

We rely on our major suppliers to supply products to us and we do not have any long-term contracts with these suppliers. As such, we are exposed to the risks such as unexpected price fluctuation, shortage of supply of products, failure to meet our agreed delivery time and refusal to supply products. In such case, we would have to look for alternative suppliers and we may not be able to do so in a timely manner and/or at a similar price with comparable quality. Further, if we fail to replace our major suppliers when our business relationship is disrupted or terminated, we may face a shortage in supply of certain products and our business and results of operations may be adversely affected as a result.

The Group is also exposed to a variety of financial risks which comprise credit risk, liquidity risk and interest rate risk.

FOREIGN CURRENCY RISK

As our Group's revenue and expenses are mainly denominated in HK\$ and most of our Group's assets and liabilities are denominated in HK\$, which is our functional currency, except for certain overseas purchases, bank balances, bank borrowings which are denominated in Euro or USD. During FY2019, the Group has exchange loss of approximately HK\$0.1 million (FY2018: approximately HK\$0.2 million).

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2019, the Group had a total of 78 employees. Total staff costs, (including Directors' emoluments and share-based compensation expense) of approximately HK\$24.1 million for FY2019 (FY2018: approximately HK\$20.4 million).

The Group's remuneration policies were determined with reference to the performance, qualification and experience of individual employee, as well as the results of the Group and the market conditions. We have also adopted the share option scheme which is designed to provide incentives and rewards to our employees.

SIGNIFICANT INVESTMENTS HELD

Except for investments in subsidiaries, the Group did not hold any significant investments during FY2019.

4. 我們並未與主要供應商訂立任何長期合約之風險

我們倚賴主要供應商向我們供應產品，且我們並未與該等供應商訂立任何長期合約。因此，我們面臨意外價格波動、產品供應不足、未能滿足約定交付時間及拒絕供應產品等風險。在此情況下，我們須尋找替代供應商，而我們可能無法及時及／或按相若價格找到品質相若的替代供應商。此外，於我們的業務關係中斷或終止後，倘我們未能替換主要供應商，則我們可能面臨若干產品供應不足的情況。因此，我們的業務及經營業績或會受到不利影響。

本集團面臨各種財務風險，包括信貸風險、流動性風險及利率風險。

外匯風險

除若干海外採購、銀行結餘、銀行借貸以歐元或美元計值外，本集團之收益及開支主要以港元計值且本集團之大部分資產及負債以我們的功能貨幣港元計值。於2019財政年度，本集團的匯兌虧損約為0.1百萬港元(2018財政年度：約0.2百萬港元)。

僱員及薪酬政策

於2019年3月31日，本集團共有78名僱員。2019財政年度，員工成本總額(包括董事酬金及以股份為基礎的薪酬開支)約為24.1百萬港元(2018財政年度：約20.4百萬港元)。

本集團的薪酬政策乃按照個別僱員表現、資歷及經驗以及本集團業績及市況而釐定。我們亦已採納旨在為僱員提供獎勵及報酬的購股權計劃。

所持重大投資

除於附屬公司投資外，於2019財政年度，本集團並無持有任何重大投資。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FUTURE PROSPECTS

This forthcoming financial year will continue to be challenging as retail market conditions remain competitive and weak consumer confidence and spending in Hong Kong prevails. In addition to running our three TREE retail stores in Hong Kong, the management recognises the need to expand our revenue streams. The Group has already seen growth in additional opportunities in styling and consulting services and will continue to focus on the development of this area of the business. The Group has invested in, and now launched, our e-commerce store, enabling the opportunity to auto-generate sales 24/7, in addition to establishing a new furniture rental business, with the view to becoming a key player in this sector. Both of these ventures are important developments, and investments, by which the business can enjoy sustainable growth.

The Group has also strengthened its income base and expended the products offered within its portfolio by providing furniture agency services for furniture imported from Italy, primarily to customers in the PRC. The Group continues to look for ways to provide comprehensive services to customers in Hong Kong and the PRC.

USE OF PROCEEDS

The net proceeds from the Listing in January 2018, after deducting the underwriting fees, the Stock Exchange trading fee and the Securities and Futures Commission of Hong Kong (the "SFC") transaction levy and other listing-related expenses in connection with the Share Offer, were approximately HK\$20.3 million.

The actual net proceeds from the issue of new shares of the Company under the Share Offer was different from the estimated net proceeds of approximately HK\$22.7 million as set out in the Prospectus. The Group adjusted the use of proceeds in the same manner and in the same proportion as shown in the Prospectus, which is (i) approximately 71.5% of the total actual net proceeds, or approximately HK\$14.5 million will be used to expand our sales network, (ii) approximately 10.1% of the total actual net proceeds, or approximately HK\$2.1 million, will be used to promote and strengthen brand image and recognition, (iii) approximately 9.1% of the total actual net proceeds, or approximately HK\$1.8 million, will be used to enhance our styling and consulting services and distribution sales, and (iv) approximately 9.3% of the total actual net proceeds, or approximately HK\$1.9 million, will be used to enhance operational efficiencies.

During the period from the Listing on 25 January 2018 to 31 March 2019, the Group has utilised \$7.4 million, or 32.6% of the actual net proceeds from the Listing for the staff costs of trainer, interior designer and project manager; the establishment of an e-commerce platform; the enhancement of the POS system; and for the leasehold improvement, marketing, deposit and rental of the Yuen Long store opened in May 2018.

未來前景

由於零售市況仍競爭激烈，香港消費者信心及開支疲弱，未來財政年度將繼續充滿挑戰。除在香港經營三家 TREE 零售店外，管理層瞭解到擴大我們收益流的需要。本集團在設計及諮詢服務方面已看到更多增長機遇，並將繼續專注該業務領域的發展。本集團已投資並推出我們的電子商務商店，使其有機會全天候自動產生銷售，除建立新的家具租賃業務外，我們期望成為該行業的主要參與者。該兩項風險投資均為重要的發展及投資，藉此業務可取得可持續增長。

本集團亦通過為從意大利進口家具（主要向中國客戶）提供家具代理服務，加強收入基礎，並擴大產品組合。本集團繼續尋找為香港及中國客戶提供全面服務的途徑。

所得款項用途

於2018年1月上市所得款項淨額（經扣除包銷費、聯交所交易費及香港證券及期貨事務監察委員會（「證監會」）交易徵費以及有關股份發售的上市相關開支後）約為20.3百萬港元。

本公司根據股份發售發行新股份之實際所得款項淨額與招股章程所載之估計所得款項淨額約22.7百萬港元有所不同。本集團已按招股章程所呈列方式及比例調整所得款項用途，即(i)全部實際所得款項淨額的約71.5%或約14.5百萬港元將用作擴大我們的銷售網絡；(ii)全部實際所得款項淨額的約10.1%或約2.1百萬港元將用作提升並加強品牌形象及知名度；(iii)全部實際所得款項淨額的約9.1%或約1.8百萬港元將用作改善我們的設計及諮詢服務及分銷銷售工作；及(iv)全部實際所得款項淨額的約9.3%或約1.9百萬港元將用作提升營運效率。

自2018年1月25日上市起至2019年3月31日止期間，本集團已動用上市實際所得款項淨額7.4百萬港元或32.6%，作為教練、室內設計師及項目經理的員工成本，建立電子商務平台；改善零售管理系統；以及用作租賃裝修、市場推廣及元朗店於2018年5月開業的按金及租金。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Ms. Mary Kathleen Babington, aged 48, is our Chief Executive Officer, Executive Director, Managing Director and a member of our Nomination Committee. She was appointed as our Director on 9 March 2016, and designated as our Chief Executive Officer and Executive Director on 6 September 2016. She joined our Group in February 2010 as our Managing Director. She is also a Director of TREE Limited. Ms. Babington is responsible for the strategy of our Group and implementation on an operational level, across all functions including but not limited to internal management, human resources, marketing, merchandising, sales and delivery.

Ms. Babington has more than 23 years of experience in the retail industry. From May 1993 to January 2010, Ms. Babington worked in The Body Shop International PLC.

In February 1993, Ms. Babington graduated from the University of Central Lancashire in the United Kingdom with a degree of Bachelor of Arts (Honours) in Business and Finance. In November 1996, she obtained a Certificate in Applied Professional Studies from the University of Brighton in the United Kingdom. She obtained a degree of Master of Arts in Marketing from the Kingston University in the United Kingdom in October 1998. In November 2003, Ms. Babington completed the social systems auditor/lead auditor training course provided by SGS Hong Kong Limited.

Ms. Babington became an Associate (corporate) of the Chartered Institute of Marketing in the United Kingdom in December 1996. She was also admitted as a Member of the Chartered Institute of Marketing in the United Kingdom in November 1998.

執行董事

Mary Kathleen Babington 女士，48歲，為我們的行政總裁、執行董事、董事總經理及提名委員會成員。彼於2016年3月9日獲委任為董事，並於2016年9月6日獲任命為行政總裁兼執行董事。彼於2010年2月加入本集團，擔任董事總經理。彼亦擔任大樹有限公司的董事。Babington女士負責制定本集團所有職能（包括但不限於內部管理、人力資源、市場推廣、採購、銷售及交付）策略並於操作層面予以實施。

Babington女士在零售行業積逾23年經驗。自1993年5月至2010年1月，Babington女士任職於The Body Shop International PLC。

於1993年2月，Babington女士畢業於英國中央蘭開夏大學，取得工商及金融文學榮譽學士學位。於1996年11月，彼於英國布萊頓大學獲得應用型專業研究證書。彼於1998年10月獲得英國金斯頓大學市場營銷學文學碩士學位。於2003年11月，Babington女士完成香港通用檢測認證有限公司提供的社會體系稽查師／總稽查師培訓課程。

於1996年12月，Babington女士成為英國特許市務學會會員（法人）。彼亦於1998年11月獲英國特許市務學會認可為會員。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Tsui Wing Tak (徐穎德), aged 37, is our Executive Director, a member of our Remuneration Committee and our Compliance Officer. He was appointed as our Director on 9 March 2016 and designated as our Executive Director on 6 September 2016. He joined our Group in June 2015 as a Director of TREE Limited. Mr. Tsui is responsible for managing the financial matters of our Group.

Mr. Tsui has more than 14 years of experience in the accounting and corporate field. Mr. Tsui has been the Chief Executive Officer of AE Majoris Advisory Company Limited which is principally engaged in the provision of corporate advisory services, since January 2012. He was the Company Secretary of Noble House (China) Holdings Limited (now known as Zhonghua Gas Holdings Limited) (stock code: 8246), a company listed on GEM, from July 2013 to August 2014. From August 2004 to January 2012, Mr. Tsui worked in an international accounting firm in Hong Kong with his last position as a Manager in auditing. Mr. Tsui was a Non-Executive Director of CCT Land Holdings Limited (stock code: 261), a company listed on the Main Board of the Stock Exchange, from January 2017 to April 2018. Mr. Tsui has been the Company Secretary of Ching Lee Holdings Limited (stock code: 3728), a company listed on the Main Board of the Stock Exchange, since 14 August 2017.

Mr. Tsui graduated from the Hong Kong University of Science and Technology with a degree of Bachelor of Business Administration (Honours) in Accounting in November 2004. He was admitted as a Certified Public Accountant and a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants in January 2009 and January 2012, respectively.

Mr. Tsui was appointed by the embassy of the Republic of the Uganda in Beijing as Honorary Trade, Tourism and Investment Consultant/Adviser on China (Hong Kong and Macau SAR) from November 2016 to June 2019.

徐穎德先生，37歲，為我們的執行董事、薪酬委員會成員及合規主任。彼於2016年3月9日獲委任為我們的董事，並於2016年9月6日獲任命為執行董事。彼於2015年6月加入本集團，擔任大樹有限公司的董事。徐先生負責管理本集團的財務事宜。

徐先生在會計及企業領域積逾14年經驗。徐先生自2012年1月起擔任明大企業顧問有限公司的行政總裁，該公司主要從事提供企業諮詢服務。彼自2013年7月至2014年8月擔任名軒(中國)控股有限公司(現稱中華燃氣控股有限公司)(股份代號：8246，該公司於GEM上市)的公司秘書。自2004年8月至2012年1月，徐先生任職於香港一間國際會計師行，所出任的最後職位是審計經理。徐先生自2017年1月至2018年4月擔任中建置地集團有限公司(股份代號：261，該公司於聯交所主板上市)非執行董事。徐先生自2017年8月14日起一直擔任聯交所主板上市公司正利控股有限公司(股份代號：3728)的公司秘書。

徐先生於2004年11月畢業於香港科技大學，取得會計學工商管理榮譽學士學位。彼分別於2009年1月及2012年1月獲認可為香港會計師公會會計師及會計師(執業)。

徐先生獲烏干達共和國駐北京大使館委任為中國(香港及澳門特區)貿易、旅遊及投資榮譽顧問，任期由2016年11月至2019年6月。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

NON-EXECUTIVE DIRECTORS

Mr. Tong Tang Joseph (唐登), aged 59, is our Chairman, our Non-Executive Director and the Chairman of the Nomination Committee. He was appointed as our Director on 22 April 2016 and designated as our Chairman and Non-Executive Director on 6 September 2016. He is also a Director of TREE Limited. He is responsible for supporting our Group on a strategic level.

Mr. Tong has more than 30 years of experience in the financial industry. Mr. Tong was an Executive Director of Sun Hung Kai & Co. Limited (stock code: 86), a company listed on the Main Board of the Stock Exchange, from December 2003 to January 2016. He also held various senior positions at Sun Hung Kai & Co. Limited from December 2004 to January 2016 such as the Chief Executive Officer of its wealth management, brokerage and capital markets and the Chief Executive Officer of its capital markets and institutional brokerage. Mr. Tong was also a Director of Bali International Finance Limited (now known as Sun Hung Kai Structured Finance Limited) from March 2004 to January 2016. From July 2013 to July 2016, he was an Independent Non-Executive Director of Carry Wealth Holdings Limited (stock code: 643), a company listed on the Main Board of the Stock Exchange.

Mr. Tong was a Non-Executive Director and the Chairman of the Nomination Committee of Mason Group Holdings Limited (stock code: 273), a company listed on the Main Board of the Stock Exchange, from April 2016 to January 2018. He was Chairman of the Board of Directors of Mason Group Holdings Limited from April 2016 to September 2016, and Joint Chairman from September 2016 to January 2018. He was also a substantial shareholder of Mason Group Holdings Limited since May 2016 to December 2017. Mr. Tong was also an Independent Director of Jih Sun Financial Holdings Company Limited (stock code: 5820), the shares of which are listed on the Taipei Exchange in Taiwan, between 2009 and June 2019.

Mr. Tong obtained a degree of Bachelor of Social Sciences (Honours) from the University of Hong Kong in November 1982 and a degree of Master of Business Administration from the Chinese University of Hong Kong in October 1988. He was admitted as a member of the Association of Chartered Certified Accountants in November 2000 and advanced to fellowship status in November 2005.

非執行董事

唐登先生，59歲，董事會主席、非執行董事兼提名委員會主席。彼於2016年4月22日獲委任為董事，並於2016年9月6日獲任命為董事會主席及非執行董事。彼亦為大樹有限公司的董事。彼負責於策略層面支持本集團。

唐先生積逾30年的金融業經驗。唐先生自2003年12月至2016年1月擔任新鴻基有限公司(股份代號：86，一間於聯交所主板上市的公司)的執行董事。彼亦於2004年12月至2016年1月於新鴻基有限公司擔任數個要職，如財富管理、經紀業務及資本市場行政總裁，及資本市場及機構經紀業務行政總裁。唐先生自2004年3月至2016年1月亦擔任百達利財務有限公司(現稱新鴻基結構融資有限公司)之董事。自2013年7月至2016年7月，彼亦擔任恒富控股有限公司(股份代號：643，一間於聯交所主板上市的公司)的獨立非執行董事。

唐先生自2016年4月至2018年1月期間擔任茂宸集團控股有限公司(股份代號：273，一間於聯交所主板上市的公司)的非執行董事兼提名委員會主席。彼自2016年4月至2016年9月為茂宸集團控股有限公司的董事會主席及自2016年9月至2018年1月為聯席主席。彼亦自2016年5月至2017年12月期間為茂宸集團控股有限公司的主要股東。自2009年至2019年6月，唐先生亦為日盛金融控股有限公司(股份代號：5820，其股份於台灣證券櫃檯買賣中心掛牌)的獨立董事。

唐先生於1982年11月獲得香港大學社會學榮譽學士學位，並於1988年10月獲得香港中文大學工商管理碩士學位。彼於2000年11月獲認可為特許公認會計師公會的會員及於2005年11月晉升為資深會員。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Ms. Nicole Lucy Haslock, aged 47, is our Founder and our Non-Executive Director. She was appointed as our Director on 9 March 2016, and designated as our Non-Executive Director on 6 September 2016. She is also a Director of TREE Limited. She is responsible for supporting our Group on a strategic level with a focus on consultancy, styling and retail sales.

Ms. Haslock has more than 10 years of experience in the retail industry. She was principally responsible for the management of our Group until Ms. Babington joined our Group in February 2010. Since then, she has continued to support our Group on a strategic level with a particular focus on consultancy, styling and retail sales. Since October 2013, Ms. Haslock has been the sole shareholder of American Tree, which is the licensee under the North America Licence Agreement and the purchaser under the Master Sale Agreement, and was incorporated in the State of Washington, the U.S. with a plan to principally engage in the business of retailing of furniture and home accessories in the U.S. and Canada. Ms. Haslock has also entered into Ms. Haslock's Deed of Non-Competition.

Before founding our Group, Ms. Haslock worked in Allen & Overy (Hong Kong) Limited from September 2003 to February 2005 with her last position as an Associate. From September 1995 to August 2003, Ms. Haslock worked in CMS Cameron Mckenna Services in the United Kingdom with her last position being a solicitor.

In June 1993, Ms. Haslock obtained a degree of Bachelor of Laws (Honours) from the University of Bristol in the United Kingdom. In July 1994, she completed the legal practice course at the College of Law (now known as the University of Law) in the United Kingdom. Ms. Haslock was admitted as a solicitor in Hong Kong in May 2001.

Nicole Lucy Haslock 女士，47歲，為我們的創始人及非執行董事。彼於2016年3月9日獲委任為董事，並於2016年9月6日獲任命為非執行董事。彼亦為大樹有限公司的董事。彼負責於策略層面支持本集團，側重於諮詢、設計及零售。

Haslock女士在零售行業積逾10年經驗。直至2010年2月Babington女士加入本集團之前，彼主要負責管理本集團。彼隨後繼續於策略層面支持本集團，尤為側重諮詢、設計及零售業務。Haslock女士自2013年10月起成為American Tree之唯一股東，後者乃北美許可協議項下之特許持有人及總銷售協議項下之買方，於美國華盛頓州註冊成立，計劃主要於美國及加拿大從事家具及家居配飾零售業務。Haslock女士亦已訂立Haslock女士作出之不競爭契據。

於創辦本集團之前，Haslock女士自2003年9月至2005年2月於Allen & Overy (Hong Kong) Limited任職，其最後職位為助理。自1995年9月起至2003年8月，Haslock女士任職於英國CMS Cameron Mckenna Services，最後職位為律師。

於1993年6月，Haslock女士獲得英國布里斯托大學法律榮譽學士學位。於1994年7月，彼於英國法學院（現稱為法律大學）完成法律實踐課程的學習。Haslock女士於2001年5月獲得香港的律師資格。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yeung Man Chung Charles (楊文忠), aged 51, was appointed as our Independent Non-Executive Director on 25 January 2018. He is also the Chairman of our Audit Committee and a member of our Remuneration Committee and Nomination Committee. He is responsible for giving independent advice to our Board.

Mr. Yeung has over 20 years of experience in accounting, auditing and financial management. Mr. Yeung has been the Chief Financial Officer and an Executive Director of GCL-Poly Energy Holdings Limited (“GCL-Poly”) (stock code: 3800), a company listed on the Main Board of the Stock Exchange since May and September 2014, respectively, responsible for its financial management and control. He has also been the Company Secretary of GCL-Poly since March 2017. Since September 2015, Mr. Yeung has also been a Non-Executive Director of GCL New Energy Holdings Limited (stock code: 451), a company listed on the Main Board of the Stock Exchange. He is also a director of Millennial Lithium Corp., a company with its shares listed on the TSX Venture Exchange in Canada.

From May 1994 to March 2014, Mr. Yeung worked at Deloitte China with his last position being a Partner. From January 2008 to December 2008, Mr. Yeung was a part-time member of the Central Policy Unit of the Government of Hong Kong.

Mr. Yeung obtained a degree of Bachelor of Business with a major in Accounting from Edith Cowan University in Australia in February 1992. He was admitted as an associate and a certified practising accountant of the Australian Society of Certified Practising Accountants in February 1992 and January 1996, respectively. He was also admitted as a certified public accountant of the Hong Kong Institute of Certified Public Accountants in June 1996.

獨立非執行董事

楊文忠先生，51歲，於2018年1月25日獲委任為我們的獨立非執行董事。彼亦為審核委員會主席及薪酬委員會及提名委員會成員。彼負責向董事會提供獨立意見。

楊先生於會計、審計及財務管理領域積逾20年的經驗。自2014年5月及9月起，楊先生先後出任保利協鑫能源控股有限公司（「保利協鑫」）（股份代號：3800）（一間於聯交所主板上市的公司）的首席財務官及執行董事，負責財務管理及控制。自2017年3月起，彼亦擔任保利協鑫的公司秘書。自2015年9月起，楊先生亦出任協鑫新能源控股有限公司（股份代號：451）（一間於聯交所主板上市的公司）的非執行董事。彼亦為Millennial Lithium Corp.（其股份於加拿大多倫多證券交易所上市）之董事。

自1994年5月至2014年3月，楊先生任職於德勤中國，最後出任職位為合夥人。自2008年1月至2008年12月，楊先生曾擔任香港政府中央政策組非全職委員。

楊先生於1992年2月獲得澳洲埃迪斯科文大學工商學士學位，主修會計。彼於1992年2月及1996年1月先後獲認可為澳洲會計師公會會員及執業會計師。彼亦於1996年6月獲認可為香港會計師公會會計師。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Tsang Wai Yin (曾偉賢), aged 58, was appointed as our Independent Non-Executive Director on 25 January 2018. He is also a member of our Audit Committee and Nomination committee. He is responsible for giving independent advice to our Board.

Mr. Tsang has extensive expertise in commercial building and interior architecture and has over 20 years of experience as a leader of design team in a broad variety of projects. Mr. Tsang has been a Director of AGC Design Limited since November 1999.

Mr. Tsang graduated from the University of Hong Kong with a degree of Bachelor of Arts (Honours) in Architectural Studies in November 1982 and a degree of Bachelor of Architecture in November 1985. He also obtained a degree of Master of Business and Administration from the University of Toronto in Canada in June 1992.

Mr. Tsang was admitted as a member of the Hong Kong Institute of Architects and elected into membership of the Royal Institute of British Architects in December 1986 and July 1987, respectively. He was also admitted as a professional member of the Interior Design Association (Hong Kong) in 2001 and was a founding member of the World Association of Chinese Architects in April 2004. Mr. Tsang was accredited a PRC Class 1 Registered Architect of the National Administration Board of Architect Registration (Qualification) in August 2004, and admitted as an APEC Architect by the Central Council of the Asia Pacific Economic Cooperation in December 2015. He currently holds the Certificate of Registration of Authorised Person (list of architects) issued by the Building Authority in Hong Kong and is a registered architect in Hong Kong.

Mr. Tsang is appointed by the Government of Hong Kong as a member of the Architects Registration Board for the period from May 2016 to May 2020. He was also appointed by the Government of Hong Kong as a member of the Contractors Registration Committee Panel from January 2004 to December 2008. He was a member of the Authorised Persons Registration Committee and the Authorised Persons Registration Committee Panel of the Buildings Department from January 2006 to December 2011, and an alternate member of the Advisory Committee of Barrier Free Access of the Buildings Department from July 2007 to July 2009.

曾偉賢先生，58歲，於2018年1月25日獲委任為我們的獨立非執行董事。彼亦為審核委員會及提名委員會成員。彼負責向董事會提供獨立意見。

曾先生在商業樓宇及室內裝修方面擁有豐富的專業知識，並積逾20年在多個項目中擔任設計團隊領導的經驗。曾先生自1999年11月出任創智建築師有限公司的董事。

曾先生畢業於香港大學，於1982年11月取得建築學文學榮譽學士學位，並於1985年11月取得建築學學士學位。彼亦於1992年6月獲得加拿大多倫多大學工商管理碩士學位。

曾先生於1986年12月及1987年7月先後獲認可為香港建築師學會會員並入選英國皇家建築師學會之會員。彼亦於2001年獲認可為香港室內設計協會專業會員，並於2004年4月成為世界華人建築師學會的一名創辦成員。曾先生於2004年8月取得全國註冊建築師管理委員會的中國一級註冊建築師資質並於2015年12月獲亞太經濟合作組織中央理事會認可為亞太經合組織建築師。彼目前持有香港建築事務監督簽發之認可人士註冊證書(建築師名單)並為香港註冊建築師。

曾先生自2016年5月至2020年5月期間由香港政府委任為建築師註冊管理局成員。彼自2004年1月至2008年12月亦由香港政府委任為承建商註冊事務委員會委員團成員。彼自2006年1月至2011年12月獲認可為認可人士註冊事務委員會會員及屋宇署認可人士註冊事務委員會委員團成員及自2007年7月至2009年7月為屋宇署無阻通道諮詢委員會候選成員。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Sit Hoi Wah Kenneth (薛海華), aged 60, was appointed as our Independent Non-Executive Director on 25 January 2018. He is also the Chairman of our Remuneration Committee and a member of our Audit Committee and Nomination Committee. He is responsible for giving independent advice to our Board.

Mr. Sit has over 30 years of experience in the legal profession. He is a practicing solicitor and Notary Public in Hong Kong. Mr. Sit was the sole-proprietor of Kenneth Sit, Solicitors from October 2004 to October 2012, and has been the Managing Partner since October 2012. Mr. Sit has been an Independent Non-Executive Director of Pokfulam Development Company Limited (stock code: 225), a company listed on the Main Board of the Stock Exchange, since October 2005 and Zijin Mining Group Company Limited (stock code: 2899 and 601899), a company dually listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange, since October 2013.

Mr. Sit graduated from the University of Hong Kong with a Bachelor of Laws (Honours) in 1980 and was awarded the Postgraduate Certificate in Laws by the University of Hong Kong in July 1981. He was admitted as a solicitor in Hong Kong in March 1983.

薛海華先生，60歲，於2018年1月25日獲委任為我們的獨立非執行董事，彼亦為薪酬委員會主席兼審核委員會及提名委員會成員。彼負責向我們的董事會提供獨立意見。

薛先生於法律行業積逾30年經驗。彼為香港執業律師及法律公證人。薛先生自2004年10月至2012年10月乃薛海華律師行的獨資經營者，並自2012年10月起擔任管理合夥人。薛先生自2005年10月及2013年10月起分別擔任博富臨置業有限公司(股份代號：225，一間於聯交所主板上市的公司)及紫金礦業集團股份有限公司(股份代號：2899及601899，一間於聯交所主板及上海證券交易所兩地上市之公司)的獨立非執行董事。

薛先生於1980年獲香港大學法律榮譽學士學位，並於1981年7月獲頒香港大學專業法學證書。彼於1983年3月獲許於香港擔任律師。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

SENIOR MANAGEMENT

Mr. Kong Chi Tong (江致堂), aged 37, is the Senior Merchandiser of TREE Limited. He is responsible for product sourcing of TREE Limited.

Mr. Kong has over eight years of experience in merchandising. Before joining our Group in September 2011, he worked at a number of companies, including (i) OVO Limited from April 2006 to February 2008 as a Merchandiser; and (ii) Impact Creation Limited from July 2004 to January 2006 as an Assistant Merchandiser.

Mr. Kong obtained a degree of Associate of Arts in General Studies and a degree of Bachelor of Business Administration (Honours) in Business Management from the City University of Hong Kong in November 2003 and November 2005, respectively.

Ms. Tang Wai Chun Annie (鄧偉珍), aged 51, is the Personnel Officer of TREE Limited. She is responsible for the administration and human resources affairs of TREE Limited.

Ms. Tang has over 13 years of experience in administration, human resources and personnel management. Before joining our Group in March 2009, she worked at a number of companies, including (i) Café O Limited from April 2008 to March 2009 as a human resources Assistant, primarily responsible for human resources matters; (ii) Stanley's Restaurants for at least 6 years ending December 1996 as a Personnel and Administration Officer and a Personal Assistant to the Chief Executive and Directors, primarily responsible for updating and improving the personnel policies of the Company, and dealing with all day-to-day personnel administration; and (iii) the Repulse Bay Restaurants from May 1989 to April 1990 as an Administration Coordinator, primarily responsible for all of the administration and personnel affairs of over 100 employees.

Ms. Tang obtained a Diploma in Hotel Management from Swiss Hotel & Catering Colleges in Switzerland in April 1988.

高級管理層

江致堂先生，37歲，乃大樹有限公司的高級採購員。彼負責大樹有限公司產品採購。

江先生積逾八年的採購經驗。於2011年9月加入本集團之前，彼曾在多間公司任職，包括(i)於2006年4月至2008年2月期間擔任OVO Limited採購員；及(ii)於2004年7月至2006年1月期間擔任意栢有限公司助理採購員。

江先生於2003年11月及2005年11月分別獲得香港城市大學通識教育文科副學士學位及香港城市大學工商管理學工商管理榮譽學士學位。

鄧偉珍女士，51歲，乃大樹有限公司之人事主管。彼負責大樹有限公司的行政及人力資源事宜。

鄧女士在行政、人力資源及人事管理方面積逾13年經驗。在2009年3月加入本集團之前，彼曾於數家公司任職，包括(i)於2008年4月至2009年3月期間擔任Café O Limited人力資源助理一職，主要負責人力資源事宜；(ii)截至1996年12月止至少六年期間擔任Stanley's Restaurants人事及行政主管兼行政總裁及董事的個人助理，主要負責更新及改善本公司的人事制度，並處理全部日常人事管理；及(iii)於1989年5月至1990年4月期間擔任淺水灣影灣園餐廳行政協調人，主要負責逾100名僱員的全部行政及人事事宜。

鄧女士於1988年4月於瑞士Swiss Hotel & Catering Colleges獲得酒店管理文憑。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

COMPANY SECRETARY

Mr. Lam Yiu Cho (林耀祖), aged 37, is our Company Secretary. He joined our Group in March 2016.

Mr. Lam has more than 11 years of experience in the accounting and corporate industry. Since March 2016, Mr. Lam has been working for AE Majoris Advisory Company Limited. From August 2008 to February 2016, Mr. Lam worked at First Pacific Company Limited with his last position being Corporate Development Manager in the corporate development department, responsible for overseeing mergers and acquisitions projects of the company. From January 2006 to August 2008, Mr. Lam worked at Deloitte Touche Tohmatsu with his last position being Senior in the Audit Department. From September 2004 to January 2006, Mr. Lam worked at Ernst & Young as Staff Accountant in the assurance and advisory business services department.

Mr. Lam graduated from the Hong Kong University of Science and Technology with a degree of Bachelor of Business Administration (Honours) in Accounting in November 2004. He was admitted as a Certified Public Accountant and a Certified Public Accountant (Practicing) of the Hong Kong Institute of Certified Public Accountants in February 2008 and January 2018, respectively.

COMPLIANCE OFFICER

Mr. Tsui Wing Tak is our Compliance Officer. Details of the qualification and experience of Mr. Tsui have been disclose in the paragraph headed "Executive Directors" of this section.

AUTHORISED REPRESENTATIVES

Mr. Tsui Wing Tak and Mr. Lam Yiu Cho are the authorised representatives of our Company.

公司秘書

林耀祖先生，37歲，為我們的公司秘書。彼於2016年3月加入本集團。

林先生於會計及公司領域積逾11年的經驗。自2016年3月起，林先生任職於明大企業顧問有限公司。自2008年8月至2016年2月，林先生任職於第一太平有限公司，最後職位為企業發展部企業發展經理，負責監察公司的合併及收購項目。自2006年1月至2008年8月，林先生任職於德勤•關黃陳方會計師行，最後職位為審計部之高級職員。自2004年9月至2006年1月，林先生受聘於安永會計師事務所，擔任審計與諮詢業務服務部的會計人員。

林先生於2004年11月畢業於香港科技大學，獲得會計學工商管理榮譽學士學位。彼於2008年2月及2018年1月先後獲認為香港會計師公會之會計師及會計師(執業)。

合規主任

徐穎德先生為我們的合規主任。有關徐先生資歷及經驗之詳情披露於本節「執行董事」一段。

授權代表

徐穎德先生及林耀祖先生為本公司之授權代表。

CORPORATE GOVERNANCE REPORT 企業管治報告

INTRODUCTION

We are committed to achieving and maintaining high standards of corporate governance, as our Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the Shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the Shareholders of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing Shareholders' value through good corporate governance. Our Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability.

The Company has applied the principles and code provisions in the Corporate Governance Code (the "CG Code") and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code during FY2019.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of the code of conduct for dealings in securities of the Company by the Directors as set out in Rules 5.46 to 5.68 of the GEM Listing Rules. Having made specific enquiries to all Directors, all Directors confirmed that they have fully complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company, and there was no event of non-compliance throughout FY2019.

序言

我們致力達致及維持高水平的企業管治，原因是董事會認為，良好有效的企業管治常規乃取得並保持本公司股東及其他權益持有人信任的關鍵，對鼓勵問責及透明度，以讓本集團持續成功並為本公司股東創造長遠價值至為重要。

企業管治常規

本公司致力履行其對股東的責任，並通過良好的企業管治維護及提高股東價值。董事認同良好企業管治對管理及內部程序十分重要，從而達致有效問責。

本公司已應用GEM上市規則附錄十五所載企業管治守則（「企業管治守則」）及企業管治報告的原則及守則條文。董事會認為，於2019財政年度，本公司一直遵守企業管治守則。

董事進行證券交易

本公司已採納GEM上市規則第5.46至5.68條所載之規定準則，內容有關董事進行本公司證券交易的操守守則。經向全體董事作出具體查詢後，全體董事確認於整個2019財政年度，彼等一直全面遵守本公司採納有關董事進行證券交易的規定交易準則以及操守守則，且概無發生不合規事件。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

Composition

The Company is committed to the view that the Board should include a balanced composition of Executive and Non-Executive Directors (including Independent Non-Executive Directors) so that there is an independent element on the Board, which can effectively exercise independent judgment, and that Non-Executive Directors should be of sufficient caliber and number for their views to carry weight.

As at the date of this Annual Report, the composition of the Board is set out as follows:

Executive Directors

Ms. Mary Kathleen Babington (*Chief Executive Officer*)
Mr. Tsui Wing Tak

Non-Executive Directors

Mr. Tong Tang Joseph (*Chairman*)
Ms. Nicole Lucy Haslock

Independent Non-Executive Directors

Mr. Yeung Man Chung Charles
Mr. Tsang Wai Yin
Mr. Sit Hoi Wah Kenneth

The biographical details of each of the Directors are set out in the section headed "Directors and Senior Management" of this Annual Report.

Responsibilities and Functions of the Board

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's mission and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives.

The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference which are published on the respective websites of GEM and the Company. The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The management of day-to-day operation of the Group's businesses and implementation of the business plans, strategies and policies adopted by the Board has been delegated to the senior management of the Group.

董事會 成員組合

本公司一直認為，董事會應維持均衡的成員組合，當中包括執行董事及非執行董事（包括獨立非執行董事），使董事會具備獨立元素，從而能夠有效作出獨立判斷，而非執行董事應有足夠才能及人數，以使其意見具有影響力。

於本年報日期，董事會的成員組合載列如下：

執行董事

Mary Kathleen Babington 女士 (*行政總裁*)
徐穎德先生

非執行董事

唐登先生 (*主席*)
Nicole Lucy Haslock 女士

獨立非執行董事

楊文忠先生
曾偉賢先生
薛海華先生

各董事履歷資料的詳情載於本年報「董事及高級管理層」一節。

董事會職責及職能

董事會主要負責監管及監督本集團業務事宜及整體表現的管理。董事會設定本集團的使命及標準，並確保具備必須的財務及人力資源，支援本集團實現其目標。

董事會已設立多個董事委員會，並授權此等董事委員會履行其各自職權範圍載列的各項責任，該等職權範圍分別載於GEM及本公司的網站。董事會可不時於其認為適當時向本集團的高級管理層轉授若干職能。本集團的高級管理層已獲授權管理本集團的日常業務運作及實施董事會所採納的業務計劃、策略及政策。

CORPORATE GOVERNANCE REPORT

企業管治報告

The functions performed by the Board include but are not limited to the following matters:

- formulating the Group's strategy and direction and monitoring the implementation thereof;
- deciding all material contracts, acquisitions, investments, divestments, disposals of assets or any significant capital expenditure;
- approving of the Group's consolidated financial statements, published reports, price sensitive announcement and other disclosure required under the GEM Listing Rules;
- developing, monitoring and reviewing the Group's corporate governance practices and the effectiveness of the Group's financial controls, internal control and risk management systems;
- Board appointment and other major appointments or removal; and
- monitoring the performance of the management.

The Directors have full and timely access to information and accounts of the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

Independent Non-Executive Directors

In compliance with Rule 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules, the Company has appointed three Independent Non-Executive Directors representing more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received from each Independent Non-Executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with each and the various guidelines set out in Rule 5.09 of the GEM Listing Rules.

Directors' and Officers' Insurance

Proper insurance coverage in respect of legal actions against the Directors' liability has been arranged by the Company.

董事會履行的職能包括但不限於以下事宜：

- 制定本集團的策略及方向，以及監察有關實施情況；
- 決定所有重大合約、收購、投資、撤資、出售資產或任何重大資本開支；
- 批准本集團的綜合財務報表、已刊發報告、股價敏感公告及GEM上市規則規定的其他披露；
- 制訂、監察及檢討本集團的企業管治常規以及本集團之財務監控、內部監控及風險管理體系是否有效；
- 董事會的委任及其他主要委任或罷免；及
- 監察管理層的表现。

董事可隨時全面查閱本集團的資料及賬目，並有權在適當情況下尋求獨立的專業意見，費用由本公司承擔。

獨立非執行董事

遵照GEM上市規則第5.05(1)、5.05(2)及5.05A條的規定，本公司已委任三名獨立非執行董事，佔董事會成員人數三分之一以上，而其中至少一名具備適當的專業資格，或具備會計或相關的財務管理專業知識。

本公司已收到每名獨立非執行董事就其獨立性而作出的年度確認函，根據GEM上市規則第5.09條所載的各項及多項指引，本公司認為該等董事屬獨立人士。

董事及高級職員保險

本公司已作出保險安排，就董事面臨法律訴訟責任提供適當保障。

CORPORATE GOVERNANCE REPORT 企業管治報告

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

To assist Directors' continuing professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills. Directors also participate in continuous professional development programmes such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. All Board members have received Directors' training hosted by a law firm which was about, inter alia, the GEM Listing Rules, Companies Ordinance and Securities and Futures Ordinance (the "SFO").

From time to time, the Company Secretary updates and provides written training materials on the latest developments of applicable GEM Listing Rules and regulations to the Directors.

All the Directors also understand the importance of continuous professional development and are committed to participate any suitable training to develop and refresh their knowledge and skills.

董事培訓及專業發展

為協助董事持續發展專業，本公司建議董事出席相關研討會，以增進知識及技能以及溫故知新。董事亦參與由合資格專業人士舉辦的外部研討會等持續專業發展計劃，以增進知識及技能以及溫故知新，為董事會作出貢獻。全體董事會成員獲一間律師事務所提供有關(其中包括)GEM上市規則、公司條例及證券及期貨條例(「證券及期貨條例」)的董事培訓。

公司秘書不時更新並向董事提供有關適用GEM上市規則及條例最新發展的書面培訓資料。

全體董事亦明白持續專業發展十分重要，並承諾參與任何合適培訓，以增進知識及技能以及溫故知新。

CORPORATE GOVERNANCE REPORT

企業管治報告

MEETINGS OF BOARD AND DIRECTORS' ATTENDANCE RECORDS

The Board will schedule to meet at least four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. The Directors are allowed to include any other matters in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at the Board meetings and to make informed decisions, an agenda and the accompanying Board papers together with all appropriate and relevant information in relation to the matters of the meetings are sent to all Directors at least three days before the intended date of each regular Board meeting and three days or such other period as agreed before each other Board meeting.

The Company Secretary is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record within a reasonable time after each meeting and the final version is open for the Directors' inspection. According to the GEM Listing Rules, any Directors and their associates (as defined in the GEM Listing Rules) with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and are not counted in the quorum of the meetings.

