



2020

ANNUAL REPORT

年度報告



東京中央拍賣控股有限公司
TOKYO CHUO AUCTION HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)(於香港註冊成立之有限公司)
STOCK CODE 股份代號 : 1939.HK



CONTENTS 目錄

Corporate Information	公司資料	2
Chairman's Statement	主席報告	4
Management Discussion and Analysis	管理層討論及分析	9
Biographical Details of Directors and Senior Management	董事及高級管理層的履歷詳情	19
Corporate Governance Report	企業管治報告	28
Reports of the Directors	董事會報告	51
Independent Auditor's Report	獨立核數師報告	70
Consolidated Income Statement	合併損益表	81
Consolidated Statement of Comprehensive Income	合併綜合收益表	82
Consolidated Balance Sheet	合併資產負債表	83
Consolidated Statement of Changes in Equity	合併權益變動表	85
Consolidated Statement of Cash Flows	合併現金流量表	86
Notes to the Consolidated Financial Statements	合併財務報表附註	88
Five-Year Financial Summary	五年財務概要	196

CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Ando Shokei (alias Liao Xianggui) (*Chairman*)
Mrs. Ando Eri (alias Feng Huijin)
Mr. Katsu Bunkai (alias Ge Wenhai)
Mr. Sun Hongyue
Mr. Yau Chung Hang (Resigned on 13 September 2019)

Non-Executive Director

Mr. Yang Yi Chung (Resigned on 14 May 2019)

Independent Non-executive Directors

Mr. Chung Kwok Mo John
Ms. Lam Suk Ling Shirley
Mr. Chun Chi Man

COMPANY SECRETARY

Mr. Yau Chung Hang (Resigned on 13 September 2019)
Mr. Chak Chi Shing (Appointed on 13 September 2019)

AUDIT COMMITTEE

Ms. Lam Suk Ling Shirley (*chairlady of the audit committee*)
Mr. Chung Kwok Mo John
Mr. Chun Chi Man

REMUNERATION COMMITTEE

Mr. Chung Kwok Mo John
(*chairman of the remuneration committee*)
Ms. Lam Suk Ling Shirley
Mr. Chun Chi Man
Mrs. Ando Eri
Mr. Yang Yi Chung (Resigned on 14 May 2019)

NOMINATION COMMITTEE

Mr. Ando Shokei (*chairman of the nomination committee*)
Mr. Chung Kwok Mo John
Ms. Lam Suk Ling Shirley
Mr. Chun Chi Man
Mr. Yang Yi Chung (Resigned on 14 May 2019)

董事

執行董事

安藤湘桂先生(又名廖湘桂)(*主席*)
安藤惠理女士(又名馮慧瑾)
葛文海先生
孫鴻月先生
邱仲珩先生(於2019年9月13日辭任)

非執行董事

楊維聰先生(於2019年5月14日辭任)

獨立非執行董事

鍾國武先生
林淑玲女士
秦治民先生

公司秘書

邱仲珩先生(於2019年9月13日辭任)
翟志勝先生(於2019年9月13日獲委任)

審核委員會

林淑玲女士(*審核委員會主席*)
鍾國武先生
秦治民先生

薪酬委員會

鍾國武先生
(*薪酬委員會主席*)
林淑玲女士
秦治民先生
安藤惠理女士
楊維聰先生(於2019年5月14日辭任)

提名委員會

安藤湘桂先生(*提名委員會主席*)
鍾國武先生
林淑玲女士
秦治民先生
楊維聰先生(於2019年5月14日辭任)

CORPORATE GOVERNANCE COMMITTEE

Mr. Chun Chi Man
(*chairman of the corporate governance committee*)
Mr. Ando Shokei
Mr. Chung Kwok Mo John
Ms. Lam Suk Ling Shirley
Mr. Yang Yi Chung (Resigned on 14 May 2019)

AUTHORISED REPRESENTATIVES

Mr. Ando Shokei
Mr. Chak Chi Shing

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Hongkong and Shanghai Banking Corporation Limited
Sumitomo Mitsui Banking Corporation

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE

Room 2601, 26/F Wing On Centre
No. 111 Connaught Road Central
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN JAPAN

2/F and 3/F
Kyobashi-Square
3-7-5 Kyobashi
Chuo-ku
Tokyo
Japan

CORPORATE WEBSITE

www.chuo-auction.com.hk

STOCK CODE

1939

企業管治委員會

秦治民先生
(*企業管治委員會主席*)
安藤湘桂先生
鍾國武先生
林淑玲女士
楊維聰先生(於2019年5月14日辭任)

授權代表

安藤湘桂先生
翟志勝先生

核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師

主要往來銀行

香港上海滙豐銀行有限公司
三井住友銀行

股份過戶登記總處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

註冊辦事處

香港
干諾道中111號
永安中心26樓2601室

總辦事處及日本主要營業地點

日本
東京都
中央區
京橋3-7-5
Kyobashi-Square
2樓及3樓

公司網站

www.chuo-auction.com.hk

股份代號

1939

CHAIRMAN'S STATEMENT

主席報告

DEAR SHAREHOLDERS,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Tokyo Chuo Auction Holdings Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”), I would like to present the annual report of the Company for the year ended 31 March 2020 (the “**Reporting Period**”).

To Asia or even to the world, 2019 is a year full of challenges. There were still some opportunities in art markets in 2019 although much uncertainties hovered over the global environment. Reflecting a trend of greater height of development, the outstanding and quality high-price artworks enjoyed firm support from the market and artworks by emerging artists drew more attention. In the first half of 2019, auctions in Hong Kong, as the center of Asia’s art markets, the artwork sold reached a total hammer price of USD0.7 billion in spite of the market downturn, representing an increase of 4% as compared with the corresponding period in 2018. In the second half of 2019, due to the impacts of on-going U. S.-China trade war and the unrest caused by social movements in Hong Kong, the numbers of attendees of the autumn auctions of each auction house decreased relatively.

Facing the external environment full of many uncertainties, the Group will adhere to our original intention and achieve diversified development simultaneously. In terms of auction lots, the Company will constantly enrich the categories of auction lots to fulfill the diversified preferences of the collectors. Committing to advocate the exchange between Chinese culture and Japanese culture, the Group always emphasizes the

致股東

本人謹代表東京中央拍賣控股有限公司(「**本公司**」，連同其附屬公司統稱為「**本集團**」)董事(「**董事**」)會(「**董事會**」)提呈本公司截至2020年3月31日止年度的年度報告(「**報告期間**」)。

2019年，對亞洲、甚至是世界來說，是充滿挑戰的一年。在大環境瀰漫諸多不確定性之際，2019年的藝術市場仍藏有機遇——高價精品非凡堅挺、生貨持續獲得青睞，呈現出往更高質發展的趨勢。香港作為亞洲藝術市場的中心，在全球市場低迷的情況下，2019年上半年，已售出藝術品達致7億美元的總落槌價，與2018年同期比較增長了4%。2019年下半年，受中美貿易戰持續反復，香港社會運動震盪等事件的影響，各大平台的秋季拍賣會出席者人數相對減少。

面對充滿不確定性的外部環境，本集團在堅持初心的同時，實現多元化發展。在拍品方面，本公司不斷豐富拍品種類，以滿足藏家的多樣化口味。本集團一向注重中國傳統文化的傳承及推廣，2019年，本公司繼續推出《中國重要瓷器及藝術品》、《中國近現代書畫》、《中國古代書畫》專場，致力於推動中日文化交流。除



inherence and promotion of Chinese traditional cultures. In 2019, the Company continued to launch auction sessions of "Important Chinese Ceramics and Works of Art" (中國重要瓷器及藝術品), "Fine Chinese Modern Paintings and Calligraphy" (中國近現代書畫) and "Fine Chinese Classical Paintings and Calligraphy" (中國古代書畫). Apart from traditional art auction lots, the Company received enthusiastic responses by launching auction sessions of "ICHIGO ICHIE — The Art of Tea Ceremony" (一期一會•聽茶聞香) and auction session "Finest & Rarest Whisky and Moutai" (珍稀佳釀) which explores the opportunities of auction lots in tea and wine during 2019 Spring Auction. Furthermore, in response to the collection of artworks that has become increasingly prevalent among the younger people, the Company also continues to introduce the contemporary artworks, which brings a dash of vibrance to the collections.

The Group also endeavors to expand into Asian and international market to broaden the network of customers in addition to increasing the categories of auction lots actively. In the regions of Asia, Taiwan has a mature art market, enriched historical background, knowledgeable collectors and abundantly high-quality art collections that have not been shown to the market. In August 2019, the Company acquired 34% of all issued shares of Mu Chun Tang Auction Co., Ltd (沐春堂拍賣股份有限公司) in Taiwan to take the good advantage of mutual resources of collectors and art collections and enjoy synergistic benefits. This collaboration is expected to facilitate the Company to further take root in Taiwan's art market in order to lay the foundation for the internationalization of the industry.

傳統藝術拍品外，本公司於2019年春拍推出《一期一會•聽茶聞香》專場及《珍稀佳釀》專場，挖掘茶葉及美酒拍品機遇，均取得熱烈反響。此外，為配合藏家年輕化趨勢，本公司亦繼續引入當代藝術潮玩作品，為藏品帶來一抹新潮亮色。

除積極豐富拍品類別，本集團亦致力於拓展亞洲與國際市場以不斷擴寬客戶網絡。在亞洲地區中，台灣的藝術市場發展成熟，歷史底蘊深厚，藏家涉獵範圍廣泛，而台灣本土亦有大量尚未面世的優質藏品。2019年8月，本公司收購台灣沐春堂拍賣股份有限公司34%的全部已發行股份，以發揮雙方在藏家資源和藏品資源上的優勢，共享協同效應。是次合作預期有助推動本公司進一步深耕台灣藝術市場，為產業國際化奠定基礎。



PROSPECTS

In the early 2020, novel coronavirus (“**COVID-19**”) began to spread and devastate in the world, many transactions of important artworks in early spring had been cancelled or postponed in response to it, therefore shadowed sales markets of artworks in the global. However, there is a mixed blessing. The cancellation of the offline auction activities also further catalyzes the emergency of online auction activities and pushes the collectors to proactively learn and accept the new form of online auctions. The Company also uses the opportunity to accelerate the formation of internet auction platform and online auction platform, keep up with current developing trend, integrate platforms and upgrade the techniques to bring the new experience of multi-scenario auction for all collectors. In June 2020, the Company launched the first live auction in Japan, holding different sessions of Chinese painting and calligraphy, collection series from Kanto book-collector, sutra, rubbing of inscription, tea ware, scholarly objects, antiques and ARTS IN LIFE, which started an newly integrated mode of internet and on-site auctions. As the online auction is without restriction of place and time, it will become a new trend for auction, in which the collectors can follow live broadcast to bid,

前景

2020年初，新型冠狀病毒（「**COVID-19**」）開始擴散並在全球肆虐，眾多初春的重要藝術品交易都宣佈了取消或者延期的對應措施，全球藝術品銷售市場亦因此蒙上了一層陰影。但禍福相依，線下拍賣活動的取消，更進一步催化了線上拍賣活動的興起，亦使藏家主動學習並接納線上拍賣的新方式。本公司亦借此機會加速網絡拍賣平台及線上拍賣平台的搭建，緊跟時代發展趨勢，整合平台並提升技術，為廣大藏家帶來全新的多場景拍賣體驗。2020年6月，本公司於日本啟動了首屆直播拍賣，推出了中國書畫、關東藏書家同一收藏、古代經書、古籍善本、茶語清心、古今文房雅玩、古董珍玩、當代藝術潮玩等各類專場，開啟了網絡和現場結合的全新拍賣模式。因網絡拍賣不受場地及時間限制，藏家跟隨現場直播在網上競投



in the future. The Group will also grasp the chance to enhance the numbers and scale of online auctions and introduce abundant and diversified collections in hopes of meeting the need of collectors and art enthusiasts who have different interests and preferences.

In the future, the Group will aim at keeping stable growth and development, and continuously uphold its principle of sourcing excellent artworks with good provenance to explore and collect more valuable artworks for art enthusiasts in the artwork auction market. At the same time, the management will also keep an eye on the opportunities to cooperate with other auction companies with a view to developing our business more rapidly.

落標將成為未來拍賣的新趨勢。本集團亦會把握機遇，加大網絡及線上拍賣的場次力度，引入豐富多樣的藏品，力求滿足各門類收藏家及藝術愛好者的需求。

在未來，本集團將力求穩定增長及發展，於藝術拍賣市場上繼續秉承「來源有據，流傳有序」的宗旨，不斷為藝術品愛好者搜羅更多珍貴的藝術品。同時，管理層也會時刻留意與其他拍賣公司的合作商機，務求更迅速發展我們的業務。



APPRECIATION

Lastly, on behalf of the Board and the management, I would like to express my sincere gratitude to all the staff for their unremitting efforts during the year and to all the shareholders of the Company (“**Shareholders**”), investors, clients and business partners for their continuous support for the Group.

Tokyo Chuo Auction Holdings Limited

Ando Shokei

Chairman

26 June 2020

致謝

最後，本人謹代表董事會及管理層對本集團全體員工於本年孜孜不倦的努力深表謝意，亦就本公司所有股東（「**股東**」）、投資者、客戶及業務夥伴對本集團的持續支持表示致謝。

東京中央拍賣控股有限公司

安藤湘桂

主席

2020年6月26日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

We are a well-recognised auction house of Chinese and Japanese artworks in Hong Kong and Japan. We specialize in auctioneering a wide variety of artworks with emphasis on Chinese and Japanese artworks, including Chinese paintings and calligraphies, Chinese antiques and Japanese and Chinese tea wares. With over nine years of operating experience in the Chinese and Japanese art auction industry, we have grown into a well-recognised and trusted auction brand in Hong Kong and Japan, through our “Tokyo Chuo Auction” brand. We are successfully recognized by our customers for the appealing auction artworks and our quality auction services to establish the market position, well-known brand name and strong competitiveness. We take pride in being an auction house with the ability to explore and introduce the historical and cultural significance as well as the commercial value of each artwork.