During FY2019, five Board meetings and one Shareholders' meeting (being the annual general meeting (the "AGM") of the Company) were held. The individual attendance record of the Board and Shareholders' meetings is set out as follows:

Name of Directors	董事姓名	Number of AGM attended/eligible to attend	Number of Board meetings attended/eligible to attend
		已出席／合資格出席股東週年大會成員	已出席／合資格出席董事會會議次數
Ms. Mary Kathleen Babington	Mary Kathleen Babington 女士	1/1	5/5
Mr. Tsui Wing Tak	徐穎德先生	1/1	5/5
Mr. Tong Tang Joseph	唐登先生	1/1	5/5
Ms. Nicole Lucy Haslock	Nicole Lucy Haslock 女士	0/1	4/5
Mr. Yeung Man Chung Charles	楊文忠先生	0/1	5/5
Mr. Tsang Wai Yin	曾偉賢先生	0/1	5/5
Mr. Sit Hoi Wah Kenneth	薛海華先生	0/1	5/5

董事會會議及董事出席紀錄

董事會將預定一年最少舉行四次會議，約每季舉行一次，並提前至少14日向董事發出通知。董事獲准將任何其他須於大會上討論及議決的事宜納入議程。為使董事獲恰當簡報董事會會議上提出的事宜及作出知情決定，議程及隨附董事會文件連同所有與會議事項有關的適當及相關資料，將於各定期董事會會議的擬定日期起計最少三日前及各其他董事會會議舉行當日起計三日前或所協定的其他期間送交全體董事。

公司秘書負責保存所有董事會會議記錄。會議記錄草案及定稿將於各大會之後的合理時間交內交董事傳閱以供其發表意見及記錄，定稿可供董事查閱。根據GEM上市規則，任何於董事會會議上將予討論的交易中擁有重大權益的董事及彼之聯繫人士（定義見GEM上市規則）均須就批准有關交易的決議案放棄表決，且不得計入會議的法定人數內。

於2019財政年度，本公司已舉行五次董事會會議及一次股東大會（即本公司股東週年大會（「股東週年大會」））。董事會會議及股東大會的各董事出席記錄載列如下：

CORPORATE GOVERNANCE REPORT 企業管治報告

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of our Executive Directors has entered into a service contract with our Company on 25 January 2018 and we signed letters of appointment with each of our Independent Non-Executive Directors on the same day. The service contracts with our Executive Directors are for an initial term of three years commencing from the listing date on 25 January 2018 (the “**Listing Date**”) and can be terminated by either party giving not less than three months’ notice in writing. The letter of appointment with each of our Independent Non-Executive Directors are for an initial term until 24 January 2021 commencing from 25 January 2018 and can be terminated by either party giving not less than three months’ notice in writing.

The service contracts and letters of appointment are subject to termination in accordance with their respective terms. The service contracts can be renewed in accordance with our articles of association (the “**Articles**”) and the applicable GEM Listing Rules.

According to our Articles, one-third of the Directors for the time being shall retire from office by rotation at every AGM of the Company, provided that every Director shall retire from office by rotation and are subject to re-election at AGM at least once every three years. Directors who are appointed to fill casual vacancies shall hold office only until the next following general meeting after their appointment, and are subject to re-election by Shareholders of the Company.

The Company has taken out directors and officers liability insurance to cover liabilities arising from legal action against the Directors.

BOARD DIVERSITY POLICY

The Board has adopted a policy of the Board diversity (the “**Board Diversity Policy**”) which sets out the approach to achieve a sustainable and balanced development of the Company and also enhance the quality of performance of the Company.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

The Board Diversity Policy is available on the website of the Company at www.treeholdings.com for public information.

董事的委任及重選條款

各執行董事已於2018年1月25日與本公司訂立服務合約，而我們已於同日與各獨立非執行董事簽立委任函。執行董事之服務合約期限自2018年1月25日上市日期（「**上市日期**」）起初步為期三年，且可由任何一方發出不少於三個月書面通知予以終止。各獨立非執行董事之委任函初步年期自2018年1月25日起，直至2021年1月24日止，且可由任何一方發出不少於三個月書面通知予以終止。

服務合約及委任函須根據其各自條款予以終止。服務合約的年期可根據組織章程細則（「**細則**」）及適用GEM上市規則重續。

根據細則，本公司當時三分之一董事須於本公司各股東週年大會上輪值退任，惟各董事須最少每三年輪值退任一次，並可在股東週年大會上重選連任。為填補臨時空缺而獲委任之董事，任期僅至其獲委任後之下屆股東大會為止，並須經本公司股東重選後方可連任。

本公司已投購董事及高級職員責任保險，涵蓋針對董事所提出的任何法律訴訟所引致的責任。

董事會多元化政策

董事會已採納一套董事會多元化政策（「**董事會多元化政策**」），當中載列可讓本公司達致可持續平衡發展並提高本公司表現質素的方針。

本公司明白並深信董事會成員多元化的裨益。本公司致力確保董事會於技能、經驗及多元化方面達到平衡，以支持業務策略的執行。所有董事會任命將繼續基於用人唯才及董事會成員多元化效益的原則。挑選候選人時依據一系列多元範疇，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能及知識。

本公司網站www.treeholdings.com提供董事會多元化政策的公開資料。

CORPORATE GOVERNANCE REPORT

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE

Pursuant to the Code Provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and performed by different individuals. Mr. Tong Tang Joseph, being our Non-Executive Director, is the Chairman of the Company and is responsible for the leadership of the Board while Ms. Mary Kathleen Babington, being our Executive Director, is the Chief Executive Officer and is responsible for managing the Group's business and overall operations.

NON-EXECUTIVE DIRECTORS

Each of our Non-Executive Directors and Independent Non-Executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other. Each of the Independent Non-Executive Directors is subject to retirement by rotation and re-election at AGM in accordance with the Articles.

BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties.

All Board committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstance, at the Company's expense.

The Board is responsible for performing the corporate governance duties set out in the CG Code which included developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of Directors, and reviewing the Company's compliance with the code provision in the CG Code and disclosures in this report.

主席及行政總裁

根據企業管治守則守則條文A.2.1，主席與行政總裁的角色應有所區分，並應由不同人士擔任。非執行董事唐登先生為本公司之主席，負責領導董事會；而執行董事Mary Kathleen Babington女士為行政總裁，負責管理本集團業務及整體運作。

非執行董事

各非執行董事及獨立非執行董事已與本公司訂立委任函，自上市日期起為期三年，且可由任何一方向另一方發出不少於三個月書面通知予以終止。各獨立非執行董事須根據細則於股東週年大會上輪值退任及可重選連任。

董事委員會

董事會已設立三個董事委員會，分別為審核委員會、薪酬委員會及提名委員會，以監察本公司特定方面的事務。董事委員會獲提供充足資源以履行其職責。

所有董事委員會均獲提供充足資源以履行其職責，並可因應合理要求，在適當情況下尋求獨立專業意見，費用由本公司承擔。

董事會負責履行企業管治守則所載之企業管治職務，當中包括制定及檢討本公司之企業管治政策及常規、董事之培訓及持續專業發展，以及檢討本公司有否遵守企業管治守則之守則條文及本報告所作之披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

Audit Committee

We established our Audit Committee with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C3.2 and C3.3 of the CG Code Practices pursuant to a resolution of our Directors passed on 5 January 2018. The terms of reference were amended and restated on 4 January 2019, with respect to the update of the GEM Listing Rules. The primary duties of our Audit Committee are, among other things, to make recommendations to our Board on the appointment, reappointment and removal of external auditor, review the financial statements and provide advice in respect of financial reporting, oversee our financial reporting process, internal control, risk management systems and audit process, and perform other duties and responsibilities assigned by our Board.

At present, our Audit Committee comprises Mr. Yeung Man Chung Charles, Mr. Tsang Wai Yin and Mr. Sit Hoi Wah Kenneth, all being Independent Non-Executive Directors. Mr. Yeung Man Chung Charles is the Chairman of our Audit Committee.

During FY2019, the Audit Committee held four meetings, at which the Audit Committee has reviewed and discussed the Company's consolidated financial results, including the accounting principles and practice adopted by the Group, the Company's compliance with the CG Code, the effectiveness of the Group's internal control and risk management systems and the Group's internal audit function and recommended to the Board for consideration the same and the re-appointment of Grant Thornton Hong Kong Limited ("**Grant Thornton**") as the Company's external independent auditor at the forthcoming AGM.

The terms of reference is available on the website of the Company at www.treeholdings.com for public information.

During FY2019, the attendance of each member at the Audit Committee meeting during the Relevant Period is as follows:

Name of Directors 董事姓名		Number of attendance/ number of meetings 會議出席次數／舉行次數
Mr. Yeung Man Chung Charles (<i>Chairman</i>)	楊文忠先生(主席)	4/4
Mr. Tsang Wai Yin	曾偉賢先生	4/4
Mr. Sit Hoi Wah Kenneth	薛海華先生	4/4

審核委員會

我們已遵照 GEM 上市規則第 5.28 條及企業管治守則常規第 C3.2 及第 C3.3 段的規定，根據董事於 2018 年 1 月 5 日通過的決議案設立審核委員會，並制定書面職權範圍。職權範圍已於 2019 年 1 月 4 日就更新 GEM 上市規則進行修訂及重述。審核委員會的主要職責為(其中包括)就委任、續聘及罷免外聘核數師向董事會提供推薦建議、審閱財務報表及就財務申報、監督財務申報程序、內部監控、風險管理體系及審核過程提供意見，以及履行董事會指派的其他職責及責任。

目前，審核委員會由楊文忠先生、曾偉賢先生及薛海華先生組成，彼等均為獨立非執行董事。楊文忠先生為審核委員會主席。

於 2019 財政年度，審核委員會舉行四次會議，會上已審閱及討論本公司綜合財務業績，包括本集團採納的會計原則及慣例、本公司遵守企業管治守則的情況、本集團內部監控及風險管理體系以及內部審核功能的成效，並向董事會推薦以供考慮上述事宜及於應屆股東週年大會上續聘致同(香港)會計師事務所有限公司(「致同」)為本公司的外聘獨立核數師。

本公司網站 www.treeholdings.com 提供職權範圍的公開資料。

於 2019 財政年度，各成員於本相關期間之審核委員會會議出席紀錄如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

Remuneration Committee

We established our Remuneration Committee with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and paragraph B1.2 of the Code on Corporate Governance Practices pursuant to a resolution of our Directors passed on 5 January 2018. The primary duties of our Remuneration Committee are to review and approve the management's remuneration proposals, make recommendations to our Board on the remuneration package of our Directors and senior management and ensure none of our Directors determines his/her own remuneration.

The terms of reference is available on the website of the Company at www.treeholdings.com for public information.

At present, our Remuneration Committee comprises Mr. Tsui Wing Tak, being our Executive Director, and two of our Independent Non-Executive Directors, Mr. Yeung Man Chung Charles and Mr. Sit Hoi Wah Kenneth. Mr. Sit Hoi Wah Kenneth is the Chairman of our Remuneration Committee.

During FY2019, the committee met once on 13 June 2018 with 100% attendance by all Committee members.

Nomination Committee

We established our Nomination Committee with written terms of reference in compliance with paragraph A5.2 of the Code on Corporate Governance Practices pursuant to a resolution of our Directors passed on 5 January 2018. The terms of reference were amended and restated on 4 January 2019, with respect to the update of the GEM Listing Rules. The primary duties of our Nomination Committee are to review the structure, size and composition of our Board, and select or make recommendations on the selection of individuals nominated for directorships.

At present, our Nomination Committee comprises Mr. Tong Tang Joseph, being our Chairman and Non-Executive Director, Ms. Mary Kathleen Babington, being our Executive Director, and our three Independent Non-Executive Directors, Mr. Yeung Man Chung Charles, Mr. Sit Hoi Wah Kenneth and Mr. Tsang Wai Yin. Mr. Tong Tang Joseph is the Chairman of our Nomination Committee.

The terms of reference is available on the website of the Company at www.treeholdings.com for public information.

During FY2019, the committee met once on 13 June 2018 with 100% attendance by all Committee members.

薪酬委員會

我們已遵照 GEM 上市規則第 5.34 條及企業管治常規守則第 B1.2 段的規定，根據董事於 2018 年 1 月 5 日通過的決議案設立薪酬委員會，並制定書面職權範圍。薪酬委員會的主要職責為檢討及批准管理層的薪酬建議、就董事及高級管理層的薪酬待遇向董事會提供推薦建議以及確保概無董事釐定彼等本身的薪酬。

本公司網站 www.treeholdings.com 提供職權範圍的公開資料。

目前，薪酬委員會由執行董事徐穎德先生及兩名獨立非執行董事楊文忠先生及薛海華先生組成。薛海華先生為薪酬委員會主席。

於 2019 財政年度，委員會於 2018 年 6 月 13 日舉行一次會議，全體委員會成員均出席。

提名委員會

我們已遵照企業管治常規守則第 A5.2 段的規定，根據董事於 2018 年 1 月 5 日通過的決議案設立提名委員會，並制定書面職權範圍。職權範圍已於 2019 年 1 月 4 日就更新 GEM 上市規則進行修訂及重述。提名委員會的主要職責為審查董事會架構、規模及成員組合，以及挑選獲提名出任董事的人士或就此提供推薦建議。

目前，提名委員會由主席兼非執行董事唐登先生、執行董事 Mary Kathleen Babington 女士及三名獨立非執行董事楊文忠先生、薛海華先生及曾偉賢先生組成。唐登先生為提名委員會主席。

本公司網站 www.treeholdings.com 提供職權範圍的公開資料。

於 2019 財政年度，委員會於 2018 年 6 月 13 日舉行一次會議，全體委員會成員均出席。

CORPORATE GOVERNANCE REPORT

企業管治報告

EXTERNAL AUDITOR

For FY2019, Grant Thornton was engaged as the Group's independent auditor. Apart from the provision of annual audit services, Grant Thornton also provided the non-audit services to the Company.

For FY2019, the remuneration paid or payable to Grant Thornton in respect of audit and non-audit services provided is set out below:

Category of services		2019
服務類別		2019年
		HK\$'000
		千港元
Audit services	審核服務	600
Non-audit services	非審核服務	22

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board is committed to provide a balanced, clear and comprehensive assessment of the Group's performance, position and prospects in annual, interim and quarterly reports, and other financial disclosures required by the GEM Listing Rules. The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group which give a true and fair view of the state of affairs of the Company and the Group's results and cash flows for FY2019 and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards.

The management will provide the Board with monthly updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules.

The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

In addition, Grant Thornton has stated in the Independent Auditor's Report its reporting responsibilities on the Company's consolidated financial statements for FY2019.

外聘核數師

於2019財政年度，致同獲委聘為本集團之獨立核數師。除提供年度審核服務外，致同亦為本公司提供非審核服務。

於2019財政年度，就致同所提供之審核及非審核服務已付或應付致同的酬金載列如下：

董事及核數師就綜合財務報表須承擔的責任

董事會致力於年度、中期及季度報告以及GEM上市規則規定的其他財務披露資料中平衡、清晰及全面評核本集團之表現、情況及前景。董事知悉彼等負責編製能真實而公平地反映本公司之事務狀況及本集團於2019財政年度之業績及現金流量，以及根據適用的法定規定及會計準則按持續經營基準妥善編製的本集團綜合財務報表。

管理層將每月向董事會提供最新資料，內容有關本集團的表現、情況及前景的公平且容易理解的評估，足以讓董事會整體及各董事履行GEM上市規則第5.01條及第十七章所規定的職責。

董事並不知悉有關可能對本公司持續經營的能力具有重大疑問的事件或情況存在任何重大不確定因素。

此外，致同已於獨立核數師報告中表明其就本公司於2019財政年度之綜合財務報表承擔的申報責任。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the establishment, maintenance and review of the Group's system of internal controls and risk assessment. A review of internal controls systems of different operations was conducted by an independent external risk advisory firm to ensure the effectiveness and adequacy internal controls system.

The Board considered the internal controls system of the Group to be adequate and effective for FY2019. The Board also conducted a review of the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programs and budget which are considered to be adequate for FY2019.

DISCLOSURE OF INSIDE INFORMATION

The Company acknowledges its responsibilities under the SFO and the GEM Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision.

The Company has established and maintained the procedures and internal controls for the handling and dissemination inside information. The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.46 to 5.67 of the GEM Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. The Group has strictly prohibited unauthorised use of confidential or insider information or any use of such information for the advantage of himself or others. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the GEM Listing Rules will be announced on the respective websites of GEM and the Company in due course.

風險管理及內部監控

董事會負責設立、維持及檢討本集團的內部監控及風險評估體系。不同業務內部監控體系由一間獨立外聘風險顧問公司進行審閱，以確保內部監控體系有效及充分。

董事會認為，本集團於2019財政年度之內部監控體系充分有效。董事會亦已審閱本集團於會計及財務申報職能方面的資源、員工資歷及經驗是否足夠，並已審閱於2019財政年度被視為充足之培訓課程及預算是否充足。

披露內幕消息

本公司知悉其根據證券及期貨條例及GEM上市規則應履行的責任，首要原則為內幕消息在成為有關決定所涉及主要事項時隨即公佈。

本公司已設立及維持處理及發佈內幕消息的程序及內部監控。本公司已根據GEM上市規則第5.46至5.67條就董事進行本公司證券交易採納一套行為守則。本集團內可能擁有本公司的內幕消息的其他僱員亦須受制於買賣限制。本集團嚴禁未經授權使用保密或內幕消息，或為個人或他人利益而使用有關消息。任何內幕消息及可能構成內幕消息的任何資料均須及時識別、評估及上報董事會，由董事會決定是否有需要作出披露。內幕消息及根據GEM上市規則須予披露的其他資料將於適當時候在GEM及本公司各自的網站內公佈。

CORPORATE GOVERNANCE REPORT 企業管治報告

COMPANY SECRETARY

Mr. Lam Yiu Cho (林耀祖), aged 37, is our Company Secretary. He joined our Group in March 2016. The biographical details of Mr. Lam are set out under the section headed “Directors and Senior Management”.

The primary duties of the Company Secretary include, but are not limited to, the following: (i) to ensure the Board procedures are followed and that the activities of the Board are carried out efficiently and effectively; (ii) to assist the Chairman to prepare agendas and Board papers for meetings and disseminate such documents to the Directors and Board committees in a timely manner; (iii) to timely disseminate announcements and information relating to the Group; and (iv) to maintain formal minutes of the Board meetings and other Board committee meetings.

During FY2019, the Company Secretary of the Company had confirmed that he had taken no less than 15 hours of relevant professional training the accordance with Rule 5.15 of the GEM Listing Rules.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An AGM of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an AGM, shall be called an extraordinary general meeting (the “EGM”).

Procedures for Shareholders to convene an extraordinary general meeting

Pursuant to the Article 64 of the Articles, EGMs shall 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 two 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.

The requisition must state clearly the name of the Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene the EGM and the proposed agenda.

Procedures for Shareholders to send enquires to the Board

Shareholders may send their written enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong.

公司秘書

林耀祖先生，37歲，為我們的公司秘書。彼於2016年3月加入本集團。有關林先生履歷詳情載於「董事及高級管理層」一節。

公司秘書的主要職責包括(但不限於)以下各項：(i) 確保遵守董事會程序以及高效及有效地進行董事會的活動；(ii) 協助主席編製議程及董事會會議文件，並及時向董事及董事委員會派發有關文件；(iii) 及時發佈公佈及有關本集團的資料；及(iv) 保存董事會會議及其他董事委員會會議的正式會議記錄。

於2019財政年度，本公司的公司秘書已確認，彼已根據GEM上市規則第5.15條接受不少於15小時的相關專業培訓。

股東權利

本公司之股東大會提供機會讓股東與董事會彼此溝通。本公司之股東週年大會將於每年董事會可能釐定之地點舉行。股東週年大會以外之各個股東大會稱為股東特別大會(「股東特別大會」)。

股東召開股東特別大會之程序

根據細則第64條，股東特別大會可由於提出要求當日持有附帶權利可在股東大會上投票之本公司繳足股本不少於十分之一的一名或多名股東召開。有關要求須以書面形式向董事會或秘書提出，藉以要求董事會召開股東特別大會以處理有關要求所指明之任何事務。有關會議須在提出有關要求後兩個月內舉行。倘在提出有關要求起計21日內董事會未能召開有關會議，則請求人可自行以相同方式召開會議，而請求人因董事會未能召開會議而招致的所有合理費用，將由本公司向請求人償付。

請求書必須清楚列明有關股東之姓名、其於本公司持有之股權、召開股東特別大會的原因及建議議程。

股東向董事會發出查詢的程序

股東可將彼等向董事會提出的任何書面查詢或關注事項郵寄至本公司的香港主要營業地點。

CORPORATE GOVERNANCE REPORT 企業管治報告

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board has the overall responsibility to ensure that the Company maintains on-going dialogue with Shareholders and in particular, use AGM or other meetings to communicate with Shareholders and encourage their participation.

Information will be communicated to the Shareholders, investors and other stakeholders through convening the AGM or general meetings, publication of annual, interim and quarterly reports, notices, announcements, circulars as well as all the disclosures submitted to the respective websites of GEM and the Company.

CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during FY2019.

A copy of the Memorandum and Articles of Association of the Company is posted on the website of the Company and the Stock Exchange.

DIVIDEND POLICY

The Company's dividend policy aims to allow Shareholders to participate in the Company's profit and for the Company to retain adequate reserves for the its future growth. In proposing any dividend, the Company would consider various factors including but not limited to (i) the Group's financial results, (ii) the financial condition of the Group, (iii) the Group's working capital requirements, capital expenditure requirements and future expansion plans, (iv) the Group's liquidity position, (v) economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group and (vi) any other factors that our Board may consider appropriate.

There is no assurance that dividends will be paid in any particular amount for any given period.

According to the Company's Articles and the Companies Ordinance, dividends must be paid in cash or be satisfied wholly or partly in the form of allotment of shares of the Company. The Board may consider the issuance of bonus shares on a basis permitted by the applicable laws and regulations.

The Board will continually review the dividend policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time.

與股東及投資者溝通

董事會全面負責確保本公司與股東持續對話，尤其是藉股東週年大會或其他會議與股東溝通，並鼓勵彼等參與。

本公司將通過召開股東週年大會或股東大會、刊發年度、中期及季度報告、通告、公佈、通函以及於GEM及本公司各自網站上載所有披露資料，向股東、投資者及其他權益持有人傳達資訊。

章程文件

於2019財政年度，本公司的章程文件並無任何變動。

本公司組織章程大綱的副本於本公司及聯交所網站上刊載。

股息政策

本公司的股息政策旨在讓股東得以分享本公司的利潤，同時讓本公司預留足夠儲備供其日後發展之用。在建議宣派股息時，本公司會考慮多項因素，包括但不限於(i)本集團的財務業績；(ii)本集團的財務狀況；(iii)本集團的營運資金要求、資本開支需求及未來擴展計劃；(iv)本集團的流動資金狀況；(v)其他可能對本集團業務或財務表現及狀況有影響的內在或外在因素；及(vi)董事會可能認為適當的任何其他因素。

概不保證在任何特定期間內將以任何特定金額支付股息。

根據本公司細則及公司條例，股息必須以現金支付，或全部或部分以配發本公司股份的形式支付。董事會可考慮在適用法律及法規所允許的基準發行紅股。

董事會將持續檢討股息政策並保留權利全權酌情隨時更新、修訂、修改及／或註銷股息政策。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SCOPE OF THE REPORT

The Environmental, Social and Governance (“ESG”) Report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” in Appendix 20 to the GEM Listing Rules. The ESG Report summarises our ESG performance, and covers our management policies, mechanisms and measures in place during FY2019 with respect to environmental protection, emission reduction, safe workplace, personnel training and drills, supply chain management and community investment and engagement. Focuses are placed on certain aspects closely relevant to our Shareholders and stakeholders, and our full commitment to sustainable development of the Group as a whole.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

“Putting our heart into everything we do” is much more than a slogan but the fundamental business values of Tree Holdings Limited. From the way we work with our suppliers and our staff, to our efforts in giving back to the community and environment, and to the way we look after our customers, we do these all from our heart. We believe a sustainable business should have a positive social, economic and environmental impact on the local community in which we operate.

Section A: Environmental

Putting our heart to reducing the environmental footprint from our business operations for protecting our environment is the fundamental business value of Tree Holdings Limited. Our dedicated efforts were proven effective as there was no material issue of non-compliance with relevant laws and regulations related to the environment for FY2019.

Emissions

Our business is closely related to the environment. Environmental protection and emissions reduction are always the top priority at the Group. The emissions data, which includes both the air emissions and greenhouse gas emissions, is measured for better understanding our environmental impacts and taking meaningful actions in the future. To present a comprehensive emission overview, we compared the emission figures and emission intensity in FY2018 to those of FY2019.

報告範圍

環境、社會及管治(「環境、社會及管治」)報告已根據GEM上市規則附錄20「環境、社會及管治報告指引」編製。本環境、社會及管治報告概述我們的環境、社會及管治表現，並涵蓋我們於2019財政年度內就環境保護、減排、工作環境安全、人才培訓及訓練、供應鏈管理以及社區投入與參與等方面均有配套的管理政策、機制及措施。有關報告主要集中匯報對我們股東及權益人切身相關的若干層面，致力在本集團整體營運全面履行可持續發展。

環境、社會及管治報告

「全心全意，全情投入」不僅是一個口號，更是齊家控股有限公司的基本企業價值。從我們與供應商及員工的合作方式，到我們回饋社區及環境，以至我們照顧客戶的方式，我們均是從內心出發。我們認為，可持續發展的企業應對我們經營的當地社區產生積極的社會、經濟及環境影響。

A部分：環境

致力減少我們業務運營的環境足跡，以保護我們的環境，是齊家控股有限公司的基本企業價值。於2019財政年度並無發現涉及環境相關法律及規例的重大不合規情況，證明本集團所付出努力並無白費。

排放

本集團業務與環境息息相關。環保與減排一直是本集團首要之選。為更了解本集團對環保方面的影響，以便將來可作出意義重大的行動，本集團已計量排放物數據，當中計及污染空氣的排放物及溫室氣體排放物。為提呈全面的排放概覽，我們將2018財政年度的排放數據及排放密度與2019財政年度者進行比較。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

Air Emissions

The Group's emissions of air pollutants, which include nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and respiratory suspended particles ("RSP"), are mainly generated by usage of vehicles for delivery. In measurable terms, our operations produced approximately 220 kg of air emissions in FY2019¹, which shows a slight increase by approximately 5% compared with approximately 209 kg of air emissions in FY2018. The increase in air emissions was mainly attributed to the growth of the Group's shipping and delivery services. Although the number of delivery orders received is out of the Group's control, the Group successfully suppressed the emissions of air pollutants by delivering its products in bulk and utilizing the capacity of vehicles.

Greenhouse Gas Emissions

With the 3Rs principle, we are pleased to report that our efforts in continuous monitoring and control of greenhouse gas emissions paid off. Our operations produced approximately 319 tonnes of carbon dioxide equivalent, and our carbon intensity per employee was amounted to be approximately 4 tonnes of carbon dioxide equivalent per employee. We have successfully reduced both our total greenhouse gas emissions and our carbon intensity per employee, by approximately 7% and 19% respectively².

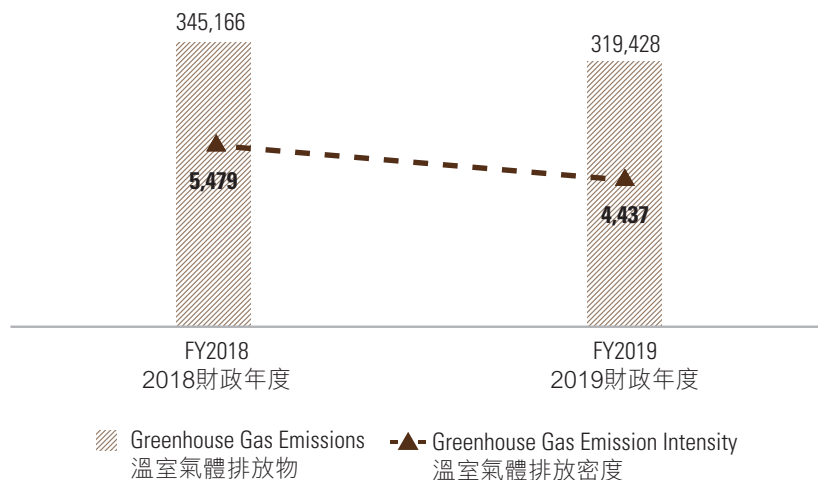
污染空氣的排放物

本集團排放的空氣污染物包括氮氧化物(「NO_x」)、硫氧化物(「SO_x」)及可吸入懸浮粒子(「RSP」)，主要因使用汽車交付貨物而產生。從可計量角度來看，我們的業務於2019財政年度¹產生約220公斤污染空氣的排放物，較2018財政年度的約209公斤的污染空氣的排放物輕微增加約5%。污染空氣的排放物增加主要由於本集團的航運及交付服務增長。儘管收到的交付訂單數量超出本集團的控制範圍，但本集團通過批量交付產品及利用車輛容量成功抑制空氣污染物的排放。

溫室氣體排放物

根據3R原則，我們欣然呈報我們在持續監測及控制溫室氣體排放物方面取得成效。我們的業務產生約319公噸二氧化碳當量，按每名僱員計算的碳排放密度約為4公噸二氧化碳當量。我們成功將我們的溫室氣體排放物總量及每位僱員的碳排放密度分別降低約7%及19%²。

Greenhouse Gas Emissions (in kg) 溫室氣體排放物(公斤)



¹ By estimating the travelling distance based on the units of fuel consumed by the vehicles, using the "Transport – Energy Utilization Index" issued by Electrical and Mechanical Services Department at https://ecib.emsd.gov.hk/en/indicator_trp.htm.

² Adjustment was made to the greenhouse gas emission in the Year 2017/18, because the data of the carbon emission factor of electricity consumption as well as the unit electricity consumption of processing fresh water and sewage were not yet updated by the relevant provider of electricity and the government departments at the time of preparation of the ESG Report of the Year 2017/18, and the data of the carbon emission factor of electricity consumption, and the unit electricity consumption of processing fresh water and sewage in the Year 2014/15 and 2015/16 were taken as reasonable estimate for the data in the Year 2017/18.

¹ 根據車輛消耗的燃料單位，並使用機電工程署於 https://ecib.emsd.gov.hk/tc/indicator_trp.htm 發佈的「運輸—能源使用指數」估計行駛距離。

² 我們調整2017/18年度的溫室氣體排放量，因為相關電力供應商及政府部門在編製2017/18年度環境、社會及管治報告時尚未更新用電碳排放因素的數據以及處理淡水及污水的單位用電量，而2014/15年度及2015/16年度用電碳排放因素數據以及處理淡水及污水的單位用電量被用作2017/18年度數據的合理估計。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

The emissions of greenhouse gases are classified into three separate categories as below:

Category 1: Direct emissions from the usage of fuels by our vehicles

Category 2: Energy indirect emissions³

Category 3: Indirect emissions due to electricity used for fresh water⁴ and sewage⁵ processing, and business travel by employees, and methane gas generation at landfill in Hong Kong due to disposal of paper waste

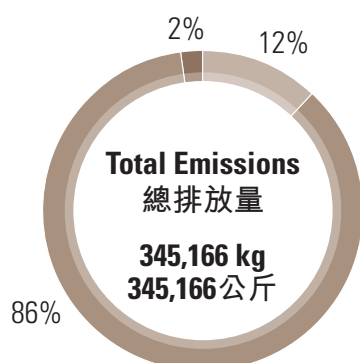
溫室氣體排放分為以下三個獨立的類別：

類別1：我們車輛使用燃料的直接排放

類別2：能源間接排放³

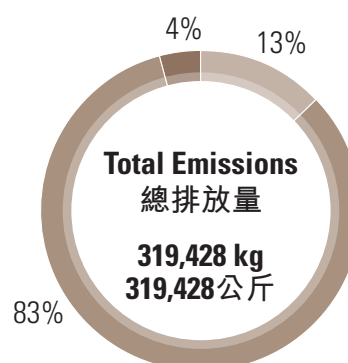
類別3：因用於淡水⁴及污水⁵處理以及僱員乘坐飛機出差的電力而產生的間接排放，以及因處理廢紙而在香港堆填區產生的沼氣

Greenhouse Gas Emissions by Category
按類別劃分的溫室氣體排放
FY2018
2018財政年度



■ Category 1 類別1
■ Category 2 類別2
■ Category 3 類別3

Greenhouse Gas Emissions by Category
按類別劃分的溫室氣體排放
FY2019
2019財政年度



■ Category 1 類別1
■ Category 2 類別2
■ Category 3 類別3

³ The carbon emission of China Light and Power (“CLP”) was 0.66 kg CO₂e/ kWh for the year 2018; and the carbon emission of Hong Kong Electric was 0.80 kg CO₂e/ kWh for the year 2018.

⁴ For fresh water processing, according to the 2016/17 Annual Report of Water Supplies Department, its unit electricity consumption was 0.575 kWh/m³. Until the date of preparation of this report, there has been no updated data provided yet, and the unit electricity consumption in 2016/17 was taken as a reasonable estimate for the data in 2018/19.

⁵ For sewage processing, as shown on the webpage of Drainage Services Department, its unit electricity consumption was 0.31 kWh/m³ for the year 2017/18. Until the date of preparation of this report, there has been no updated data provided yet, and the unit electricity consumption in 2017/18 was taken as a reasonable estimate for the data in 2018/19.

³ 中電(「中電」)的碳排放量為2018年度的0.66公斤二氧化碳當量／千瓦時，而港燈的碳排放量為2018年度的0.80公斤二氧化碳當量／千瓦時。

⁴ 就淡水處理而言，根據水務署2016/17年年報，單位用電量為0.575千瓦時／立方米。直至本報告編製之日，尚未提供更新數據，而2016/17年度單位用電量被用作2018/19年度數據的合理估計。

⁵ 就污水處理而言，如渠務署網頁所示，2017/18年度單位用電量為0.31千瓦時／立方米。直至本報告編製之日，尚未提供更新數據，而2017/18年度單位用電量被用作2018/19年度數據的合理估計。

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We experienced increases in both category 1 and category 3 emissions of greenhouse gases due to more frequently trading. Nevertheless, we experienced a significant drop in category 2 emission of greenhouse gases. We believe that the major reason for the decrease is due to the cessation of our store in Sai Kung. Apart from the cessation of our store in Sai Kung, we have also implemented certain ways to promote electricity saving in our office, retail stores and warehouse, such as introducing energy saving options (e.g. compact fluorescent lamps) and display of reminders to employees for switching off any idle electricity appliances. As a result of significant decrease in category 2 emissions of greenhouse gases, we successfully reduced our total greenhouse gas emissions by approximately 7% in FY2019, as compared with the total greenhouse gas emission of FY2018.

Waste Management

The principal operating activities of the Group involve (i) sales and distribution of furniture and home accessories; (ii) consignment sales (being products consigned from Independent Third Parties for sale in the Group's retail stores); (iii) distribution and licencing of the Group's intellectual property rights; (iv) provision of styling and consulting services; and (v) operation of TREE Café in the Flagship Store. The business operations of the Group produce no hazardous waste, e.g. chemical wastes, clinical wastes and hazardous chemicals.

The only measurable output of our non-hazardous waste in FY2019 was mainly paper waste, which amounted to approximately 733 kg. Compared with FY2018's figure, the total paper waste produced has increased by approximately 15%. The increase in paper consumption is mainly attributable to for the increase of 9 employees in FY2019. With a total of 72 employees, the paper waste produced by each of our employees was approximately 10 kg during FY2019, which is approximately the same as FY2018's figure. We have implemented different measures to reduce paper waste by encouraging double-sided printing, with single-side-printed paper collected for re-use. Since January 2018, an external recycling company has been engaged for further waste reduction. We would continue to strive to reduce paper consumption in the future.

由於貿易更頻繁，我們類別1及類別3的溫室氣體排放均增加。然而，我們類別2的溫室氣體排放顯著減少。我們認為該減少的主要原因是由於我們的西貢店停止營業所致。除西貢店停止營業外，我們亦已採取若干方法促進辦公室、零售店及倉庫節約用電，選用節能電器，例如慳電膽，並提醒僱員關閉任何閒置的電器。由於類別2的溫室氣體排放顯著減少，與2018財政年度的溫室氣體排放總量相比，我們於2019財政年度成功將溫室氣體總排放總量減少約7%。

廢棄物管理

本集團的主要經營活動包括(i)銷售及分銷家具及家居配飾；(ii)寄售(由獨立第三方委託在本集團零售店寄售產品)；(iii)分銷及許可使用本集團的知識產權；(iv)提供設計及諮詢服務；及(v)在旗艦店經營TREE Café。本集團經營業務時，不會產生化學廢料、醫療廢物及有害化學品等有害廢棄物。

於2019財政年度，無害廢棄物總量當中，唯一產出量可計量的主要是廢紙，約有733公斤。與2018財政年度的數據相比，產生的廢紙總量增加約15%。紙張消耗量增加主要由於2019財政年度增加九名僱員。本公司共有72名僱員，2019財政年度每名僱員產生的廢紙約為10公斤，與2018財政年度的數據大致相同。我們已實施不同措施，通過鼓勵雙面列印以減少紙張浪費，單面打印紙被收集再用。自2018年1月以來，我們一直與一家外部回收公司合作，致力進一步減少廢棄物。未來我們會繼續努力減少紙張消耗。

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Use of Resources

The Group is committed to becoming a resource-saving and environment-friendly enterprise to promote environmental protection. Reducing, which is one of the 3Rs principles, is promoted and communicated to our employees in the aspect of use of resources.

Energy Consumption

The total energy consumption for FY2019 was approximately 336,894 kWh, which dropped by around 10% when compared with that of the FY2018. The electricity consumption intensity, which is calculated by dividing the electricity consumption by the number of employees, was 4,679 kWh for FY2019, which showed a reduction by around 21% compared with FY2018. The reduction in electricity usage was attributable to the cessation of our Sai Kung store in May 2018.

Water Consumption

As operation of TREE Café in our Flagship Store is also one of our major businesses, reduction in water consumption is at our top priority as we treasure our water resources. Café staff are educated not to keep the tap open when doing the washing up. Our water consumption was approximately 333 cubic meters during FY2019. When compared with that of the preceding year, water consumption increased by around 9%. The per employee water consumption was around 5 cubic meters during FY2019, which approximately remained unchanged as compared to FY2018.

Paper Usage

Efficiency in usage of paper has been promoted and communicated to our staff. We encourage using electronic documents to replace paper-form hardcopies, and printing with double-sided paper. The used single-sided paper is collected for reuse. The paper usage was approximately 733 kg in FY2019, which increased by approximately 15% when compared with that of the preceding year. The increase was mainly attributed to the increase in the number of employees. The paper usage per employee was approximately 10 kg during FY2019, which approximately remained unchanged when compared with FY2018.

Packaging Materials

Generally, no packaging materials are used for the furniture and home accessories sold at shops. There are only some plastic films used during the delivery process. However, the usage of packaging material is hard to estimate due to the availability of limited information, and the usage of packaging material is considered as immaterial, so no disclosure is made regarding the usage of packaging materials.

Shopping Bag

For environmental saving, we promote “bring your own bag” at shops. However, in case customers do not have their own bags with them, we would provide tote bags, which were in 100% cotton.

資源使用

本集團致力成為一家節約資源的環保企業，促進環保。減少(3R原則之一)在資源使用方面得到推廣並傳達予我們的僱員。

能源消耗

於2019財政年度，能源消耗總量約為336,894千瓦時，與2018財政年度相比減少約10%。於2019財政年度，能源消耗密度(以能源消耗量除以僱員人數計算)為4,679千瓦時，較2018財政年度減少約21%。電力使用量減少乃由於我們的西貢店於2018年5月停止營業。

耗水

由於旗艦店TREE Café的營運亦是我們的主要業務之一，因此減少耗水是我們的首要任務，因為我們珍惜水資源。有關員工已接受培訓，在洗餐具時不要長開水龍頭。我們於2019財政年度的用水量約為333立方米。與2018財政年度相比，耗水量增加約9%。於2019財政年度，僱員人均用水量約為5立方米，與去年相比大致維持不變。

紙張使用

本公司提高紙張的使用效率，並已向我們的員工傳達有關訊息。我們鼓勵使用電子文件代替紙質文件，並用雙面紙列印。我們收集使用過的單面紙以便重複使用。於2019財政年度，紙張使用量約為733公斤，較上一年度增加約15%。該增加的主要原因為僱員人數增加。2019財政年度每名僱員的紙張使用量約為10公斤，與2018財政年度相比大致維持不變。

包裝物料

一般而言，商店出售的家具及家居配飾不使用包裝物料。在交付過程中僅使用一些塑膠薄膜。然而，由於可得資料有限，難以估計包裝物料的使用量，且包裝物料的使用量被視為不重大，因此並未披露包裝物料的使用情況。

購物袋

為保護環境，我們在商店提倡「自攜購物袋」。然而，倘若客戶並未自備購物袋，我們會提供100%棉質的大手提袋。

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The Environment and Natural Resources

The Group believes that corporate development should not come at the expense of the environment. Therefore, we have been adopting environmentally friendly practice in various aspects. For example, we invested in the acquisition of compact fluorescent lamps (CFLs) for replacing the traditional light bulbs, engaged an external recycling company to uphold recycling of wastes, and educated our employees on the importance of environmental protection.

During FY2019, we have been awarded a Certification of Merit of 2018 Hong Kong Awards for Environmental Excellence, which was organised by the Environmental Campaign Committee (ECC) alongside the Environmental Protection Department and in conjunction with nine organisations, including the Advisory Council on the Environment and Business Environment Council. This award affirmed our commitment and effort in implementing the environmental management. The Group would continue to adopt environmentally friendly practice in various aspects in the future.