On 11 October 2018, the Company’s shares were successfully listed (“**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited. This is a significant step of the milestones of the Group. Hong Kong, as a world-renowned financial centre, is also an important hub of arts and culture in Asia. The successfully Listing in Hong Kong has provided the Company with a wider platform, which enables us to rapidly and intensively expand into the Asian and even the global market and ignites the strong growth engine for the Company’s future development.

During the Reporting Period, the Group obtained satisfactory results in each auction session, with an aggregate of 4,190 pieces of auction lots launched in the two auctions in Hong Kong and one auction in Japan. A total of 2,542 pieces of which were successfully sold, representing a successful rate of 60.7% and achieved an aggregate hammer price of approximately HK\$300.6 million and JPY2,005.9 million in Hong Kong and Japan, respectively. The Group is actively developing other new auction segments to increase the number and sources of customers and pursue new business opportunities.

業務回顧

我們是一間在香港及日本廣受認可的中日藝術品拍賣行。我們專門拍賣各類藝術品，主要為中國及日本藝術品，包括中國書畫、中國古玩及中日茶具。憑藉在中國及日本藝術品拍賣行業超過九年的營運經驗，我們已透過「東京中央拍賣」的品牌，發展成為在香港及日本廣受認可和信任的拍賣品牌。我們憑藉具吸引力的拍賣藝術品及優質的拍賣服務，成功贏得客戶的認可，從而確立了市場地位、品牌知名度及強大的競爭力。作為一間能夠探索及推廣每件藝術品歷史文化意義及商業價值的拍賣行，我們深感自豪。

於2018年10月11日，本公司股份成功於香港聯合交易所有限公司主板上市（「**上市**」）。這是本集團發展里程碑上的重要一步。香港作為世界知名的金融中心，亦是亞洲重要的藝術文化樞紐。成功於香港上市，為本公司提供了更廣闊的平台，有助於我們更快更深入地拓展亞洲乃至全球市場，為本公司未來發展開啟了強大增長引擎。

於報告期間，本集團各拍賣專場均取得可觀收益，香港兩個拍賣專場及日本一個拍賣專場共推出4,190件拍品。合共2,542件已成功售出，成功率為60.7%，香港及日本的總落槌價分別約為300.6百萬港元及2,005.9百萬日圓。本集團積極發展其他新拍賣業務以增加客戶數目及來源，同時物色新商機。

In May 2019, the Group launched the 2019 Spring Auction in Hong Kong, during which 8 sessions were held, including “An Important Folding Fan Collection from the Han Le Xuan” (李曉湖先生珍藏成扇專場), “Fine Chinese Modern Painting and Calligraphy” (中國近現代書畫), “An Important Collection of Fine Chinese Paintings from Takahashi Kouhou” (御風而行日本書畫家高橋廣峰重要收藏), “An Extremely Rare and Important Collection of Buddhist Sutras” (遺珠拾粹宋元明佛教經曲珍藏), offering 988 auction lots, out of which 568 were sold at an aggregate hammer price of approximately HK\$148.7 million. As always, fineness continued to be the principle of this year's Spring Auction in Hong Kong, featuring a small number of superior auction lots which are well-documented art treasures handed down from generation to generation. In “ICHIGO ICHIE — The Art of Tea Ceremony” (一期一會•聽茶聞會), among the tea auction lots, there was a cylinder of pu'er tea, weighing 2,236 grams, called “A Tong of Fuyuanchang Hao Pu'er Tea Cakes, 1920” (1920年福元昌號), which was sold at a record-breaking price of HK\$23.5 million, a new historic high in tea prices. Meanwhile, the Group actively developed other new auction segments to increase the number and sources of customers and pursue new business. For example, there was a new session called “Art in Life” (“當代藝術潮玩”) in the auction held by the Group in 2019.

In early September 2019, the Group launched the 2019 Autumn Auction in Japan, during which 8 sessions were held, including “Important Chinese Art — Evening Sale” (長物中國藝術品夜場), “An Important Collection of Fine Chinese Paintings from Takahashi Kouhou” (御風而行日本書畫家高橋廣峰重要收藏), “Chinese Works of Art” (古玩珍藏), “Refined Delightfulness” (佳趣滿堂), offering 2,393 auction lots, out of which 1,474 were sold at an aggregate hammer price of approximately JPY2,005.9 million.

於2019年5月，本集團在香港推出2019年春季拍賣會，並開設了8個專場，包括《李曉湖先生珍藏成扇專場》、《中國近現代書畫》、《御風而行日本書畫家高橋廣峰重要收藏》、《遺珠拾粹宋元明佛教經曲珍藏》，期間提供988件拍品，當中售出568件，總落槌價約為148.7百萬港元。今年的香港春季拍賣會一如既往秉持精品原則，拍品重在量少而精，搜羅來源有據，流傳有序的藝術珍品。在《一期一會•聽茶聞會》專場中的茶葉拍品中，一筒重量為2,236克的「1920年福元昌號」普洱茶以破紀錄價格23.5百萬港元售出，創造了茶葉價格的歷史新高。同時，本集團積極開發其他新拍賣專場，以增加客戶數目及來源，並探索新業務。例如，本集團於2019年舉行的拍賣會中設有《當代藝術潮玩》新專場。

於2019年9月初，本集團於日本推出2019年秋季拍賣會，並開設了8個專場，包括《長物中國藝術品夜場》、《御風而行日本書畫家高橋廣峰重要收藏》、《古玩珍藏》、《佳趣滿堂》，期間提供2,393件拍品，當中售出1,474件，總落槌價約為2,005.9百萬日圓。

In November 2019, the Group also launched the 2019 Autumn Auction in Hong Kong, during which 8 sessions were held, including “Important Chinese Ceramics and Works of Art” (中國重要瓷器及藝術品), “Fine Chinese Classical Paintings and Calligraphy” (中國古代書畫), “Fine Chinese Modern Paintings and Calligraphy” (中國近現代書畫) and specify for “Finest & Rarest Whisky and Moutai” (珍稀佳釀), “Art in Life” (當代藝術潮玩) and “Fan Collection Owned by Takahashi Kouhou” (日本書畫家高橋廣峰成扇珍藏), offering 809 auction lots, out of which 500 were sold at an aggregate hammer price of approximately HK\$151.9 million.

In February 2020, the Group postponed its 2020 March Spring Auction in Japan (the “**2020 Japan Spring Auction**”) due to the outbreak and spread of COVID-19. The decision on the postponement of the 2020 Japan Spring Auction was concluded based on the concern for the health and safety of those attending the auction, the impact on the sourcing of artwork, logistical delay in transit of artwork and the escalating difficulties for international travel arising out from the outbreak of COVID-19. Please refer to the announcement of the Company dated 11 February 2020 for further details.