With the Group's determination in minimizing the impacts of our operations on the environment, we have successfully achieved the followings:

環境及天然資源

本集團認為，企業發展不應以破壞環境為代價。因此，我們已在各方面採取環保做法。例如，我們使用慳電膽，取代傳統燈泡，聘請外部回收公司以支持回收廢棄物，並教育僱員環保的重要性。

於2019財政年度，我們獲得2018年香港環境卓越大獎優異獎的認證，該獎項由環境運動委員會及環境保護署舉辦，並與九個組織合作，包括環境諮詢委員會及商界環保協會。此獎項肯定我們在實施環境管理方面的承諾及工作。本集團未來將繼續在各方面採取環保做法。

本集團決心將我們業務對環境的影響盡量減低，我們已成功實現以下目標：

Aspects 方面	Achievements 成就
Greenhouse Gas Emissions 溫室氣體排放	<ul style="list-style-type: none"> Reduce GHG emissions by around 7% Reduce GHG emissions per employee by around 19% 將溫室氣體排放量減少約7% 將每名僱員的溫室氣體排放量減少約19%
Energy Consumption 能源消耗	<ul style="list-style-type: none"> Reduce annual energy consumption by around 10% Reduce electricity consumption per employee by around 21% 將每年的能源消耗減少約10% 將每名僱員的用電量減少約21%

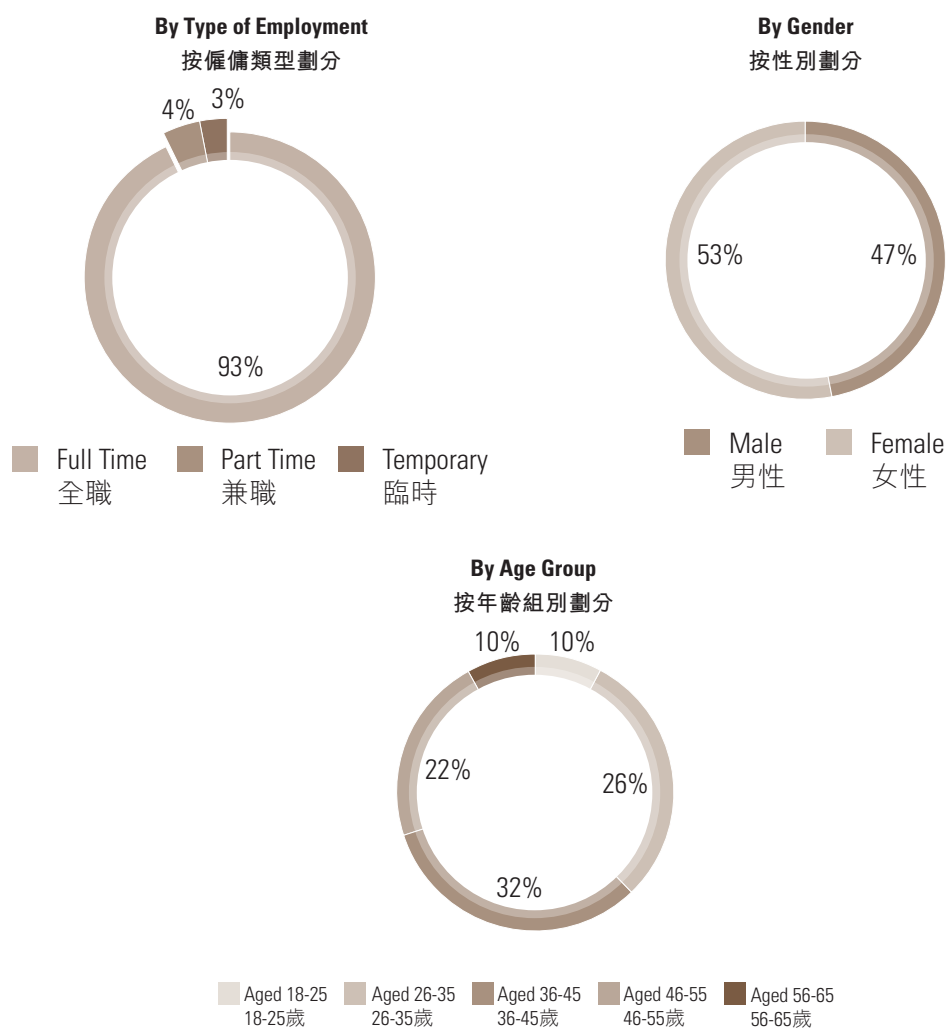
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

Section B: Social — Employment and Labour Practices Employment

Employees are always treasured as the most valuable assets of our Group, serving our Group by heart and helping us to achieve every success. They do not only serve our customers with patience, but also contribute innovative ideas to help attain our business targets. Together we gain a new level of achievement, and together we build a warm family.

Our Employees

Our family TREE consisted of 72 members as at 31 March 2019, and the composition of our members is set out below:



We believe that our diverse, but yet, inclusive workforce enhances our business by enabling innovative ideas and better communication.

B 部分：社會 — 僱傭及勞工常規 僱傭

僱員一直是本集團最寶貴的資產，彼等全心為本集團服務，幫助我們達致成功。彼等不僅耐心服務我們的客戶，而且提供創新的想法，以幫助我們達成業務目標。我們一起取得新的成就，一起建立溫暖的家庭。

我們的僱員

於2019年3月31日，我們TREE家庭由72名成員組成，成員組成載列如下：

我們相信，通過創新想法及更有效溝通，我們多元化但包容的員工團隊可加強我們的業務。

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Employee Benefits

We offer comprehensive employee benefits package for all our dedicated and talented family TREE members. They are compensated fairly according to their contribution, with reference to the market practice. Bonuses may be awarded based on employees' and the Group's performance. Staff's performance is reviewed and assessed semi-annually, in the light of enhancing the strengths and addressing the development needs of each of them, so that employees can succeed in their job and build a career with us at TREE. Promotion decisions are made based on careful consideration of job responsibilities together with each individual's qualifications, relevant experience and performance, conduct and potential. Promotion and salary increment are rewarded to all contributing staff.

In addition, we contribute to the Mandatory Provident Fund and employees' compensation insurance with reference to the Employment Ordinance of Hong Kong. We also provide medical fee reimbursement to employees for the sake of reducing their financial burden. Employees also enjoy discounts at TREE for both retail and Café.

We love every family TREE member, and we are happy to see them turning into a new page of life, so a gift of HK\$1,000 is given to them as marriage gift.

Harmonious Workspace

We strive for building a harmonious and inclusive working environment, free from any harassment and discrimination. We promote understanding and awareness of Non-Discrimination, Anti-Harassment and Non-Bully Policies by communicating these in the team meetings and in the employment handbook. We ensure equal employment opportunity for our family TREE members, regardless of their race, colour, religion, age, gender, sexual orientation, national origin, citizenship, disability, marital status or any other characteristics. Our equal employment opportunity policy is applicable towards our recruitment, training and development, recognition and reward, and termination and dismissal.

僱員福利

我們為所有勤勉盡責及有才華的TREE成員提供全面的僱員福利。彼等根據自己的貢獻，並參照市場做法獲得公平補償。僱員可根據其自身及本集團的表現獲發花紅。我們每半年對員工的表現進行審閱及評估，以增強員工能力並滿足彼等各自的發展需要，從而使僱員能成功完成工作並與我們一起在TREE發展事業。晉升決定乃根據審慎考慮工作職責、個人的資歷、相關經驗及表現、行為及潛力作出。所有作出貢獻的員工可獲晉升及加薪以作獎勵。

此外，根據《香港僱傭條例》，我們為強制性公積金及僱員補償保險作出供款。我們亦為僱員提供醫療費用報銷，以減輕其經濟負擔。僱員亦可享有TREE零售店及咖啡廳的折扣優惠。

我們愛護TREE的每一位家庭成員，很高興看到彼等的生活翻開新一頁，因此，每位成員結婚時，均可獲贈價值1,000港元的禮物。

和諧的工作環境

我們致力營造和諧包容的工作環境，不受任何騷擾及歧視。本集團通過在小組會議及僱員手冊促進員工了解及認識不歧視、反騷擾及不欺凌政策。我們確保TREE的家庭成員均有平等的就業機會，不論其種族、膚色、宗教、年齡、性別、性取向、原有國籍、公民身份、殘疾、婚姻狀態或任何其他特徵。我們的平等就業機會政策適用於招聘、培訓及發展、表彰及獎勵、以及終止僱傭合約及解僱。

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Health and Safety

The Group is committed to providing a safe working environment for its employees, and it aims not only to meet the minimum occupational health and safety standards required by law, but to exceed them. An operations manual about manual lifting and handling of materials is established and distributed to the relevant employees. The correct method of lifting, as well as some simple back care exercises are explained in words and pictures in the operations manual, so that our family TREE members can better avoid back pain and work injury. Moreover, we do our best to ensure all employees involved in manual lifting and handling in the daily operations do receive relevant training delivered by the Occupational Safety and Health Council (OSHC), in the light of protecting them from any occupational hazards.

We have two registered First Aiders working at the Flagship Store, i.e. the Human Resources Manager and a Sales Officer. In case of occurrence of accident or injury, they can provide assistance immediately. The employees' compensation insurance policies are closely monitored and regularly adjusted according to the headcounts. In case of occurrence of work injuries, the relevant employees would receive reimbursements of medical expenses by the insurance company.

During FY2019, 3 employees were involved in work injuries, and a total of 79 lost working hours were recorded. When compared with FY2018, in which 4 employees were involved in work injuries and a total of 976 lost working hours were recorded, our efforts in promoting employees' awareness over workplace safety has paid off. Looking ahead, we will continue to promote occupational health and safety to protect our employees, and avoid any work injury or accident by all applicable means.

Development and Training

We encourage employees to continue learning and growing. We particularly encourage employees to learn by reviewing their own performance, and set goals for themselves to achieve. At TREE, for the sales team, we have set-up a "One on One" meeting to help facilitate two-way communication for the sale of employees' growth and development. The "One on One" meetings take place between employees and their manager every 8 to 12 weeks. During the meetings, employees are required to review their own performance on customer service, sales performance etc. Managers provide feedbacks and comments to the employees for them to improve their skill set. Together, they set up goals at every "One on One" meeting, and review the outcomes and explore ways to further improve their performance.

From time to time, there are internal training sessions held to improve our employees' skills and knowledge about our products, customer services and the wood we use for our products, etc. Whenever we have new promotion and new event, trainings session is organised to brief all responsible staff regarding the arrangements, so as to ensure that we provide quality services to our customers.

健康及安全

本集團致力於為僱員提供安全的工作環境，其目標不僅是符合法律要求的最低職業健康及安全標準，而是超越該等標準。我們已編製手動起重及搬運物料的操作手冊，分發予相關僱員。該操作手冊以文字及圖片解釋正確的起重方法，以及一些簡單的背部護理練習，使我們的TREE家庭成員能盡量避免背痛及工傷。此外，我們盡力確保所有在日常運作中涉及手動起重及搬運的僱員均接受職業安全健康局的相關培訓，以保護彼等免受任何職業危害。

我們的旗艦店有兩名註冊急救人員工作，即人力資源經理及銷售人員。倘發生事故或傷害，彼等可立即提供幫助。僱員的補償保險政策根據員工人數予以密切監察及定期調整。倘發生工傷，相關僱員會獲得保險公司的醫療費賠償。

於2019財政年度，有三名僱員涉及工傷，並錄得共79個工時損失。與2018財政年度四名僱員涉及工傷，錄得共976個工時損失相比，我們在提高僱員工作場所安全意識方面取得成效。展望未來，我們將繼續促進職業健康及安全，保障僱員，以各種適用方法避免任何工傷或事故。

發展及培訓

我們鼓勵僱員持續學習及成長。我們特別鼓勵僱員通過檢討自身表現來學習，並為自己設定目標。在TREE，我們為銷售團隊設立「一對一」會議，以幫助促進雙向溝通，以及僱員的成長及發展。經理每8至12週為僱員舉行「一對一」會議。於會議期間，僱員須檢討自身在客戶服務、銷售業績等方面的表現。經理為僱員提供回饋及意見，以便改進其技能。彼等共同在每次的「一對一」會議上制定目標、檢討結果並探索進一步改進表現的方法。

為提高僱員的技能以及對產品、客戶服務及我們產品所使用的木材等的知識，我們不時舉辦內部培訓課程。每當我們有新的促銷項目及新的活動時，會舉辦培訓課程，向所有負責的員工簡介有關安排，以確保我們向客戶提供優質服務。

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Labour Standards

The Group complies with all immigration laws and regulations. During the course of our recruitment process, documents which authenticate the applicants' identity and eligibility to work in Hong Kong is obtained and verified.

Respecting human rights has always been an integral part of the Group's mission towards sustainability. The Group fully complies with labour laws and other relevant legislation that prohibit child labour and forced labour. The Group does not employ any person below the age of eighteen at its workplace. Any act of violence, with the purposes of deliberately causing discomforts, threats and/or bodily harm as well as forcing employees to work, is strictly prohibited by the Group.

In FY2019, there was no material non-compliance with applicable laws and regulations in relation to labour standards.

Section B: Social — Operating Practices

Supply Chain Management

The Group recognises that proper management of its supply chain could bring positive impacts to the social environment. The Group implements rigorous management of its suppliers. In this regard, the Group maintains an official list of suppliers which meet the Group's procurement requirements, and makes purchase orders only with those suppliers on the official list. Moreover, the Group's merchandising team conducts regular site visits with its suppliers to ensure that its suppliers can meet the requirements of the Group.

During FY2019, the Group had a total of 43 suppliers, which are mainly located in Southeast Asia and Western Europe with diversified sources of supply, the Group aims to achieve stable supplies to support its business operations.

勞工標準

本集團遵守所有入境法律及法規。在招聘過程中，我們取得申請人身份及在香港工作資格的證明文件並予以核實。

尊重人權一直是本集團可持續發展使命的不可或缺部分。本集團完全遵守勞動法及其他禁止童工及強迫勞工的相關法律。本集團不會在工作場所僱用任何未滿18歲的人士。本集團嚴禁以故意造成不適、威脅及／或人身傷害以及強迫員工工作為目的的任何暴力行為。

於2019財政年度，本集團並無涉及有關勞動標準的適用法律及法規的重大不合規情況。

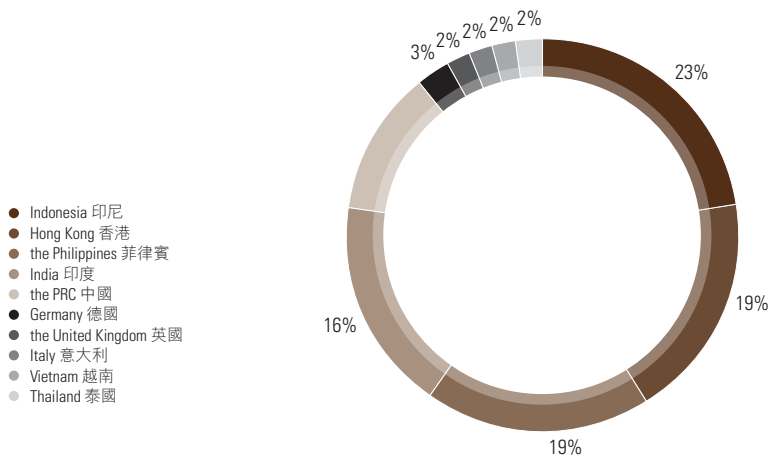
B 部分：社會 — 經營常規

供應鏈管理

本集團明白，適當管理供應鏈可對社會環境產生積極影響。本集團對其供應商實施嚴格管理。就此而言，本集團保留一份符合其採購要求的正式供應商清單，並僅向正式清單上的供應商發出採購訂單。此外，本集團的採購團隊定期對供應商進行實地考察，以確保其供應商符合本集團的要求。

於2019財政年度，本集團共有43家供應商，主要位於東南亞及西歐，供應來源多元化，本集團旨在實現穩定的供應，以支持其業務營運。

Suppliers by Geographical Region
按地區劃分的供應商



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Furthermore, the Group generally maintains a stock level which is sufficient to meet its customers' demand for a period of three months, so as to minimise risk of any supply chain disruptions.

The Group's suppliers are encouraged to demonstrate their corporate social responsibilities by complying with corporate social responsibility codes as well as business ethics, with respect to workplace operations, marketing activities, social contacts and environmental responsibilities. High standards of morality which include prohibition of provision and acceptance of bribes and other unfair benefits are adopted by the Group. Whenever there are gifts received from the customers and/or the suppliers, the relevant employees must declare the cases to the Executive Director, who should make the appropriate decision on dealing with the gifts.

Product Responsibility

Product Quality Control

The Group is committed to providing products and services with high standards of quality and reliability. For the wooden furniture, the merchandising team obtains the FSC certificates of the products in order to verify the materials used for producing the products. The Company is also a trademark license holder promoting FSC-certified finished goods. The Group requires its suppliers to do quality check for every product before delivery of the products is made, and a quality control label is then pasted to every product as evidence of the quality assurance test. The Group verifies the quality control labels for all the products shipped. Moreover, the delivery team and merchandising team perform inspections on all furniture and home accessories stored in the retail stores. If any material defects are found, full inspection on that batch of products accepted would be performed. In serious case, the Executive Director may consider requesting a replacement of the products or making claims for compensation against the suppliers.

In FY2019, there was no material non-compliance with applicable laws and regulations relating to product responsibility.

Confidentiality

The Group established an Employees' Manual which is circulated to all its employees to ensure that they are well aware of the importance of protection over customers' information. Customer information must only be used for purposes of the Group's operations in order to adequately provide quality services to its customers. Customer information must not be shared with any other parties outside the Group, without prior written approval from the customer. Verbal or written warning or reprimand would be given to the employee who treats customers' information inappropriately. The employee may be subject to dismissal in the case of serious misconduct or repeated acts of misconduct.

此外，本集團通常保持足夠的存貨水平，足以滿足其客戶三個月的需求，從而盡量減低供應鏈中斷的風險。

本集團鼓勵供應商在工作場所營運、市場推廣活動、社會聯繫及環境責任方面遵守企業社會責任準則及商業道德，以展現其企業社會責任。本集團採取高道德標準，包括禁止提供及接受賄賂以及其他不公平利益。當收到客戶及／或供應商的禮物時，相關僱員必須向執行董事申報事件，執行董事應就處理有關禮物作出適當決定。

產品責任

產品品質監控

本集團致力提供具有高標準品質及可靠的產品及服務。就木製家具而言，採購團隊獲得產品的FSC認證，以驗證產品出產中所使用的材料。本公司亦為推廣FSC認證製成品的商標許可證持有人。本集團要求供應商在每件產品交付前進行質量檢查，然後在每件產品上貼上品質監控標籤作為品質保證測試的憑證。本集團驗證所有付運產品的品質監控標籤。此外，送貨團隊及採購團隊檢查零售店所儲存的所有家具及家居配飾。倘發現任何資料瑕疵，將全面檢查該批已驗收產品。在嚴重情況下，執行董事可考慮要求更換產品或向供應商索償。

於2019財政年度，本集團並無涉及有關產品責任的適用法律及法規的重大不合規情況。

保密

本集團制定一份僱員手冊，並分發予其所有僱員，以確保彼等知悉保障客戶資料的重要性。客戶資料僅能用於本集團營運的目的，以便足以為其客戶提供優質服務。未經客戶事先書面批准，不得與本集團以外的任何其他人士共享客戶資料。本集團會對處理客戶資料不當的僱員給予口頭或書面警告或譴責。僱員嚴重行為不當或多次行為不當可被開除。

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Anti-corruption

We prohibit all forms of bribery and corruption. Employees should not solicit or accept any advantage for themselves. Directors and staff should avoid any conflicts of interest situation, at which their private interest conflicts with the Group's interest. Employees are required to make declaration through reporting to management, declaring that they uphold the Group's interest without being influenced by their private interest, when any actual or potential conflicts of interest arise.

Whistleblowing

Whistleblowing policies are included in the Employees' Manual to let employees know that they can feel free to report suspected misconduct of their colleagues, subordinates, senior management or even suppliers. They are welcome to express their concern through face-to-face conversation, email or telephone with the manager, Human Resources Manager or the Managing Director. Our management will review and take follow-up actions to investigate each and every reported misconduct case. In the case of serious misconduct, the management will report the incident to the police or the Independent Commission Against Corruption ("ICAC") if appropriate.

In FY2019, there was no concluded legal case regarding corrupt practices brought against the Group or its employees.

Section B: Social — Community

We put our heart in giving back not only to our employees and customers, but also to the environment and community. In the view of this, the Group participates and encourages its employees to participate in various community charitable activities. In FY2019, TREE mainly participated in the following activities.

Trees4Trees — supporting reforestation and improving lives of local families

TREE consistently made donation to Trees4Trees, a non-profit making foundation that empowers local community with reforestation initiatives through related education programs. In FY2019, the Group donated 2,211 trees which are planted in the community forests in Indonesia. Tree donation does not only support reforestation, but also help improve lives of the families in the local community, because Trees4Trees employs local people to accomplish reforestation and educates the locals about sustainable forest management. We love our trees resources, and we put our heart in giving back to our beautiful mother nature by planting trees.

反貪污

我們禁止一切形式的賄賂及貪污。僱員不應為其本身索取或收受利益。董事及員工應避免出現任何利益衝突的情況，即彼等的私人利益與本集團的利益發生衝突。當發生任何實際或潛在的利益衝突時，僱員須通過向管理層匯報以作出申報，表明彼等維護本集團的利益，而不受其私人利益所影響。

舉報

舉報政策包含在僱員手冊中，讓僱員知道彼等可舉報其同事、下屬、高級管理層甚至供應商的可疑不當行為。我們歡迎彼等通過與經理、人力資源經理或董事總經理的面談、電子郵件或電話以表達關注。我們的管理層將審查並採取後續行動，調查每一個經舉報的不當行為情況。倘有嚴重不當行為，在適當情況下管理層將向警方或廉政公署（「廉署」）報告有關事件。

於2019財政年度，概無針對本集團或其僱員的貪污行為的最終法律案件。

B 部分：社會 — 社區

我們不僅用心回饋僱員及客戶，亦用心回饋環境及社區。有鑒於此，本集團參與並鼓勵其僱員參與各種社區慈善活動。於2019財政年度，TREE主要參與以下活動。

Trees4Trees — 支持造林以及改善當地家庭生活

TREE對Trees4Trees進行持續捐贈，Trees4Trees為非牟利基金會，通過相關教育項目賦予當地社區造林倡議的權利。於2019財政年度，本集團捐贈2,211棵在印尼社區森林中種植的樹木。樹木捐贈不僅支持造林，而且有助改善當地社區家庭的生活，因為Trees4Trees僱用當地人來完成造林，並向當地人教育可持續的森林管理。我們熱愛樹木資源，用心種樹來回報我們美麗的大自然。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Christina Noble Children's Foundation — helping alleviate child poverty

TREE has been holding an event, namely Ladies Long Lunch, since 2016 to raise funds for the Christina Noble Children's Foundation. Christina Noble Children's Foundation is committed to help alleviate child poverty in Vietnam and Mongolia and upholding the principle that children have the inborn right to a happy and safe childhood. Apart from fund-raising, the Ladies Long Lunch event aimed to raise attention of the public toward child poverty problem in the developing countries. We put our heart in serving not only the community in which we operate, but also those in need in the planet.

Crossroads Foundation — serving global needs

Crossroads Foundation is a Hong Kong based, non-profit organisation serving global needs. TREE showed its support by participating in the charitable activity on 25 October 2018, with a total of 23 employees involved in the volunteer work, contributing a total of 92 hours of volunteer work.

Angels for Orphans — caring children in need

Angels for Orphans provides funding to improve children's lives in South East Asia, believing that every child has a right to love, happiness, education, care, shelter, food, medicine, clothing and hope. TREE showed its support by distributing the gifts at stores. And our Executive Director also participated in the gift delivery activity to show her full support.

Earth Hour — letting nature shine

TREE is committed to leading a sustainable lifestyle by supporting the Earth Hour every year since 2016. Apart from switching off the lights at 8:30 p.m. on 30 March 2019, we are also committed to letting the nature shine by minimizing our adverse impacts on the environment in our daily operations by reducing emissions and resource consumption and recycling our wastes.

REGULATORY COMPLIANCE

The Group was not aware of any non-compliance with laws and regulations that has a significant impact on the Group relating to emissions, employment, health and safety, labour standards, product responsibility and anti-corruption during FY2019.

Christina Noble Children's Foundation — 幫助緩解兒童貧困

TREE自2016年起，一直贊助Christina Noble Children's Foundation舉辦女士午餐活動，以作籌款。Christina Noble Children's Foundation致力幫助緩解越南及蒙古的兒童貧困問題，堅持兒童享有先天快樂及安全的童年權利的原則。除籌款外，女士午餐活動旨在提高發展中國家的大眾對兒童貧困問題的關注。我們不僅全心為我們所處的社區服務，而且為世界上需要幫助的社區服務。

國際十字路會 — 為全球有需要人士服務

國際十字路會為以香港為基地的非牟利組織，為全球有需要人士服務。TREE於2018年10月25日參與慈善活動，以示支持，共有23名僱員參與志願工作，共付出92小時的志願工作。

Angels for Orphans — 關懷有需要兒童

Angels for Orphans為改善東南亞兒童生活提供資金，該組織相信每個兒童均有權得到愛、幸福、教育、照顧、庇護、食物、醫藥、衣物及希望。TREE通過在店內派發禮物以示支持。我們的執行董事亦參與送禮活動，表示全力支持。

地球一小時 — 讓大自然發亮

自2016年起，TREE每年均會支持地球一小時，以致力引領可持續的生活方式。除於2019年3月30日晚上8時30分關燈外，我們亦致力於通過減少排放、資源消耗及回收廢棄物，盡量減低我們日常營運對環境的不利影響，讓大自然發亮。

法規合規性

於2019財政年度，本集團並不知悉有關排放、僱傭、健康及安全、勞工標準、產品責任及反貪污而對本集團有重大影響的嚴重不遵守法律及法規情況。

REPORT OF THE DIRECTORS

董事會報告

The Board is pleased to present its report and the audited consolidated financial statements of the Group for FY2019.

PRINCIPAL ACTIVITIES

Headquartered in Hong Kong and operating under the brand name "TREE", we engage in (i) the sale and distribution of furniture and home accessories; (ii) distribution and licence fee income; (iii) operation of TREE Café; (iv) consignment sales of home accessories and furniture agency services and (v) provision of styling and consulting services. We offer a variety of furniture including tables, chairs, storage solutions, sofas and beds; and home accessories including kitchenware, bed and bathroom related products, jars, cushions, mattresses, utensils and baskets.

At date of this Annual Report, we operated three "TREE" retail stores in Hong Kong namely, our Flagship Store, our Sha Tin store, and our Yuen Long store which opened in May 2018.

BUSINESS REVIEW

The business review of the Group for FY2019 is set out in the "Management Discussion and Analysis" of this Annual Report.

FINANCIAL RESULTS AND DIVIDENDS

The results of the Group for FY2019 and the financial position of the Company and the Group as at 31 March 2019 are set forth in the consolidated financial statements on pages 76 to 171 of this Annual Report.

The Board does not recommend the payment of a final dividend for FY2019.

董事會欣然提呈本集團於2019財政年度的報告及經審核綜合財務報表。

主要業務

本集團總部位於香港，以「TREE」品牌經營業務，並從事(i)銷售及分銷家具及家居配飾；(ii)分銷及許可權費收入；(iii)經營TREE Café；(iv)寄售家居配飾及家具代理服務；及(v)提供設計及諮詢服務。我們提供多種家具，包括桌椅、收納解決方案、沙發及床；及家居配飾，包括廚房用品、床及浴室相關產品、罐子、靠墊、床墊、器具及籃子。

於本年報日期，我們於香港經營三家「TREE」零售店，分別為旗艦店、沙田店及於2018年5月開業的元朗店。

業務回顧

本集團於2019財政年度的業務回顧載於本年報「管理層討論與分析」。

財務業績及股息

本集團於2019財政年度的業績以及本公司及本集團於2019年3月31日的財務狀況載於本年報第76至171頁的綜合財務報表。

董事會不建議派付2019財政年度的末期股息。

REPORT OF THE DIRECTORS 董事會報告

SHARE CAPITAL

As at 31 March 2019, the Company's issued share capital was HK\$15,840,000 and the number of its issued ordinary shares was 1,584,000,000 of HK\$0.01 each.

Details of the Company's share capital are set out in note 26 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

DISTRIBUTABLE RESERVES

Details of movements in the distributable reserves of the Company and of the Group during FY2019 are set out in note 29 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DONATIONS

There was no donation made by the Group during FY2019 (FY2018: approximately HK\$0.1 million).

DIRECTORS AND OFFICERS LIABILITY INSURANCE

The Company has taken out directors and officers liability insurance to cover liabilities arising from legal action against the Directors.

USE OF PROCEEDS FROM THE COMPANY'S SHARE OFFERING

The net proceeds from the Listing in January 2018, after deducting the underwriting fees, the Stock Exchange trading fee and SFC transaction levy and other listing expenses in connection with the Share Offer, were approximately HK\$20.3 million.

During the period from the Listing Date on 25 January 2018 to 31 March 2019, the Group has utilised approximately HK\$7.4 million the proceeds from the Listing for the staff costs of trainer, interior designer and project manager; the establishment of an e-commerce platform; the enhancement of the POS system; and for the leasehold improvement, marketing, deposit and rental of the Yuen Long store opened in May 2018.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group, as extracted from the Prospectus and the consolidated financial statements of the Company for the years ended 31 March 2015, 2016, 2017, 2018 and 2019 is set out on page 172 of the annual report. This summary does not form part of the audited consolidated financial statements.

股本

於2019年3月31日，本公司已發行股本為15,840,000港元，其已發行每股面值0.01港元的普通股數目為1,584,000,000股。

本公司股本詳情載於綜合財務報表附註26。

優先購股權

根據本公司細則或開曼群島法例均無優先購股權條文規定本公司須按比例向現有股東發售新股份。

可分派儲備

於2019財政年度，本公司及本集團可分派儲備變動的詳情分別載於綜合財務報表附註29及綜合權益變動表。

捐款

於2019財政年度，本集團並無作出捐款(2018財政年度：約0.1百萬港元)。

董事及高級職員責任保險

本公司已購買董事及高級職員責任保險，以承保針對董事提出的法律行動所產生的責任。

本公司股份發售所得款項用途

經扣除包銷費、聯交所交易費及證監會交易徵費以及股份發售所涉及的其他上市開支後，於2018年1月上市的所得款項淨額約為20.3百萬港元。

自上市日期2018年1月25日起至2019年3月31日止期間，本集團已動用上市所得款項約7.4百萬港元作為教練、室內設計師及項目經理的員工成本，建立電子商務平台；改善零售管理系統；以及用作租賃裝修、市場推廣及元朗店於2018年5月開業的按金及租金。

財務資料概要

摘錄自本公司招股章程及截至2015年、2016年、2017年、2018年及2019年3月31日止年度的綜合財務報表的本集團已刊發業績及資產及負債摘要，載於本年報第172頁。本概要並不構成經審核綜合財務報表的一部分。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME

The Company adopted a share option scheme on 5 January 2018 (the “**Share Option Scheme**”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules and set out below.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable our Group to grant options to the eligible participants as incentives or rewards for their contribution to our Group and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to our Group or any entity in which any member of our Group holds any equity interest (the “**Invested Entity**”).

(b) Participants

Our Directors shall, in accordance with the provisions of the Share Option Scheme and the GEM Listing Rules, be entitled but shall not be bound at any time within a period of 10 years commencing from the date of the adoption of the Share Option Scheme to make an offer for the grant of an option to any person belonging to the following classes:

- (a) any employee (whether full time or part time, including the Directors (including any Non-Executive Director and Independent Non-Executive Director)) of our Company, any of our subsidiaries (within the meaning of Companies Ordinance) or any Invested Entity (an “**Eligible Employee**”);
- (b) any supplier of goods or services to any member of our Group or any Invested Entity;
- (c) any customer of any member of our Group or any Invested Entity;
- (d) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (e) any Shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;
- (f) any adviser (professional or otherwise), consultant, individual or equity who in the opinion of our Directors has contributed or will contribute to the growth and development of our Group; and

購股權計劃

本公司於2018年1月5日採納購股權計劃(「**購股權計劃**」)。購股權計劃的條款符合GEM上市規則第23章的條文且載列如下。

(a) 購股權計劃目的

購股權計劃旨在使本集團可向合資格參與者授出購股權，作為其對本集團作出貢獻的獎勵或回報，及／或使本集團招攬及挽留高質素僱員及吸引對本集團或本集團任何成員公司擁有任何股權的任何實體(「**投資實體**」)具價值的人才。

(b) 參與者

按照購股權計劃的條文及GEM上市規則，董事應有權但不受約束於採納購股權計劃當日起10年期間內任何時間就授出購股權向任何屬以下類別的人士作出要約：

- (a) 本公司、任何其附屬公司(定義見公司條例)或任何投資實體的任何僱員(無論全職或兼職)(包括董事(包括任何非執行董事及獨立非執行董事))(「**合資格僱員**」)；
- (b) 本集團任何成員公司或任何投資實體的任何貨品或服務供應商；
- (c) 本集團任何成員公司或任何投資實體的任何客戶；
- (d) 向本集團任何成員公司或任何投資實體提供研究、開發或其他技術支持的任何人士或實體；
- (e) 本集團任何成員公司或任何投資實體的任何股東或本集團任何成員公司或任何投資實體所發行的任何證券的任何持有人；
- (f) 董事認為已對或將對本集團的增長及發展作出貢獻的任何諮詢人(專業或非專業)、顧問、個人或實體；及

REPORT OF THE DIRECTORS 董事會報告

- (g) any other groups or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group,

and, for the purpose of the Share Option Scheme, the offer for the grant of an option may be made to any company wholly-owned by one or more eligible participants.

For the avoidance of doubt, the grant of any options by our Company for the subscription of shares or other securities of our Group to any person who falls within any of the above classes of eligible participants shall not, by itself, unless our Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the eligible participants to an offer under the Share Option Scheme shall be determined by our Directors from time to time on the basis of our Directors' opinion as to such eligible participant's contribution to the development and growth of our Group.

(c) Maximum number of shares

- (a) The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by our Group shall not exceed 30% of our share capital in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes adopted by our Group if the grant of such options will result in the limit referred herein being exceeded.
- (b) The total number of shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of our Group) to be granted under the Share Option Scheme and any other share option schemes of our Group shall not in aggregate exceed 10% of our share capital in issue as at the date on which dealings in our shares first commence on the Stock Exchange, being 158,400,000 shares (the "General Scheme Limit").

- (g) 曾經或可能以合營企業、商業聯盟或其他業務安排的方式對本集團的發展及增長作出貢獻的任何其他組別或類別的參與者，

以及就購股權計劃而言，可向一名或多名合資格參與者全資擁有的任何公司就授出購股權提出要約。

為免生疑問，本公司向屬於以上合資格參與者類別的任何人士授出任何購股權，以認購本集團的股份或其他證券，其本身不得被詮釋為根據購股權計劃授出購股權，惟董事另行決定者則另作別論。

根據購股權計劃，任何合資格參與者是否具備獲得要約的資格，須由董事不時按其對該合資格參與者向本集團發展及增長所作的貢獻的意見而決定。

(c) 股份數目上限

- (a) 因根據購股權計劃及本集團採納的任何其他購股權計劃已授出而有待行使的全部尚未行使購股權獲行使而可能發行的最高股份數目，不得超過我們不時已發行股本的30%。倘授出該購股權將導致超出所述限額，則概不得根據購股權計劃或本集團採納之任何其他購股權計劃授出任何購股權。
- (b) 根據購股權計劃及本集團的任何其他購股權計劃將予授出的全部購股權(就此而言，不包括根據購股權計劃及本集團任何其他購股權計劃的條款而失效的購股權)獲行使而可能發行的股份總數，合共不得超過股份首次在聯交所開始買賣日期我們已發行股本的10%(即158,400,000股股份)(「一般計劃限額」)。

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- (c) Subject to (a) above and without prejudice to (d) below, our Company may seek approval of our Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Group shall not exceed 10% of our share capital in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of our Group) previously granted under the Share Option Scheme and any other share option schemes of our Group will not be counted.
- (d) Subject to (a) above and without prejudice to (c) above, our Company may seek separate Shareholders' approval in general meeting to grant options under the Share Option Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in (c) above to eligible participants specifically identified by our Company before such approval is sought.

(d) Maximum entitlement of each eligible participant

Subject to (v) below, the total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Group (including both exercised or outstanding options) to each eligible participant who accepts the offer for the grant of an option under the Share Option Scheme (a "grantee") in any 12-month period shall not exceed 1% of our issued share capital for the time being. Where any further grant of options under the Share Option Scheme to a grantee would result in our shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of our Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of our share capital in issue, such further grant shall be separately approved by our Shareholders in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting.

- (c) 在上文第(a)項的規限但在不影響下文第(d)項的情況下，本公司可尋求其股東於股東大會上批准更新一般計劃限額，惟因根據購股權計劃及本集團任何其他購股權計劃將予授出的全部購股權獲行使而可能發行的股份總數，不得超過於批准限額當日我們已發行股本的10%，且就計算限額而言，將不會計入根據購股權計劃及本集團任何其他購股權計劃早前已授出的購股權(包括根據購股權計劃及本集團任何其他購股權計劃而尚未行使、已註銷、已失效或已行使的購股權)。
- (d) 在上文第(a)項的規限但在不影響上文第(c)項的情況下，本公司可尋求股東於股東大會上另行批准，向本公司於尋求有關批准前已特別確定的合資格參與者，根據購股權計劃授出超逾一般計劃限額或(如適用)上文第(c)項所述經擴大限額的購股權。

(d) 各合資格參與者的最高限額

在下文第(v)項的規限下，於任何12個月期間，因根據購股權計劃及本集團任何其他購股權計劃(包括已行使或未行使購股權)授出的購股權獲行使而向每名接受根據購股權計劃授出購股權的要約的合資格參與者(「承授人」)已發行及可發行的股份總數，不得超逾我們當時已發行股本的1%。凡根據購股權計劃進一步向承授人授出購股權會導致於直至進一步授出有關購股權當日(包括該日)為止12個月期間，因行使根據購股權計劃及本集團任何其他購股權計劃已向該人士授出及建議授出的所有購股權(包括已行使、已註銷及未行使購股權)而已發行及將發行的股份，合共超過我們已發行股本的1%，則進一步授出購股權必須經我們的股東於股東大會上另行批准，而該承授人及其緊密聯繫人士(或倘該承授人為關連人士，則其聯繫人士)須放棄投票。

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(e) Grant of options to core connected persons

(a) Without prejudice to (b) below, the making of an offer under the Share Option Scheme to any of our Director, chief executive or substantial Shareholder, or any of their respective associates shall be approved by our Independent Non-Executive Directors (excluding any Independent Non-Executive Director who or whose close associate is the proposed grantee of an option under the Share Option Scheme).

(b) Without prejudice to (a) above, where any grant of options under the Share Option Scheme to a substantial Shareholder or our Independent Non-Executive Director or any of their respective associates, would result in our shares issued and to be issued upon exercise of all options under the Share Option Scheme already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (1) representing in aggregate over 0.1% of our share capital in issue; and
- (2) having an aggregate value, based on the closing price of our shares at the offer date of each offer, in excess of HK\$5 million;

such further grant of options shall be approved by our Shareholders in general meeting. The proposed grantee, his associates and all our core connected persons shall abstain from voting in favour at such general meeting.

For the purpose of seeking the approval of our Shareholders under paragraphs (iii), (iv) and (v) above, our Company shall send a circular to our Shareholders containing the information required under the GEM Listing Rules and where the GEM Listing Rules shall so require, the vote at the Shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the GEM Listing Rules abstaining from voting.

(e) 向核心關連人士授出購股權

(a) 在不影響下文第(b)項的情況下，根據購股權計劃向董事、主要行政人員或主要股東或彼等各自的任何聯繫人士提出要約須經我們的獨立非執行董事（不包括任何本身或其緊密聯繫人士為購股權計劃項下購股權建議承授人的獨立非執行董事）批准。

(b) 在不影響上文第(a)項的情況下，凡根據購股權計劃向主要股東或我們的獨立非執行董事或任何彼等各自的聯繫人士授出購股權，會導致於直至該授出日期（包括該日）為止12個月期間，因根據購股權計劃向該人士已授出及將授出的所有購股權（包括已行使、已註銷及未行使購股權）獲行使而發行及將發行的股份：

- (1) 合共超過我們已發行股本的0.1%；及
- (2) 根據股份於每項要約的要約日期的收市價計算，總值超過5百萬港元；

則進一步授出購股權必須經我們股東在股東大會上批准，而該建議承授人、其聯繫人士及我們所有核心關連人士須放棄於有關股東大會上投贊成票。

就尋求上文第(iii)、第(iv)及第(v)段項下我們股東的批准而言，本公司必須向股東寄發載有GEM上市規則規定的資料的通函。凡GEM上市規則有所規定，則為取得必要的批准而召開的股東大會上的投票，須以投票表決方式進行，且GEM上市規則規定的該等人士須放棄投票。

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(f) Time of acceptance and exercise of an option

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned (and by no other person) for a period of up to 21 days from the date, which shall be a business day, on which the offer is made to the eligible participant.

An offer shall have been accepted by an eligible participant 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 remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

Any offer may be accepted by an eligible participant in respect of less than the number of shares which are offered provided that it is accepted in respect of a board lot for dealings in our shares on GEM or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the offer duly signed by such eligible participant and received by our Company together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to the grantee thereof (provided always that such period shall not be more than 10 years from the offer date of that option), and in the absence of such determination, from the date of the grant of such option to the earlier of (aa) the date on which such option lapses under the relevant provisions of the Share Option Scheme; and (bb) the date falling 10 years from the offer date of that option.

No share option has been granted since the adoption of the Share Option Scheme and there was no share option outstanding as at 31 March 2019.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme of the Company as disclosed above, there is no equity-linked agreement that will or may result in the Company issuing shares or require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during FY2019 or subsisted at the end of FY2019.

(f) 購股權接納及行使期限

購股權計劃項下之要約將於向合資格參與者提出要約日期(必須為營業日)起計最多21日期間公開予有關合資格參與者(惟不得由其他人士)以供其接納。

當本公司於要約可能註明的時間(不得遲於要約日期起計21日)接獲合資格參與者妥為簽署的要約接納函件副本,連同支付予本公司的匯款1.00港元(作為獲授購股權的代價)時,該合資格參與者便已接納其獲提呈的所有股份的要約。有關匯款於任何情況下均不會退還。

合資格參與者可就少於所提呈的股份數目接納要約,惟所接納的要約須為股份於GEM買賣的一手單位或其完整倍數,且該數目乃清楚載於本公司於要約可能註明的時間(不得遲於要約日期起計21日)接獲該合資格參與者妥為簽署的要約接納函件副本,連同支付予本公司的匯款1.00港元(作為獲授購股權的代價)。有關匯款於任何情況下均不會退還。

購股權可於董事予以確定及向有關承授人通知的期間內任何時間根據購股權計劃的條款行使,惟該期間無論何時均不得超過購股權要約日期起計10年。倘若並無確定有關限期,則由授出有關購股權的日期起至以下日期中的較早者(aa)根據購股權計劃相關條文,該購股權失效的日期;及(bb)由該購股權的要約日期起計滿10年當日。

自採納購股權計劃起並無授出購股權,且於2019年3月31日並無尚未行使的購股權。

股本相關協議

除上文所披露的本公司購股權計劃外,本公司於2019財政年度概無訂立或於2019財政年度末概無存續任何股本相關協議將導致或可能導致本公司發行股份,或規定本公司訂立任何將導致或可能導致本公司發行股份的協議。

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PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

The Company's shares were successfully listed on GEM on 25 January 2018. Save as the Listing, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during FY2019.

MAJOR CUSTOMERS AND SUPPLIERS

During FY2019, the five largest suppliers of the Group accounted for about 77.3% of the Group's cost of materials and the largest supplier accounted for about 28.6% of the cost of materials.

During FY2019, the five largest customers of the Group accounted for about 9.5% of the Group's total revenue and the largest customer accounted for about 3.2% of the total revenue.

Based on the information publicly available to the Company and to the best knowledge of the Directors, none of the Directors, their respective close associates (as defined in the GEM Listing Rules) or any Shareholders (which to the best knowledge of the Directors, own more than 5% of the shares) had any beneficial interest in any of the Group's five largest customers or suppliers referred to above.

PERMITTED INDEMNITY PROVISIONS

The Articles provides that the Directors, Secretary and other officers and every auditor for the time being of the Company shall be entitled to be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty.

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries during FY2019.

購買、贖回或出售本公司上市證券

本公司股份於2018年1月25日成功在GEM上市。除上市外，於2019財政年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

主要客戶及供應商

於2019財政年度，本集團五大供應商佔本集團材料成本約77.3%，而最大供應商佔材料成本約28.6%。

於2019財政年度，本集團五大客戶佔本集團總收益約9.5%，而最大客戶佔總收益約3.2%。

根據本公司可公開獲得的資料，及據董事所深知，概無董事、彼等各自的緊密聯繫人士（定義見GEM上市規則）或任何股東（據董事所深知，擁有超過5%的股份）於本集團上述任何五大客戶或供應商中擁有任何實益權益。

獲准許的彌償條文

細則規定，本公司當時的董事、秘書及其他高級職員以及每位核數師均有權就彼等或任何一方因在或涉及執行其職務時所作出、發生或遺漏的任何行為而須或可能招致或蒙受的所有訴訟、費用、收費、損失、損害及開支，從本公司的資產中獲得彌償，並確保彼等免受傷害。

本公司已作出適當的保險安排，以承保董事及高級職員就因企業活動而產生針對其董事及高級管理層提起的法律行動所承擔的責任。

遵守法律及法規

經作出一切合理查詢後，就董事所深知、全悉及確信，本集團於2019財政年度已於重大方面遵守對本公司及其附屬公司的業務及經營具有重大影響的相關法律及法規。

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DIRECTORS

The Directors during FY2019 and up to the date of this report were as follows:

Executive Directors

Ms. Mary Kathleen Babington (*Chief Executive Officer*)

Mr. Tsui Wing Tak

Non-Executive Directors

Mr. Tong Tang (*Chairman*)

Ms. Nicole Lucy Haslock

Independent Non-Executive Directors

Mr. Yeung Man Chung Charles (*appointed on 25 January 2018*)

Mr. Tsang Wai Yin (*appointed on 25 January 2018*)

Mr. Sit Hoi Wah (*appointed on 25 January 2018*)

Brief biographical details of Directors are set out under the section headed "Directors and Senior Management".

Article 112 of the Articles provides that any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

Article 108(a) to 108(c) of the Articles provides that (1) one-third of the Directors for the time being (or, if their number is a not multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM, provided that every Director shall be subject to retirement by rotation at least once every three years; (2) A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election.

Mr. Yeung Man Chung Charles, Mr. Tsang Wai Yin and Mr. Sit Hoi Wah Kenneth will retire at the AGM and all of them, being eligible, will offer themselves for re-election at the AGM.

The Company has received written confirmations of independence from each of the Independent Non-Executive Directors, namely Mr. Yeung Man Chung Charles, Mr. Tsang Wai Yin and Mr. Sit Hoi Wah Kenneth, pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this Annual Report, the Company still considers the Independent Non-Executive Directors to be independent.

董事

於2019財政年度及直至本報告日期，董事如下：

執行董事

Mary Kathleen Babington 女士 (*行政總裁*)

徐穎德先生

非執行董事

唐登先生 (*主席*)

Nicole Lucy Haslock 女士

獨立非執行董事

楊文忠先生 (*於2018年1月25日獲委任*)

曾偉賢先生 (*於2018年1月25日獲委任*)

薛海華先生 (*於2018年1月25日獲委任*)

董事簡要履歷詳情載於「董事及高級管理層」一節。

細則第112條規定，任何獲董事會委任以填補臨時空缺的董事任期將直至本公司首次股東大會為止，並須於該大會上重選連任。任何獲董事會委任作為現任董事會新增成員的董事任期僅至下屆本公司股東週年大會為止，屆時將具資格重選連任。

細則第108(a)至108(c)條規定，(1)於每屆股東週年大會上，當時為數三分之一的董事（或如果董事人數並非三的倍數，則須為最接近但不少於三分之一的數目）須輪席退任，惟每名董事須至少每三年輪席退任一次；(2)退任董事有資格膺選連任及於其退任的大會上整個會議期間繼續擔任董事。輪席退任的董事應包括（在需要確定輪值退任董事人數的情況下）任何願意退任且不再膺選連任的董事。

楊文忠先生、曾偉賢先生及薛海華先生將各自於股東週年大會上退任，而彼等均符合資格，並願意於股東週年大會上膺選連任。

本公司已根據GEM上市規則第5.09條收到獨立非執行董事楊文忠先生、曾偉賢先生及薛海華先生各自就其獨立性而作出的書面確認函。於本年報日期，本公司仍然認為獨立非執行董事為獨立人士。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Saved as disclosed in note 31 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which any of the Company, or any of its holding companies or fellow subsidiaries or subsidiaries was a party and in which a Director of the Company or his or her connected entity had a material interest, whether directly or indirectly, subsisted at the end of FY2019 or at any time during FY2019.

COMPLIANCE AND ENFORCEMENT OF THE NON-COMPETITION UNDERTAKING FROM CONTROLLING SHAREHOLDERS

As disclosed in the Prospectus, each of Mr. Tong Tang Joseph (“**Mr. Tong**”) and Tiptop Honour Limited (“**Tiptop**”) (the “**Controlling Shareholders**”) have entered into the deed of non-competition undertakings (the “**Deed of Non-Competition Undertakings**”) in favour of the Company (for its own and on behalf of all members of the Group) on 5 January 2018, pursuant to which each of the Controlling Shareholders, irrevocably and unconditionally, undertakes and covenants with the Company that during the period that the Deed of Non-Competition Undertakings remains effective, each of the Controlling Shareholders shall not, and shall procure that none of his/her/its associates (except any member of the Group), directly or indirectly (other than through the Group) carry on, participate, hold, engage, being interested in, acquire or operate, directly or indirectly, or provide any form of assistance to any person, firm or company to conduct any business in competition with or likely to be in competition with the Group’s existing business activity and any business activities which may be undertaken by the Group from time to time. Details of the Deed of Non-Competition Undertakings have been set out in the section headed “Relationship with Controlling Shareholders — Non-Competition Undertakings” in the Prospectus.

The Company has received the annual declaration from each of the Controlling Shareholders in respect of their respective compliance with the terms of the Deed of Non-Competition Undertakings during FY2019. The independent non-executive Directors, having reviewed the annual declarations and made reasonable enquiry, were satisfied that the Controlling Shareholders have complied with the terms of the Deed of Non-Competition Undertakings during FY2019 and up to the date of this Annual Report.

DIRECTORS' SERVICE CONTRACTS

Each of our Executive Directors and Non-Executive Directors has entered into a service contract with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months’ notice in writing served by either party on the other.

Each of our Independent Non-Executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months’ notice in writing served by either party on the other.

董事於交易、安排或合約的權益

除於綜合財務報表附註31所披露者外，於2019財政年度結束時或於2019財政年度任何時間，概無本公司或其任何控股公司或同系附屬公司或附屬公司訂立任何本公司董事或其關連實體直接或間接擁有重大權益的重大交易、安排或合約存續。

控股股東遵守及執行不競爭承諾

誠如招股章程所披露，唐登先生（「**唐先生**」）及譽頂有限公司（「**譽頂**」）（「**控股股東**」）已各自於2018年1月5日以本公司（為其本身及代表本集團所有成員公司）為受益人訂立不競爭承諾契據（「**不競爭承諾契據**」），據此，各控股股東不可撤銷地及無條件地向本公司承諾並訂約承諾，於不競爭承諾契據生效期間，各控股股東不會及將促使其聯繫人（不包括本集團任何成員公司）不會直接或間接（透過本集團除外）進行、參與、持有、從事、持有相關權益、收購或經營任何業務或向任何人士、商號或公司提供任何形式的資助以開展任何受限制業務而有關業務直接或間接與本集團現有業務活動及本集團不時可能執行的其他業務活動競爭。不競爭承諾契據的詳情載於招股章程「與控股股東的關係 — 不競爭承諾」一節。

本公司已接獲各控股股東就彼等各自於2019財政年度遵守不競爭承諾契據條款作出的年度聲明。獨立非執行董事於審閱年度聲明及作出合理查詢後，信納控股股東於2019財政年度直至本年報日期已遵守不競爭承諾契據的條款。

董事服務合約

各執行董事及非執行董事已與本公司訂立服務合約，自上市日期起計為期三年，可由任何一方或另一方發出不少於三個月事先書面通知終止。

獨立非執行董事已各自與本公司訂立委任書，自上市日期起計為期三年，可由任何一方或另一方發出不少於三個月事先書面通知終止。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' REMUNERATIONS

Details of the remuneration of Directors are set out in note 12 to the consolidated financial statements.

DIRECTORS' EMOLUMENT POLICY

The Remuneration Committee was established for reviewing and determining the remuneration and compensation packages of the Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

Interests and short positions of the Company's Directors and chief executives in the Company's shares, underlying shares and debentures and the Company's associated corporations

As at 31 March 2019, the interests or short positions of the Company's Directors in the Company's shares, underlying shares or debentures which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register as referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the "required standard of dealings" as contained in Chapter 5 of the GEM Listing Rules, were as follows:

(i) Long position in the Company's shares

Name of Director	Nature of interest	Number of shares held ⁽¹⁾	Percentage of shareholding
董事姓名	權益性質	所持股份數目 ⁽¹⁾	股權百分比
Mr. Tong 唐先生	Interest in a controlled corporation (Note 2) 於受控法團的權益(附註2)	1,104,840,000 (L)	69.8%
Ms. Mary Kathleen Babington ("Ms. Babington") Mary Kathleen Babington 女士 ("Babington 女士")	Interest in a controlled corporation (Note 3) 於受控法團的權益(附註3)	59,400,000 (L)	3.7%
Ms. Nicole Lucy Haslock ("Ms. Haslock") Nicole Lucy Haslock 女士 ("Haslock 女士")	Interest in a controlled corporation (Note 4) 於受控法團的權益(附註4)	10,960,000 (L)	0.69%

董事薪酬

董事薪酬詳情載於綜合財務報表附註12。

董事酬金政策

本公司已成立薪酬委員會，負責檢討及釐訂董事及高級管理層的薪酬及報酬方案，當中已參考同類公司支付的薪金、董事付出的時間及職責以及本集團的表現。

本公司董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債權證中的權益及淡倉

於2019年3月31日，本公司董事於本公司股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的該等條文彼等被當作或視為擁有的權益及淡倉），或根據證券及期貨條例第352條須登記於該條所述的登記冊的權益或淡倉，或根據GEM上市規則第5章所載「交易必守標準」須知會本公司及聯交所的權益或淡倉如下：

(i) 於本公司股份的好倉

REPORT OF THE DIRECTORS 董事會報告

Notes:

1. The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such shares.
2. The Company is owned as to 69.8% by Tiptop. Tiptop is wholly-owned by Mr. Tong. Under the SFO, Mr. Tong is deemed to be interested in the same number of shares held by Tiptop.
3. The Company is owned as to 3.7% by Rothley Investment Limited ("**Rothley**"). Rothley is wholly-owned by Ms. Babington. Under the SFO, Ms. Babington is deemed to be interested in the same number of shares held by Rothley.
4. The Company is owned as to 0.69% by Savvy Consulting Limited ("**Savvy**"). Savvy is wholly-owned by Ms. Haslock. Under the SFO, Ms. Haslock is deemed to be interested in the same number of shares held by Savvy.

Saved as disclosed above, as of 31 March 2019, none of the Company's Directors and chief executives and their respective associates had or is deemed to have any interest or short positions in the Company's shares, underlying shares or debentures or the Company's associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register as referred to herein, or which were required to be notified to the Company and the Stock Exchange pursuant to the "required standard of dealing" as contained in Chapter 5 of the GEM Listing Rules.

附註：

1. 字母「L」指該人士於該等股份中的「好倉」(定義見證券及期貨條例第 XV 部)。
2. 譽頂擁有本公司 69.8% 的股權。譽頂由唐先生全資擁有。根據證券及期貨條例，唐先生被視為於譽頂所持相同數目股份中擁有權益。
3. Rothley Investment Limited (「**Rothley**」) 擁有本公司 3.7% 的股權。Rothley 由 Babington 女士全資擁有。根據證券及期貨條例，Babington 女士被視為於 Rothley 所持相同股份中擁有權益。
4. Savvy Consulting Limited (「**Savvy**」) 擁有本公司 0.69% 的股權。Savvy 由 Haslock 女士全資擁有。根據證券及期貨條例，Haslock 女士被視為於 Savvy 所持相同股份中擁有權益。

除上文披露者外，於 2019 年 3 月 31 日，本公司董事及主要行政人員及彼等各自的聯繫人士概無於本公司或其相聯法團(定義見證券及期貨條例第 XV 部)的股份、相關股份或債權證中已經或被視為擁有須遵照證券及期貨條例第 XV 部第 7 及 8 分部知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關條文彼等被視作或當作擁有的權益及淡倉)或須遵照證券及期貨條例第 352 條規定記載入該條例所述的登記冊的權益或淡倉或須遵照 GEM 上市規則第 5 章所載「交易必守標準」規定知會本公司及聯交所的權益或淡倉。

REPORT OF THE DIRECTORS 董事會報告

Interests and short positions of substantial Shareholders in the Company's shares, underlying shares and debentures and the Company's associated corporations

As at 31 March 2019, so far as the Company's Directors are aware, the following persons (other than the Directors and chief executive of the Company) had, or were deemed to have, interests or short positions in the Company's shares or underlying shares which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or who, directly or indirectly, were interested in 10% or more of the issued voting shares of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Company:

(i) Long position in the Company's shares

Name of Shareholder 股東姓名／名稱	Nature of interest 權益性質	Interests in shares ⁽¹⁾ 股份權益 ⁽¹⁾	Percentage of shareholding 股權百分比
Tiptop 譽頂	Beneficial owner (Note 2) 實益擁有人(附註2)	1,104,840,000 (L)	69.8%
Ms. Shum Yuet Wah Anna 岑悅鏞女士	Interest of spouse (Note 3) 配偶權益(附註3)	1,104,840,000 (L)	69.8%

Notes:

- The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such shares.
- The Company is owned as to 69.8% by Tiptop.
- Tiptop is wholly-owned by Mr. Tong, the Company's Chairman, one of the Company's Non-Executive Directors and Controlling Shareholders. Under the SFO, Mr. Tong is deemed to be interested in the same number of shares held by Tiptop. Ms. Shum Yuet Wah Anna is the spouse of Mr. Tong. Under the SFO, Ms. Shum Yuet Wah Anna is deemed to be interested in all the Company's shares in which Mr. Tong is interested.

Save as disclosed above, as at 31 March 2019, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was directly or indirectly interested in 10% or more of the issued voting shares of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Company.

主要股東於本公司及其相聯法團的股份、相關股份及債權證中的權益及淡倉

據本公司董事所知，於2019年3月31日，下列人士(本公司董事及主要行政人員除外)被視為擁有根據證券及期貨條例第XV部第2及3分部須知會本公司及聯交所的本公司股份或相關股份的權益或淡倉，或將直接或間接擁有附有權利於任何情況下可在本公司任何成員公司的股東大會上投票的任何類別股本的已發行具投票權股份10%或以上的權益：

(i) 於本公司股份的好倉

Name of Shareholder 股東姓名／名稱	Nature of interest 權益性質	Interests in shares ⁽¹⁾ 股份權益 ⁽¹⁾	Percentage of shareholding 股權百分比
Tiptop 譽頂	Beneficial owner (Note 2) 實益擁有人(附註2)	1,104,840,000 (L)	69.8%
Ms. Shum Yuet Wah Anna 岑悅鏞女士	Interest of spouse (Note 3) 配偶權益(附註3)	1,104,840,000 (L)	69.8%

附註：

- 字母「L」指該人士於該等股份中的「好倉」(如證券及期貨條例第XV部所定義)。
- 譽頂擁有本公司69.8%的股權。
- 譽頂由唐先生(本公司主席、其中一名非執行董事兼控股股東)全資擁有。根據證券及期貨條例，唐先生被視為於譽頂所持有的相同數目的股份中擁有權益。岑悅鏞女士乃唐先生之配偶。根據證券及期貨條例，岑悅鏞女士被視為於唐先生擁有權益之所有本公司股份中擁有權益。

除上文所披露者外，於2019年3月31日，董事概不知悉任何其他人士／實體(本公司董事及主要行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉，或須記錄於本公司根據證券及期貨條例第336條須予存置登記冊內的權益或淡倉，或直接或間接擁有附帶權利於任何情況下均可在本公司任何成員公司的股東大會上投票的任何類別股本中已發行具投票權股份10%或以上的權益。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during FY2019 was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

COMPETING BUSINESS AND CONFLICT OF INTEREST

As confirmed by the Directors, Controlling Shareholders and their respective close associates do not have any interests in any business, apart from the business operated by members of the Group, which competes or is likely to compete, directly or indirectly, with the business of the Group during FY2019.

INTERESTS OF COMPLIANCE ADVISER

As at the date of this report, except for the compliance adviser agreement entered into between the Company and China Tonghai Capital Limited (the "Compliance Adviser"), neither the Compliance Adviser, nor any of its Directors, employees or close associates has any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Directors confirm that the Company maintained the public float as required under the GEM Listing Rules.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During FY2019, the Group had not entered into any connected transactions or continuing connected transactions that are not exempted under Rule 20.71 of the GEM Listing Rules.

Details of the significant related party transactions carried in the ordinary course of business are set out in note 31 to the consolidated financial statements.

董事收購股份或債權證的權利

本公司或其附屬公司於2019財政年度任何時間概無參與任何安排，致使董事透過收購本公司或任何其他法人團體的股份或債權證而獲益。

業務競爭及利益衝突

據董事確認，於2019財政年度內，除本集團成員公司所經營的業務外，控股股東及彼等各自的緊密聯繫人概無於任何直接或間接與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

合規顧問權益

於本報告日期，除本公司與中國通海企業融資有限公司（「合規顧問」）所訂立的合規顧問協議外，根據GEM上市規則第6A.32條，合規顧問及其任何董事、僱員或緊密聯繫人概無於本公司或本集團任何其他公司的證券中擁有任何權益（包括購股權或認購有關證券的權利）。

足夠公眾持股量

根據於本報告日期本公司可公開獲得的資料及就董事所知，董事確認本公司維持GEM上市規則規定的公眾持股量。

關連交易及持續關連交易

於2019財政年度，本集團概無訂立根據GEM上市規則第20.71條不可獲豁免的任何關連交易或持續關連交易。

於日常業務過程中進行的重大關聯方交易的詳情載於綜合財務報表附註31。

REPORT OF THE DIRECTORS 董事會報告

CORPORATE GOVERNANCE

The Company's Corporate Governance Report is set out on pages 28 to 40 of this report.

EVENTS AFTER THE REPORTING PERIOD

There is no significant event after the reporting period of the Group.

INDEPENDENT AUDITOR

The consolidated financial statements for FY2019 were audited by Grant Thornton, the independent auditor, who shall retire and, being eligible, offer itself for re-appointment at the forthcoming AGM. A resolution will be proposed at the forthcoming AGM to re-appoint Grant Thornton as auditor and to authorise the Directors to fix its remuneration.

On behalf of the Board
TREE Holdings Limited

Tong Tang Joseph
Chairman

19 June 2019

企業管治

本公司的企業管治報告載於本報告第28至40頁。

報告期後事項

本集團報告期後並無重大事項。

獨立核數師

於2019財政年度的綜合財務報表已經由獨立核數師致同審核，彼等將於應屆股東週年大會退任，並符合資格及願意接受續聘。將於應屆股東週年大會上提呈決議案以續聘致同為核數師，並授權董事釐定彼等酬金。

代表董事會
齊家控股有限公司

唐登
主席

2019年6月19日

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



To the members of Tree Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Tree Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 76 to 171, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致齊家控股有限公司各股東

(於開曼群島註冊成立的有限公司)

意見

吾等已審核列載於第76至171頁的齊家控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，當中包括於2019年3月31日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則真實而公平地反映了貴集團於2019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編製。

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」)進行審核。吾等在該等準則下承擔的責任已於本報告「核數師就審計綜合財務報表承擔的責任」一節進一步闡述。吾等根據香港會計師公會頒佈的專業會計師道德守則(「守則」)獨立於貴集團，並已履行守則中的其他道德責任。吾等相信，吾等所獲得的審核憑證能充足及適當地為吾等的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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.

關鍵審核事項

關鍵審核事項是根據吾等的專業判斷對吾等審核本期間的綜合財務報表最為重要的事項。該等事項均在吾等整體審核綜合財務報表及出具意見時進行處理。吾等不會單獨對該等事項提供意見。

Key Audit Matters

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Impairment assessment on goodwill

商譽減值評估

Refer to Notes 2.18, 3 and 16 to the consolidated financial statements.
請參閱綜合財務報表附註2.18、3及16。

As at 31 March 2019, the Group had goodwill of approximately HK\$23,426,000 arising from the acquisition of a subsidiary.

於2019年3月31日，貴集團因收購一間附屬公司而產生商譽約23,426,000港元。

The Group is required to perform impairment assessment of goodwill at least annually. For the purpose of impairment assessment, goodwill has been allocated to the cash-generating units ("CGU") of furniture agency service. The recoverable amount of the underlying CGU is supported by value-in-use calculation, which is based on future discounted cash flows, prepared by the management. Management concluded that the goodwill was not impaired as at 31 March 2019.

貴集團須至少每年對商譽進行減值評估。就減值評估而言，商譽已分配至家具代理服務的現金產生單位（「現金產生單位」）。相關現金產生單位的可收回金額由使用價值計算方法支持，該計算方法乃基於管理層編製的未來折現現金流。管理層得出結論，於2019年3月31日，商譽並未減值。

We identified the impairment assessment of goodwill as a key audit matter as the calculation of recoverable amount involves significant estimates and judgments about future market conditions, including the growth rate of revenue and discount rate applied in the calculation.

吾等將商譽減值評估確定為關鍵審核事項，因為可收回金額的計算方法涉及對未來市況的重大估計及判斷，包括計算中所採用的收益增長率及折現率。

Our audit procedures on impairment assessment of goodwill included the following:

吾等就商譽減值評估的審核程序包括以下各項：

- Assessing the appropriateness of the valuation methodology used in the impairment assessment;
評估用於減值評估的估值方法是否合適；
- Assessing the reasonableness of the key assumptions adopted by the management in calculating the recoverable amount based on our knowledge of the business and industry;
根據吾等對業務及行業的瞭解，評估管理層在計算可收回金額時所採用主要假設是否合理；
- Testing, on a sample basis, the accuracy and reliance of the input data used; and
抽樣測試所用輸入數據的準確性及可靠性；及
- Testing management sensitivity analysis of the key assumptions to ascertain that selected adverse changes to key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount.
測試管理層對主要假設的敏感性分析，以確定選定的主要假設的不利變化不會導致商譽的賬面值超過可收回金額。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審核事項 (續)

Key Audit Matters

How our audit addressed the key audit matter

關鍵審核事項

吾等之審核如何處理關鍵審核事項

Valuation of contingent consideration payable arising from acquisition of a subsidiary

收購一間附屬公司所產生的應付或然代價的估值

Refer to Notes 2.9, 3 and 32 to the consolidated financial statements.

請參閱綜合財務報表附註2.9、3及32。

As at 31 March 2019, the Group had contingent consideration payable of approximately HK\$26,987,000 arising from the acquisition of a subsidiary, which are due to be payable from 2020 to 2022.

於2019年3月31日，貴集團因收購一間附屬公司而產生的應付或然代價約26,987,000港元，該代價將於2020年至2022年到期應付。

The Group recognised contingent consideration arrangement for acquisition at fair value at the date of acquisition. These fair value measurements require management's estimation and significant judgment on post-acquisition performance of the acquired business and the discount rate used.

貴集團確認於收購日期按公允價值確認收購所產生的或然代價安排。該等公允價值計量需要管理層對已收購業務的收購後表現及所用折現率作出估計及重大判斷。

Contingent consideration payable is remeasured at fair value at each reporting date, and may be affected by the post-acquisition performance of the acquired business. Any resulting gain or loss is recognised in profit or loss. For the year ended 31 March 2019, a loss of HK\$115,000 was recognised.

應付或然代價於各報告日期按公允價值重新計量，並可能受已收購業務的收購後表現所影響。任何由此產生的收益或虧損於損益中確認。截至2019年3月31日止年度，確認虧損115,000港元。

We focused on this area as the assessment made by management involved significant estimates and judgments in relation to the post-acquisition performance of the acquired business and discount rates applied, which may be affected by unexpected changes in future market or economic conditions or significant events or circumstances related to the acquired business.

吾等關注此領域，因為管理層所作出的評估涉及與已收購業務的收購後表現以及所採用折現率相關的重大估計及判斷，此可能會受到未來市場或經濟狀況的意外變化或與已收購業務相關的重大事件或情況的影響。

Our audit procedures in relations to the valuation of contingent consideration payable included the following:

吾等就應付或然代價估值的審核程序包括以下各項：

- Checking the contingent consideration payable calculation prepared by management against the terms as set out in the sales and purchase agreement; 檢查管理層根據買賣協議載列的條款編製應付或然代價的計算方法；
- Evaluating the reasonableness of the assumptions adopted in the performance forecasts for the contingent consideration payable calculation; and 評估業績預測中所採用的假設對應付或然代價計算的合理性；及
- Testing the mathematical accuracy of the underlying calculation of contingent consideration payable and agreed them to the financial projection prepared by management for the specific financial period stipulated by the sales and purchase agreement. 測試應付或然代價相關計算方法的數字精確性，並將其與管理層根據買賣協議中規定於特定財務期間作出的財務預測核對一致。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審核事項 (續)

Key Audit Matters

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Allowance of inventories

存貨撥備

Refer to Notes 2.11, 3 and 18 to the consolidated financial statements.
請參閱綜合財務報表附註2.11、3及18。

As at 31 March 2019, the Group had inventories of approximately HK\$13,763,000. Inventories are stated at the lower of cost or net realisable value.

於2019年3月31日，貴集團的存貨約為13,763,000港元。存貨以成本或可變現淨值兩者中的較低者入賬。

Allowance for inventories require management to make significant accounting estimates and judgments. These include identification of damaged, slow moving and obsolete inventories and assessing the level of allowance required by estimating the net realisable value of inventories, which is the actual or estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. 存貨撥備要求管理層作出重大會計估算及判斷。有關估算及判斷包括識別損毀、滯銷及陳舊存貨以及透過估計存貨可變現淨值（即於日常業務過程中實際或估計售價減作出銷售所需的估計成本）評估所需撥備水平。

We focused on this area because of the magnitude of inventories and the estimation of the net realisable value of inventories involved a high level of management judgment. These estimations are also subjected to uncertainty as a result of change of competitor actions and market condition.

吾等著重此範疇，原因是存貨量龐大及估計存貨可變現淨值涉及高程度的管理層判斷。有關估算亦受競爭者行為變動及市況帶來的不確定因素影響。

Our audit procedures in relation to allowance of inventories included:
吾等就存貨撥備的審核程序包括

- Assessing the reasonableness of the basis used by management in identifying damaged, slow moving and obsolete inventories; 評估管理層識別損毀、滯銷及陳舊存貨所採用的基準的合理性；
- Attending the year-end inventory count to observe the physical conditions of inventories and identify damaged or obsolete inventories; 參與年末存貨盤點，檢查存貨的實際狀況及識別損毀或陳舊存貨；
- Testing the accuracy of the inventory ageing report, on a sample basis, by checking to the purchase source documents; 透過檢查購貨來源文件，以抽樣形式測試存貨貨齡報告的準確性；
- Testing the net realisable value of inventory items, on a sample basis, to the actual selling price subsequent to the year end; and 以抽樣形式測試存貨項目按年結日後實際售價計算可變現淨值；及
- Evaluating the appropriateness of management's assessment on the estimated future utilisation of inventory items without subsequent sales with reference to their ageing and marketability of the relevant inventory items. 參考有關存貨項目的貨齡及適銷性，評估管理層就估計並無後續銷售的情況下未來可動用存貨項目作出的評估的恰當性。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the 2019 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE 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 the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

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

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

其他資料

董事須對其他資料負責。其他資訊包括刊載於 貴公司2019年年報內的全部資料，但不包括綜合財務報表及吾等發出的核數師報告。

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

就吾等對綜合財務報表的審核而言，吾等的責任為閱讀其他資料，而在此過程中，考慮其他資料是否與綜合財務報表或與吾等在審核過程中了解的情況存在重大抵觸，或似乎存在重大錯誤陳述的情況。基於吾等執行的工作，倘吾等認為其他資料存在重大錯誤陳述，吾等須要報告該事實。在這方面，吾等沒有任何須要報告的事項。

董事就綜合財務報告須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，並對董事認為編製綜合財務報表所必要的內部監控負責，以確保綜合財務報表不存在由欺詐或錯誤引起的重大錯誤陳述。

在編製綜合財務報表時，董事負責評估 貴集團持續經營能力，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，惟董事有意將 貴集團清盤或停止經營，或別無其他實際替代方案則者除外。

董事於審核委員會的協助下，監察 貴集團的財務報告過程。

核數師就審核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。吾等僅根據吾等協定之委聘條款向閣下(作為整體)報告，除此從外本報告不作其他用途。吾等不會就本報告的內容向任何其他人士負責或承擔責任。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

(Continued)

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審核綜合財務報表承擔的責任(續)

合理保證是高水準的保證，但不能保證按照香港審計準則進行的審核，總能在重大錯誤陳述存在時發現有關錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期有關錯誤陳述單獨或匯總起來可能影響綜合財務報表使用者所依賴綜合財務報表作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審核工作一部分，在審核過程中，吾等運用了專業判斷，保持了專業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足和適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述風險高於未能發現因錯誤而導致的重大錯誤陳述風險。
- 了解與審核相關的內部監控，以設計適用於若干情況的審核程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及所作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並基於所獲取的審核憑證，對是否存在涉及有關事項或情況的重大不確定性而可能導致對貴集團持續經營能力產生重大疑慮作出結論。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，假若有關的披露不足，則吾等應當發表非無保留意見。吾等的結論是基於核數師報告日期止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不再能持續經營。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

(Continued)

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

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

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

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

Grant Thornton Hong Kong Limited

Certified Public Accountants

Level 12
28 Hennessy Road
Wanchai
Hong Kong

19 June 2019

Lin Ching Yee Daniel

Practising Certificate No.: P02771

核數師就審核綜合財務報表承擔的責任(續)

- 評估綜合財務報表的整體列報方式、結構和內容，包括披露資料以及綜合財務報表是否公平呈列相關交易和事項。
- 就 貴集團內實體或業務活動的財務資訊獲取充足、適當的審核憑證，以便對綜合財務報告發表意見。吾等負責 貴集團審核的方向、監督和執行。吾等為審核意見承擔全部責任。

除其他事項外，吾等與審核委員會溝通計劃的審核範圍、時間及重大審核發現等，包括吾等在審核中識別出內部監控的任何重大缺陷。

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

從與審核委員會溝通的事項中，吾等確定對本期綜合財務報表審核而言最為重要的事項，該等事項因而構成關鍵審核事項。吾等在核數師報告中闡釋該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在吾等報告中溝通某事項造成的負面後果超過產生的公眾利益，則吾等決定不應在報告中溝通該事項。

致同(香港)會計師事務所有限公司

執業會計師

香港
灣仔
軒尼詩道28號
12樓

2019年6月19日

林敬義

執業證書號碼：P02771

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 2019 截至2019年3月31日止年度

		Notes 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Revenue	收益	4	85,408	79,073
Cost of sales	銷售成本		(27,497)	(25,515)
Gross profit	毛利		57,911	53,558
Other income	其他收入	5	204	134
Selling and marketing expenses	銷售及市場推廣開支		(36,982)	(34,128)
Administrative expenses	行政開支		(18,821)	(11,597)
Listing-related expenses	上市相關開支		–	(15,747)
Share-based compensation expense	以股份為基礎的薪酬開支	28	–	(656)
Finance costs	財務成本	6	(269)	(316)
Profit/(Loss) before income tax	除所得稅前溢利/(虧損)	7	2,043	(8,752)
Income tax expense	所得稅開支	9	(951)	(1,350)
Profit/(Loss) and total comprehensive income/(loss) for the year attributable to equity holders of the Company	年內本公司權益持有人應佔溢利/(虧損)及全面收益/(虧損)總額		1,092	(10,102)
Earnings/(Loss) per share attributable to equity holders of the Company (expressed in HK cents per share)	本公司權益持有人應佔每股盈利/(虧損) (以每股港仙列示)			
— Basic and diluted	— 基本及攤薄	11	0.07	(0.80)

The notes on pages 81 to 171 are an integral part of these consolidated financial statements.

第81至171頁所載附註乃該等綜合財務表的組成部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2019 於2019年3月31日

			2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	3,546	3,094
Intangible assets	無形資產	14	222	329
Goodwill	商譽	16	23,426	–
Cash surrender value of life insurance	人壽保險的解約現金價值	17	1,755	1,689
Deferred tax assets	遞延稅項資產	25	286	289
			29,235	5,401
Current assets	流動資產			
Inventories	存貨	18	13,763	11,375
Trade and other receivables	貿易及其他應收款項	19	35,655	11,780
Tax recoverable	可收回稅款		255	–
Pledged bank deposits	已抵押銀行存款	20	–	200
Bank balances and cash	銀行結餘及現金	20	22,795	35,960
			72,468	59,315
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	21	11,846	8,868
Deferred revenue	遞延收益	22	–	885
Contract liabilities	合約負債	23	10,592	–
Income tax liabilities	所得稅負債		258	304
Interest-bearing borrowings	計息借貸	24	717	5,009
			23,413	15,066
Net current assets	流動資產淨額		49,055	44,249
Total assets less current liabilities	總資產減流動負債		78,290	49,650
Non-current liabilities	非流動負債			
Interest-bearing borrowings	計息借貸	24	896	335
Contingent consideration payable	應付或然代價	32	26,987	–
			27,883	335
Net assets	資產淨額		50,407	49,315
EQUITY	權益			
Share capital	股本	26	15,840	15,840
Reserves	儲備	27	34,567	33,475
Total equity	總權益		50,407	49,315

Tong Tang Joseph 唐登
Director 董事

Tsui Wing Tak 徐穎德
Director 董事

The notes on pages 81 to 171 are an integral part of these consolidated financial statements.

第81至171頁所載附註乃該等綜合財務表的組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Share capital	Share premium*	Capital reserve*	Retained profits/ (Accumulated losses)*	Total equity
		股本	股份溢價	資本儲備	保留溢利/ (累計虧損)*	總權益
		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
Balance at 1 April 2017	於2017年4月1日之結餘	–	–	4,818	6,539	11,357
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	–	–	–	(10,102)	(10,102)
Transactions with owners	與擁有人的交易					
— Issuance of shares under Share Offer (Note 26(iii))	— 根據股份發售發行股份 (附註26(iii))	3,960	57,816	–	–	61,776
— Share issuance expenses (Note 26(iii))	— 股份發行開支 (附註26(iii))	–	(14,372)	–	–	(14,372)
— Capitalisation issue (Note 26(ii))	— 資本化發行 (附註26(ii))	11,880	(11,880)	–	–	–
— Share-based compensation (Note 28(a))	— 以股份為基礎的薪酬 (附註28(a))	–	–	656	–	656
Total transactions with owners	與擁有人的交易總額	15,840	31,564	656	–	48,060
Balance at 31 March 2018 and 1 April 2018	於2018年3月31日及2018年4月1日之結餘	15,840	31,564	5,474	(3,563)	49,315
Profit and total comprehensive income for the year	年內溢利及全面收益總額	–	–	–	1,092	1,092
Balance at 31 March 2019	於2019年3月31日之結餘	15,840	31,564	5,474	(2,471)	50,407

* The reserves accounts comprise the Group's reserves of HK\$34,567,000 (2018: HK\$33,475,000) in the consolidated statement of financial position.

* 儲備賬包括本集團於綜合財務狀況表中的儲備34,567,000港元(2018年: 33,475,000港元)。

The notes on pages 81 to 171 are an integral part of these consolidated financial statements.

第81至171頁所載附註乃該等綜合財務表的組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Cash flows from operating activities	經營活動所得現金流量		
Profit/(Loss) before income tax	除所得稅前溢利/(虧損)	2,043	(8,752)
Adjustment for:	經調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,785	1,400
Amortisation of intangible assets	無形資產攤銷	107	100
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(40)	-
Interest income	利息收入	(13)	(5)
Interest expenses	利息開支	154	316
Fair value changes on contingent consideration payable	應付或然代價的公允價值變動	115	-
Fair value gain on cash surrender value of life insurance	人壽保險的解約現金價值的公允價值收益	(66)	(80)
Share-based compensation expense	以股份為基礎的薪酬開支	-	656
Operating profit/(loss) before working capital changes	營運資金變動前的經營溢利/(虧損)	4,085	(6,365)
Increase in inventories	存貨增加	(2,388)	(1,412)
Increase in trade and other receivables	貿易及其他應收款項增加	(1,664)	(855)
Decrease in trade and other payables	貿易及其他應付款項減少	(2,840)	(1,259)
Increase in deferred revenue	遞延收益增加	-	89
Decrease in contract liabilities	合約負債減少	(961)	-
Cash used in operations	經營所用現金	(3,768)	(9,802)
Income tax paid	已繳所得稅	(2,348)	(531)
Income tax refund	所得稅退稅	1,127	-
Interest received	已收利息	13	5
<i>Net cash used in operating activities</i>	<i>經營活動所用現金淨額</i>	(4,976)	(10,328)
Cash flows from investing activities	投資活動所得現金流量		
Repayment in amount due from a related company	應收關聯公司款項償還	-	471
Purchase of property, plant and equipment	購買物業、廠房及設備	(1,385)	(848)
Additions of intangible assets	添置無形資產	-	(40)
Payment for acquisition of a subsidiary, net of cash and cash equivalents acquired (Note 32)	收購一間附屬公司付款(扣除已取得的現金及現金等價物)(附註32)	(2,307)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	45	-
<i>Net cash used in investing activities</i>	<i>投資活動所用現金淨額</i>	(3,647)	(417)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Cash flows from financing activities	融資活動所得現金流量		
Decrease/(Increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	200	(200)
Proceeds from bank borrowings	銀行借貸所得款項	–	2,500
Repayment of bank borrowings	償還銀行借貸	(4,453)	(2,814)
Capital element of finance lease payments	融資租賃付款之資本部分	(135)	(48)
Interest element of finance lease payments	融資租賃付款之利息部分	(32)	(14)
Interest paid	已付利息	(122)	(302)
Proceeds from issuance of shares under Share Offer	根據股份發售發行股份所得款項	–	61,776
Payment of share issuance expenses	支付股份發行開支	–	(14,372)
<i>Net cash (used in)/from financing activities</i>	<i>融資活動(所用)/所得現金淨額</i>	(4,542)	46,526
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨值	(13,165)	35,781
Cash and cash equivalents at the beginning of the year	年初現金及現金等價物	35,960	179
Cash and cash equivalents at end of year, represented by bank balances and cash	年末現金及現金等價物，以銀行結餘及現金列示	22,795	35,960

The notes on pages 81 to 171 are an integral part of these consolidated financial statements.