In order to promptly extend our coverage in other key regions in terms of Asian artworks and Taiwan has always been a pivotal area of antiques and artworks capturing a large pool of collectors and artists. On 1 April 2019, the Company entered into a non-legally binding memorandum of understanding with an independent third party in relation to the proposed acquisition by the Group of 34% of the entire issued shares in Mu Chun Tang Auction Co., Ltd (沐春堂拍賣股份有限公司), a Taiwan-based auction house (the “**Proposed Acquisition**”). The Proposed Acquisition was completed on 16 August 2019. Through the Proposed Acquisition, the management believes that it will create synergy for both parties, in further developing into Taiwan art market and establishing a deeper cultural network. We believe that the brand of the Group will gain wider recognition in Taiwan and entire Asia through the Proposed Acquisition. Please refer to the section headed “Material Acquisitions and Disposals of Subsidiaries and Associated Companies” below for further details.

於2019年11月，本集團亦於香港推出2019年秋季拍賣會，並開設了8個專場，包括《中國重要瓷器及藝術品》、《中國古代書畫》、《中國近現代書畫》，以及拍賣《珍稀佳釀》、《當代藝術潮玩》及《日本書畫家高橋廣峰成扇珍藏》的專場，期間提供809件拍品，當中售出500件，總落槌價約為151.9百萬港元。

於2020年2月，由於COVID-19爆發及擴散，本集團順延其2020年3月日本春季拍賣會（「**2020年日本春季拍賣會**」）。決定順延2020年日本春季拍賣會乃基於多個因素，包括考慮到參加拍賣會人士的健康與安全、收集及運送藝術品時出現的物流問題及在COVID-19爆發後，使國際出遊難度大增等。有關進一步詳情，請參閱本公司日期為2020年2月11日的公告。

就亞洲藝術品而言，為了於其他主要地區迅速擴大我們的業務，台灣一直以來都是古玩及藝術品的重要地區，吸引著大量藏家及藝術家。於2019年4月1日，本公司與一名獨立第三方訂立不具法律約束力的諒解備忘錄，內容有關本集團建議收購一間台灣拍賣行沐春堂拍賣股份有限公司全部已發行股份的34%（「**建議收購事項**」）。建議收購事項已於2019年8月16日完成。管理層相信，建議收購事項將為雙方締造協同效應，從而進一步發展台灣藝術市場並建立更加深遠的文化網絡。我們相信，透過建議收購事項，本集團的品牌將於台灣及整個亞洲獲得廣泛認可。有關進一步詳情，請參閱下文「**附屬公司及聯營公司重大收購及出售事項**」一節。

PROSPECTS AND FUTURE PLAN

The year of 2019 has been a challenging and promising year for the Group, and we are determined to forge ahead against the market. Moreover, artworks have always been an investment tool of collectors and artwork investors around the world. In this connection, the Group rose up to the market challenges through continuous amid the hard time, expanding market and diversifying demands of collectors and clients.

The Group has been growing since its establishment and during the Reporting Period, the successful Listing in 2018 as a pioneering corporate with emphasis on artworks auction, expanding from Japan to the entire Asia. At present, it has established footholds in major cities in Asia with its business extending from Tokyo to Hong Kong and Taiwan. Moreover, in order to promptly extend our coverage in other key regions in terms of Asian artworks and become one of the international well-known auction houses with Chinese and Japanese art auction business in the future, we have actively explored potential customers and consolidated our competitive strengths in order to broaden the network of the collection community and facilitate the growth of auction business. In addition, the Group's marketing and brand promotion activities are integral parts of its effort to gain acclaim and build its reputation among the high net worth individuals in the Asia-Pacific region, which successfully strengthen brand image of the Group and raise our brand awareness. Further raising our brand awareness is to the key success of our future development.

In the future, the Group will aim at keeping stable growth and development, and continuously uphold its principle of sourcing excellent artworks with good provenance to explore and collect more valuable artworks for art enthusiasts in the artwork auction market. At the same time, we shall keep looking for apposite business partners for collaboration in auction events. Meanwhile, the management will also cooperate with other auction companies and consider to make strategic investments in artworks related business, which can help us to achieve synergies.

前景及未來計劃

2019年對於本集團是充滿挑戰而穩步上揚的一年，我們立定堅毅目標在逆市前行。此外，藝術品一直以來都是全球藏家及藝術品投資者的投資工具。就此而言，面對困難時期，本集團透過持續發展，迎難而上，不斷擴大市場規模，滿足藏家及客戶的各類需求。

本集團自成立以來及於報告期間不斷發展壯大，並作為專注藝術品拍賣的先鋒企業，於2018年成功上市，由日本擴大至整個亞洲。目前，本集團已立足亞洲主要城市，業務由東京拓展至香港及台灣。此外，就亞洲藝術品而言，為了迅速將業務延伸至其他主要地區並於日後成為經營中日藝術品拍賣業務的國際知名拍賣行，我們積極開拓潛在客戶，鞏固競爭優勢，增加收藏界廣泛脈絡，推動拍賣業務增長。此外，本集團的市場營銷和品牌推廣活動將是本集團於亞太區高淨值人士中打響名號、建立口碑的重要一環，此舉將會成功鞏固本集團的品牌形象並提升我們的品牌認可度。進一步提升品牌認可度是我們未來發展成功與否的關鍵所在。

日後，本集團將力求穩定增長及發展，於藝術品拍賣市場上繼續秉承「來源有據，流傳有序」的宗旨，不斷為藝術品愛好者搜羅更多珍貴的藝術品。同時，我們將繼續尋找合適業務夥伴以就拍賣活動展開合作。此外，管理層亦將與其他拍賣公司合作，並考慮於藝術品相關業務中作出戰略投資，幫助我們達致協同效應。

FINANCIAL REVIEW

Revenue

During the Reporting Period, the revenue of the Group was approximately HK\$107.6 million (2019: approximately HK\$166.1 million), which represents a decrease of approximately HK\$58.5 million or 35.2% as compared to the same period in 2019. Revenue from art auction and related business was approximately HK\$98.0 million (2019: approximately HK\$146.9 million), while revenue from artwork sales was approximately HK\$9.6 million (2019: approximately HK\$19.2 million). The decrease in revenue from art auction and related business was mainly due to the postponement of the 2020 Japan Spring Auction as a result of the outbreak and spread of COVID-19.

Gross profit

During the Reporting Period, gross profit of the Group decreased by approximately HK\$50.3 million or 39.8% to approximately HK\$75.9 million (2019: approximately HK\$126.2 million) as compared to the same period in 2019, which in line with the decrease in revenue. The overall gross profit margin decreased to approximately 70.6% for the Reporting Period from approximately 76.0% recorded for the same period in 2019. The gross profit margins were approximately 72.9% (2019: 76.4%) and approximately 47.1% (2019: 72.7%) for art auction and related business and artwork sales respectively. Such decrease in overall profit margin was mainly due to decrease in profit margin in artwork sales.