第81至171頁所載附註乃該等綜合財務表的組成部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION

Tree Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is 28/F., Horizon Plaza, 2 Lee Wing Street, Ap Lei Chau, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively, the “Group”) are principally engaged in the sale and distribution of furniture and home accessories, distribution and licencing of intellectual property rights, the provision of styling, consulting and furniture agency services and the operation of a café.

As at 31 March 2019, the directors consider the immediate and ultimate holding company of the Company to be Tiptop Honour Limited (“Tiptop”), a company incorporated in Samoa.

The Company’s shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 25 January 2018 (the “Listing”).

The consolidated financial statements for the year ended 31 March 2019 were approved for issue by the board of directors on 19 June 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”).

1. 一般資料

齊家控股有限公司(「本公司」)根據開曼群島公司法(經修訂)在開曼群島註冊成立為一間獲豁免有限公司。本公司的註冊辦事處地址為P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands。其主要營業地點的地址為香港鴨脷洲利榮街2號新海怡廣場28樓。

本公司為一家投資控股公司，與其附屬公司(統稱為「本集團」)主要從事家具及家居配飾銷售及分銷、分銷及許可使用知識產權、提供設計、諮詢及家具代理服務以及經營一間咖啡廳。

於2019年3月31日，董事認為本公司的直接及最終控股公司為一間於薩摩亞註冊成立的公司譽頂有限公司(「譽頂」)。

本公司股份於2018年1月25日在香港聯合交易所有限公司(「聯交所」)GEM上市(「上市」)。

截至2019年3月31日止年度的綜合財務報表於2019年6月19日獲董事會批准刊發。

2. 主要會計政策概要

2.1 編製基準

該等綜合財務表乃遵照香港財務報告準則(「香港財務報告準則」)編製，該統稱包括由香港會計師公會(「香港會計師公會」)頒佈之所有適用個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋及香港公認會計原則。

綜合財務報表亦符合香港公司條例之適用披露規定及包括聯交所GEM證券上市規則(「GEM上市規則」)之適用披露規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Group's consolidated financial statements, if any, are disclosed in Note 2.2.

The consolidated financial statements have been prepared on the historical cost basis, except for cash surrender value of life insurance and contingent consideration payable which are carried at fair value. The measurement bases are fully described in the accounting policies below.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands ("HK\$'000"), except when otherwise indicated.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on the management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 below.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

編製該等綜合財務報表所應用之重大會計政策於下文概述。除另有註明者外，該等政策一直貫徹應用於所呈報的所有年度。採納新訂及經修訂香港財務報告準則以及對本集團綜合財務報表的影響(如有)披露於附註2.2。

綜合財務報表乃根據歷史成本基準編製，惟人壽保險的解約現金價值及應付或然代價按公允價值列賬除外。計量基準於下文會計政策中詳述。

綜合財務報表以本公司及其附屬公司的功能貨幣港元(「港元」)呈列。除另有指明者外，所有數值均約整至最接近千位(「千港元」)。

應注意編製綜合財務報表時已運用會計估計及假設。儘管該等估計乃根據管理層對目前事件及行動之深知及判斷作出，惟實際結果最終可能與有關估計不同。涉及更高層次判斷或複雜性的範疇，或假設及估計對綜合財務報表屬重大的範疇於下文附註3披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policy and disclosures

(a) New and amended HKFRSs that are effective for annual periods beginning on or after 1 April 2018

In the current year, the Group has applied for the first time the following new and amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2018:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKFRS 1	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration

2. 主要會計政策概要 (續)

2.2 會計政策及披露變動

(a) 於2018年4月1日或其後開始的年度期間生效的新訂及經修訂香港財務報告準則

於本年度，本集團已首次採納由香港會計師公會頒佈與本集團於2018年4月1日開始的年度期間本集團營運相關及就本集團綜合財務報表而言有效的以下新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收益及相關修訂
香港財務報告準則第2號的修訂本	以股份為基礎的支付交易的分類和計量
香港財務報告準則第4號的修訂本	於香港財務報告準則第4號保險合約應用香港財務報告準則第9號金融工具
香港財務報告準則第1號的修訂本	作為香港財務報告準則2014年至2016年週期的年度改進一部分
香港會計準則第28號的修訂本	作為香港財務報告準則2014年至2016年週期的年度改進一部分
香港會計準則第40號的修訂本	轉讓投資物業
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policy and disclosures

(Continued)

(a) New and amended HKFRSs that are effective for annual periods beginning on or after 1 April 2018

(Continued)

Other than as noted below, the adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

HKFRS 9 “Financial Instruments”

HKFRS 9 replaces HKAS 39 “Financial Instruments: Recognition and Measurement”. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an expected credit loss (“ECL”) model for the impairment of financial assets.

When adopting HKFRS 9, the Group has applied the standard retrospectively to items that existed at 1 April 2018 in accordance with the transition requirement and also applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of HKFRS 9 in relation to classification, measurement, and impairment are recognised in retained profits.

The Group’s trade and other receivables, pledged bank deposits and bank balance and cash which are previously classified as loans and receivables under HKAS 39, are now classified as financial assets measured at amortised cost under HKFRS 9.

2. 主要會計政策概要 *(續)*

2.2 會計政策及披露變動 *(續)*

(a) 於2018年4月1日或其後開始的年度期間生效的新訂及經修訂香港財務報告準則 *(續)*

除下文註明者外，採納此等新訂及經修訂的香港財務報告準則對本期間及以往期間已編製及呈列的業績及財務狀況並無重大影響。

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號取代香港會計準則第39號「金融工具：確認及計量」。有關準則對過往金融資產分類及計量指引作出大幅變動，並就金融資產減值引入預期信貸虧損（「預期信貸虧損」）模式。

採納香港財務報告準則第9號時，本集團已根據過渡規定就2018年4月1日已存在的項目追溯地應用該準則，亦已應用過渡寬免且選擇不重列過往期間資料。採納香港財務報告準則第9號所產生與分類、計量及減值有關的差異於保留溢利確認。

本集團之貿易及其他應收款項、已抵押銀行存款以及銀行結餘及現金先前根據香港會計準則第39號分類為貸款及應收款項，現時根據香港財務報告準則第9號分類為以攤銷成本計量的金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policy and disclosures

(Continued)

(a) New and amended HKFRSs that are effective for annual periods beginning on or after 1 April 2018

(Continued)

HKFRS 9 “Financial Instruments” *(Continued)*

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the ECL model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECL earlier than under the “incurred loss” accounting model in HKAS 39.

For trade receivables, the Group applies a simplified approach of recognising lifetime ECL as these items do not have a significant financing component. For other financial assets measured at amortised cost, the Group applies a general approach of recognising ECL.

The Group has concluded that the impact of ECL on financial assets is insignificant as at 1 April 2018 and therefore no adjustment was recorded to opening equity.

There have been no changes to the classification or measurement of financial liabilities as a result of the application of HKFRS 9.

The details of new significant accounting policies are set out in Note 2.9.

For further details on the Group’s accounting policy for accounting for ECL, see Note 2.10.

2. 主要會計政策概要 *(續)*

2.2 會計政策及披露變動 *(續)*

(a) 於2018年4月1日或其後開始的年度期間生效的新訂及經修訂香港財務報告準則 *(續)*

香港財務報告準則第9號「金融工具」*(續)*

香港財務報告準則第9號以預期信貸虧損模式取代香港會計準則第39號之「已產生虧損」模式。預期信貸虧損模式規定持續計量金融資產相關之信貸風險，故與香港會計準則第39號之「已產生虧損」會計模式相比，較早確認預期信貸虧損。

就貿易應收款項而言，由於該等項目並無重大融資成分，本集團應用簡化法確認全期預期信貸虧損。就按攤銷成本計量的其他金融資產而言，本集團採用一般方法確認預期信貸虧損。

本集團得出結論，於2018年4月1日金融資產的預期信貸虧損之影響並不重大，因此對年初權益並無造成任何調整。

於採用香港財務報告準則第9號的情況下，金融負債之分類或計量並無變動。

新的重大會計政策詳情載於附註2.9。

有關本集團預期信貸虧損會計政策的進一步詳情，請參見附註2.10。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policy and disclosures

(Continued)

(a) New and amended HKFRSs that are effective for annual periods beginning on or after 1 April 2018

(Continued)

HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 "Revenue from Contracts with Customers" and the related "Clarifications to HKFRS 15 Revenue from Contracts with Customers" (hereinafter referred to as "HKFRS 15") replace HKAS 18 "Revenue", HKAS 11 "Construction Contracts", and several revenue-related interpretations.

The Group has elected to use the cumulative effect transition method, with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained profits at 1 April 2018. Therefore, comparative information has not been restated and continues to be reported under HKASs 11 and 18.

In accordance with the transition guidance under HKFRS 15, the Group has only been applied to contracts that are incomplete as at 1 April 2018.

2. 主要會計政策概要 *(續)*

2.2 會計政策及披露變動 *(續)*

(a) 於2018年4月1日或其後開始的年度期間生效的新訂及經修訂香港財務報告準則 *(續)*

香港財務報告準則第15號「客戶合約收益」

香港財務報告準則第15號「客戶合約收益」及相關「香港財務報告準則第15號客戶合約收益之澄清」(以下稱為「香港財務報告準則第15號」)取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及若干收益相關詮釋。

本集團已選擇使用累計影響過渡方法，初步應用的累計影響確認為2018年4月1日保留溢利期初結餘的調整。因此，比較資料並未重列，且繼續根據香港會計準則第11號及第18號進行呈報。

根據香港財務報告準則第15號項下的過渡指引，本集團僅應用於2018年4月1日尚未完成的合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(a) New and amended HKFRSs that are effective for annual periods beginning on or after 1 April 2018

(Continued)

HKFRS 15 "Revenue from Contracts with Customers"

(Continued)

Summary of nature and effect of the changes on previous accounting policies are set out below:

- (i) Timing of revenue recognition
- Previously, revenue arising from sales of goods or provision of services was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers or when the services have been performed, except for distribution and license fee income which was recognised over the terms of distribution agreement and license period or on an accrual basis in accordance with the terms of agreements.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

- a. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- b. When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced; or
- c. When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

2. 主要會計政策概要 (續)

2.2 會計政策及披露變動 (續)

(a) 於2018年4月1日或其後開始的年度期間生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第15號「客戶合約收益」(續)

過往會計政策變更的性質及影響概要載列如下：

- (i) 收益確認時間
- 以往，當商品擁有權的風險及回報轉移至客戶或服務已履行時，通常會確認銷售商品或提供服務所產生的收益；而分銷及許可權費收入於分銷協議及許可權期內確認，或根據協議條款按累計基準確認。

根據香港財務報告準則第15號，收益乃於客戶取得合約所承諾貨品或服務之控制權時確認。此可為某個時點或一段時間內。香港財務報告準則第15號確定以下對承諾貨品或服務之控制權被視為按一段時間內轉移之三種情況：

- a. 當客戶於實體履約時同時接受及使用實體履約所提供之利益時；
- b. 當實體履約時創造或提高客戶(隨創造或提高該資產之時)所控制之資產(如在建工程)；或
- c. 當實體履約時並無創造對實體而言具替代用途之資產，且該實體對迄今完成之履約付款具有可強制執行權利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policy and disclosures

(Continued)

(a) New and amended HKFRSs that are effective for annual periods beginning on or after 1 April 2018

(Continued)

HKFRS 15 "Revenue from Contracts with Customers"

(Continued)

(i) Timing of revenue recognition (Continued)

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the Group recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises revenue from sale and distribution of furniture and home accessories, distribution and licencing of intellectual property rights, provision of styling and consulting services and operation of a café.

(ii) Presentation of contract liabilities

Under HKFRS 15, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue.

At the date of initial application of HKFRS 15, advance from customers of HK\$6,568,000 previously included in trade and other payables and advance distribution and license fee received and gift vouchers sold but not yet redeemed of HK\$885,000 previously included in deferred revenue were reclassified to contract liabilities for HK\$7,453,000.

2. 主要會計政策概要 (續)

2.2 會計政策及披露變動 (續)

(a) 於2018年4月1日或其後開始的年度期間生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第15號「客戶合約收益」(續)

(i) 收益確認時間 (續)

倘合約條款及實體之活動並不屬於任何該三種情況，則根據香港財務報告準則第15號，本集團於某一時間點(即控制權轉移時)就銷售該貨品或服務確認收益。所有權風險及回報之轉移僅為釐定控制權轉移發生時考慮的其中一項指標。

採納香港財務報告準則第15號對本集團確認家具及家居配飾銷售及分銷、分銷及許可使用知識產權、提供設計及諮詢服務以及經營一間咖啡廳的收益並無重大影響。

(ii) 呈列合約負債

根據香港財務報告準則第15號，本集團確認相關收益前，客戶支付代價或合約需要支付代價且金額已到期時，此代價應確認為合約負債而非應付款項。

於初步應用香港財務報告準則第15號之日，先前計入貿易及其他應付款項的預收客戶款項6,568,000港元及先前計入遞延收益的已收分銷及許可權費墊款以及已售出但尚未贖回的禮券885,000港元已重新分類至合約負債為7,453,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policy and disclosures

(Continued)

(b) Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group:

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

- ¹ Effective for annual periods beginning on or after 1 January 2019
- ² Effective for annual periods beginning on or after 1 January 2020
- ³ Effective for annual periods beginning on or after 1 January 2021
- ⁴ Effective date not yet determined
- ⁵ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

2. 主要會計政策概要 (續)

2.2 會計政策及披露變動 (續)

(b) 已發行但尚未生效的香港財務報告準則

於通過此等綜合財務報表當日，若干新訂及經修訂的香港財務報告準則已刊發但尚未生效，且未獲得本集團提前採納：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港會計準則第1號及香港會計準則第8號的修訂本	重大的定義 ²
香港會計準則第19號的修訂本	計劃修訂、縮減或支付 ¹
香港會計準則第28號的修訂本	在聯營企業及合營企業中的長期權益 ¹
香港財務報告準則第3號的修訂本	業務的定義 ⁵
香港財務報告準則第9號的修訂本	提早還款特性及負補償 ¹
香港財務報告準則第10號及香港會計準則第28號的修訂本	投資者與其聯營或合營企業之間的資產出售或注資 ⁴
香港財務報告準則的修訂本	香港財務報告準則2015年至2017年週期的年度改進 ¹
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅稅務處理的不確定性 ¹

- ¹ 於2019年1月1日或以後開始的年度期間生效
- ² 於2020年1月1日或以後開始的年度期間生效
- ³ 於2021年1月1日或以後開始的年度期間生效
- ⁴ 生效日期尚待確定
- ⁵ 對收購日期為於2020年1月1日或以後開始的首個年度期間或以後開始的業務合併及資產收購生效

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綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policy and disclosures

(Continued)

(b) Issued but not yet effective HKFRSs (Continued)

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

HKFRS 16 "Leases"

HKFRS 16 "Leases" replaced HKAS 17 and three related Interpretations.

As disclosed in Note 2.14, currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease, the lessee will measure a lease liability at present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee would recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

2. 主要會計政策概要 (續)

2.2 會計政策及披露變動 (續)

(b) 已發行但尚未生效的香港財務報告準則 (續)

董事預計所有修訂將於修訂生效日期後開始的首個期間的本集團會計政策中採納。預期將會對本集團會計政策造成影響的新訂及經修訂香港財務報告準則的資料載列如下。其他新訂及經修訂香港財務報告準則預期不會對本集團綜合財務報表構成重大影響。

香港財務報告準則第16號「租賃」香港財務報告準則第16號「租賃」取代香港會計準則第17號及三項相關詮釋。

誠如附錄2.14所披露，目前本集團將租賃分類為融資租賃及經營租賃，並根據租賃分類將租約安排分別入賬。本集團作為承租人訂立若干租賃。

預期香港財務報告準則第16號不會對出租人於租賃下權利及責任的入賬方式有重大影響。然而，一經採納香港財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。取而代之，受可行權宜方法所規限，承租人將所有租賃以類似現有融資租賃會計處理的方法入賬，即於租賃開始日期，承租人將以未來最低租賃付款的現值計量租賃負債，並確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債尚未償還的結餘所產生的利息開支及使用權資產折舊，而非根據現有政策於租賃期內按系統基準確認經營租賃下所產生的租金開支。作為可行權宜方法，承租人可選擇不將此會計模式應用於短期租賃（即租期為12個月或以下）及低價值資產的租賃，於該等情況下，租金開支將繼續於租賃期內按系統基準確認。

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綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(b) Issued but not yet effective HKFRSs (Continued)

HKFRS 16 "Leases" (Continued)

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases of office, warehouses and shop premises which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the consolidated statement of profit or loss and other comprehensive income over the period of the lease.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. As allowed by HKFRS 16, the Group plans to use the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. The Group will therefore apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application.

The Group plans to elect to use the modified retrospective approach for the adoption of HKFRS 16 on 1 April 2019 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 April 2019. Comparative information will not be restated. In addition, the Group plans to elect the practical expedient for not applying the new accounting model to short-term leases and leases of low-value assets and not to perform a full review of existing leases and apply HKFRS 16 only to new contracts. Furthermore, the Group plans to use the practical expedient to account for leases for which the lease term ends within 12 months from the date of initial application as short-term lease.

2. 主要會計政策概要 (續)

2.2 會計政策及披露變動 (續)

(b) 已發行但尚未生效的香港財務報告準則 (續)

香港財務報告準則第16號「租賃」 (續)

香港財務報告準則第16號將主要影響本集團作為租約承租人就各種辦公室、倉庫及商舖(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債兩者有所增加，並影響租約期間於綜合損益及其他全面收益表確認開支的時間。

香港財務報告準則第16號於2019年1月1日或之後開始的年度期間生效。如香港財務報告準則第16號所允許，本集團計劃運用實際權宜方法豁免現有安排所屬的過往評估或訂定租賃。因此，本集團僅會將香港財務報告準則第16號中的新租賃定義用於在初步應用日期或之後訂立的合約。

本集團計劃選擇於2019年4月1日採用經修訂追溯法採納香港財務報告準則第16號，並將首次應用的累計影響確認為於2019年4月1日權益期初結餘的調整，並將不會重列比較資料。此外，本集團計劃選擇實際權宜方法不將新會計模式應用於短期租賃及低價值資產租賃，且將不會對現有租賃進行全面審核及僅將香港財務報告準則第16號應用於新合約。再者，本集團計劃採用實際權宜方法將租期自初步應用日期起12個月內到期的租賃入賬為短期租賃。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(b) Issued but not yet effective HKFRSs (Continued)

HKFRS 16 "Leases" (Continued)

As disclosed in Note 30, as at 31 March 2019, the Group's future minimum lease payments under non-cancellable operating leases amount to HK\$13,743,000 for office, warehouses and shop premises, the majority of which is payable between 1 and 5 years after the reporting date.

Upon the initial application of HKFRS 16, the Group plans to measure the rights-of-use assets as if HKFRS 16 had always been applied by using the incremental borrowing rate at initial application date.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's financial statements from 2019 onwards.

2.3 Consolidation

(a) Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2. 主要會計政策概要(續)

2.2 會計政策及披露變動(續)

(b) 已發行但尚未生效的香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

誠如附註30所披露，於2019年3月31日，就辦公室、倉庫及商舖而言，本集團根據不可撤銷經營租賃而於未來之最低租賃付款為13,743,000港元，其中大部分將於報告日期後1至5年內支付。

於首次應用香港財務報告準則第16號時，本集團計劃於首次應用日期採用增量借貸利率計量使用權資產，猶如一直採用香港財務報告準則第16號。

除確認租賃負債及使用權資產外，本集團預期於首次採納香港財務報告準則第16號時所作的過渡調整將並不重大。然而，上述會計政策的預期變更可能對2019年以後的本集團財務報表產生重大影響。

2.3 綜合賬目

(a) 附屬公司

附屬公司指本集團控制的實體(包括結構性實體)。當本集團透過參與實體的營運而獲得或有權取得其可變回報且有能力透過其於實體的權力影響該等回報時，則本集團控制該實體。附屬公司由控制權轉讓至本集團之日起綜合入賬，並由該控制權終止之日起終止綜合入賬。

集團內公司間交易、結餘與集團內公司間交易之未變現收益及虧損於編製綜合財務報表時對銷。倘有必要，附屬公司所呈報金額已作出調整，以符合本集團之會計政策。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Consolidation

(b) Separate financial statements

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2.4 Business combinations

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

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

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

2. 主要會計政策概要 (續)

2.3 綜合賬目 (續)

(b) 獨立財務報表

於本公司的財務狀況表內，附屬公司乃按成本減任何減值虧損入賬。成本亦包括投資直接應佔成本。附屬公司的業績由本公司根據於報告日期已收及應收股息入賬。所有的股息（無論是否從投資對象的收購前或收購後溢利中收取）均於本公司損益中確認。

2.4 業務合併

收購附屬公司及業務採用收購法入賬。業務合併所轉撥之代價按公允價值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方原擁有人產生之負債及本集團於交換被收購方之控制權發行之股權於收購日之公允價值之總額。收購相關成本於產生時確認於損益中。

業務合併中可識別已收購資產及已承擔負債及或然負債初步按收購日期之公允價值計量。

商譽是以所轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方權益之公允價值（如有）之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後，所超出之差額計量。倘經過評估後，所收購之可識別資產與所承擔負債於收購日期之淨額高於轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方權益之公允價值（如有）之總和，則差額即時於損益內確認為議價購買收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Business combinations *(Continued)*

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounting for within equity. Contingent consideration that is classified as a financial liability is remeasured at subsequent reporting dates at fair value with corresponding gain or loss being recognised in profit or loss.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial information 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 financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

2. 主要會計政策概要 (續)

2.4 業務合併 (續)

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，或然代價乃按其收購日期之公允價值計量並被視為於業務合併中所轉讓代價的一部分。或然代價之公允價值變動(如符合計量期間調整資格)可追溯調整，並對商譽或議價購買收益作出相應調整。計量期間調整為於計量期間就於收購日期存在之事實及情況獲得額外資料而引致之調整。計量期間不超過收購日期起計一年。不合資格作為計量期間調整的或然代價公平值變動的其後會計處理取決於或然代價是如何分類。分類為權益的或然代價不會在其後報告日期重新計量以及其後之結算乃於權益內列賬。分類為財務負債之或然代價乃在其後報告日期按公允價值重新計量，並在損益中確認相應的收益或虧損。

2.5 外幣換算

(a) 功能及呈列貨幣

計入本集團各實體財務資料的項目乃採用該實體經營所在的主要經濟環境之貨幣(「功能貨幣」)計量。財務報表乃以港元呈列，港元為本公司功能貨幣及本集團呈列貨幣。

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綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the 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;
- income and expenses for each statement of profit or loss and other comprehensive income 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 rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

2. 主要會計政策概要 (續)

2.5 外幣換算 (續)

(b) 交易及結餘

外幣交易採用交易或重新計量項目的估值當日的現行匯率換算為功能貨幣。結算該等交易及以外幣計值的貨幣資產及負債按年末匯率換算所產生的外匯收益及虧損於損益中確認。

以外幣計值的非貨幣性金融資產及負債(如透過損益按公允價值持有的權益)的換算差額於釐定公允價值當日以通行匯率重新換算。以外幣及按過往成本計量之非貨幣項目不會重新換算(即僅使用交易日期的匯率換算)。

(c) 集團公司

本集團旗下所有實體(其中並無任何公司持有通脹嚴重之經濟體系之貨幣)如持有與呈列貨幣不一致之功能貨幣,其業績及財務狀況均按以下方法換算為呈列貨幣:

- 各財務狀況表呈列之資產及負債均按照該財務狀況表日期之收市匯率換算;
- 各損益及其他全面收益表之收入和支出按照平均匯率換算(除非此平均數並不代表交易日期匯率的累計影響的合理近似值,在此情況下收支項目按交易日期的匯率換算);及
- 所產生之貨幣換算差額均確認為其他全面收益。

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綜合財務報表附註

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Property, plant and equipment

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

Depreciation on property, plant and equipment is provided to write off the cost less their residue values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold improvements	Over the lease terms
Furniture and fixtures and office equipment	20%–30%
Motor vehicles	30%

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

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

2. 主要會計政策概要 (續)

2.6 物業、廠房及設備

物業、廠房及設備以成本減累計折舊及累計減值虧損列賬。物業、廠房及設備項目之成本包括其購買價及任何使資產達致可使用狀態及存放地點作擬定用途所產生之直接成本。資產折舊於資產可作擬定用途時開始。

物業、廠房及設備折舊乃按其估計可使用年期以直線法按以下年率計提，以撇銷其成本至其殘值：

租賃裝修	介乎租賃年期
傢俬及固定裝置 及辦公設備	20%–30%
汽車	30%

根據融資租賃持有之資產之折舊與自置資產之基準相同，乃按其預計可使用年期或有關租賃期限(以較短者為準)計算。

資產之殘值、折舊方法及可使用年期須於各報告日期重新檢討和調整(如適用)。報廢或出售所產生之收益或虧損乃按出售所得款項與有關資產賬面值之差額釐定，並於損益內確認。

僅當與項目相關之未來經濟利益有可能流入本集團且其後續成本能可靠計量時，則後續成本將加入該項資產之賬面值或確認為個別資產(如適用)。被替換部分的賬面值已終止確認。維修及保養費等所有其他成本於產生之財政期間之損益中扣除。

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綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.7 Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

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

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (Note 2.18).

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

2.8 Intangible assets (other than goodwill)

Website development costs

Cost directly associated with the development of specific websites, which include external direct costs of materials and services consumed in developing the website are capitalised. The capitalisation of such costs ceases no later than the point at which the websites are substantially completed and ready for its intended purpose. Website development costs are amortised on a straight-line basis over a period of 5 years, which represent the expected useful life of the website. Capitalised website development costs stated at cost less accumulated amortisation and accumulated impairment losses.

Research and other development costs relating to website development and website maintenance costs are expensed as incurred.

2. 主要會計政策概要 (續)

2.7 商譽

業務合併產生之商譽於獲得控制權之日(收購日期)確認為資產。商譽按於收購日期已轉讓代價的公允價值、於被收購方任何非控股權益之金額及收購方先前持有的被收購方股權(如有)的公允價值之總額，超逾本集團於被收購方可識別資產及負債淨公允價值之權益的差額計量。

倘若於重新評估後，本集團於被收購方可識別資產淨值公允價值之權益超過已轉讓代價、於被收購方任何非控股權益之金額以及收購方先前持有的被收購方股權(如有)的公允價值之總和，則差額將立即於損益內確認為議價購買收益。

商譽按成本減累計減值虧損列賬。商譽被分配至現金產生單位，並會每年進行減值測試(附註2.18)。

其後出售附屬公司時，已資本化之相關商譽金額計入出售收益或虧損之金額。

2.8 無形資產(商譽除外)

網站開發成本

與開發特定網站有關之直接成本(包括於開發網站過程中所用材料及服務之直接外部成本)撥作資本，直至網站已基本建成並可作擬定用途時為止。網站開發成本於五年期間按直線法予以攤銷，該期間為網站之預計可使用年期。撥作資本之網站開發成本按成本減累計攤銷及累計減值虧損列賬。

研究及其他與網站開發及網站維護相關之開發成本在發生時作為費用支銷。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (other than goodwill)

(Continued)

Trademarks

Trademarks are initially recorded at cost. After initial recognition, these trademarks have a finite useful lives and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight-line basis over a period of 10 years. Amortisation commences when the trademarks are available for use.

2.9 Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(a) Financial assets

Policy applicable from 1 April 2018

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss, plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss and other comprehensive income.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss; or
- fair value through other comprehensive income.

2. 主要會計政策概要 (續)

2.8 無形資產 (商譽除外) (續)

商標

商標初步按成本入賬。初始確認後，該等商標之可使用年期有限，並以成本減累計攤銷及任何累計減值虧損列則。攤銷乃於10年期內按直線法計算。當商標可供使用時開始攤銷。

2.9 金融工具

確認及終止確認

金融資產及金融負債在本集團成為金融工具合約條文下的訂約方時確認。

金融資產於金融資產的現金流合約權利屆滿時，或當金融資產及其絕大部分風險及回報轉移時取消確認。金融負債於終絕、解除、取消或屆滿時終止確認。

(a) 金融資產

自2018年4月1日起適用的政策

金融資產的分類及初步計量
除不包含重大融資成分且按交易價格按照香港財務報告準則第15號計量的貿易應收款項外，所有金融資產初步按公允價值計量，如果金融資產不是透過損益按公允價值列賬，則加上收購該金融資產的直接應佔的交易成本。透過損益按公允價值列賬的金融資產於綜合損益表及其他收益表支銷。

金融資產(指定及有效仍為對沖工具者除外)分類為以下類別：

- 按攤銷成本；
- 透過損益按公允價值列賬；或
- 按公允價值計入其他全面收益。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(a) Financial assets (Continued)

Policy applicable from 1 April 2018 (Continued)

Classification and initial measurement of financial assets (Continued)

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within "finance costs", "other income" or other financial items, except for ECL of trade receivables and other financial assets measured at amortised cost which is presented within administrative expenses.

Subsequent measurement of financial assets

Debt instruments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as fair value through profit or loss):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in "other income" in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and other receivables and bank balances and cash fall into this category of financial assets.

2. 主要會計政策概要 (續)

2.9 金融工具 (續)

(a) 金融資產 (續)

自2018年4月1日起適用的政策 (續)

金融資產的分類及初步計量 (續)

分類由以下兩者釐定：

- 實體管理金融資產的商業模式；及
- 金融資產的合約現金流量特徵。

金融資產的所有收入及開支於損益確認，並呈列為「財務成本」、「其他收入」或「其他財務項目」，惟貿易應收款項及按攤銷成本計量的其他金融資產的預期信貸虧損（呈列為行政開支）除外。

金融資產的其後計量

債務工具

按攤銷成本計量的金融資產

如資產符合以下條件（且不指定為透過損益按公允價值列賬），則按攤銷成本計量：

- 它們是在一種商業模式中持有，其目的是持有金融資產並收取其合約現金流；及
- 金融資產的合約條款產生的現金流僅為本金及未償還本金的利息。

於初步確認後，該等使用實際利率法按攤銷成本計量。該等金融資產的利息收入計入損益「其他收入」。如果貼現的影響並不重大，則省略貼現。本集團的貿易應收款項及其他應收款項，以及銀行結餘及現金均屬於此類金融資產。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(a) Financial assets (Continued)

Policy applicable from 1 April 2018 (Continued)

Subsequent measurement of financial assets (Continued)

Debt instruments (Continued)

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than “hold to collect” or “hold to collect and sell” are categorised at fair value through profit or loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at fair value through profit or loss. The Group’s cash surrender value of life insurance falls into this category of financial assets.

Policy applicable before 1 April 2018

The Group’s financial assets are classified into financial assets at fair value through profit or loss and loans and receivables. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or the transferred and substantially all of the risks and rewards of ownership have been transferred.

2. 主要會計政策概要 (續)

2.9 金融工具 (續)

(a) 金融資產 (續)

自2018年4月1日起適用的政策 (續)

金融資產的其後計量 (續)

債務工具 (續)

透過損益按公允價值列賬的金融資產

在「持作收取」或「持作收取及出售」之外的不同的商業模式持有的金融資產分類為透過損益按公允價值列賬。此外，不論商業模式為何，其合約現金流不僅為本金及利息付款的金融資產透過損益按公允價值列賬入賬。本集團人壽保險的解約現金價值屬於此類金融資產。

2018年4月1日前適用的政策

本集團金融資產分類為透過損益按公允價值列賬之金融資產及貸款及應收款項。管理層視乎收購金融資產之目的，於初步確認時將其金融資產分類，並於許可及適當情況下，於各報告日期重新評估其分類。

所有金融資產僅在本集團成為有關工具合約條文之訂約方時，方予確認。以一般方式購入金融資產會於交易日期確認。初步確認金融資產時乃按公允價值計量，而假若投資並非透過損益按公允價值列賬，則按直接應佔交易成本計量。

倘收取投資產生之現金流量的權利屆滿或被轉讓，且所有權之絕大部分風險及收益已經轉移，即終止確認金融資產。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

(a) Financial assets *(Continued)*

Policy applicable before 1 April 2018 *(Continued)*

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are designated at initial recognition at fair value through profit or loss if the assets are part of a group of financial assets which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the Group of financial assets is provided internally on that basis to the key management personnel. The Group has designated the life insurance policy in the name of the Group covering Ms. Nicole Lucy Haslock ("Ms. Haslock") at fair value through profit or loss (Note 17).

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists.

2. 主要會計政策概要 *(續)*

2.9 金融工具 *(續)*

(a) 金融資產 *(續)*

2018年4月1日前適用的政策 *(續)*

(i) 透過損益按公允價值列賬之金融資產

透過損益按公允價值列賬之金融資產包括於初步確認時指定為透過損益按公允價值列賬之金融資產。倘符合以下條件，則金融資產於初步確認時可指定為透過損益按公允價值列賬：資產為一組金融資產之一部分，該組金融資產根據一套風險管理策略文件形式制定，按公允價值基準進行管理及評估彼等之表現，而本集團金融資產之資料乃按該基準以內部文件形式提供予主要管理人員。本集團指定以其名義為Nicole Lucy Haslock女士（「Haslock女士」）投保之人壽保單乃透過損益按公允價值列賬（附註17）。

於初步確認後，計入此類別之金融資產乃按公允價值計量，而公允價值變動於損益確認。公允價值乃參考活躍市場交易或採用估值方法（如無活躍市場存在）予以釐定。

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綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(a) Financial assets (Continued)

Policy applicable before 1 April 2018 (Continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

(b) Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, interest-bearing borrowings, finance lease liabilities and contingent consideration payable.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within "finance costs" or "other income".

2. 主要會計政策概要 (續)

2.9 金融工具 (續)

(a) 金融資產 (續)

2018年4月1日前適用的政策 (續)

(ii) 貸款及應收款項

貸款及應收款項為具有固定或可確定款項，但在活躍市場中無報價的非衍生金融資產，列入流動資產（報告日期後到期日長於12個月，分類為非流動資產者除外）。該貸款及應收款項其後使用實際利率法按攤銷成本計量，並減去任何減值虧損。攤銷成本的計算已計及任何收購折讓或溢價，以及包括作為實際利率及交易成本一部分的費用。

(b) 金融負債

金融負債的分類及計量

本集團的金融負債包括貿易及其他應付款項、計息借貸、融資租賃負債及應付或然代價。

金融負債初步按公允價值計量，並（如適用）就交易成本調整，除非本集團指定金融負債透過損益按公允價值列賬則除外。

其後，金融負債使用實際利率法按攤銷成本計量，惟衍生工具及指定透過損益按公允價值列賬的金融負債則除外，並按公允價值入賬，而損益則於損益內確認。

所有利息相關開支（如適用）及於損益呈報的工具的公允價值變動計入「財務成本」或「其他收入」。

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綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

(b) Financial liabilities *(Continued)*

*Classification and measurement of financial liabilities
(Continued)*

Finance lease liabilities

Finance lease liabilities are measured at initial value less the capital element of lease repayments (see Note 2.14).

Borrowings (excluding finance lease liabilities)

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings 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 twelve months after the reporting date.

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Contingent consideration payable

Contingent consideration payable is recognised at fair value at the end of each reporting period with gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

2. 主要會計政策概要 *(續)*

2.9 金融工具 *(續)*

(b) 金融負債 *(續)*

*金融負債的分類及計量 *(續)**

融資租賃負債

融資租賃負債按初值減租賃還款的資本元素計量(見附註2.14)。

借貸(不包括融資租賃負債)

借貸初步按公允價值，減已產生的交易成本確認。借貸其後按攤銷成本列賬；所得款項(扣除交易成本)及賬回價值的任何差額於借貸期內使用實際利率法於損益確認。

借貸分類為流動負債，除非本集團擁有不附帶條件的權利可於報告日期後至少12個月延後清償借貸則另作別論。

貿易及其他應付款項

貿易及其他應付款項初步按公允價值確認，其後使用實際利率法按攤銷成本計量。

應付或然代價

應付或然代價於各報告期末按公允價值確認，公允價值重新計量的損益即時於損益確認。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Impairment of financial assets

Policy applicable from 1 April 2018

HKFRS 9's impairment requirements use more forward-looking information to recognise ECL — the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade receivables.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

2. 主要會計政策概要 (續)

2.10 金融資產減值

2018年4月1日起適用的政策

香港財務報告準則第9號的減值規定使用更前瞻性的資料確認預期信貸虧損 — 「預期信貸虧損模型」。此範圍內的工具包括貸款及按攤銷成本計值的其他債務類型金融資產及貿易應收款項。

本集團於評估信貸風險及計量預期信貸虧損時考慮範圍更廣泛的資料，包括過往事件、現行情況、影響工具未來現金流量預期可收回性的合理及有根據的預測。

於應用前瞻性方法時，會區分：

- 自初步確認以來信貸質量並未顯著惡化，或信貸風險低的金融工具（「階段1」）；及
- 自初步確認以來信貸質量顯著惡化，且信貸風險低的金融工具（「階段2」）。

「階段3」涵蓋於報告日期有客觀減值證據的金融資產。

當就階段2確認「全期預期信貸虧損」時，則就階段1確認「12個月預期信貸虧損」。

預期信貸虧損的計量按金融工具於預期年期的信貸虧損的可能性加權估計釐定。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

Policy applicable from 1 April 2018 (Continued)

Trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other financial assets measured at amortised cost

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

2. 主要會計政策概要 (續)

2.10 金融資產減值 (續)

2018年4月1日起適用的政策 (續)

貿易應收款項

就貿易應收款項而言，本集團於計算預期信貸虧損時應用簡化方式，並根據於各報告日期的全期預期信貸虧損確認虧損撥備。此乃合約現金流的預期虧蝕，當中考慮到金融資產年內任何時間的違約可能性。在計算預期信貸虧損時，本集團已根據其過往信貸虧損經驗及外部指標制定撥備矩陣，並就債務人的特定前瞻性因素及經濟環境作調整。

按攤銷成本計量的其他金融資產

本集團計量相等於12個月預期信貸虧損的其他應收款項的虧損撥備，而除非信貸風險自初步確以來已顯著增加，否則本集團確認全期預期信貸虧損。評估是否確認全期預期信貸虧損乃根據自初步確以來，發生違約的可能性或風險是否顯著增加而定。

在評估信貸風險自初步確以來是否顯著增加時，本集團將金融資產於報告日期發生違約的風險與金融資產於初步確日期發生違約的風險作出較。於作出此評估時，本集團考慮合理及有根據的定量及定性資料，包括過往經驗及無須付出不必要的成本或努力即可取得的前瞻性資料。

尤其是，在評估信貸風險是否顯著增加時會考慮以下資料：

- 金融工具的外部(如適用)或內部信貸評級實際上或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如債務人的信貸息差、信貸違約掉期大幅增加；

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

Policy applicable from 1 April 2018 (Continued)

Other financial assets measured at amortised cost (Continued)

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in Note 34.2.

2. 主要會計政策概要 (續)

2.10 金融資產減值 (續)

2018年4月1日起適用的政策 (續)

按攤銷成本計量的其他金融資產 (續)

- 業務、財務或經濟狀況出現或預期出現不利變動，預期導致債務人的償債能力大幅下降；
- 債務人經營業績實際上或預期顯著惡化；
- 債務人的監管、經濟或技術環境實際上或預期的重大不利變動，可能導致債務人償債能力大幅下降。

儘管有上述考慮，但如債務工具於各報告期末釐定為具有低信貸風險，則本集團假設債務工具的信貸風險自初步確認以來並未顯著惡化。如借貸人可穩健地應付其短期內的合約現金流義務，而經濟及商業環境的較長期的不利變動可能(但未必)削弱借貸人應付其合約現金流義務的能力，則債務工具釐定為具有低信貸風險。就內部信貸風險管理而言，當內部制定或從外部來源取得的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)，則本集團認為發生違約事件。

有關貿易應收款項及按攤銷成本計量的其他金融資產的預期信貸虧損評估的詳細分析載於附註34.2。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Impairment of financial assets *(Continued)*

Policy applicable before 1 April 2018

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;
- The disappearance of an active market for that financial asset because of financial difficulties; and
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

2. 主要會計政策概要 *(續)*

2.10 金融資產減值 *(續)*

2018年4月1日前適用的政策

於各報告日期，會對金融資產（而非透過損益按公允價值列賬）進行檢討，以確定是否存在任何客觀減值證據。

個別金融資產減值的客觀證據包括引起本集團對以下一項或多項虧損事件的關注的可觀察數據：

- 債務人發生重大財務困難；
- 違反合約，例如拖欠或逾期支付利息或本金；
- 債務人可能面臨破產或其他財務重組；
- 科技、市場、經濟或法律環境的重大改變而對債務人造成不利影響；
- 因財務困難而失去某項金融資產的活躍市場；及
- 於權益工具的投資公允價值大幅或長期下跌至低於其成本。

有關某一組金融資產之虧損事項包括顯示該組金融資產之估計未來現金流量出現可計量跌幅之可觀察數據。該等可觀察數據包括但不限於組別內債務人之付款狀況，以及與組別內資產拖欠情況有關之國家或當地經濟狀況出現不利變化。

倘有客觀證據證明按攤銷成本入賬的貸款及應收款項已產生減值虧損，虧損金額乃按資產之賬面值與估計未來現金流量（不包括尚未產生之未來信貸損失）以金融資產之原始利率（即在首次確認時使用之實際利率）折現之現值之間的差額釐定。虧損金額乃於發生減值期間之損益內確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Impairment of financial assets *(Continued)*

Policy applicable before 1 April 2018 *(Continued)*

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

Impairment losses on financial assets other than financial assets at fair value through profit or loss and trade receivables that are stated at amortised cost, are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

2. 主要會計政策概要 (續)

2.10 金融資產減值 (續)

2018年4月1日前適用的政策 (續)

倘減值虧損金額於其後期間減少，而減幅與減值確認後發生之事件有客觀關連，則之前確認之減值虧損會被撥回，惟須不會導致金融資產於減值撥回日期之賬面值超過在並無確認減值情況下之攤銷成本。撥回金額於撥回期間之損益內確認。

非以公允價值計入損益之金融資產及按攤銷成本入賬之貿易應收款項之減值虧損直接於相應資產撇銷。當貿易應收款項之收回被視為存疑但並非完全沒有可能收回，則存疑應收款項減值虧損計入撥備賬目。當本集團認為貿易應收款項沒有可能收回時，被認為不可收回之數額直接於貿易應收款項撇銷，而就該等應收款項於撥備賬目持有之任何數額予以撥回。其後收回先前計入撥備賬目之數額於撥備賬目撥回。撥備賬目的其他變動及其後收回先前直接撇銷的數額於損益內確認。

2.11 存貨

存貨乃按成本與可變現淨值之較低者列賬。成本包括所有購買成本，及其他因將存貨交付至現時地點及達至現時狀況所產生的成本（倘適用），成本乃按加權平均法計量。可變現淨值則按日常業務過程中之估計售價減適用之可變銷售費用計算。

2.12 現金及現金等價物

現金及現金等價物包括於銀行及手頭之現金。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (Note 2.17). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (Note 2.9).

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

2.14 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments of such assets, are included in "property, plant and equipment" and the corresponding liabilities, net of finance charges, are recorded as "obligation under finance leases" under "interest-bearing borrowings".

2. 主要會計政策概要 (續)

2.13 合約負債

本集團確認相關收益前，合約負債在客戶支付代價時確認(附註2.17)。倘本集團有無條件權利在本集團確認相關收益前收取代價，則合約負債亦會獲確認。在相關情況下，相應應收款項亦會獲確認(附註2.9)。

就與客戶的單一合約而言，淨合約資產或淨合約負債得以呈列。就多份合約而言，不相關合約的合約資產及合約負債不按淨額基準呈列。

2.14 租賃

倘本集團決定作出包含一項或一連串交易之安排，賦予在協定期間使用一項或多項特定資產之權利以換取一筆或一連串款項，則有關安排屬於或包括一項租賃。該項決定乃基於安排內容之評估作出，而不論有關安排是否採取租賃的法律形式。

(i) 本集團承租資產之分類

本集團以租賃方式持有之資產，倘租賃使擁有權之絕大部分風險和回報轉移至本集團，有關資產歸類為根據融資租賃持有之資產；倘租賃不會使擁有權之絕大部分風險和回報轉移至本集團，則歸類為經營租賃。

(ii) 以融資租賃獲得資產

倘本集團以融資租賃獲得資產的使用權，其金額按租賃資產之公允價值或該等資產最低租賃付款的現值(以較低者為準)計入「物業、廠房及設備」，而扣除融資費用後的相應負債則入賬列為「計息借貸」下的「融資租賃承擔」。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Leases (Continued)

(ii) Assets acquired under finance leases (Continued)

Subsequent accounting for assets held under finance lease agreements corresponds to those applied to comparable acquired assets. The corresponding finance lease liability is reduced by lease payments less finance charges.

Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges as the lessee

When the Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss on a straight-line basis over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental, if any, are charged to profit or loss in the accounting period in which they are incurred.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2. 主要會計政策概要(續)

2.14 租賃(續)

(ii) 以融資租賃獲得資產(續)

融資租賃安排項下所持資產之會計處理與可資比較之購入資產所應用者一致。相應融資租賃負債將扣除租金再減融資費用予以扣除。

租賃付款隱含之融資費用於租賃期間自損益扣除，以致於各個會計期間對承擔餘額採用概約固定的定期扣除比率。或有租金乃於產生之會計期間自損益扣除。

(iii) 作為承租人之經營租賃費用

倘本集團有權使用根據經營租賃持有之資產，則租賃以直線法按有關租約之年期於損益中扣除，除非有另一種更能反映租賃資產所衍生利益模式之基準則另作別論。所獲租賃減免在損益內確認為已付淨租金總額之一部分。或有租金(如有)於所產生之會計期間自損益中扣除。

2.15 撥備

當本集團目前因過去事件承擔法定或推定責任，而履行責任可能須付出經濟利益且責任金額可作出可靠估計，則確認撥備。倘貨幣時值重大，撥備會以履行責任預期所需支出之現值列賬。

所有撥備均會於各報告日期予以檢討，並作出調整以反映當前之最佳估計。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deduction from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.17 Revenue recognition

Revenue arises mainly from the sale and distribution of furniture and home accessories, distribution and licencing of intellectual property rights, the provision of styling, consulting and furniture agency services and the operation of a café.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

2. 主要會計政策概要 (續)

2.16 股本

普通股乃歸類為權益。股本以已發行股份的面值釐定。任何與股份發行有關之交易成本均自股份溢價(扣除任何相關所得稅利益)中扣減，惟以該權益交易直接應佔之增加成本為限。

2.17 收益確認

收益主要來自家具及家居配飾銷售及分銷、分銷及許可使用知識產權、提供設計、諮詢及家具代理服務以及經營一間咖啡廳。

為釐定是否確認收益，本集團遵從五個流程：

1. 識別與客戶訂立的合約
2. 識別履約責任
3. 釐定交易價格
4. 將交易價格分配至履約責任
5. 於清償履約責任時確認收益

在所有情況下，合約的交易價格總額基於其相關的獨立售價在各履約責任中分配。合約的交易價格不包括代表第三方收取的任何金額。

當本集團通過將承諾的商品或服務轉讓予其客戶來履行履約義務時，收益在某個時間點或隨時間確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Revenue recognition (Continued)

Further details of the Group's revenue and other income recognition policies are as follows:

Sale of furniture and home accessories

Revenue from the sale of furniture and home accessories are recognised at a point in time when the Group transfers the control of the assets to the customers upon delivery.

Distribution and license fee income

Fixed upfront distribution and license fee is recognised over time on a straight-line basis over the terms of distribution agreement and license period. License fee income from the licensing arrangement is recognised over time on an accrual basis in accordance with the terms of agreements.

Revenue from café operation

Food and beverage income from the operation of a café is recognised at a point in time when the related services are rendered to the customers.

Commission income

Commission income from (i) consignment sales are recognised at a point in time when the goods are sold by the Group; and (ii) furniture agency service is recognised at a point in time when the services have been performed.

Consulting income

Consulting income is recognised at a point in time when the services have been performed.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of ECL allowance) of the asset.

2. 主要會計政策概要 (續)

2.17 收益確認 (續)

本集團收益及其他收入確認政策的進一步詳情如下：

家具及家居配飾銷售

當本集團在交付時將資產控制權轉讓予客戶時，家具及家居配飾的銷售收益於某個時間點確認。

分銷及許可權費收入

固定的前期分銷及許可權費於分銷協議及許可權期限內以直線基準隨時間確認。根據協議條款，許可權安排所產生的許可權費收入按累計基準隨時間確認。

咖啡廳營運收益

於向客戶提供相關服務時於某一時間點確認經營咖啡廳所得食品及飲料收入。

佣金收入

來自(i)寄售的佣金收入於本集團銷售商品時於某一時間點確認；及(ii)家具代理服務的佣金收入於履行服務時於某一時間點確認。

諮詢收入

諮詢收入於服務完成時於某一時間點確認。

利息收入

利息收入使用實際利息法按時間比例確認。就按攤銷成本計量且未發生信貸減值的金融資產而言，實際利率適用於該資產的總賬面值。就信貸減值的金融資產而言，實際利率適用於該資產的攤銷成本(即扣除預期信貸虧損撥備後的總賬面值)。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Impairment of non-financial assets

Goodwill arising on acquisition of a subsidiary, other intangible assets, property, plant and equipment and the Company's investment in a subsidiary are subject to impairment testing.

Goodwill and other intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

2. 主要會計政策概要 (續)

2.18 非金融資產減值

收購附屬公司產生的商譽、其他無形資產、物業、廠房及設備及本公司於附屬公司之投資均須進行減值測試。

商譽及其他可使用年期不確定或尚未使用的無形資產至少每年進行一次減值測試，不論是否有跡象顯示其發生減值。在任何時候倘有跡象顯示資產之賬面值或許不能收回，所有其他資產應測試其減值情況。

減值虧損乃資產賬面值超過其可收回金額之差額，有關差額即時確認為開支。可收回金額按反映市場狀況之公允價值減出售成本及使用價值之較高者計算。評估使用價值時，估計未來現金流量採用稅前折現率折現至其現值，以反映現時市場對金錢時間值及有關資產特有風險之評估。

就減值評估而言，倘資產產生之現金流入並非大致上獨立於其他資產所產生之現金流入，可收回金額按可獨立產生現金流入之最小資產組合（即現金產生單位）釐定。因此，部分資產會個別進行減值測試，而另一些則按現金產生單位級別進行測試。特別是商譽分配至預期將從相關業務合併的協同效應中受益的現金產生單位，並為本集團內為內部管理目的監控商譽的最低水平，且不大於經營分部。

就已分配商譽之現金產生單位確認的減值虧損初步計入商譽之賬面值。任何剩餘減值虧損按比例計入現金產生單位的其他資產內，惟資產賬面值將不會調低至低於其個別公允價值減銷售成本或使用價值（如可釐定）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Impairment of non-financial assets *(Continued)*

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.19 Employee benefits

Retirement benefit

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit plan (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulative compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Equity-settled share-based compensation transactions

In June 2015, Tiptop has granted share awards to Ms. Mary Kathleen Babington ("Ms. Babington") in return for her continuous services to the Group (Note 28(a)). In January 2018, the Group adopted a Share Option Scheme (Note 28(b)) under which the Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the services received in exchange for the grant of the equity instruments is recognised as expense.

2. 主要會計政策概要 (續)

2.18 非金融資產減值 (續)

商譽之減值虧損不可於其後期間撥回。就其他資產而言，倘用於釐定資產可收回金額之估計發生有利改變，則撥回減值虧損，惟資產之賬面值不超過本應釐定的賬面值（倘尚未確認減值虧損，則扣除折舊及攤銷）。

2.19 僱員福利

退休福利

僱員的退休福利乃透過定額供款計劃提供。

本集團根據強制性公積金計劃條例為所有合資格參與強積金計劃的僱員施行一項定額供款退休福利計劃（「強積金計劃」）。供款乃根據僱員的基本薪金按比例作出。

供款於損益內確認為僱員年內提供服務的開支。本集團於該等計劃項下的義務乃受限於固定的應付供款比例。

短期僱員福利

僱員有權享有年假，且於僱員支取年假時確認入賬。本集團會就截至報告日期止僱員已提供之服務而產生的估計年假負債作出撥備。

非累計缺勤賠償（如病假及產假）於僱員支取有關假期時方會確認入賬。

以權益結算以股份為基礎的薪酬交易於2015年6月，譽頂已向Mary Kathleen Babington女士（「Babington女士」）授予股份獎勵，作為彼持續為本集團服務的回報（附註28(a)）。於2018年1月，本集團採納購股權計劃（附註28(b)），據此，本集團獲僱員提供服務，作為本集團權益工具（購股權）的代價。為換取獲授股本工具所接受服務的公允價值已確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Employee benefits (Continued)

Equity-settled share-based compensation transactions (Continued)

The total amount to be expensed is determined by reference to the fair value of the equity instruments granted including any market performance conditions; excluding the impact of any service and non-market performance vesting conditions; and including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-market performance and service conditions. The Group recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2. 主要會計政策概要 (續)

2.19 僱員福利 (續)

以權益結算以股份為基礎的薪酬交易 (續)

將予列支的費用總額乃參照授出權益工具的公允價值(包括任何市場表現狀況)釐定; 不包括任何服務及非市場表現之歸屬條件所產生之影響; 惟包括任何非歸屬條件之影響。

在假定預期可予以歸屬之股份數目時, 亦一併考慮非市場表現及服務狀況。費用總額於歸屬期內確認, 所有特定歸屬條件須於歸屬期內達成。

於各報告期末, 本集團根據非市場表現及服務狀況修訂其預期歸屬的股份數目。本集團在損益內確認調整原來估計所產生之影響(如有), 並對權益作出相應調整。

如若以權益結算的獎勵的條款有所修改, 且獎勵的原有條款獲達成, 需按條款並無進行修訂的情形確認最少的支出。此外, 任何修改導致於修訂日期所計量的以股份為基礎支付的公允價值增加, 或對僱員帶來其他利益, 則應就該等修改確認開支。

如以權益結算的獎勵被註銷, 應被視為已於註銷日期歸屬, 而尚未就有關獎勵確認的任何開支均應實時確認。此包括本集團或僱員可控制的非歸屬條件尚未達成的任何獎勵。然而, 如新獎勵代替已註銷的獎勵, 並於授出日期指定為替代獎勵, 則已註銷的獎勵及新獎勵應按前段所述被視為對原獎勵的修改。

倘購股權獲行使, 本公司會發行新股份。已收取的所得款項扣除直接應佔交易成本會計入股本(面值)及股份溢價。

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綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Borrowing costs

Borrowing costs are expensed when incurred.

2.21 Accounting for income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

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 differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

2. 主要會計政策概要 (續)

2.20 借貸成本

借貸成本於產生時支銷。

2.21 所得稅會計處理

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括財政機關要求繳納涉及目前或以往報告期間但於報告日期尚未繳付之納稅責任或其提出之申索，乃基於該年度應課稅溢利，根據有關財政期間適用之稅率及稅法計算。即期稅項資產或負債之所有變動均於損益確認為稅項開支之一部分。

遞延稅項乃按於報告日期財務報表內資產與負債賬面值及其相應稅基兩者之暫時差額使用負債法計算。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產乃就所有可扣稅暫時差額、可結轉稅項虧損以及其他未使用稅收抵免確認，惟以可能有應課稅溢利（包括現有應課稅暫時差額）用以抵銷可扣稅暫時差額、未使用稅項虧損及未使用稅收抵免為限。

倘來自商譽或首次確認交易（業務合併除外）資產及負債產生之暫時性差額並不影響應課稅或會計溢利或虧損，則毋須確認遞延稅項資產及負債。

投資附屬公司所產生之應課稅暫時差額會確認為遞延稅項負債，惟本集團可控制暫時差額之撥回及有可能在可預見將來不會撥回者則除外。

遞延稅項乃按預期清償債務或變現資產之期間適用稅率計算（不作出折現），惟有關稅率必須為於報告日期已實施或基本上已實施之稅率。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Accounting for income tax *(Continued)*

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (1) when the existing temporary differences will reverse and (2) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

- income or loss excluding reversals of temporary differences; and
- reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

2. 主要會計政策概要 (續)

2.21 所得稅會計處理 (續)

遞延稅項資產或負債之變動於損益確認，倘變動與扣除自或計入其他全面收益中之項目或直接計入權益中之項目有關，則於其他全面收益或直接於權益確認。

當不同應課稅收入採用不同稅率時，遞延稅項資產及負債乃採用預期適用於暫時差額預期撥回的期內的應課稅收入的平均稅率計量。

釐定平均稅率須估計(1)於現有暫時差額將予撥回時及(2)該等年度未來應課稅溢利金額。未來應課稅溢利估計包括：

- 不包括撥回暫時差額的收入或虧損；及
- 撥回現有暫時差額。

即期稅項資產及即期稅項負債只會在以下情況以淨值基準呈列：

- (a) 本集團有法律上可行使的權利抵銷已確認金額；及
- (b) 擬以淨額基準或同時變現資產及結付負債。

本集團僅會在以下情況以淨值基準呈列遞延稅項資產及遞延稅項負債：

- (a) 該實體有法律上可行使的權利將即期稅項資產與即期稅項負債抵銷；及

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Accounting for income tax (Continued)

- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
- (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.22 Segment reporting

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

2.23 Dividend distribution

Dividend distribution to the Company's ordinary shareholders is recognised as a liability in the Company's financial statements in the period which the dividends are approved by the Company's shareholders or board of directors, where appropriate.

2.24 Related parties

For the purpose of these consolidated financial statements, a party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 Group or of a parent of the Group.

2. 主要會計政策概要(續)

2.21 所得稅會計處理(續)

- (b) 遞延稅項資產及遞延稅項負債是關於同一稅務機關就以下任何一項所徵收之所得稅：
- (i) 同一應課稅實體；或
 - (ii) 計劃於未來期間(而預期在有關年度內將清償或收回大額之遞延稅項負債或資產)以淨值基準結算即期稅項負債及資產或同時變現資產及清償負債之不同應課稅實體。

2.22 分部報告

經營分部按照內部報告一致之方式向主要營運決策者(「主要營運決策者」)呈報。主要營運決策者負責分配資源及評估經營分部業績，被界定為作出戰略決策的執行董事。

2.23 股息分派

本公司之普通股股東的股息分派乃於有關股息獲本公司股東或董事會批准期間(倘適當)，於本公司財務報表中確認為負債。

2.24 關聯方

就綜合財務報表而言，該名人士將被視為與本集團有關聯，倘：

- (a) 該人士為一名自然人，或該自然人之近親，倘該自然人：
 - (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司主要管理人員之成員。

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綜合財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.24 Related parties *(Continued)*

- (b) the party is an entity and if any of the following conditions applies:
- (i) the entity and the Group are members of the same group.
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) the entity and the Group are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. 主要會計政策概要 (續)

2.24 關聯方 (續)

- (b) 該人士為一實體，且若下列任一條件適用：
- (i) 該實體及本集團屬同一集團之成員。
 - (ii) 一個實體為另一實體之聯營公司或合資公司(或為某一集團成員公司的聯營公司或合資公司，而該另一實體為此集團之成員)。
 - (iii) 該實體與本集團皆為相同第三方的合資公司。
 - (iv) 一個實體為第三實體之合資公司及另一實體為第三實體之聯營公司。
 - (v) 該實體為本集團或與本集團有關聯之實體的僱員福利而設之離職後福利計劃。
 - (vi) 該實體受(a)部所界定人士控制或共同控制。
 - (vii) 於(a)(i)所界定對實體有重大影響之人士，或是實體(或實體之母公司)主要管理人員之成員。
 - (viii) 該實體或其所屬的任何集團的成員公司向本集團或本集團的母公司提供主要管理成員服務。

個別人士之近親家族成員指預期可影響該人士與實體進行交易或於交易時受該人士影響之有關家族成員。

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of goodwill impairment

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.18. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates about future cash flows and discount rates. In the process of estimating expected future cash flows management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors. Details of the estimates of the recoverable amounts of cash-generating units containing goodwill are disclosed in Note 16.

Valuation of contingent consideration payable

For acquisitions accounted for under HKFRS 3, future anticipated payments to vendors in respect of earnouts are based on the management's best estimates of future obligations, which are dependent on future performance of the interests acquired and assume the operating companies improve profits in line with management's estimates and are included in liabilities greater or less than one year as appropriate. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. Changes to earnouts are recorded in the profit or loss. Details of contingent consideration payable are set out in Notes 32 and 34.6.

3. 重大會計估計及判斷

估計及判斷乃基於過往經驗及其他因素持續評估，包括對發生在不同情況下並視為合理之未來事項之預期。

估計不確定性

本集團會就未來作出估計及假設。顧名思義，由此得出之會計估計甚少相等於有關實際結果。對下一個財政年度內之資產及負債賬面值產生重大調整風險之估計及假設於下文論述：

估計商譽減值

本集團根據附註2.18所述會計政策每年測試商譽是否遭受任何減值。現金產生單位之可收回金額乃根據使用價值計算方法釐定。該等計算方法需估計未來現金流量及折現率。於估計未來預期現金流量之過程中，管理層就未來收益及溢利作出假設。該等假設與未來事件及情況有關。實際結果可能存在差異，且可能導致須對下個財政年度內商譽之賬面值作出重大調整。釐定合適折現率涉及對市場風險及資產特定風險因素作出合適調整之估計。現金產生單位(包含商譽)的可收回金額估計詳情於附註16中披露。

應付或然代價的估值

就根據香港財務報告準則第3號入賬的收購事項而言，就獲利能力付款方案預計日後支付予賣方的款項乃基於管理層對未來責任的最佳估計，視乎所收購權益的未來表現及假設經營公司之溢利按管理層估計而改善，以及計入多於或少於一年的負債(倘適當)。該等估計很可能與日後實際經營業績及現金流不同，且該等差異可能重大。獲利能力付款方案的變更於損益中入賬。應付或然代價之詳情載於附註32及34.6。

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Estimation uncertainty (Continued)

Allowance for inventories

Net realisable value of inventories (Note 18) is the actual or estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market condition. Management reassesses these estimations at the end of each reporting period.

Provision for impairment of trade receivables

Upon the adoption of HKFRS 9, the provisioning policy for trade receivables of the Group is based on the evaluation of the risk of default and the expected loss rate. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, which include the current creditworthiness, the past collection history, the realisation of any repayment pattern promised as well as forward-looking estimates at the end of each reporting period.

Before the adoption of HKFRS 9, the provisioning policy for trade receivables of the Group is based on the evaluation of the collectability of those receivables and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables based on objective evidence, including the current creditworthiness, the past collection history of each customer and settlements subsequent to year end. If the financial conditions of these customers were to deteriorate, additional provision may be required.

Details of trade receivables and ECL of trade receivables are set out in Notes 19 and 34.2.

4. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue is as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Types of goods or services	貨品或服務類型		
Sale of furniture and home accessories	家具及家居配飾銷售	73,296	73,414
Distribution and license fee income	分銷及許可權費收入	3,432	3,504
Food and beverage income	食品及飲料收入	2,818	1,641
Commission income	佣金收入	2,822	202
Consulting income	諮詢收入	3,040	312
		85,408	79,073

3. 重大會計估計及判斷(續)

估計不確定性(續)

存貨撥備

存貨的可變現淨值(附註18)指日常業務中之實際或估計售價減完成銷售所需之估計成本。該等預計乃基於現時市況及銷售近似屬性產品的過往經驗。存貨的可變現淨值可因競爭對手應對市況變化而採取的行動而發生重大改變。管理層於各報告期末重估該等估計。

貿易應收款項之減值撥備

於採納香港財務報告準則第9號後，本集團貿易應收款項之撥備政策乃根據對違約風險及預期虧損率之估計而制定。評估該等應收款項之最終變現能力時須作出大量判斷，包括目前之信譽、過往還款記錄、任何已承諾還款模式之兌現以及於各報告期末之前瞻性估計。

採納香港財務報告準則第9號前，本集團貿易應收款項之撥備政策乃根據對該等應收款項可收回性之評估及管理層之判斷而制定。評估該等應收款項之最終變現能力時須作出大量判斷，包括每名客戶目前之信譽及過往還款記錄，以及年結後之結算。倘該等客戶之財務狀況惡化，則或須作出額外撥備。

貿易應收款項及貿易應收款項的預期信貸虧損詳情載於附註19及34.2。

4. 收益及分部資料

有關本集團收益的分析如下：

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4. REVENUE AND SEGMENT INFORMATION

(Continued)

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines. For the year ended 31 March 2018, the Group's operating activities are attributable to a single reportable and operating segment of furniture sale and consultancy services, which focus primarily on the sale and distribution of furniture and home accessories in Hong Kong, including the operation of a café inside its retail shop, distribution and licencing of intellectual property rights and the provision of styling and consulting services. Upon the completion of the acquisition of a subsidiary during the year ended 31 March 2019, the furniture agency service segment has been added.

The Group has identified the following reportable segments:

- Furniture sale and consultancy services: the sale and distribution of furniture and home accessories, distribution and licencing of intellectual property rights, the provision of styling and consulting services and the operation of a café.
- Furniture agency service: the provision of furniture agency services.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches.

4. 收益及分部資料(續)

根據向執行董事呈報以供彼等決定本集團各業務成分之資源分配及評核該等成分表現的定期內部財務資料，本集團確認經營分部及編製分部資料。向執行董事呈報之內部財務資料內之業務成分乃依據本集團主要產品及服務種類確定。截至2018年3月31日止年度，本集團的經營活動歸屬於單一可呈報及家具銷售及諮詢服務的經營分部，該分部主要側重於香港家具及家居配飾的銷售及分銷，並包括於其零售店內經營一間咖啡廳、分銷及許可使用知識產權以及提供設計及諮詢服務。於截至2019年3月31日止年度完成收購一間附屬公司後，已新增家具代理服務分部。

本集團已確定以下可呈報分部：

- 家具銷售及諮詢服務：銷售及分銷家具及家居配飾、分銷及許可使用知識產權、提供設計及諮詢服務以及經營一間咖啡廳。
- 家具代理服務：提供家具代理服務。

由於各產品及服務線需要不同資源以及市場推廣方法，故該等經營分部各自獨立管理。

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

4. REVENUE AND SEGMENT INFORMATION

(Continued)

4. 收益及分部資料(續)

		Furniture sale and consultancy services 家具銷售 及諮詢服務 HK\$'000 千港元	Furniture agency service 家具代理服務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2019	2019年			
Segment revenue from external customers	來自外部客戶之 分部收益	82,734	2,674	85,408
Reportable segment profit	可呈報分部溢利	5,275	1,528	6,803
Reportable segment assets	可呈報分部資產	27,430	46,329	73,759
Reportable segment liabilities	可呈報分部負債	11,887	37,743	49,630
Segment depreciation	分部折舊	1,785	—	1,785
Segment amortisation	分部攤銷	107	—	107
Segment finance costs	分部財務成本	32	115	147
Additions to property, plant and equipment	添置物業、 廠房及設備	2,242	—	2,242
2018	2018年			
Segment revenue from external customers	來自外部客戶之 分部收益	79,073	—	79,073
Reportable segment profit	可呈報分部溢利	8,381	—	8,381
Reportable segment assets	可呈報分部資產	22,866	—	22,866
Reportable segment liabilities	可呈報分部負債	9,934	—	9,934
Segment depreciation	分部折舊	1,400	—	1,400
Segment amortisation	分部攤銷	100	—	100
Segment finance costs	分部財務成本	14	—	14
Additions to property, plant and equipment	添置物業、 廠房及設備	1,318	—	1,318
Additions to intangible assets	添置無形資產	40	—	40

(a) Segment accounting policies

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that listing-related expenses, share-based compensation expense, certain finance costs, income tax expense and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

(a) 分部會計政策

本集團根據香港財務報告準則第8號就報告分部業績所採用之計量政策，與根據香港財務報告準則於財務報表所採用者相同，惟上市相關開支、以股份為基礎的薪酬開支、若干財務成本、所得稅開支以及並非直接歸屬於任何經營分部之業務活動之公司收入及開支於計算經營分部之經營業績時並不包括在內。

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綜合財務報表附註

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

4. REVENUE AND SEGMENT INFORMATION

(Continued)

(a) Segment accounting policies (Continued)

Reportable segment assets exclude cash surrender value of life insurance, deferred tax assets, tax recoverable, pledged bank deposits, bank balances and cash and unallocated corporate assets (mainly include certain intangible assets and certain other receivables).

Reportable segment liabilities exclude income tax liabilities, bank borrowings and unallocated corporate liabilities (mainly include certain other payables).

(b) Reconciliation of the reportable segment profit, assets and liabilities

Reportable segment profit, assets and liabilities are reconciled to results and total assets and total liabilities of the Group as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Reportable segment profit	可呈報分部溢利	6,803	8,381
Unallocated amounts:	未分配款項：		
— Listing-related expenses	— 上市相關開支	—	(15,747)
— Share-based compensation expenses	— 以股份為基礎的薪酬開支	—	(656)
— Finance costs	— 財務成本	(122)	(302)
— Corporate income and expense	— 公司收入及開支	(4,638)	(428)
Profit/(Loss) before income tax	除所得稅前溢利／(虧損)	2,043	(8,752)

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Reportable segment assets	可呈報分部資產	73,759	22,866
Unallocated assets:	未分配資產：		
— Cash surrender value of life insurance	— 人壽保險的解約現金價值	1,755	1,689
— Deferred tax assets	— 遞延稅項資產	286	289
— Tax recoverable	— 可收回稅款	255	—
— Pledged bank deposits	— 已抵押銀行存款	—	200
— Bank balances and cash	— 銀行結餘及現金	22,795	35,960
— Unallocated corporate assets	— 未分配公司資產	2,853	3,712
Total assets	資產總額	101,703	64,716

4. 收益及分部資料(續)

(a) 分部會計政策(續)

可呈報分部資產不包括人壽保險的解約現金價值、遞延稅項資產、可收回稅款、已抵押銀行存款、銀行結餘及現金以及未分配公司資產(主要包括若干無形資產及若干其他應收款項)。

可呈報分部負債不包括所得稅負債、銀行借貸及未分配公司負債(主要包括若干其他應付款項)。

(b) 可呈報分部溢利、資產及負債之對賬

可呈報分部溢利、資產及負債與本集團之業績及總資產及總負債對賬如下：

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

4. REVENUE AND SEGMENT INFORMATION

(Continued)

(b) Reconciliation of the reportable segment profit, assets and liabilities (Continued)

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Reportable segment liabilities	可呈報分部負債	49,630	9,934
Unallocated liabilities:	未分配負債：		
— Income tax liabilities	— 所得稅負債	258	304
— Bank borrowings	— 銀行借貸	469	4,922
— Unallocated corporate liabilities	— 未分配公司負債	939	241
Total liabilities	負債總額	51,296	15,401

(c) Disaggregation of revenue from contracts with customers

		2019 2019年 HK\$'000 千港元
Timing of revenue recognition	收益確認時間	
At a point in time	某一時間點	81,976
Over time	一段時間	3,432
		85,408

The Group has a large number of customers, no revenue from any individual customer exceeded 10% of the Group's revenue during the year ended 31 March 2019 (2018: nil).

As of 31 March 2019 and 2018, all of the non-current assets (other than financial instruments and deferred tax assets) of the Group were located in Hong Kong and all revenue of the Group during the years ended 31 March 2019 and 2018 were originated in Hong Kong.

4. 收益及分部資料(續)

(b) 可呈報分部溢利、資產及負債之對賬(續)

(c) 客戶合約收益之分類

本集團擁有大量客戶，截至2019年3月31日止年度，概無任何個別客戶佔本集團收益的逾10% (2018年：無)。

於2019年及2018年3月31日，本集團的全部非流動資產(金融工具及遞延稅項資產除外)皆位於香港，且本集團於截至2019年及2018年3月31日止年度的全部收益均源自香港。

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4. REVENUE AND SEGMENT INFORMATION

(Continued)

(c) Disaggregation of revenue from contracts with customers (Continued)

The transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations as at 31 March are as follows:

Within one year	一年內
Over one year	超過一年

As permitted by HKFRS 15, the transaction price allocated to unsatisfied contracts for periods of one year or less is not disclosed.

4. 收益及分部資料(續)

(c) 客戶合約收益之分類(續)

於3月31日，分配至餘下尚未履約或已部分履約義務之交易價格如下：

2019 2019年 HK\$'000 千港元
3,200
4,000
7,200

如香港財務報告準則第15號所允許，分配至未履行合約為一年或一年以下之交易價格不予披露。

5. OTHER INCOME

Bank interest income	銀行利息收入
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益
Sundry income	雜項收入

6. FINANCE COSTS

Interest expenses on bank borrowings	銀行借貸利息開支
Finance charges on obligations under finance leases	融資租賃承擔之融資費用
Fair value changes on contingent consideration payable	應付或然代價之公允價值變動

5. 其他收入

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
13	5
40	–
151	129
204	134

6. 財務成本

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
122	302
32	14
115	–
269	316

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

7. PROFIT/(LOSS) FOR THE YEAR

Profit/(Loss) for the year has been arrived at after charging/(crediting):

7. 年內溢利／(虧損)

年內溢利／(虧損)乃經扣除／(計入)以下各項後得出：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Auditor's remuneration	核數師薪酬	600	410
Cost of inventories recognised as expense	確認為開支的存貨成本	25,142	25,515
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,785	1,400
Amortisation of intangible assets	無形資產攤銷	107	100
Operating lease charges in respect of warehouses, office and shop premises	倉庫、辦公室及商舖的經營 租賃費用	12,657	10,831
Net exchange loss	匯兌虧損淨額	116	242
Fair value gain on cash surrender value of life insurance	人壽保險的解約現金價值之 公允價值收益	(66)	(80)

8. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

8. 僱員福利開支(包括董事薪酬)

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries, bonus and allowances	薪金、花紅及津貼	23,229	19,030
Retirement benefit scheme contributions	退休福利計劃供款	869	757
Share-based compensation expense	以股份為基礎的薪酬開支	-	656
		24,098	20,443

9. INCOME TAX EXPENSE

9. 所得稅開支

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Current tax — Hong Kong	即期稅項 — 香港		
Current year	本年度	950	1,430
Over provision in respect of prior years	過往年度超額撥備	(30)	(14)
		920	1,416
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差異的產生及撥回	31	(66)
	25		
Income tax expense	所得稅開支	951	1,350

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

9. INCOME TAX EXPENSE (Continued)

The difference between the actual income tax charge in the consolidated statement of profit or loss and other comprehensive income and the amounts which would result from applying the enacted tax rate to profit/(loss) before income tax can be reconciled as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Profit/(Loss) before income tax	除所得稅前溢利／(虧損)	2,043	(8,752)
Tax on profit/(loss) before income tax, calculated at the statutory rates applicable in the tax jurisdictions concerned	除所得稅前溢利／(虧損)的稅項 (按相關稅務司法權區的適用法定稅率計算)	1,154	1,246
Tax effect of non-taxable income	毋須課稅收入的稅務影響	(20)	(13)
Tax effect of non-deductible expenses	不可扣稅支出的稅務影響	12	131
Tax effect of two-tiered tax regime	兩級稅制的稅務影響	(165)	-
Over provision in respect of prior years	過往年度超額撥備	(30)	(14)
Income tax expense	所得稅開支	951	1,350

Notes:

(a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(b) British Virgin Islands ("BVI") income tax

The Company's direct subsidiary in BVI was incorporated under the BVI Business Companies Act, 2004 and accordingly, is exempted from BVI income tax.

(c) Hong Kong profits tax

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5%.

For the year ended 31 March 2019, Hong Kong profits tax of Tree Limited, a subsidiary of the Group, is calculated in accordance with the two-tiered profits tax rates regime. For the year ended 31 March 2018, Hong Kong profits tax was calculated at a flat rate of 16.5% of the estimated assessable profit for the year.

9. 所得稅開支(續)

於綜合損益及其他全面收益表的實際所得稅費用與就除所得稅前溢利／(虧損)應用法定稅率所得款額的差異可對賬如下：

附註：

(a) 開曼群島所得稅

本公司根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司，因此豁免繳納開曼群島所得稅。

(b) 英屬維爾京群島(「英屬維爾京群島」)所得稅

本公司於英屬維爾京群島之直接附屬公司乃根據2004年英屬維爾京群島商業公司法註冊成立，因此豁免繳納英屬維爾京群島所得稅。

(c) 香港利得稅

於2018年3月21日，香港立法會通過2017年稅務(修訂)(第7號)條例草案(「條例草案」)，該條例草案引入利得稅兩級制。該條例草案於2018年3月28日簽署成為法律，並於翌日刊憲。

根據利得稅兩級制，合資格企業的首2,000,000港元應課稅溢利將按8.25%徵稅，超過2,000,000港元的應課稅溢利將按16.5%徵稅。不符合利得稅兩級制資格的實體之應課稅溢利將繼續按16.5%的劃一稅率徵稅。

截至2019年3月31日止年度，本集團附屬公司大樹有限公司的香港利得稅乃按利得稅兩級制計算。截至2018年3月31日止年度，香港利得稅按年度估計應課稅溢利之固定稅率16.5%計算。

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10. DIVIDENDS

No dividends have been paid or declared by the Company during the years ended 31 March 2019 and 2018.

10. 股息

截至2019年及2018年3月31日止年度內，本公司並無派付或宣派股息。

11. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to equity holders of the Company is based on the following:

		2019 2019年	2018 2018年
Profit/(Loss) for the year attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔年內盈利／(虧損)(千港元)	1,092	(10,102)
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share (thousands)	用以計算每股基本盈利／(虧損)的普通股加權平均數(千股)	1,584,000	1,259,605
Basic earnings/(loss) per share (expressed in HK cents per share)	每股基本盈利／(虧損)(以每股港仙列示)	0.07	(0.80)

The weighted average number of ordinary shares used to calculate the basic loss per share for the year ended 31 March 2018 includes (i) 100 ordinary shares in issue at beginning of the year; (ii) 1,187,999,900 new ordinary shares issued under capitalisation issue (Note 26(ii)), as if all these shares had been in issue throughout the year ended 31 March 2018, and (iii) 71,605,000 shares, representing the weighted average of 396,000,000 new ordinary shares issued under the public offer and placing of shares of the Company (the "Share Offer") (Note 26(iii)).

用以計算截至2018年3月31日止年度的每股基本虧損的普通股加權平均數包括(i)於年初已發行的100股普通股；(ii)根據資本化發行所發行的1,187,999,900股新普通股(附註26(ii))，猶如所有有關股份已於截至2018年3月31日止整個年度已獲發行，及(iii)71,605,000股股份，相當於根據公開發售及配售本公司股份(「股份發售」)所發行的396,000,000股新普通股加權平均數(附註26(iii))。

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share equals the basic earnings/(loss) per share as there were no dilutive potential ordinary shares in existence during the years ended 31 March 2019 and 2018.

(b) 每股攤薄盈利／(虧損)

由於截至2019年及2018年3月31日止年度並無潛在攤薄普通股，每股攤薄盈利／(虧損)等於每股基本盈利／(虧損)。

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12. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS

(a) Directors' remuneration

Directors' and chief executive's emoluments, disclosed pursuant to the GEM Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

12. 董事酬金及僱員薪酬

(a) 董事酬金

根據香港GEM上市規則、香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露的董事及主要行政人員的酬金如下：

Name of director	董事姓名	Notes	Fees	Retirement benefit		Share-based compensation	Total
				Basic salaries and allowances	scheme contributions		
		附註	袍金	基本薪金及津貼	退休福利計劃供款	以股份為基礎的薪酬	總計
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元	千港元
Year ended 31 March 2019 截至2019年3月31日止年度							
Executive directors: 執行董事：							
Ms. Babington	Babington 女士	(i)	-	2,057	18	-	2,075
Mr. Tsui Wing Tak	徐穎德先生		120	-	-	-	120
Non-executive directors: 非執行董事：							
Ms. Haslock	Haslock 女士		120	-	-	-	120
Mr. Tong Tang Joseph	唐登先生		120	-	-	-	120
Independent non-executive directors: 獨立非執行董事：							
Mr. Sit Hoi Wah Kenneth	薛海華先生	(ii)	144	-	-	-	144
Mr. Tsang Wai Yin	曾偉賢先生	(ii)	144	-	-	-	144
Mr. Yeung Man Chung Charles	楊文忠先生	(ii)	144	-	-	-	144
			792	2,057	18	-	2,867
Year ended 31 March 2018 截至2018年3月31日止年度							
Executive directors: 執行董事：							
Ms. Babington	Babington 女士	(i)	-	2,049	18	656	2,723
Mr. Tsui Wing Tak	徐穎德先生		120	-	-	-	120
Non-executive directors: 非執行董事：							
Ms. Haslock	Haslock 女士		210	-	-	-	210
Mr. Tong Tang Joseph	唐登先生		30	-	-	-	30
Independent non-executive directors: 獨立非執行董事：							
Mr. Sit Hoi Wah Kenneth	薛海華先生	(ii)	36	-	-	-	36
Mr. Tsang Wai Yin	曾偉賢先生	(ii)	36	-	-	-	36
Mr. Yeung Man Chung Charles	楊文忠先生	(ii)	36	-	-	-	36
			468	2,049	18	656	3,191

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12. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' remuneration (Continued)

Notes:

- (i) Ms. Babington is also the chief executive officer of the Group.
- (ii) Appointed on 25 January 2018.