Other losses, net

Net other losses of approximately HK\$460,000 (2019: losses of approximately HK\$4.0 million) was recognised for the Reporting Period. The losses for the year ended 31 March 2019 was mainly attributable to the fair value of convertible notes of approximately HK\$4.1 million as one-off expense.

Other income

Other income of approximately HK\$14.5 million (2019: approximately HK\$1.8 million) was recognised for the Reporting Period, which mainly represented the agency service from demolition of property located in Japan. In return for such services, the Group recognised an agency income of approximately HK\$14.4 million for the Reporting Period.

財務回顧

收益

於報告期間，本集團收益約為107.6百萬港元（2019年：約166.1百萬港元），較2019年同期減少約58.5百萬港元或35.2%。來自藝術品拍賣及相關業務的收益約為98.0百萬港元（2019年：約146.9百萬港元），來自藝術品銷售的收益約為9.6百萬港元（2019年：約19.2百萬港元）。來自藝術品拍賣及相關業務的收益減少主要由於2020年日本春季拍賣會因COVID-19爆發及擴散而延遲舉行所致。

毛利

於報告期間，與2019年同期相比，本集團的毛利減少約50.3百萬港元或39.8%至約75.9百萬港元（2019年：約126.2百萬港元），與收益減少一致。整體毛利率由2019年同期所錄得的約76.0%下降至報告期間的約70.6%。藝術品拍賣及相關業務及藝術品銷售的毛利率分別為約72.9%（2019年：76.4%）及約47.1%（2019年：72.7%）。整體收益率減少主要由於藝術品銷售收益率下降所致。

其他虧損淨額

於報告期間確認其他虧損淨額約460,000港元（2019年：虧損約4.0百萬港元）。截至2019年3月31日止年度之虧損乃主要由於可換股票據之公平值約4.1百萬港元作為一次性開支。

其他收入

於報告期間確認約14.5百萬港元（2019年：約1.8百萬港元）的其他收入，主要指拆除位於日本的物業的代理服務。本集團於報告期間已確認約14.4百萬港元的代理收入為該等服務的回報。

Selling and distribution expenses

Selling and distribution expenses consist primarily of employee benefit expenses paid to the sales and marketing staffs, advertising and promotion expenses, consultancy fee paid, transportation costs, travelling expenses, entertainment and business hospitality expenses. During the Reporting Period, approximately HK\$27.9 million (2019: approximately HK\$41.7 million) of selling and distribution expenses were incurred, representing a decrease of approximately HK\$13.8 million as compared to the same period in 2019, which in line with the decrease in revenue.

Administrative expense

Administrative expenses mainly represent the employee benefit expenses, travelling expenses, rental expenses, depreciation and Listing expenses. During the Reporting Period, the administrative expenses decreased by approximately 26.3% to approximately HK\$48.7 million (2019: approximately HK\$66.1 million). Such decrease in administrative expenses was mainly attributable to one-off expenses related to Listing of approximately HK\$15.3 million recorded in the same period in 2019.

Finance income — Net

Net finance income recorded amounted to approximately HK\$748,000 (2019: approximately HK\$310,000) for the Reporting Period. The finance income mainly represents the interest income from bank deposit and interest income from certain consignor advance, and finance costs mainly represents the interest expenses on bank and other borrowings and interest expense on lease liabilities.

Income tax expense

Profits tax has been provided for our companies in both Hong Kong and Japan at the applicable rate on the estimated assessable profits. Effective tax rate was approximately 21.2% (2019: approximately 19.3%, the effective tax rate was calculated by income tax expenses divided by profit before income tax excluding the Listing expenses and fair value loss recognised for the year ended 31 March 2019) for the Reporting Period and no significant fluctuation was noted.

銷售及分銷開支

銷售及分銷開支主要包括已付銷售及營銷員工的僱員福利開支、廣告及宣傳開支、已付顧問費、運輸成本、差旅開支、娛樂及商務接待開支。於報告期間產生銷售及分銷開支約27.9百萬港元(2019年：約41.7百萬港元)，較2019年同期減少約13.8百萬港元，與收益減少一致。

行政開支

行政開支主要指僱員福利開支、差旅開支、租金開支、折舊及上市開支。於報告期間，行政開支減少約26.3%至約48.7百萬港元(2019年：約66.1百萬港元)。行政開支減少乃主要由於2019年同期錄得與上市有關的一次性開支約15.3百萬港元所致。

財務收入淨額

於報告期間錄得的財務收入淨額約達748,000港元(2019年：約310,000港元)。財務收入主要指銀行存款的利息收入及若干委託人預付款項利息收入，而財務成本則主要指銀行及其他借款利息開支及租賃負債利息開支。

所得稅開支

香港及日本公司已就估計應課稅溢利按適用稅率計提利得稅撥備。報告期間的實際利率約為21.2%(2019年：約19.3%，實際利率乃按所得稅開支除以除所得稅前溢利(不包括截至2019年3月31日止年度確認的上市開支及公平值虧損)計算得出)，且並無錄得重大波動。

Profit attributable to owners of the Company

During the Reporting Period, the Company recorded a profit attributable to owners of the Company of approximately HK\$8.4 million (2019: approximately HK\$8.6 million). The profit attributable to owners of the Company during the Reporting Period remained stable as compared to the same period in 2019.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated resources, banking facilities and net proceeds from the Listing. As at 31 March 2020, the Group had current assets of the approximately HK\$466.1 million (as at 31 March 2019: approximately HK\$528.5 million) while the Group's cash and cash equivalents amounted to approximately HK\$82.6 million (as at 31 March 2019: approximately HK\$236.5 million).

As at 31 March 2020, the Group has interest-bearing bank borrowings of approximately HK\$38.8 million (as at 31 March 2019: approximately HK\$35.0 million) and of which approximately HK\$38.7 million (as at 31 March 2019: approximately HK\$32.4 million) was repayable within one year.

As at 31 March 2020, the Group had other borrowings of approximately HK\$358,000 (as at 31 March 2019: approximately HK\$781,000) and of which approximately HK\$272,000 (as at 31 March 2019: approximately HK\$422,000) was repayable within one year.

As at 31 March 2020, the Group's gearing ratio was calculated on the basis of the amount of interest-bearing borrowings less cash and cash equivalents divided by shareholders' equity, and the Group was in net cash position (as at 31 March 2019: net cash position).

CAPITAL COMMITMENTS

As at 31 March 2020, the Group had no any material capital commitment (as at 31 March 2019: Nil).

本公司擁有人應佔溢利

於報告期間，本公司錄得本公司擁有人應佔溢利約8.4百萬港元(2019年：約8.6百萬港元)。與2019年同期比較，於報告期間本公司擁有人應佔溢利保持平穩。

財務狀況及流動資金

本集團一般以內部產生的資源、銀行融資及上市所得款項淨額為其營運提供資金。於2020年3月31日，本集團有流動資產約466.1百萬港元(於2019年3月31日：約528.5百萬港元)，而本集團的現金及現金等價物約為82.6百萬港元(於2019年3月31日：約236.5百萬港元)。

於2020年3月31日，本集團有計息銀行借款約38.8百萬港元(於2019年3月31日：約35.0百萬港元)，其中約38.7百萬港元(於2019年3月31日：約32.4百萬港元)須於一年內償還。

於2020年3月31日，本集團有其他借款約358,000港元(於2019年3月31日：約781,000港元)，其中約272,000港元(於2019年3月31日：約422,000港元)須於一年內償還。

於2020年3月31日，本集團的淨資產負債比率乃按計息借款金額減現金及現金等價物除以股東權益計算。本集團處於淨現金狀況(於2019年3月31日：淨現金狀況)。

資本承擔

於2020年3月31日，本集團並無任何重大資本承擔(於2019年3月31日：無)。

CONTINGENT LIABILITIES AND GUARANTEES

As at 31 March 2020, the Group did not provide any guarantees for any third party and had no significant contingent liabilities (as at 31 March 2019: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 1 April 2019, the Company entered into a non-legally binding memorandum of understanding with an independent third party in relation to the Proposed Acquisition. A formal sale and purchase agreement was entered into the Proposed Acquisition on 16 August 2019 with cash consideration of HK\$8.5 million and completion of the Proposed Acquisition took place immediately following the signing of such agreement.

Please refer to the announcements of the Company dated 1 April 2019 and 16 August 2019 for further details.

Save for the above Proposed Acquisition, there was no material acquisition or disposal of subsidiaries or associated companies of the Company during the Reporting Period.

TREASURY POLICY

The Group adopted a prudent strategy towards the treasury and funding policies, and attached high importance to the risk control and transactions directly related to the Group's principal business. Funds, primarily denominated in Japanese Yen and Hong Kong dollars, are normally placed with banks in short or medium term deposits for working capital of the Group.

或然負債及擔保

於2020年3月31日，本集團並無為任何第三方提供任何擔保，且亦無重大或然負債（於2019年3月31日：無）。

附屬公司及聯營公司重大收購及出售事項

於2019年4月1日，本公司與一名獨立第三方訂立不具法律約束力的諒解備忘錄，內容有關建議收購事項。於2019年8月16日，已就建議收購事項訂立正式買賣協議，現金代價為8.5百萬港元，建議收購事項於緊隨簽訂相關協議後立即完成。

有關進一步詳情，請參閱本公司日期為2019年4月1日及2019年8月16日之公告。

除上述建議收購事項外，本公司於報告期間並無附屬公司或聯營公司重大收購或出售事項。

庫務政策

本集團就庫務及撥款政策採取審慎策略，而且非常重視風險控制及與本集團主要業務直接有關的交易。資金（主要以日圓及港元計值）一般以中短期定期存款的形式存放於銀行，以用作本集團營運資金。

CAPITAL STRUCTURE AND FOREIGN CURRENCY EXPOSURE

During the Reporting Period, the Group's operation was mainly financed by funds generated from its operation, borrowings and net proceeds from the listing. As at 31 March 2020, the borrowings were mainly denominated in Hong Kong dollars and Japanese Yen, while the cash and cash equivalents held by the Group were mainly denominated in Hong Kong dollars and Japanese Yen. All of the Group's borrowings were floating rate borrowings and were pledged by bank deposits of approximately HK\$5.4 million to secure such bank facilities during the Reporting Period. The Group's revenue is mainly denominated in Hong Kong dollars and Japanese Yen, while its costs and expenses are mainly denominated in Hong Kong dollars and Japanese Yen. As majority portion of the Group's assets, liabilities, revenues and payments during the Reporting Period were denominated in either Hong Kong dollars or Japanese Yen, and in view of the prevailing macro-economic environment, the Group may be exposed to the foreign exchange rate risk. The Group will closely monitor the volatility of foreign exchange rate and apply the appropriate hedging strategy as and when appropriate.

CHARGE ON ASSETS

As at 31 March 2020, bank deposits amounting to HK\$5.4 million (2019: HK\$20.3 million) was pledged to a bank to secure general banking facilities granted to the Group.

Other than the aforesaid pledged bank deposits, there was no other charge on assets of the Group as at 31 March 2020.

資本架構及外匯風險

於報告期間，本集團的業務主要由其營運、借款及上市所得款項淨額所產生的資金撥支。於2020年3月31日，借款主要以港元及日圓計值，而本集團所持現金及現金等價物主要以港元及日圓計值。於報告期間，本集團所有借款均為浮息借款及以銀行存款約5.4百萬港元作抵押，以擔保該等銀行融資。本集團收益主要以港元及日圓計值，而其成本及開支主要以港元及日圓計值。由於本集團於報告期間的大部分資產、負債、收益及付款以港元或日圓計值，且考慮到現時宏觀經濟環境，本集團可能面臨匯率風險。本集團將密切監控匯率波動及於適當時候使用合適的對沖策略。

資產抵押

於2020年3月31日，銀行存款5.4百萬港元(2019年：20.3百萬港元)已抵押予銀行，以擔保授予本集團的一般銀行貸款。

除上述已抵押銀行存款外，於2020年3月31日本集團概無其他資產抵押。

EMPLOYEES AND EMOLUMENT POLICY

As at 31 March 2020, the Group had 20, 14, 2 and 1 full-time staff based in Japan, Hong Kong, Taiwan and the PRC respectively. The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' base salaries. The Group also made contributions to provident funds, elderly insurance, medical insurance, unemployment insurance and work-related injury insurance in accordance with applicable laws and regulations in Japan, Taiwan and the PRC respectively. The Group has adopted a share option scheme on 13 September 2018 (the "**Share Option Scheme**") as a reward to eligible high-caliber employees and to attract similar high-quality personnel that are valuable to the Group. No share options have been granted under the Share Option Scheme during the Reporting Period.