There were no arrangements under which a director of the Company waived or agreed to waive any remuneration during the years ended 31 March 2019 and 2018.

(b) Five highest paid individuals

For the year ended 31 March 2019, the five individuals whose emoluments were the highest in the Group include one (2018: one) director, whose emoluments are reflected in the analysis presented above. Details of the emoluments of the remaining four (2018: four) highest paid individuals are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	2,540	2,135
Discretionary bonus	酌情花紅	294	199
Retirement benefit scheme contributions	退休福利計劃供款	65	69
		2,899	2,403

The emoluments fell within the following bands:

		2019 2019年	2018 2018年
Emolument bands	酬金範圍		
Nil-HK\$1,000,000	零至1,000,000港元	4	4

For the year ended 31 March 2019, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2018: nil).

12. 董事酬金及僱員薪酬(續)

(a) 董事酬金(續)

附註：

- (i) Babington女士亦為本集團的行政總裁。
- (ii) 於2018年1月25日獲委任。

於截至2019年及2018年3月31日止年度，並無任何本公司董事已放棄或同意放棄任何酬金的安排。

(b) 五名最高薪酬人士

截至2019年3月31日止年度，本集團五名最高薪酬人士分別包括一名董事(2018年：一名)，彼等的酬金反映於上文呈列的分析內。有關餘下四名(2018年：四名)最高薪酬人士的酬金的詳情如下：

酬金總額介乎以下範疇：

		2019 2019年	2018 2018年
Emolument bands	酬金範圍		
Nil-HK\$1,000,000	零至1,000,000港元	4	4

截至2019年3月31日止年度，本集團並無向任何董事或五名最高薪酬人士支付酬金，作為邀請彼等加入本集團或於加入本集團時的獎金或離職補償(2018年：無)。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Leasehold improvements	Furniture and fixtures and office equipment	Motor vehicles	Total
		租賃物業裝修	家具及固定 裝置及辦公設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 April 2018	於2018年4月1日				
Cost	成本	7,316	2,806	1,235	11,357
Accumulated depreciation	累計折舊	(5,017)	(2,264)	(900)	(8,181)
Net book amount	賬面淨值	2,299	542	335	3,176
Year ended 31 March 2018	截至2018年3月31日 止年度				
Opening net book amount	期初賬面淨值	2,299	542	335	3,176
Additions	添置	509	287	522	1,318
Depreciation	折舊	(785)	(356)	(259)	(1,400)
Closing net book amount	期末賬面淨值	2,023	473	598	3,094
At 31 March 2018 and 1 April 2018	於2018年3月31日及 2018年4月1日				
Cost	成本	7,825	3,093	1,757	12,675
Accumulated depreciation	累計折舊	(5,802)	(2,620)	(1,159)	(9,581)
Net book amount	賬面淨值	2,023	473	598	3,094
Year ended 31 March 2019	截至2019年3月31日 止年度				
Opening net book amount	期初賬面淨值	2,023	473	598	3,094
Additions	添置	968	374	900	2,242
Disposal	出售	(5)	—	—	(5)
Depreciation	折舊	(1,046)	(365)	(374)	(1,785)
Closing net book amount	期末賬面淨值	1,940	482	1,124	3,546
At 31 March 2019	於2019年3月31日				
Cost	成本	8,161	3,421	1,938	13,520
Accumulated depreciation	累計折舊	(6,221)	(2,939)	(814)	(9,974)
Net book amount	賬面淨值	1,940	482	1,124	3,546

At 31 March 2019, the net book value of the Group's motor vehicles held under finance lease was HK\$1,076,000 (2018: HK\$400,000).

於2019年3月31日，本集團於融資租賃項下持有之汽車之賬面淨值為1,076,000港元（2018年：400,000港元）。

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14. INTANGIBLE ASSETS

14. 無形資產

		Website development costs	Trademarks	Total
		網站開發成本	商標	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 April 2017	於2017年4月1日			
Cost	成本	490	5	495
Accumulated amortisation	累計攤銷	(106)	–	(106)
Net book amount	賬面淨值	384	5	389
Year ended 31 March 2018	截至2018年3月31日止年度			
Opening net book amount	期初賬面淨值	384	5	389
Additions	添置	40	–	40
Amortisation	攤銷	(99)	(1)	(100)
Closing net book amount	期末賬面淨值	325	4	329
At 31 March 2018 and 1 April 2018	於2018年3月31日及 2018年4月1日			
Cost	成本	530	5	535
Accumulated amortisation	累計攤銷	(205)	(1)	(206)
Net book amount	賬面淨值	325	4	329
Year ended 31 March 2019	截至2019年3月31日止年度			
Opening net book amount	期初賬面淨值	325	4	329
Amortisation	攤銷	(106)	(1)	(107)
Closing net book amount	期末賬面淨值	219	3	222
At 31 March 2019	於2019年3月31日			
Cost	成本	530	5	535
Accumulated amortisation	累計攤銷	(311)	(2)	(313)
Net book amount	賬面淨值	219	3	222

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15. SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 March 2019 and 2018 were as follows:

15. 附屬公司

於2019年及2018年3月31日主要附屬公司的詳情如下：

Name of company 公司名稱	Country/place of incorporation 註冊成立的 國家/地點	Issued and paid-up capital 已發行及 繳足股本	Equity interest held by the Company		Principal activities 主要業務
			2019 2019年	2018 2018年	
Directly held by the Company 本公司直接持有					
Tree Investment Group Limited ("Tree Investment")	BVI	US\$1	100%	100%	Investment holding
Tree Investment Group Limited ("Tree Investment")	英屬維爾京群島	1 美元	100%	100%	投資控股
Indirectly held by the Company 本公司間接持有					
Tree Limited	Hong Kong	HK\$2	100%	100%	Sale and distribution of furniture and home accessories, consignment sales, distribution and licencing of intellectual property rights, the provision of styling and consulting services and the operation of a cafe
大樹有限公司	香港	2 港元	100%	100%	銷售及分銷家具及家居配飾、寄售銷售、分銷及許可使用知識產權、提供設計及諮詢服務及經營一間咖啡廳
Hong Kong Italiveing International Co., Limited ("Italiveing")	Hong Kong	HK\$500,000	100%		– Provision of furniture agency service
香港意享世家國際貿易有限公司("意享世家")	香港	500,000 港元	100%		– 提供家具代理服務

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16. GOODWILL

The carrying amount of goodwill can be analysed as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At 1 April	於4月1日	–	–
Acquisition of a subsidiary (Note 32)	收購一間附屬公司(附註32)	23,426	–
At 31 March	於3月31日	23,426	–

The carrying amount of goodwill is allocated to the cash-generating unit of furniture agency service.

The recoverable amount of the cash-generating unit was determined from value in use calculations based on cash flow projections from formally approved financial budgets and forecasts covering a five-year period with 5% average revenue growth rate. The cash flows for the subsequent years are extrapolated from the fifth year cash flow using 3% revenue growth rate, and discounted using a pre-tax discount rate of 20.5%.

17. CASH SURRENDER VALUE OF LIFE INSURANCE

The Group has invested in an insurance policy for Ms. Haslock, a director and a key management personnel of the Company. The Group is the beneficiary of such investment. The carrying amount represented the cash surrender value of the policy and approximates its fair value at the end of the reporting date. As at 31 March 2019 and 2018, the life insurance was pledged to a bank to secure banking facilities of the Group (Note 24(b)). Details of fair value measurement are set out in Note 34.6.

16. 商譽

商譽的賬面值分析如下：

	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At 1 April	–	–
Acquisition of a subsidiary (Note 32)	23,426	–
At 31 March	23,426	–

商譽的賬面值分配至家具代理服務的現金產生單位。

現金產生單位之可收回金額以使用價值計算釐定。使用價值乃根據自正式批准的財務預算作出的現金流量預測與涵蓋五年期的預測(平均5%的收益增長率)。其後年度的現金流量按自第五年的現金流量採用3%的收益增長率推算，並使用稅前折現率20.5%進行折現。

17. 人壽保險的解約現金價值

本集團已為本公司董事兼主要管理人員Haslock女士投購一份保險。本集團乃該投資的受益人。其賬面值乃人壽保單的解約現金價值，並與其於報告日期末的公允價值相若。於2019年及2018年3月31日，該人壽保單被質押予銀行以為本集團獲得銀行融資(附註24(b))提供保證。公允價值的計量詳情載於附註34.6。

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18. INVENTORIES

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Finished goods	成品	12,608	10,332
Goods in transit	在途貨品	1,155	1,043
		13,763	11,375

18. 存貨

19. TRADE AND OTHER RECEIVABLES

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Trade receivables	貿易應收款項		
From third parties	應收第三方	24,451	1,212
From a related company	應收一間關聯公司	232	24
		24,683	1,236
Other receivables	其他應收款項		
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	6,375	6,116
Prepayment to suppliers	向供應商預付款項	2,197	828
Prepayment to a related company	向一間關聯公司預付款項	2,400	3,600
		10,972	10,544
		35,655	11,780

19. 貿易及其他應收款項

The directors of the Group considered that the fair value of trade and other receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

本集團董事認為，由於貿易及其他應收款項於產生時到期限較短，故其公允價值與其賬面值並無重大差異。

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19. TRADE AND OTHER RECEIVABLES *(Continued)*

(a) Trade receivables

Majority of the Group's sales to its customers are in cash, by credit card, or by other forms of electronic payments (such as EPS). There were no credit terms granted to the customers and distributor, but the Group allows credit period of 2 to 7 days to the payment vendors and up to 120 days to customers of furniture agency service. The Group seeks to maintain strict control over its outstanding trade receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. Further details on the Group's credit policy are set out in Note 34.2.

The ageing analysis based on recognition date of the trade receivables is as follows:

Within 30 days	30天內
31–90 days	31至90天
91–180 days	91至180天

(b) Other receivables

As at 31 March 2019 and 2018, none of the amounts included in other receivables were either past due or impaired.

19. 貿易及其他應收款項 *(續)*

(a) 貿易應收款項

本集團向客戶作出的大部分銷售乃通過現金、信用卡或其他電子付款形式(如易辦事)支付。本集團並無向客戶及分銷商授出任何信貸期，但本集團給予支付服務供應商2至7天的信貸期，以及給予家具代理服務客戶最多120天的信貸期。本集團尋求嚴格控制其尚未收回的貿易應收款項，以將信貸風險降至最低。逾期結餘由高級管理層定期檢討。有關本集團信貸政策的進一步詳情載於附註34.2。

貿易應收款項按確認日期的賬齡分析如下：

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
8,397	1,226
6,268	–
10,018	10
24,683	1,236

(b) 其他應收款項

於2019年及2018年3月31日，計入其他應收款項的金額概無逾期或減值。

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20. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

As at 31 March 2018, pledged bank deposits of HK\$200,000 represents deposits pledged to a bank to secure a bank borrowing, which carry interest at 0.1% per annum (Note 24(b)). The pledged bank deposit was released during the year ended 31 March 2019 upon the repayment of the bank borrowing.

Bank balances earn interest at floating rates based on daily bank deposit rates.

21. TRADE AND OTHER PAYABLES

All amounts are short-term and hence the carrying values of the Group's trade and other payables as at 31 March 2019 and 2018 were considered to be a reasonable approximation of their fair values.

20. 已抵押銀行存款以及銀行結餘及現金

於2018年3月31日，已抵押銀行存款為200,000港元，作為抵押予銀行以取得銀行借貸的存款，年利率為0.1%（附註24(b)）。截至2019年3月31日止年度，抵押銀行存款已於償還銀行借貸後解除。

銀行結餘根據每日銀行存款利率按浮動利率計息。

21. 貿易及其他應付款項

			2019	2018
			2019年	2018年
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Trade payables	貿易應付款項			
To third parties	應付第三方	(a)	4,238	195
Other payables	其他應付款項			
Accrued charges and other payables	應計費用及其他應付款項		7,608	2,242
Deposits receipt in advance	預收按金	(b)	-	6,431
			7,608	8,673
			11,846	8,868

所有款項均為短期，因此本集團的貿易及其他應付款項於2019年及2018年3月31日的賬面值被視為其公允價值的合理近似值。

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21. TRADE AND OTHER PAYABLES (Continued)

(a) Trade payables

There were no credit periods granted by the suppliers of the Group. The ageing analysis of trade payables based on recognition date is as follows:

Within 30 days	30天內
31–90 days	31至90天
Over 90 days	90天以上

(b) Deposits receipt in advance

As a result of the adoption of HKFRS 15, deposits receipt in advance are included in contract liabilities and disclosed in Note 23. See Note 2.2 for details about changes in accounting policies.

22. DEFERRED REVENUE

As at 31 March 2018, deferred revenue represented advance distribution and license fee received which is recognised over the distribution period stipulated in the distribution contract and gift vouchers sold but not yet redeemed.

As a result of the adoption of HKFRS 15, deferred revenue are included in contract liabilities and disclosed in Note 23. See Note 2.2 for details about changes in accounting policies.

21. 貿易及其他應付款項(續)

(a) 貿易應付款項

本集團的供應商並無授出任何信貸期。貿易應付款項按確認日期的賬齡分析如下：

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
4,215	194
18	1
5	–
4,238	195

(b) 預收按金

由於採納香港財務報告準則第15號，預收按金計入合約負債中，並在附註23披露。有關會計政策變更之詳情，請參見附註2.2。

22. 遞延收益

於2018年3月31日，遞延收益指於分銷合約訂明的分銷期間已確認的已收分銷及許可權費墊款及已售出但尚未贖回的禮券。

由於採納香港財務報告準則第15號，遞延收益計入合約負債中，並在附註23披露。有關會計政策變更之詳情，請參見附註2.2。

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23. CONTRACT LIABILITIES

Contract liabilities arising from advance from customers	預收客戶款項產生之合約負債
Contract liabilities arising from gift vouchers sold but not yet redeemed	已售出但尚未贖回的禮券產生之合約負債

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
10,478	—
114	—
10,592	—

The Group has initially applied HKFRS 15 using the cumulative effect transition method and adjusted the opening balances as at 1 April 2018.

Upon the adoption of HKFRS 15, advances from customers previously included in trade and other payables and advance distribution and license fee received from distributors and gift vouchers sold but not yet redeemed previously included in deferred revenue were reclassified to contract liabilities. Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying products or services are yet to be provided.

As at 1 April 2018, contract liabilities amounted to HK\$7,453,000 was fully recognised as revenue during the year ended 31 March 2019.

23. 合約負債

本集團使用累計影響過渡方式初始應用香港財務報告準則第15號，並於2018年4月1日調整期初結餘。

於採納香港財務報告準則第15號後，先前計入貿易及其他應付款項之預收客戶款項、先前計入遞延收益之已收分銷商之分銷及許可權費墊款以及已售出但尚未贖回的禮券已重新分類至合約負債。本集團之合約負債主要來自客戶預付款，而相關產品或服務尚未提供。

於2018年4月1日，金額為7,453,000港元之合約負債於截至2019年3月31日止年度已悉數確認為收益。

24. INTEREST-BEARING BORROWINGS

		Notes 附註
Non-current	非流動	
Finance lease liabilities	融資租賃負債	(a)
Current	流動	
Finance lease liabilities	融資租賃負債	(a)
Bank borrowings	銀行借貸	(b)

24. 計息借貸

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
896	335
248	87
469	4,922
717	5,009
1,613	5,344

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24. INTEREST-BEARING BORROWINGS (Continued)

(a) Finance lease liabilities

The analysis of the Group's obligations under finance leases is as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Total minimum lease payments:	最低租賃付款總額：		
— Due within one year	— 一年內到期	301	107
— Due in the second to fifth years	— 於第二年至第五年到期	974	366
		1,275	473
Future finance charges on finance leases	融資租賃之未來融資費用	(131)	(51)
Present value of finance lease liabilities	融資租賃負債之現值	1,144	422
Present value of minimum lease payments:	最低租賃付款之現值：		
— Due within one year	— 一年內到期	248	87
— Due in the second to fifth years	— 於第二年至第五年到期	896	335
		1,144	422
Less: Portion due within one year included under current liabilities	減：流動負債項下一年內到期部分	(248)	(87)
Portion due after one year included under non-current liabilities	非流動負債項下一年後到期部分	896	335

The Group has entered into finance leases for certain motor vehicles. The lease periods are for 5 years. Under the terms of the leases, the Group has the option to purchase the lease assets at prices that are expected to be sufficiently lower than the fair values of the leased assets at the end of the leases. The leases do not include options to renew or any contingent rental provisions. The finance leases bear interest at fixed rates.

Finance lease liabilities are effectively secured by the underlying assets as the rights to the leased assets would be reverted to the lessor in the event of default by repayment by the Group.

24. 計息借貸(續)

(a) 融資租賃負債

對本集團融資租賃承擔的分析如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Total minimum lease payments:	最低租賃付款總額：		
— Due within one year	— 一年內到期	301	107
— Due in the second to fifth years	— 於第二年至第五年到期	974	366
		1,275	473
Future finance charges on finance leases	融資租賃之未來融資費用	(131)	(51)
Present value of finance lease liabilities	融資租賃負債之現值	1,144	422
Present value of minimum lease payments:	最低租賃付款之現值：		
— Due within one year	— 一年內到期	248	87
— Due in the second to fifth years	— 於第二年至第五年到期	896	335
		1,144	422
Less: Portion due within one year included under current liabilities	減：流動負債項下一年內到期部分	(248)	(87)
Portion due after one year included under non-current liabilities	非流動負債項下一年後到期部分	896	335

本集團已就若干汽車訂立租期為五年的融資租賃。根據租賃條款，本集團有權以預期遠低於租賃結束時租賃資產公允價值之價格購買租賃資產。該租約並不包括續期權或任何或有租金條文。融資租賃按固定利率計息。

融資租賃負債實際上以相關資產為抵押，因為倘本集團拖欠還款，租賃資產的權利將歸還予出租人。

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24. INTEREST-BEARING BORROWINGS (Continued)

(b) Bank borrowings

		Notes	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
		附註		
Bank loans:	銀行貸款：			
— Secured	— 有抵押	(i)	398	2,739
— Unsecured	— 無抵押	(ii)	71	2,183
			469	4,922

As at 31 March 2019 and 2018, all of the Group's bank borrowings contain a repayable on demand clause and are shown under current liabilities. The carrying amounts of bank borrowings are considered to be a reasonable approximate of their fair values. As at 31 March 2019 and 2018, the Group's bank borrowings, based on the scheduled repayment dates set out in the loan agreements, were repayable as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Within one year or on demand	一年內或按要求	266	2,775
In the second year	於第二年	203	759
In the third to fifth year	於第三年至第五年	—	1,388
		469	4,922

24. 計息借貸(續)

(b) 銀行借貸

於2019年及2018年3月31日，本集團的所有銀行借貸均包含按要求償還的條款，並均於流動負債項下列示。銀行借貸的賬面值被視為其公允價值的合理近似值。於2019年及2018年3月31日，根據載於貸款協議的計劃償還日期，本集團的銀行借貸須於下列期間償還：

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24. INTEREST-BEARING BORROWINGS (Continued)

(b) Bank borrowings (Continued)

Notes:

- (i) As at 31 March 2019, the bank borrowings of HK\$398,000 (2018: HK\$585,000) are secured, repayable by monthly instalments with terms of 7 years and bears interest at floating rates. The bank borrowings are denominated in the United States Dollars ("USD"), with effective interest rate of 4.3% (2018: 3.5%) per annum as at 31 March 2019. As at 31 March 2019 and 2018, the bank borrowings are secured by the Group's life insurance policy covering Ms. Haslock with sum insured of USD1,000,000 (Note 17).

As at 31 March 2018, the bank borrowings of HK\$2,154,000 are secured, repayable by monthly instalments with terms of 5 years and bears interest at floating rates. The bank borrowings are denominated in Hong Kong dollars, with effective interest rate of 3.75% per annum as at 31 March 2018. As at 31 March 2018, the bank borrowings are secured by the Group's fixed deposits of HK\$200,000 (Note 20). In addition to the above, the bank borrowings were guaranteed by Tong Tang Joseph ("Mr. Tong"), a director of the Company and the controlling shareholder of Tiptop, up to a limit of HK\$2,500,000. Such bank borrowings were fully repaid during the year ended 31 March 2019.

- (ii) As at 31 March 2019, the bank borrowings of HK\$71,000 (2018: HK\$912,000) are unsecured, repayable by monthly instalments with terms of 5 years and bears interest at floating rates. The bank borrowings are denominated in Hong Kong dollars, with effective interest rate of 4.1% (2018: 4.0%) per annum as at 31 March 2019.

As at 31 March 2018, bank borrowings of HK\$1,271,000 are unsecured, repayable by monthly instalments with terms of 2 years and bears interest at floating rates. The bank borrowings are denominated in Hong Kong dollars, with effective interest rate of 3% per annum as at 31 March 2018. As at 31 March 2018, the bank borrowings were guaranteed by the Company up to a limit of HK\$6,000,000. Such bank borrowings were fully repaid during the year ended 31 March 2019.

The Group's banking facilities are subject to the fulfilment of covenants as are commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the drawn down facilities would become payable on demand. In addition, the bank loan agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations. The Group regularly monitors its compliance with these covenants, is up to date with the scheduled repayments of the loans and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the Group continues to meet these requirements.

24. 計息借貸(續)

(b) 銀行借貸(續)

附註:

- (i) 於2019年3月31日，金額為398,000港元(2018年：585,000港元)的銀行借貸為有抵押、7年期、須每月分期償還並按浮動利率計息。該等銀行借貸以美元(「美元」)計值，於2019年3月31日之實際年利率為4.3%(2018年：3.5%)。於2019年及2018年3月31日，該等銀行借貸乃以本集團為Haslock女士投保的保額為1,000,000美元的人壽保單作抵押(附註17)。

於2018年3月31日，金額為2,154,000港元的銀行借貸為有抵押、5年期、須每月分期償還並按浮動利率計息。該等銀行借貸以港元計值，於2018年3月31日之實際年利率為3.75%。於2018年3月31日，該等銀行借貸乃由本集團的定期存款200,000港元作抵押(附註20)。除上述外，銀行借貸由本公司董事兼譽頂控股股東唐登先生(「唐先生」)擔保，最高限額為2,500,000港元。截至2019年3月31日止年度，該等銀行借貸已悉數償還。

- (ii) 於2019年3月31日，金額為71,000港元(2018年：912,000港元)的銀行借貸為無抵押、5年期、須每月分期償還並按浮動利率計息。該等銀行借貸以港元計值，於2019年3月31日之實際年利率為4.1%(2018年：4.0%)。

於2018年3月31日，金額為1,271,000港元的銀行借貸為無抵押、2年期、須每月分期還款並按浮動利率計息。該等銀行借貸以港元計值，於2018年3月31日之實際年利率為3%。於2018年3月31日，銀行借貸由本公司擔保，最高限額為6,000,000港元。截至2019年3月31日止年度，該等銀行借貸已悉數償還。

本集團之銀行信貸須待財務機構作出之借貸安排中常見的契諾獲履行後方可作實。倘本集團違反有關契諾，所提取貸款將須按要求償還。此外，該等銀行貸款協議載有條文，允許借用人可全權隨時要求即時還款，不論本集團是否已遵守有關契諾及履行按時還款之責任。本集團定期監控其對該等契諾之遵守，並一直按時還款，並認為只要本集團繼續遵守該等規定，該等銀行將不大可能行使其酌情權要求還款。

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25. DEFERRED TAXATION

The net movement in the deferred tax assets during the year is as follows:

		HK\$'000 千港元
At 1 April 2017	於2017年4月1日	223
Recognised in profit or loss (Note 9)	於損益內確認(附註9)	66
At 31 March 2018 and 1 April 2018	於2018年3月31日及2018年4月1日	289
Acquisition of a subsidiary (Note 32)	收購一間附屬公司(附註32)	28
Recognised in profit or loss (Note 9)	於損益內確認(附註9)	(31)
At 31 March 2019	於2019年3月31日	286

25. 遞延稅項

於本年度，遞延稅項資產的變動淨額如下：

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

於本年度，不計及抵銷同一稅務管轄區內的結餘，遞延所得稅資產及負債變動如下：

Deferred tax assets

遞延稅項資產

		Accelerated accounting depreciation 加速會計折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	於2017年4月1日	288	-	288
Recognised in profit or loss	於損益內確認	50	-	50
At 31 March 2018 and 1 April 2018	於2018年3月31日及 2018年4月1日	338	-	338
Acquisition of a subsidiary (Note 32)	收購一間附屬公司(附註32)	-	28	28
Recognised in profit or loss	於損益內確認	(21)	(28)	(49)
At 31 March 2019	於2019年3月31日	317	-	317

Deferred tax liabilities

遞延稅項負債

		Accelerated tax amortisation 加速稅項攤銷 HK\$'000 千港元
At 1 April 2017	於2017年4月1日	(65)
Recognised in profit or loss	於損益內確認	16
At 31 March 2018 and 1 April 2018	於2018年3月31日及2018年4月1日	(49)
Recognised in profit or loss	於損益內確認	18
At 31 March 2019	於2019年3月31日	(31)

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26. SHARE CAPITAL

26. 股本

		Notes 附註	Number of shares 股份數目	Nominal value of shares 股份面值 HK\$'000 千港元
Authorised:	法定：			
Ordinary shares of HK\$0.01 each At 1 April 2017	每股0.01港元的普通股 於2017年4月1日		38,000,000	380
Increase in authorised share capital	法定股本增加	(i)	4,962,000,000	49,620
At 31 March 2018, 1 April 2018 and 31 March 2019	於2018年3月31日、2018年 4月1日及2019年3月31日		5,000,000,000	50,000
Issued and fully paid:	已發行並繳足：			
Ordinary shares of HK\$0.01 each At 1 April 2017	每股0.01港元的普通股 於2017年4月1日		100	-
Capitalisation issue	資本化發行	(ii)	1,187,999,900	11,880
Issuance of shares under Share Offer	根據股份發售發行股份	(iii)	396,000,000	3,960
At 31 March 2018, 1 April 2018 and 31 March 2019	於2019年3月31日、2018年 4月1日及2019年3月31日		1,584,000,000	15,840

Notes:

- (i) Pursuant to the written resolution of the shareholders dated 5 January 2018, the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each to HK\$50,000,000 divided into 5,000,000,000 ordinary shares of HK\$0.01 each by the creation of additional 4,962,000,000 ordinary shares, all of which shall rank pari passu in all respects with the existing shares of the Company.
- (ii) Pursuant to the written resolution of the shareholders dated 5 January 2018, 1,187,999,900 ordinary shares of HK\$0.01 each were allotted and issued, credited as fully paid at par, by way of capitalisation of the sum of approximately HK\$11,880,000 standing to the credit of the share premium account of the Company.
- (iii) Upon Listing on 25 January 2018, the Company issued 396,000,000 new ordinary shares of HK\$0.01 each at a price of HK\$0.156 per share by way of Share Offer. The gross proceeds of approximately HK\$61,776,000 of which HK\$3,960,000, representing the par value of these ordinary shares, was credited to the share capital of the Company and the remaining proceeds of HK\$57,816,000 was credited to the share premium account of the Company.

Incremental costs that are directly attributable to the issue of the new shares amounting to HK\$14,372,000 was treated as a deduction against the share premium account arising from the issuance.

附註：

- (i) 根據日期為2018年1月5日的股東書面決議案，藉增設4,962,000,000股普通股，本公司的法定股本由380,000港元（分為38,000,000股每股0.01港元的普通股）增加至50,000,000港元（分為5,000,000,000股每股0.01港元的普通股），該等新股在各方面與本公司現有股份享有同等地位。
- (ii) 根據日期為2018年1月5日的股東書面決議案，透過將本公司股份溢價賬內的進賬金額合共約11,880,000港元撥充資本，配發及發行每股0.01港元1,187,999,900股按面值入賬列為繳足的普通股。
- (iii) 本公司於2018年1月25日上市後，透過股份發售，按每股0.156港元的價格發行396,000,000股每股0.01港元的新普通股。所得款項總額約61,776,000港元當中，3,960,000港元為該等普通股的面值，而餘下所得款項57,816,000港元已計入本公司的股份溢價賬。

發行新股份直接應佔增加成本14,372,000港元被視為自股份發行產生的股份溢價賬中扣除。

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27. RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

(a) Share premium

Share premium represents the excess of the proceeds from issuance of the shares of the Company over its par value, net of share issuance expenses.

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to the shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

(b) Capital reserve

Capital reserve arises from capital contribution by the shareholder of the Company (Note 28(a)).

28. SHARE-BASED COMPENSATION TRANSACTIONS

(a) Incentive Shares awarded to a key management personnel by Tiptop

On 1 June 2015, pursuant to an Incentive Shares Deed entered among Tiptop, Tree Limited and Ms. Babington, a director and a key management personnel of the Group, (collectively, the "Parties"), Tiptop has agreed to award and transfer 5% of its equity interest in Tree Limited or its holding company or its successor entity pursuant to any pre-IPO restructuring (the "Incentive Shares") to Ms. Babington within thirty business days after 1 June 2015 at a consideration of HK\$1. The Incentive Shares were granted to recognise Ms. Babington's prior contribution and to give incentive in order to retain her for the continual growth and expansion of the Listing Business (as defined in the prospectus of the Company dated 12 January 2018).

27. 儲備

本年度本集團儲備變動的詳情載於綜合權益變動表。

(a) 股份溢價

股份溢價指本公司發行股份的所得款項超出其面值部分(扣除股份發行開支)。

根據開曼群島公司法，本公司的股份溢價賬可供撥作分派或派發股息予股東，惟於緊隨建議分派或派息當日，本公司須有能力於日常業務過程中償還其到期的債務。

(b) 股本儲備

資本儲備乃由來自本公司控股股東的注資產生(附註28(a))。

28. 以股份為基礎的薪酬交易

(a) 譽頂授予一名主要管理人員的獎勵股份

於2015年6月1日，根據譽頂、大樹有限公司與Babington女士(為本集團董事及主要管理人員)(統稱為「訂約方」)簽立的獎勵股份契據，譽頂同意根據任何首次公開發售前重組，於2015年6月1日後三十個營業日內，向Babington女士授出並轉讓其於大樹有限公司或其控股公司或其承繼實體5%之股權(「獎勵股份」)，代價為1港元。授出獎勵股份是對Babington女士之前所作貢獻的肯定，及作出獎勵的目的是留聘Babington女士參與上市業務(定義見本公司日期為2018年1月12日的招股章程)的持續發展及擴展。

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28. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

(a) Incentive Shares awarded to a key management personnel by Tiptop (Continued)

Pursuant to the Incentive Shares Deed, Ms. Babington must return the Incentive Shares to Tiptop at a cost of HK\$1 if she terminates or gives notice to terminate her employment with Tree Limited prior to the Agreed Date (being the earlier of: (i) the date of any IPO; (ii) the date of any change of control as defined in the employment contract; or (iii) 30 June 2017). As at 31 March 2017, the estimated date of an IPO is in 2017. The Incentive Shares Deed also includes a put option (the "Put Option") and tag along rights with Tiptop, pursuant to which, on the condition that (i) the profit of Tree Limited for each of the years ending 31 March 2016 and 2017 are not less than HK\$10,000,000 and HK\$10,000,000, respectively; and (ii) an IPO does not take place within twenty-four months from 1 June 2015, Ms. Babington is entitled to exercise the Put Option to sell back the Incentive Shares to Tiptop at a total consideration of HK\$5,000,000 on or after the date of sign off of the audited financial statements of Tree Limited for the year ending 31 March 2017 by the auditors. In addition, in the event of an IPO, Ms. Babington may continue to exercise the Put Option at any time within three months following the IPO if the market price of the Incentive Shares falls below the option price of HK\$5,000,000 (the "Special Right to the Put Option") immediately prior to the date of any put notice. The Group has no legal or constructive obligation to repurchase or settle the Incentive Shares or the Put Option in cash. The Incentive Shares and the Put Option were treated as linked and accounted for as a share-based compensation transaction by way of capital contribution from the shareholder and were fully vested on 30 June 2017.

28. 以股份為基礎的薪酬交易 (續)

(a) 譽頂授予一名主要管理人員的 獎勵股份 (續)

根據獎勵股份契據，倘Babington女士在議定日期(即以下日期中較早者：(i)任何首次公開發售日期；(ii)僱傭合約所定義之任何控制權變動日期；或(iii)2017年6月30日)前終止或發出通知終止其於大樹有限公司的任職，彼須以1港元之成本向譽頂退回獎勵股份。於2017年3月31日，首次公開發售的預計日期為2017年。獎勵股份契據亦包括認沽期權(「認沽期權」)及跟隨譽頂售賣的權利，據此，倘(i)大樹有限公司截至2016年及2017年3月31日止各年度的溢利分別不少於10,000,000港元及10,000,000港元；及(ii)自2015年6月1日起二十四個月內並無進行首次公開發售，則Babington女士有權行使認沽期權，在核數師簽署大樹有限公司截至2017年3月31日止年度的經審核財務報表日期或之後以總代價5,000,000港元向譽頂回售獎勵股份。此外，倘進行首次公開發售，而獎勵股份的市價在緊接任何認沽通知日期前低於期權價5,000,000港元，Babington女士可能在首次公開發售後三個月內隨時繼續行使認沽期權(「認沽期權特殊權利」)。本集團並無法定或推定義務以現金購回或結算獎勵股份或認沽期權。獎勵股份及認沽期權被視為相關，並入賬列為股東注資方式進行的以股份為基礎的薪酬交易及已於2017年6月30日悉數歸屬。

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28. SHARE-BASED COMPENSATION TRANSACTIONS *(Continued)*

(a) Incentive Shares awarded to a key management personnel by Tiptop *(Continued)*

The fair value of the Incentive Shares and the Put Option at the date of grant i.e. 1 June 2015, was approximately HK\$5,474,000. The fair value is estimated by reference to the difference between the consideration and the fair value of the underlying 5% equity interest in Tree Limited, the Listing Business, and the Put Option at the date of grant. The Company have used the discounted cash flow method in determining the fair value of the underlying 5% equity interest in Tree Limited and the option pricing model in determining the fair value of the Put Option. The key assumptions used in the discounted cash flow method at the grant date includes the discount rate of 12.33% and projections of future performance. The valuation of the Put Option was determined using the Black-Scholes option pricing model and the following principal assumptions were used in the valuation:

Fair value of shares at grant date	HK\$3,017,500
Exercise price at date of grant	HK\$5,000,000
Expected volatility	57.44%
Expected option life	2.08 years
Dividend yield	0%
Risk-free interest rate	0.42%

The underlying expected volatility was determined by reference to historical data, calculated based on expected life of the Put Option. Expectations of early exercise were incorporated into the Black-Scholes option pricing model. No special features pertinent to the options granted were incorporated into measurement of fair value.

28. 以股份為基礎的薪酬交易 (續)

(a) 譽頂授予一名主要管理人員的獎勵股份 (續)

獎勵股份及認沽期權於授出日期(即2015年6月1日)的公允價值約為5,474,000港元。公允價值乃參考於授出日期大樹有限公司相關5%股權的代價與公允價值之差額、上市業務以及認沽期權進行估計。本公司已使用折現現金流量法釐定大樹有限公司相關5%股權的公允價值，並使用期權定價模式釐定認沽期權的公允價值。於授出日期，折現現金流量法所使用的主要假設包括12.33%之折現率及對未來業績的預測。認沽期權的估值乃使用布萊克—舒爾斯期權定價模式釐定，且估值所使用的主要假設如下：

於授出日期股份的公允價值	3,017,500 港元
於授出日期的行使價	5,000,000 港元
預期波幅	57.44%
預期期權年期	2.08 年
股息收益率	0%
無風險利率	0.42%

相關的預期波幅乃參考歷史數據釐定，按認沽期權的預期年期計算。布萊克—舒爾斯期權定價模式中已計入預期提早行使的因素。公允價值的計量並無計及期權的相關特別特點。

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28. SHARE-BASED COMPENSATION TRANSACTIONS *(Continued)*

(a) Incentive Shares awarded to a key management personnel by Tiptop *(Continued)*

On 31 May 2016, pursuant to a Supplemental Deed entered among the Parties, it was further agreed that the Incentive Shares will be transferred to Ms. Babington on or before 31 October 2016. In addition, on 15 November 2016, pursuant to the Second Supplemental Incentive Shares Deed entered among the Parties, it was further agreed that the Special Right to the Put Option be removed and Ms. Babington shall not be entitled to exercise the Put Option for a period of six months commencing on the filing of any listing application by Tree Limited or its direct or indirect parent company for an IPO, and the Put Option and tag along rights will lapse upon the Listing. As all of the above modifications were not beneficial to Ms. Babington, as such, the Group has continued to account for the original grant as if the modifications had not occurred.

Pursuant to the Incentive Shares Deed, the Supplemental Deed and as part of the Reorganisation, on 10 August 2016, Ms. Babington through her wholly owned subsidiary, Rothley Investment Limited, acquired 5% equity interest of the Company from Tiptop at a consideration of HK\$1.

The Group recognised a total expense of nil (2018: HK\$656,000) for the year ended 31 March 2019 in relation to the above share award granted by the shareholder of the Company.

(b) Share Option Scheme adopted by the Company

Pursuant to the written resolution of shareholders dated on 5 January 2018, a share option scheme was adopted by the Company and is valid and effective for a period of 10 years from 5 January 2018 (the "Share Option Scheme").

The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which any member of the Group holds any equity interest (the "Invested Entity").

28. 以股份為基礎的薪酬交易 (續)

(a) 譽頂授予一名主要管理人員的獎勵股份 (續)

於2016年5月31日，根據訂約方簽立的補充契據，各方進一步同意，獎勵股份將於2016年10月31日或之前轉讓予Babington女士。此外，於2016年11月15日，根據訂約方訂立的第二份補充獎勵股份契據，各方進一步協定取消認沽期權特殊權利，及自大樹有限公司或其直接或間接母公司為首次公開發售遞交上市申請起六個月期間，Babington女士無權行使認沽期權，且認沽期權及其隨售權將於上市後失效。鑒於以上修訂皆對Babington女士不利，因此，本集團已繼續按原始授出入賬，猶如並未對其進行修訂一般。

根據獎勵股份契據、補充契據及作為重組的一部分，於2016年8月10日，Babington女士透過其全資附屬公司Rothley Investment Limited向譽頂收購本公司5%的股權，代價為1港元。

截至2019年3月31日止年度，本集團就本公司該名股東授出的上述股份獎勵確認開支總額為無(2018年：656,000港元)。

(b) 本公司採納的購股權計劃

根據日期為2018年1月5日的股東書面決議案，本公司採納一項購股權計劃(「購股權計劃」)，有效期為由2018年1月5日起計為期10年。

購股權計劃旨在使本集團可向合資格參與者授出購股權，作為其對本集團作出貢獻的獎勵或回報，及/或使本集團招攬及挽留高質素僱員及吸引對本集團或本集團任何成員公司擁有任何股權的任何實體(「投資實體」)具價值的人才。

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28. SHARE-BASED COMPENSATION TRANSACTIONS *(Continued)*

(b) Share Option Scheme adopted by the Company *(Continued)*

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Group shall not exceed 30% of share capital in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes adopted by the Group if the grant of such options will result in the limit referred herein being exceeded.

The total number of shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Group) to be granted under the Share Option Scheme and any other share option schemes of the Group shall not in aggregate exceed 10% of share capital in issue as at the date on which dealings in the Company's shares first commence on the Stock Exchange, being 158,400,000 shares (the "General Scheme Limit").

Unless approved by shareholders of the Company, the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group shall not exceed 10% of share capital in issue as at the date of approval of the limit.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Group (including both exercised or outstanding options) to each eligible participant who accepts the offer for the grant of an option under the Share Option Scheme (a "grantee") in any 12-month period shall not exceed 1% of issued share capital for the time being. Where any further grant of options under the Share Option Scheme to a grantee would result in the shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of share capital in issue, such further grant shall be separately approved by shareholders in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting.

28. 以股份為基礎的薪酬交易 *(續)*

(b) 本公司採納的購股權計劃 *(續)*

因根據購股權計劃及本集團採納的任何其他購股權計劃已授出而有待行使的全部尚未行使購股權獲行使而可能發行的最高股份數目，不得超過不時已發行股本的30%。倘授出該購股權將導致超出所述限額，則概不得根據購股權計劃或本集團採納之任何其他購股權計劃授出任何購股權。

根據購股權計劃及本集團的任何其他購股權計劃將予授出的全部購股權(就此而言，不包括根據購股權計劃及本集團任何其他購股權計劃的條款而失效的購股權)獲行使而可能發行的股份總數，合共不得超過本公司股份首次在聯交所開始買賣日期已發行股本的10%(即158,400,000股股份)(「一般計劃限額」)。

除非獲本公司股東批准，根據購股權計劃及本集團任何其他購股權計劃將予授出的全部購股權獲行使而可能發行的股份總數，不得超過於批准限額當日已發行股本的10%。

於任何12個月期間，因根據購股權計劃及本集團任何其他購股權計劃(包括已行使或未行使購股權)授出的購股權獲行使而向每名接受根據購股權計劃授出購股權的要約的合資格參與者(「承授人」)已發行及可發行的股份總數，不得超逾當時已發行股本的1%。凡根據購股權計劃進一步向承授人授出購股權會導致於直至進一步授出有關購股權當日(包括該日)為止12個月期間，因行使根據購股權計劃及本集團任何其他購股權計劃已向該人士授出及建議授出的所有購股權(包括已行使、已註銷及未行使購股權)而已發行及將發行的股份，合共超過已發行股本的1%，則進一步授出購股權必須經股東於股東大會上另行批准，而該承授人及其緊密聯繫人士(或倘該承授人為關連人士，則其聯繫人士)須放棄投票。

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28. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

(b) Share Option Scheme adopted by the Company (Continued)

The subscription price in respect of any option shall be at the discretion of the directors, provided that it shall not be less than the highest of (a) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Company's shares on the offer date; (b) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for trade in one or more board lots of the Company's shares for the five business days immediately preceding the offer date; and (c) the nominal value of the shares.