僱員及薪酬政策

於2020年3月31日，本集團於日本、香港、台灣及中國分別有20名、14名、2名及1名全職員工。本集團的薪酬組合整體上參考市場條款及個人貢獻制訂。本集團根據香港法例第485章強制性公積金計劃條例為其所有香港僱員營運一個界定供款退休福利計劃。供款按僱員基本薪金的百分比作出。本集團亦分別根據日本、台灣及中國的適用法律及法規作出公積金、養老保險、醫療保險、失業保險及工傷保險供款。本集團已於2018年9月13日採納購股權計劃（「**購股權計劃**」）以獎勵合資格的有才幹僱員及吸引對本集團寶貴的類似優質人才。於報告期間，概無根據購股權計劃授出購股權。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷詳情

BOARD OF DIRECTORS

Executive Directors

Mr. Ando Shokei (安藤湘桂) (alias Liao Xianggui (廖湘桂)), aged 52

Executive Director and chairman of the Board

Mr. Ando is an executive Director and chairman of the Board, and is responsible for overall strategic development, and leading the business development of the Group. He was appointed as a Director on 11 July 2013 and re-designated as executive Director on 25 May 2018. Mr. Ando is the founder of the Group. He has over 11 years of experience in operation and management in the business of artwork trading and over seven years of experience in operation and management of auction. He joined the Group in November 2010 as a director of Tokyo Chuo Auction Co., Ltd.* (株式會社東京中央オークション) (“TCA Japan”), a directly non-wholly owned subsidiary of the Company in Japan. Mr. Ando is also a director of Bai Sheng Co., Ltd.* (株式會社百勝) (“Bai Sheng”) since September 2002, where he acquired knowledge in artworks through artwork trading businesses, gained his experience in daily company operations management, businesses development promotion and development strategies planning, and started to develop his business relationship with artwork artists, masters, experts, merchants and collectors. Prior to working at Bai Sheng, Mr. Ando worked at Orient Co., Ltd.* (株式會社オリエント), a trading company in arts and crafts and home furniture import and export, from 1995 to 2001 as general manager. He obtained a bachelor's degree in economics from Dokkyo University in March 1994. Mr. Ando is also a director of certain subsidiaries of the Group. Mr. Ando is the spouse of Mrs. Ando Eri. Mr. Ando has an interest in such number of Shares under Part XV of the SFO as disclosed in the section headed “Report of the Directors — Directors’ and chief executive’s interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations” of this annual report.

董事會

執行董事

安藤湘桂先生(又名廖湘桂)，52歲

執行董事兼董事會主席

安藤先生為執行董事兼董事會主席，負責本集團的整體策略發展及領導業務發展。其於2013年7月11日起獲委任為董事，並於2018年5月25日調任為執行董事。安藤先生是本集團的創辦人。其擁有超過十一年的藝術品交易業務營運及管理經驗，並擁有超過七年的拍賣業務營運和管理經驗。其於2010年11月加入本集團，擔任本公司日本直接非全資附屬公司株式會社東京中央オークション(「TCA日本」)的董事。安藤先生自2002年9月起亦為株式會社百勝(「百勝」)的董事，並透過其藝術品貿易業務獲取藝術品的知識，累積了日常公司營運管理、業務發展推廣及發展策略規劃的經驗，以及開始與藝術品藝術家、大師、專家、商人和收藏家發展業務關係。安藤先生任職百勝前，於1995年至2001年期間在株式會社オリエント擔任總經理，該公司為專營藝術品及工藝品和傢俱進出口的貿易公司。其於1994年3月畢業於獨協大學，取得經濟學士學位。其亦是本集團若干附屬公司的董事。安藤先生為安藤惠理女士之配偶。安藤先生擁有於本年報「董事會報告 — 董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中的權益及淡倉」一節披露於證券及期貨條例第XV部項下的該等數目股份的權益。

Mrs. Ando Eri (安藤惠理) (alias Feng Huijin (馮慧瑾)), aged 42

Executive Director and vice chairlady of the Board

Mrs. Ando is an executive Director and vice chairlady of the Board, and is responsible for client management, promotion of branding and marketing of the Group. She was appointed as an executive Director on 25 May 2018. She has over nine years of experience in operation and management of auction. Mrs. Ando joined the Group in January 2011 as a managing director, and she was involved in establishing and managing client relationships. She was promoted to become a director of the board of TCA Japan in December 2011, and since then she has been principally responsible for conducting marketing events, overseeing and reviewing the auction catalogs and media publications, as well as the overall management of auctions held by the Group. Prior to joining the Group, Mrs. Ando worked at a catering company in the PRC, from 2000 to 2005 as general manager, responsible for overall management and operations of such company. She completed a course in foreign secretary at the Adult Higher Education, School of Continuing Education, Shanghai Jiao Tong University* (上海交通大學夜大學) in July 2000. Mrs. Ando is also a director of TCA Japan. Mrs. Ando is the spouse of Mr. Ando Shokei. Mrs. Ando has an interest in such number of Shares under Part XV of the SFO as disclosed in the section headed "Report of the Directors — Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations" of this annual report.

安藤惠理女士(又名馮慧瑾), 42歲

執行董事兼董事會副主席

安藤女士為執行董事兼董事會副主席，負責本集團的客戶管理、品牌推廣及營銷。其於2018年5月25日獲委任為執行董事。其擁有超過九年的拍賣業務營運和管理經驗。安藤女士於2011年1月加入本集團擔任董事總經理，負責建立及管理客戶關係。彼於2011年12月升任TCA日本的董事會董事，其後一直主要負責進行營銷活動、監督及審閱拍品圖錄和媒體刊物，以及總體管理本集團舉辦的拍賣會。安藤女士加盟本集團前，於2000年至2005年期間在中國一家餐飲公司擔任總經理，負責該公司的整體管理及營運。其於2000年7月於上海交通大學夜大學完成涉外秘書課程。安藤女士亦擔任TCA日本的董事。安藤女士為安藤湘桂先生之配偶。安藤女士擁有於本年報「董事會報告—董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中的權益及淡倉」一節披露證券及期貨條例第XV部項下的該等數目股份的權益。

Mr. Katsu Bunkai (葛文海) (alias Ge Wenhai), aged 50

Executive Director and chief operating officer of the Group

Mr. Katsu is an executive Director and chief operating officer of the Group, and is responsible for the overall operational management of the Group. He was appointed as an executive Director on 25 May 2018. Mr. Katsu has over eight years of experience in operation in the business of artwork trading and over 7 years of experience in operation and management of auction. Mr. Katsu joined the Group and was appointed as a director and vice-president of TCA Japan since February 2012, and since then he has been principally responsible for the planning and supervising auctions of the Group, including managing auction logistics and different working parties such as decoration companies, security and staff of different departments of the Group during auctions. He is also involved in overall strategic development and management of the Group. Prior to joining the Group, Mr. Katsu was also the sales manager of Bai Sheng, responsible for artworks purchase and sales and operations management, from April 2010 to October 2015. He obtained a master's degree in business administration from Kanto Gakuin University in March 2008.

葛文海先生，50歲

執行董事兼集團營運總監

葛先生為執行董事兼集團營運總監，負責本集團整體的營運管理。其於2018年5月25日獲委任為執行董事。葛先生擁有超過八年的藝術品交易業務營運經驗，並擁有超過七年的拍賣業務營運和管理經驗。葛先生自2012年2月起加入本集團並獲委任為TCA日本的董事及副總裁，其後主要負責規劃及監督本集團的拍賣會，包括在拍賣會期間管理拍賣會物流及不同工作方（如裝修公司、保安及本集團不同部門員工）。彼亦負責本集團的整體策略發展及管理。葛先生加盟本集團前，亦曾於2010年4月至2015年10月擔任百勝的銷售經理，負責藝術品買賣及營運管理。其於2008年3月畢業於關東學院大學，取得工商管理碩士學位。

Mr. Sun Hongyue (孫鴻月), aged 55

Executive Director

Mr. Sun is an executive Director, and is responsible for overall business development of the Group. He was appointed as an executive Director on 25 May 2018. Mr. Sun has over 30 years of experience in artwork trading and over 20 years of experience in auction. Mr. Sun joined the Group in December 2015. He has been the general manager of the calligraphy and painting department of TCA Japan since December 2015, during which he was involved in authenticating artworks for auction, visiting consignors and approaching potential consignors for auction of artworks, and providing consultation to potential bidders and buyers of artwork.