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned (and by no other person) for a period of up to 21 days from the date, which shall be a business day, on which the offer is made to the eligible participant.

An offer shall have been accepted by an eligible participant 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 remittance in favour of the Company of HK\$1 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

No option was granted under the Share Option Scheme during the years ended 31 March 2019 and 2018.

28. 以股份為基礎的薪酬交易(續)

(b) 本公司採納的購股權計劃(續)

任何購股權的認購價須由董事酌情決定，惟其不得低於以下最高者(a)於要約日期，聯交所每日報價表就買賣一手或以上本公司股份而載列的本公司股份收市價；(b)於緊接要約日期前五個營業日，聯交所每日報價表就買賣一手或以上本公司股份而載列的本公司股份平均收市價；及(c)股份面值。

購股權計劃項下之要約將於向合資格參與者提出要約日期(必須為營業日)起計最多21日期間公開予有關合資格參與者(惟不得由其他人士)以供其接納。

當本公司於要約可能註明的時間(不得遲於要約日期起計21日)接獲合資格參與者妥為簽署的要約接納函件副本，連同支付予本公司的匯款1港元(作為獲授購股權的代價)時，該合資格參與者便已接納其獲提呈的所有股份的要約。有關匯款於任何情況下均不會退還。

截至2019年及2018年3月31日止年度，概無根據購股權計劃授出購股權。

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29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 29. 本公司財務狀況表

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債		
Non-current assets	非流動資產		
Investment in a subsidiary	於一間附屬公司的投資	20,249	20,249
Intangible assets	無形資產	31	39
		20,280	20,288
Current assets	流動資產		
Prepayments	預付款項	190	89
Prepayment to a related company	向一間關聯公司預付款項	2,400	3,600
Amount due from a subsidiary	應收一間附屬公司的款項	19,512	22,313
Bank balances and cash	銀行結餘及現金	45	-
		22,147	26,002
Current liabilities	流動負債		
Other payables	其他應付款項	939	241
Net current assets	流動資產淨額	21,208	25,761
Net assets	資產淨額	41,488	46,049
EQUITY	權益		
Share capital	股本	15,840	15,840
Reserves (Note)	儲備(附註)	25,648	30,209
Total equity	總權益	41,488	46,049

Approved and authorised for issue by the board of directors on 19 June 2019.

於2019年6月19日獲董事會批准及授權刊發。

Tong Tang Joseph 唐登
Director 董事

Tsui Wing Tak 徐穎德
Director 董事

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29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

The movement of the Company's reserves are as follows:

At 1 April 2017	於2017年4月1日
Loss for the year	年內虧損
Issuance of shares under Share Offer (Note 26(iii))	根據股份發售發行股份 (附註26(iii))
Share issuance expenses (Note 26(iii))	股份發行開支(附註26(iii))
Capitalisation issue (Note 26(ii))	資本化發行(附註26(ii))
At 31 March 2018 and 1 April 2018	於2018年3月31日及 2018年4月1日
Loss for the year	年內虧損
At 31 March 2019	於2019年3月31日

* Share premium represents (i) the excess of the proceeds from issuance of the shares of the Company over its par value, net of share issuance expenses; and (ii) the difference between the carrying value of Tree Limited acquired on in prior years over the nominal value of the share capital of the Company issued in exchange thereof.

30. OPERATING LEASE COMMITMENTS

The Group leases its office, warehouses and shop premises under operating leases. The leases have varying lease terms and renewal rights. Certain leases of shop premises include contingent rentals which are determined by applying the pre-determined percentages to gross receipts less the basis rentals of the respective leases. At the end of each reporting period, the total future minimum lease payments payable by the Group under non-cancellable operating leases are as follows:

Within one year	一年內
In the second to fifth years	於第二年至第五年

29. 本公司財務狀況表(續)

附註：

本公司的儲備變動如下：

Share premium*	Accumulated losses	Total reserves
股份溢價	累計虧損	總儲備
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
20,249	(5,300)	14,949
–	(16,304)	(16,304)
57,816	–	57,816
(14,372)	–	(14,372)
(11,880)	–	(11,880)
51,813	(21,604)	30,209
–	(4,561)	(4,561)
51,813	(26,165)	25,648

* 股份溢價指(i)本公司發行股份的所得款項超出其面值部分(扣除股份發行開支)；及(ii)過往年度收購大樹有限公司的賬面值與本公司就交換有關賬面值而發行的股本面值之差額。

30. 經營租賃承擔

本集團根據經營租賃租用其辦公室、倉庫及商舖。該等租賃具有不同租賃期限及續期權。若干商舖租賃包括從總收入的預定百分比減各租賃的基本租金釐定的或有租金。於各報告期末，本集團根據不可撤銷經營租賃應付的未來最低租賃付款總額如下：

2019	2018
2019年	2018年
HK\$'000	HK\$'000
千港元	千港元
9,609	11,348
4,134	10,837
13,743	22,185

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31. RELATED PARTY TRANSACTIONS

The Group's accounting policies on related parties are disclosed in Note 2.24. In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties:

(a) Name and relationship with related parties

During the year, the related parties that had transactions with the Group were as follows:

Name of related parties 關聯方的名稱
Tiptop 譽頂
Mr. Tong 唐先生
Ms. Babington Babington 女士
Ms. Haslock Haslock 女士
American Tree, Ltd. ("American Tree") American Tree, Ltd. (「American Tree」)
AE Majoris Business Development Company Limited ("AE Majoris") 明大企業發展有限公司(「明大企業」)

(b) Transactions with related parties

During the year, the transactions with related parties of the Group carried in the ordinary course of business were as follows:

American Tree	Sale of goods*	貨品售賣*
American Tree	License fee income*	特許權費收入*
AE Majoris 明大企業	Investor and public relationship service fee*	投資者及公共關係 服務費*

* These related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules.

31. 關聯方交易

本集團有關關聯方的會計政策披露於附註2.24。除該等綜合財務報表其他地方披露的交易／資料之外，本集團與關聯方曾進行下列重大交易：

(a) 名稱及與關聯方的關係

於本年度，與本集團進行交易的關聯方如下：

Relationship with the Group 與本集團的關係
Ultimate holding company 最終控股公司
Director of the Company and the controlling shareholder of Tiptop 本公司董事及譽頂之控股股東
Director of the Company 本公司董事
Director of the Company 本公司董事
Controlled by Ms. Haslock 受 Haslock 女士控制
Controlled by Mr. Tsui Wing Tak, a director of the Company 受本公司董事徐穎德先生控制

(b) 與關聯方的交易

於本年度，與本集團一名關聯方在日常業務過程中進行的交易如下：

			2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
American Tree	Sale of goods*	貨品售賣*	—	298
American Tree	License fee income*	特許權費收入*	232	24
AE Majoris 明大企業	Investor and public relationship service fee*	投資者及公共關係 服務費*	1,200	—

* 該等關聯方交易構成GEM上市規則第20章所界定的關連交易或持續關連交易。

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

31. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

Pursuant to a licence agreement dated 1 June 2015 entered among Tree Limited, American Tree and Ms. Haslock, Tree Limited has granted American Tree an exclusive royalty-free licence to use certain of the Group's trademarks and intellectual property rights in the United States of America and Canada for an initial period of 20 years (the "Licence Period") for annual revenue-based licence fee. Pursuant to the Supplemental Licence Deed dated 16 December 2016 entered among the same parties, the Licence Period commenced on 1 June 2015 shall expire on one day preceding the listing date and shall be automatically renewed for the second term commencing on the listing date and expiring on one day preceding the third anniversary of the listing date, which may then be extended automatically for successive further terms of three years each.

(c) Trade and other receivables from related parties

Trade receivables	貿易應收款項
American Tree	American Tree
Prepayments	預付款項
AE Majoris (Note)	明大企業(附註)

Note:

The amount represents the prepaid investor and public relationship service fee to AE Majoris for the period from 1 April 2018 to 31 March 2021.

Amounts due from related parties are unsecured, interest-free and repayable on demand, except for prepayment to AE Majoris. None of the amounts due from related parties were either past due or impaired.

31. 關聯方交易(續)

(b) 與關聯方的交易(續)

根據大樹有限公司、American Tree與Haslock女士簽署的日期為2015年6月1日的許可協議，大樹有限公司向American Tree授出於美國及加拿大使用本集團的若干商標以及知識產權的獨家免版稅許可權，初步期限為20年（「許可權期限」），收取以年度收益為基礎的許可權費。根據相同訂約方於2016年12月16日簽立之補充許可契據，許可權期限於2015年6月1日開始，將於上市日期前一天到期，並自動續期第二個期限（於上市日期開始，並將於上市日期三週年前一天到期），其後進一步自動續期，每次三年。

(c) 來自關聯方的貿易及其他應收款項

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
232	24
2,400	3,600

附註：

有關金額指向明大企業預付自2018年4月1日起至2021年3月31日止期間的投資者及公共關係服務費。

除向明大企業預付款項外，應收關聯方款項為無抵押、免息及須按要求償還。並無應收關聯方的款項逾期或減值。

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31. RELATED PARTY TRANSACTIONS (Continued)

(c) Trade and other receivables from related parties (Continued)

The maximum outstanding of amounts due from related parties during the year is as follows:

American Tree	American Tree
AE Majoris	明大企業

(d) Guarantees provided by a related party

During the years ended 31 March 2019 and 2018, Mr. Tong has provided personal guarantees to a bank in respect of certain banking facilities granted to the Group, details of which are stated in Note 24(b).

(e) Key management personnel remuneration

Key management of the Group are members of the board of directors and senior management. Included in employee benefit expenses are key management personnel remuneration which includes the following expenses:

Basic salaries and allowances	基本薪金及津貼
Discretionary bonus	酌情花紅
Retirement benefit scheme contributions	退休福利計劃供款
Share-based compensation expense	以股份為基礎的薪酬開支

31. 關聯方交易 (續)

(c) 來自關聯方的貿易及其他應收款項 (續)

年內應收關聯方款項中尚未結清最高數額如下：

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
232	284
3,600	3,600

(d) 由關聯方提供的擔保

截至2019年及2018年3月31日止年度，唐先生就本集團獲授若干銀行信貸，向一間銀行提供個人擔保，其詳情載於附註24(b)。

(e) 主要管理人員薪酬

本集團的主要管理層為董事會及高級管理層成員。計入僱員福利開支內的主要管理人員薪酬包括以下各項開支：

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
3,716	3,710
205	90
58	66
—	656
3,979	4,522

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32. ACQUISITION OF A SUBSIDIARY

On 14 December 2018, Tree Investment, a subsidiary of the Group, Perfect Bright Management Company Limited, an independent third party, and Mr. Han Yi, an independent third party, entered into a sales and purchase agreement (the "Sales and Purchase Agreement"), pursuant to which the Group agreed to acquire the entire share capital of Italiving (the "Acquisition"). The Acquisition was completed on 31 December 2018 (the "Completion Date").

The transaction was made to broaden the income base of the Group and facilitate the development of the Group's business.

Pursuant to the terms of the Sales and Purchase Agreement, the total consideration for the Acquisition (the "Purchase Consideration") are as follows:

(a) Cash consideration

- (i) upon completion, a sum of HK\$3,000,000; and
- (ii) within three months from the Completion Date, a sum of HK\$3,500,000;

(b) Contingent consideration

- (i) within one month from the date of the audited account of Italiving for the year ending 31 December 2019, provided that the net profit before income tax of Italiving for the year ending 31 December 2019 is not less than HK\$5,200,000, a sum equals two times of the net profit before income tax of Italiving minus HK\$6,500,000 paid under (a)(i) and (a)(ii) above;
- (ii) within one month from the date of the audited account of Italiving for the year ending 31 December 2020, provided that the net profit before income tax of Italiving for the year ending 31 December 2020 is not less than HK\$6,200,000, a sum equals 1.8 times of the net profit before income tax of Italiving; and
- (iii) within one month from the date of the audited account of Italiving for the year ending 31 December 2021, provided that the net profit before income tax of Italiving for the year ending 31 December 2021 is not less than HK\$9,300,000, a sum equals 1.4 times of the net profit before income tax of Italiving.

32. 收購一間附屬公司

於2018年12月14日，本集團附屬公司 Tree Investment、獨立第三方 Perfect Bright Management Company Limited 與獨立第三方韓翼先生訂立買賣協議（「買賣協議」），據此，本集團同意收購意享世家之全部股本（「收購事項」）。收購事項於2018年12月31日（「完成日期」）完成。

該項交易乃為擴大本集團之收入基礎及促進本集團之業務發展而進行。

根據買賣協議之條款，收購事項之總代價（「購買代價」）如下：

(a) 現金代價

- (i) 於完成時，支付金額3,000,000港元；及
- (ii) 自完成日期起三個月內，支付金額3,500,000港元；

(b) 或然代價

- (i) 自意享世家截至2019年12月31日止年度的經審核賬目日期起一個月內，倘意享世家截至2019年12月31日止年度的除所得稅前純利不少於5,200,000港元，支付相當於意享世家除所得稅前純利的2倍減上文第(a)(i)及(a)(ii)項下支付的6,500,000港元的金額；
- (ii) 自意享世家截至2020年12月31日止年度的經審核賬目日期起一個月內，倘意享世家截至2020年12月31日止年度的除所得稅前純利不少於6,200,000港元，支付相當於意享世家除所得稅前純利的1.8倍的金額；及
- (iii) 自意享世家截至2021年12月31日止年度的經審核賬目日期起一個月內，倘意享世家截至2021年12月31日止年度的除所得稅前純利不少於9,300,000港元，支付相當於意享世家除所得稅前純利的1.4倍的金額。

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32. ACQUISITION OF A SUBSIDIARY (Continued)

Notwithstanding the aforementioned payment schedule, Tree Investment shall not be under any obligation to pay a sum exceeding HK\$40,000,000 in aggregate as the Purchase Consideration or when the above obligation has been discharged.

The fair value of the identifiable assets and liabilities of Italiving acquired at the Completion Date is as follows:

32. 收購一間附屬公司(續)

不論上述付款計劃如何，作為購買代價或於履行上述責任時，Tree Investment概無任何責任支付超過共計40,000,000港元的金額。

於完成日期已收購意享世家之可識別資產及負債之公允價值如下：

		HK\$'000 千港元
Deferred tax assets	遞延稅項資產	28
Trade and other receivables	貿易及其他應收款項	22,211
Bank balances and cash	銀行結餘及現金	693
Trade and other payables	貿易及其他應付款項	(8,886)
Contract liabilities	合約負債	(4,100)
Net identifiable assets acquired	已收購之可識別資產淨值	9,946
Goodwill (Note 16)	商譽(附註16)	23,426
		33,372
Purchase Consideration satisfied by	購買代價以下列方式支付	
— Cash	— 現金	6,500
— Contingent consideration payable, at fair value (Note)	— 應付或然代價，按公允價值(附註)	26,872
		33,372

Note:

The Purchase Consideration includes a contingent consideration arrangement. The fair value of the contingent consideration payable of HK\$26,872,000 initially recognised on Completion Date represents the present values of the Group's probability-weighted estimates of the cash outflows. It reflects management's estimates of the probabilities that the net profit before income tax of Italiving for the years ending 31 December 2019, 2020 and 2021 will be achieved and the discount rates. As at 31 March 2019, there have been no changes in the estimates of the probable cash outflows but the liability has increased by HK\$115,000 due to the unwinding of the discount.

附註：

購買代價包括或然代價安排。於完成日期初步確認之應付或然代價公允價值26,872,000港元，為本集團現金流出之概率加權估計值之現值。其反映管理層對截至2019年、2020年及2021年12月31日止年度之意享世家實現除所得稅前純利之概率以及折現率之估計。於2019年3月31日，對可能現金流出之估計並無變更，但負債因取消折現而增加115,000港元。

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32. ACQUISITION OF A SUBSIDIARY (Continued)

An analysis of the cash flows in respect of the Acquisition is as follows:

		HK\$'000 千港元
Cash consideration paid	已付現金代價	3,000
Less: Bank balances and cash acquired	減：已取得之銀行結餘及現金	(693)
Cash outflow in respect of the Acquisition	收購事項之現金流出	2,307

As at 31 March 2019, the Purchase Consideration for cash and contingent components of approximately HK\$3,500,000 and HK\$26,987,000, respectively, remained unpaid, and were included in accrued charges and other payables and non-current portion of contingent consideration payable, respectively.

Goodwill arose in Acquisition as the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on the Acquisition is expected to be deductible for tax purposes.

Acquisition-related costs amounting to HK\$281,000 have been excluded from the consideration transferred and have been recognised as administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

Included in the profit for the year is HK\$1,378,000 attributable to the additional business generated by Italive. Revenue for the year includes HK\$2,674,000 in respect of Italive.

If the Acquisition had occurred on 1 April 2018, the Group's revenue would have been increased by HK\$5,338,000 and profit for the year would have been increased by HK\$443,000 for the year ended 31 March 2019. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the Acquisition been completed on 1 April 2018, nor is it intended to be a projection of future results.

32. 收購一間附屬公司(續)

收購事項之現金流分析如下：

於2019年3月31日，現金及或然部分之購買代價分別約3,500,000港元及26,987,000港元仍未支付，並分別計入應計費用及其他應付款項以及應付或然代價的非流動部分。

收購事項產生商譽，因為合併成本包括控制溢價。此外，就合併支付之代價已有效地包括有關預期協同效應、收益增加、未來市場發展及整合勞動力利益相關之金額。該等利益並無與商譽分開確認，因為其並未達到可識別無形資產確認標準。預期收購事項產生之商譽不可用作扣除稅項用途。

收購相關成本281,000港元並不包含於轉讓之代價中，並於綜合損益及其他全面收益表中確認為行政開支。

本年度溢利中包含之1,378,000港元，歸屬於意享世家產生之額外業務。本年度收益包括與意享世家有關之2,674,000港元。

倘收購事項於2018年4月1日發生，則本集團截至2019年3月31日止年度之收益會增加5,338,000港元，年度溢利會增加443,000港元。此備考資料僅用於說明用途，未必表示倘收購事項於2018年4月1日完成，本集團之收益及經營業績實際上已實現，亦不擬作為對未來業績之預測。

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33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

At 1 April 2017	於2017年4月1日			
Cash-flows:	現金流量：			
Repayments	還款	(48)	(2,814)	(2,862)
Proceeds	所得款項	–	2,500	2,500
Interests paid	已付利息	(14)	(302)	(316)
Non-cash:	非現金：			
Interests accrued	應計利息	14	302	316
Purchase of property, plant and equipment	購買物業、廠房及設備	470	–	470
At 31 March 2018 and 1 April 2018	於2018年3月31日及2018年4月1日			
Cash-flows:	現金流量：			
Repayments	還款	(135)	(4,453)	(4,588)
Interests paid	已付利息	(32)	(122)	(154)
Non-cash:	非現金：			
Interests accrued	應計利息	32	122	154
Purchase of property, plant and equipment	購買物業、廠房及設備	857	–	857
At 31 March 2019	於2019年3月31日	1,144	469	1,613

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk). The Group's overall risk management strategy seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group and approved by the board of directors. There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

33. 綜合現金流量表附註

(a) 融資活動所產生負債之對賬

本集團於融資活動所產生的負債變動如下：

	Finance lease liabilities 融資租賃負債 HK\$'000 千港元	Bank borrowings 銀行貸款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	–	5,236	5,236
Cash-flows:			
Repayments	(48)	(2,814)	(2,862)
Proceeds	–	2,500	2,500
Interests paid	(14)	(302)	(316)
Non-cash:			
Interests accrued	14	302	316
Purchase of property, plant and equipment	470	–	470
At 31 March 2018 and 1 April 2018	422	4,922	5,344
Cash-flows:			
Repayments	(135)	(4,453)	(4,588)
Interests paid	(32)	(122)	(154)
Non-cash:			
Interests accrued	32	122	154
Purchase of property, plant and equipment	857	–	857
At 31 March 2019	1,144	469	1,613

34. 財務風險管理及公允價值計量

本集團因在日常業務過程和投資活動中使用金融工具而承受財務風險。財務風險包括信貸風險、流動資金風險及市場風險(包括利率風險及外匯風險)。本集團的整體風險管理策略尋求將對本集團的財務表現造成之潛在不利影響降至最低。風險管理由本集團的高級管理層進行並經董事會批准。本集團在金融工具的風險類型或其管理及計量風險的方式並無變化。

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34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

34. 財務風險管理及公允價值計量 (續)

34.1 金融資產及負債的類別

在綜合財務狀況表中呈列之賬面值與以下類別的金融資產及金融負債有關：

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets	金融資產		
Financial assets at fair value through profit or loss	透過損益按公允價值列賬之金融資產		
— Cash surrender value of life insurance	— 人壽保險的解約現金價值	1,755	1,689
Financial assets at amortised cost/Loans and receivables	按攤銷成本計量的金融資產／貸款及應收款項		
— Trade and other receivables	— 貿易及其他應收款項	29,626	6,697
— Pledged bank deposits	— 已抵押銀行存款	—	200
— Bank balances and cash	— 銀行結餘及現金	22,795	35,960
		54,176	44,546
Financial liabilities	金融負債		
Financial liabilities at fair value through profit or loss	透過損益按公允價值列賬之金融負債		
— Contingent consideration payable	— 應付或然代價	26,987	—
Financial liabilities at amortised cost	按攤銷成本計量之金融負債		
— Trade and other payables	— 貿易及其他應付款項	11,201	8,392
— Interest-bearing borrowings	— 計息借貸	1,613	5,344
		39,801	13,736

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34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.2 Credit risk

The Group is exposed to credit risk in relation to its cash and bank deposits and trade and other receivables. The Group's maximum exposure to credit risk in relation to financial assets is limited to the carrying amount at the reporting dates as summarised in Note 34.1.

Effective on 1 April 2018

(i) Trade receivables

The Group's policy is to deal only with credit worthy counterparties. Credit terms are granted to new customers after a credit worthiness assessment by the credit control department. When considered appropriate, customers may be requested to provide proof as to their financial position. Where available at reasonable cost, external credit ratings and/or reports on customers are obtained and used. Customers who are not considered creditworthy are required to pay in advance or on delivery of goods. Payment record of customers is closely monitored. It is not the Group's policy to request collateral from its customers.

In addition, as set out in Note 2.10, the Group assesses ECL under HKFRS 9 on trade receivables based on provision matrix, the expected loss rates are based on the payment profile for sales in the past 36 months as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 365 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

34. 財務風險管理及公允價值計量 (續)

34.2 信貸風險

本集團須就其現金及銀行存款及貿易及其他應收款項承擔信貸風險。本集團就金融資產承擔的最大信貸風險不超過報告日期的賬面值(如附註34.1所概述)。

於2018年4月1日生效

(i) 貿易應收款項

本集團的政策是僅與信譽良好的交易對手進行交易。信貸條款是於信貸監控部門進行信貸評估後授予新客戶的。倘認為適當，客戶可能會被要求提供有關其財務狀況的證明。在成本合理的情況下，會取得並使用外部信貸評級及／或客戶報告。被視為不值得信賴的客戶須提前付款或於交貨時付款。本集團密切監控客戶的付款記錄。本集團的政策並非要求客戶提供抵押品。

此外，如附註2.10所載，本集團根據香港財務報告準則第9號按撥備矩陣評估貿易應收款項的預期信貸虧損，預期虧損率基於過去36個月的銷售付款情況以及該期間相應的歷史信貸虧損計算。本集團對歷史利率進行調整，以反映影響客戶結算未付金額能力的當前及未來宏觀經濟因素。於各報告日，本集團更新歷史違約率，分析前瞻性估計的變化。然而，鑒於信貸風險的時間較短，該等宏觀經濟因素的影響於報告期內並未被視為重大。

當沒有合理的收回預期時，貿易應收款項會被註銷(即終止確認)。自發票日期起365天內未付款，以及未能與本集團就替代付款安排達成一致，均被視為無法合理預期收回的指標。

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34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.2 Credit risk (Continued)

Effective on 1 April 2018 (Continued)

(i) Trade receivables (Continued)

Assessed lifetime ECL rate of trade receivables is not material as there are no recent history of default and continuous payment received. Based on historical and forward-looking elements specific to the customers and the economic environment, it was determined that no loss allowance provision is necessary in respect of these balances as there has not been a significant change in credit quality of the customers.

As at 31 March 2019, 87% (2018: nil) of the total trade receivables was due from a customer arisen from the furniture agency service.

(ii) Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables and bank balances and cash. In order to minimise the credit risk of other receivables, the management of the Group has designated a team responsible for determination of credit limits and credit approvals. The management would make periodic collective and individual assessment on the recoverability of other receivables based on historical settlement records and past experience as well as current external information. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. If the credit risk of debt instruments is considered to be high, collateral is required before granting the debts to debtors. In these regards, the credit risk of other receivables is considered to be low. Thus, no loss allowance provision was recognised during the year ended 31 March 2019.

While bank balances and cash are also subject to the impairment requirements of HKFRS 9, the Group only places deposits in reputable banks and financial institutions, the identified impairment loss was immaterial.

34. 財務風險管理及公允價值計量 (續)

34.2 信貸風險 (續)

於2018年4月1日生效 (續)

(i) 貿易應收款項 (續)

貿易應收款項的經評估全期預期信貸虧損率並不重大，因為最近沒有違約記錄及持續收到付款。根據客戶特定的歷史及前瞻性因素以及經濟環境，確定毋須為該等結餘作出虧損撥備，因為客戶的信貸質量沒有發生重大變化。

於2019年3月31日，貿易應收款項總額中，有87% (2018年：無) 來自應收家具代理服務客戶的款項。

(ii) 按攤銷成本計量的其他金融資產

按攤銷成本計量的其他金融資產包括其他應收款項以及銀行結餘及現金。為盡量減低其他應收款項的信貸風險，本集團管理層已指定一個團隊負責釐定信貸限額及信貸審批。管理層將根據過往結算記錄及以往經驗以及當前外部資料，定期對其他應收款項的可收回性進行共同及個別評估。其他監控程序已到位，以確保採取後續行動收回逾期債務。倘債務工具的信貸風險被視為高，則於向債務人授出債務前，須獲提供抵押品。就此而言，其他應收款項的信貸風險被視為低。因此，截至2019年3月31日止年度並未確認虧損撥備。

儘管銀行結餘及現金亦須符合香港財務報告準則第9號的減值要求，但本集團僅將存款存入信譽良好的銀行及金融機構，已確認的減值虧損並不重大。

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34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.2 Credit risk *(Continued)*

Effective before 1 April 2018

Trade receivables at the reporting dates were mainly due from customers and payment vendors in cooperation with the Group. The credit risk for trade receivables is considered negligible as the counterparties have a good track record of credit with the Group and there were no recent history of default in relation to these parties.

In addition, the Group reviews the recoverable amount of each individual trade and other receivables regularly and at the end of each reporting periods to ensure adequate impairment losses are made for irrecoverable amounts. Given the constant repayment history, the directors are of the view that the risk of default by these counterparties is low.

At the end of the reporting periods, the Group has no significant concentration of credit risk, with exposure spread over a number of customers and counterparties.

The credit risk for bank balances is considered negligible as the counterparties are reputable banks in Hong Kong with high quality external credit ratings.

34.3 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financial obligations, and also in respect of its cash flow management. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants and its relationship with its bankers to ensure that the Group maintain sufficient reserves of cash and cash equivalents and committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

34. 財務風險管理及公允價值計量 *(續)*

34.2 信貸風險 *(續)*

2018年4月1日前生效

於報告日期的貿易應收款項乃主要來自客戶及與本集團合作的支付服務供應商。因交易對手方於本集團往績信貸記錄良好且該等交易對手方最近並無拖欠記錄，故貿易應收款項之信貸風險甚低。

此外，於各報告期末，本集團定期檢討各項個別貿易及其他應收款項的可收回金額，以確保就不可收回金額計提充足的減值虧損撥備。鑒於穩定的還款歷史，董事認為該等交易對手方的拖欠風險不高。

於報告期末，本集團之信貸風險並無異常集中，風險分散於多名客戶及交易對手方。

由於交易對手方為香港擁有較高外部信用評級的信譽良好的銀行，故銀行結餘之信貸風險甚低。

34.3 流動風險

流動風險乃與本集團無法透過交付現金或另一金融資產結算金融負債而履行其責任之風險有關。本集團在償還貿易應付款項及其財務責任，以及在現金流量管理方面承擔流動資金風險。本集團的政策為定期監控現時和預期的流動資金需求、遵從借款契約的情況及其與往來銀行的關係，以確保本集團維持充足的現金及現金等價物儲備以及從主要金融機構取得承諾融資額度，以應付其短期及長期的流動資金需求。

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34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.3 Liquidity risk (Continued)

Analysed below is the Group's remaining contractual maturities for its financial liabilities as at 31 March 2019 and 2018, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting periods) and the earliest date the Group can be required to pay. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

Specifically, for bank borrowings which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

34. 財務風險管理及公允價值計量 (續)

34.3 流動風險 (續)

下文分析於2019年及2018年3月31日，本集團金融負債之剩餘合約到期日，乃根據未折現現金流量(包括以合約利率計算的利息付款，或若為浮動利率，則以報告期末的現行利率計算)以及本集團可能須作出付款之最早日期呈列。倘債權人有權選擇償還負債的時間，此等負債將於本集團被要求償還的最早日期入賬。倘此等負債須分期償還，每筆還款將於本集團承諾償還的最早期間入賬。

尤其是，對於載有銀行可全權酌情行使的按要求償還條款的銀行借貸，該分析將根據實體須償還的最早期限(猶如貸款人可援引即時催收貸款的無條件權利)列示現金流出。

		Within 1 year or on demand	Over 1 year but within 2 years	Over 2 years but within 5 years	Total contractual undiscounted amount	Carrying amount
		1年內或 按要求	超過1年 但於2年內	超過2年 但於5年內	合約未折現 總金額	賬面值
		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
At 31 March 2019	於2019年3月31日					
Trade and other payables	貿易及其他應付款項	11,201	–	–	11,201	11,201
Interest-bearing borrowings	計息借貸	770	301	673	1,744	1,613
Contingent consideration payable	應付或然代價	–	10,667	17,166	27,833	26,987
		11,971	10,968	17,839	40,778	39,801
At 31 March 2018	於2018年3月31日					
Trade and other payables	貿易及其他應付款項	8,392	–	–	8,392	8,392
Interest-bearing borrowings	計息借貸	5,029	107	259	5,395	5,344
		13,421	107	259	13,787	13,736

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34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.3 Liquidity risk (Continued)

The following table summarises the maturity analysis of bank borrowings with repayment on demand clause based on agreed scheduled repayments set out in the bank loan agreements. The amounts include interest payment computed using contractual rates. The Group regularly monitors its compliance with the loan covenants, is up to date with the scheduled repayments of the loans and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the Group continues to meet these requirements. The directors believe that these bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the bank loan agreements.

		Within 1 year or on demand 1年內 或按要求 HK\$'000 千港元	Over 1 year but within 2 years 超過1年 但於2年內 HK\$'000 千港元	Over 2 years but within 5 years 超過2年 但於5年內 HK\$'000 千港元	Total contractual undiscounted amount 合約未折現 總金額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 31 March 2019	於2019年3月31日					
Bank borrowings	銀行借貸	416	72	-	488	469
At 31 March 2018	於2018年3月31日					
Bank borrowings	銀行借貸	2,905	825	1,445	5,175	4,922

34.4 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's interest rate risk arises primarily from interest-bearing bank borrowings and finance lease arrangement. Borrowings bearing variable rates expose the Group to cash flow interest rate risk. As at 31 March 2019 and 2018, the exposure to interest rates for the Group's bank borrowings is considered immaterial.

34. 財務風險管理及公允價值計量 (續)

34.3 流動資金風險 (續)

下表概述根據銀行貸款協議內議定的計劃還款時間表對附有按要求償還條款的銀行借貸的到期分析。該等款項包括以合約利率計算的利息付款。本集團定期監控其對貸款契諾之遵守，並一直按時還款，並認為只要本集團繼續遵守該等規定，銀行將不大可能行使其酌情權要求還款。董事相信，該等銀行借貸將根據銀行貸款協議內所載的計劃還款日期償還。

34.4 利率風險

利率風險指金融工具之公允價值或現金流量會因市場利率改變而出現波動之風險。本集團之利率風險主要來自計息銀行借貸及融資租賃安排。按浮動利率計息的借貸使本集團面臨現金流量利率風險。於2019年及2018年3月31日，本集團就銀行借貸所面臨之利率風險甚微。

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34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.6 Fair value measurements recognised in the consolidated statement of financial position

The following table presents financial assets and liabilities measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

34. 財務風險管理及公允價值計量 *(續)*

34.6 於綜合財務狀況表確認的公允價值計量

下表根據公允價值架構，呈列綜合財務狀況表內按公允價值計量之金融資產及負債。該架構根據計量該等金融資產之公允價值所使用的重大輸入資料的相對可靠程度，將金融資產劃分為三層。公允價值架構分為以下各層：

- 第1層：相同資產及負債於活躍市場的報價（未作調整）；
- 第2層：就資產或負債而直接（即價格）或間接（即從價格推衍）可觀察的輸入資料（不包括第1層所包含的報價）；及
- 第3層：並非基於可觀察的市場數據的資產或負債的輸入資料（無法觀察的輸入資料）。

金融資產或負債整體於公允價值架構內所屬的層次，應基於對公允價值計量具有重大意義的最低層次輸入資料。

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34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.6 Fair value measurements recognised in the consolidated statement of financial position

(Continued)

The financial assets and liabilities measured at fair value in the consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

			Level 1	Level 2	Level 3	Total
		Notes	第一層	第二層	第三層	總計
		附註	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元
At 31 March 2019	於2019年3月31日					
Financial assets	金融資產					
Financial assets at fair value through profit or loss	透過損益按公允價值列賬的金融資產					
— Cash surrender value of life insurance	一人壽保險的解約現金價值	(a)	—	1,755	—	1,755
Financial liabilities	金融負債					
Financial liabilities at fair value through profit or loss	透過損益按公允價值列賬的金融負債					
— Contingent consideration payable	一應付或然代價	(b)	—	—	(26,987)	(26,987)
			—	1,755	(26,987)	(25,232)
At 31 March 2018	於2018年3月31日					
Financial asset	金融資產					
Financial assets at fair value through profit or loss	透過損益按公允價值列賬的金融資產					
— Cash surrender value of life insurance	一人壽保險的解約現金價值	(a)	—	1,689	—	1,689

During the years ended 31 March 2019 and 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

The methods and valuation techniques used for the purpose of measuring fair values categorised in Levels 2 and 3 are unchanged compared to the previous reporting periods and are described below.

(a) Cash surrender value of life insurance

The fair value of the cash surrender value of life insurance was determined based on the valuation provided by the counterparty financial institution by reference to the quoted price of the underlying units held.

34. 財務風險管理及公允價值計量 (續)

34.6 於綜合財務狀況表確認的公允價值計量 (續)

於綜合財務狀況表內按經常性基準以公允價值計量的金融資產及負債在公允價值架構中分類如下：

截至2019年及2018年3月31日止年度，第1層與第2層之間並無公允價值計量之轉撥，亦無轉入第3層或從第3層轉出。

用於計量第2層及第3層公允價值的方法及估值技術與過往報告期間相比並無變化，如下所述。

(a) 人壽保險的解約現金價值

人壽保險的解約現金價值之公允價值乃根據對手方金融機構所提供之估值，並參考所持有相關單位之報價而釐定。

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

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

34.6 Fair value measurements recognised in the consolidated statement of financial position

(Continued)

(b) Contingent consideration payable

The valuation technique and significant unobservable inputs of the fair value of contingent consideration payable are as follows:

Valuation technique 估值技術	Significant unobservable inputs 重大不可觀察輸入數據	Sensitivity relationship of unobservable inputs to fair value 不可觀察輸入數據對公允價值的敏感度關係
Probability-weighted payout approach 概率加權支付法	Probability of achieving the projected revenue and net profit before income tax of Italiving for the years ending 31 December 2019, 2020 and 2021 截至2019年、2020年及2021年12月31日止年度實現預計收益及除所得稅前純利的概率	The higher of the probability, the higher of the fair value, and vice versa 概率越高，公允價值越高，反之亦然
	Discount rate 折現率	The higher of the discount rate, the lower of the fair value, and vice versa 折現率越高，公允價值越低，反之亦然。

The reconciliation of the carrying amounts of the Group's contingent consideration payable classified within Level 3 of the fair value hierarchy is as follows:

本集團在公允價值架構第3層內分類的應付或然代價賬面值的對賬如下：

		Contingent consideration payable 應付或然代價 HK\$'000 千港元
At 1 April 2018	於2018年4月1日	—
Acquisition of a subsidiary (Note 32)	收購一間附屬公司(附註32)	26,872
Fair value changes recognised in profit or loss	於損益確認的公允價值變動	115
At 31 March 2019	於2019年3月31日	26,987

Fair value changes on contingent consideration payable is recognised in profit or loss and included under "Finance costs".

應付或然代價的公允價值變動於損益確認，並計入「財務成本」之下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

35. CAPITAL MANAGEMENT

The objectives of the Group when managing capital are to safeguard the ability of the Group in continuing as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long term.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital structure on the basis of the gearing ratio. The gearing ratio is calculated based on total interest-bearing borrowings divided by the total equity at each reporting date. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise new debt financing or sell assets to reduce debt.

The gearing ratio at each reporting date was:

35. 資本管理

本集團的資本管理目標為保障本集團的持續經營能力，藉以回報股東及為其他權益持有人提供利益，並維持最佳資本架構以提升股東長遠價值。

本集團積極定期檢討資本架構，並應因經濟狀況變動進行調整。本集團根據資產負債比率監察資本架構。資產負債比率根據各報告日期的總計息借貸除以總權益基準計算。為維持或調整該比率，本集團可能調整向股東派付的股息金額，發行新股份，籌集新債務融資或出售資產以減少債務。

於各報告日期的資產負債比率為：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Total interest-bearing borrowings	總計息借貸		
Bank borrowings	銀行借貸	469	4,922
Finance lease liabilities	融資租賃負債	1,144	422
		1,613	5,344
Total Equity	總權益	50,407	49,315
Gross gearing ratio (%)	總資產負債比率 (%)	3.2%	10.8%

FINANCIAL SUMMARY

財務摘要

FINANCIAL SUMMARY

A summary of results, and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements is set out below:

RESULTS

		2019	2018	2017	2016	2015
		2019年	2018年	2017年	2016年	2015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
Revenue	收益	85,408	79,073	77,316	81,877	65,252
Cost of sales	銷售成本	(27,497)	(25,515)	(26,303)	(27,029)	(20,959)
Gross profit	毛利	57,911	53,558	51,013	54,848	44,293
Other income	其他收入	204	134	286	272	77
Selling and marketing expenses	銷售及市場推廣開支	(36,982)	(34,128)	(32,806)	(30,148)	(27,472)
Administrative expenses	行政開支	(18,821)	(11,597)	(12,118)	(10,940)	(8,532)
Listing-related expenses	上市相關開支	–	(15,747)	(10,066)	(1,289)	–
Share-based compensation expense	以股份為基礎的薪酬 開支	–	(656)	(2,331)	(2,487)	–
Finance costs	財務成本	(269)	(316)	(140)	(165)	(157)
Profit/(Loss) before income tax	除所得稅前溢利/ (虧損)	2,043	(8,752)	(6,162)	10,091	8,209
Income tax expense	所得稅開支	(951)	(1,350)	(986)	(2,297)	(1,419)
Profit/(Loss) and total comprehensive income/(loss) for the year attributable to equity holders of the Company	年內本公司權益持有人 應佔溢利/(虧損) 及全面收益/ (虧損)總額	1,092	(10,102)	(7,148)	7,794	6,790

財務摘要

本集團於過去五個財政年度之業績以及資產及負債概要乃摘錄自經審核綜合財務報表，載列如下：

業績

ASSETS AND LIABILITIES

		2019	2018	2017	2016	2015
		2019年	2018年	2017年	2016年	2015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	總資產	101,703	64,716	29,836	43,061	32,146
Total liabilities	總負債	(51,296)	(15,401)	(18,479)	(11,478)	(10,844)
Total equity	總權益	50,407	49,315	11,357	31,583	21,302

資產及負債



TREE HOLDINGS LIMITED
齊家控股有限公司