Prior to joining the Group, Mr. Sun worked at Beijing Hanhai Auction Co., Ltd.* (北京翰海拍賣有限公司), an auction company, from 1994 to 2015 and gained his experience in calligraphy and painting, auction and artwork trading. Prior to such, Mr. Sun worked at Beijing Antique Company* (北京市文物公司) from 1984 to 1994 and was mainly responsible for sourcing and sale of artworks. He was an apprentice of Mr. Qin Gong (秦公), a renowned Chinese stone rubbing calligraphy expert, and trained his skills of authentication and valuation of paintings and calligraphies at Qing Yun Tang (慶雲堂), a reputable store in Beijing engaging in the sale of Chinese calligraphies from 1984 to 1994. In 1986, Mr. Sun completed a course in cultural relics authentication and valuation organized by State Administration of Cultural Heritage of PRC (中國國家文物局) in Xi'an, Shaanxi province, the PRC. During 1989 to 1991, he completed a three year program in museology at a sub-school of Peking University.

孫鴻月先生，55歲

執行董事

孫先生為執行董事，負責本集團的整體業務發展。其於2018年5月25日獲委任為執行董事。孫先生擁有超過30年的藝術品交易經驗及超過20年的拍賣經驗。孫先生於2015年12月加入本集團，自2015年12月起擔任TCA日本的書畫部門總經理，期間負責鑑定拍賣會的藝術品、就藝術品拍賣拜訪委託人和接洽潛在委託人，以及向藝術品的潛在競投人和買家提供諮詢服務。

孫先生加盟本集團前，在1994年至2015年任職於拍賣公司北京翰海拍賣有限公司，累積了書畫、拍賣和藝術品貿易的經驗。在此之前，孫先生於1984年至1994年間任職北京市文物公司，主要負責藝術品徵集及銷售。彼為著名中國水墨書法專家秦公的徒弟，於1984年至1994年間在慶雲堂(從事中國書法銷售的北京名店)接受書畫鑑定及估值技巧培訓。1986年，孫先生在中國陝西省西安修畢中國國家文物局舉辦的文化古蹟鑑定及估值課程。於1989年至1991年，孫先生在北京大學一所附屬學院完成為期三年的博物館學課程。

Independent non-executive Directors

Mr. Chung Kwok Mo John (鍾國武), aged 51

Independent non-executive Director

Mr. Chung is an independent non-executive Director. He was appointed as an independent non-executive Director on 13 September 2018. Mr. Chung has over 20 years of experience in auditing, corporate finance and financial management. Mr. Chung was an auditor in Arthur Andersen (an international accounting firm) from 1992 to 1999. From 2000, Mr. Chung has held several senior management positions including chief financial officer, executive director and independent non-executive director in a number of listed companies in Hong Kong. Mr. Chung is presently a vice president of Yongsheng Advanced Materials Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3608) since February 2018. Mr. Chung has been the independent non-executive director of four other companies listed on the Main Board of the Stock Exchange, namely B & S International Holdings Ltd. (stock code: 1705) since February 2018; BYD Electronic (International) Company Limited (stock code: 0285) since June 2013; YTO Express (International) Holdings Limited (stock code: 6123) since December 2017; and Zhengye International Holdings Company Limited (stock code: 3363) since March 2011.

Mr. Chung obtained a bachelor's degree in economics from Macquarie University in April 1992. He was admitted as a certified practicing accountant of the Australian Society of Certified Practicing Accountants (currently known as CPA Australia) in November 1995 and an associate of the Hong Kong Society of Accountants (currently known as the Hong Kong Institute of Certified Public Accountants) in February 1996. He is currently a non-practicing member of Hong Kong Institute of Certified Public Accountants.

獨立非執行董事

鍾國武先生，51歲

獨立非執行董事

鍾先生為獨立非執行董事。彼於2018年9月13日獲委任為獨立非執行董事。鍾先生擁有超過20年的審計、企業融資及財務管理經驗。鍾先生於1992年至1999年間擔任安達信公司(一間國際會計師事務所)的審計師。自2000年起，鍾先生在香港多間上市公司擔任多個高級管理職位，包括首席財務官、執行董事及獨立非執行董事。鍾先生自2018年2月至今擔任聯交所主板上市公司永盛新材料有限公司(股份代號：3608)副總裁。鍾先生已為於聯交所主版上市的其他四間公司(即自2018年2月起擔任賓仕國際控股有限公司(股份代號：1705)、自2013年6月起擔任比亞迪電子(國際)有限公司(股份代號：0285)、自2017年12月起擔任圓通速遞(國際)控股有限公司(股份代號：6123)及自2011年3月起擔任正業國際控股有限公司(股份代號：3363))的獨立非執行董事。

鍾先生於1992年4月在麥覺理大學取得經濟學學士學位。他於1995年11月被澳洲會計師公會認可為執業會計師及於1996年2月成為香港會計師公會的會員。他現時為香港會計師公會的非執業會員。

Ms. Lam Suk Ling Shirley (林淑玲), aged 53

Independent non-executive Director

Ms. Lam is an independent non-executive Director. She was appointed as an independent non-executive Director on 13 September 2018. Ms. Lam has over 20 years of experience in auditing, accounting and financial management. Ms. Lam has been appointed as the chief financial officer of Chinlink International Holdings Limited (“**Chinlink**”), a company listed on the Main Board of the Stock Exchange (stock code: 0997), since January 2012. She was the executive director and company secretary of Chinlink from February 2012 and January 2012 respectively, to April 2019; the executive director of Jackin International Holdings Limited (currently known as AMCO United Holding Limited), a company listed on the Main Board of the Stock Exchange (stock code: 630) from February 2010 to December 2011; and the financial controller of AMVIG Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2300) from July 2007 to March 2010. Ms. Lam held several management position in private companies, including vice president of finance and accounting manager, between June 1999 to February 2006 and between July 2006 to March 2007. She also held position in various international audit firms between May 1993 and April 1999.

Ms. Lam obtained a bachelor’s degree in science from Murdoch University in February 1993 and a master’s degree in business administration from the University of Adelaide in April 2006. She was admitted as a certified practising accountant of the Australian Society of Certified Practising Accountants (currently known as CPA Australia) in November 1995 and an associate of the Hong Kong Society of Accountants (currently known as the Hong Kong Institute of Certified Public Accountants) in September 1996. She is currently a non-practicing member of Hong Kong Institute of Certified Public Accountants.

林淑玲女士，53歲

獨立非執行董事

林女士為獨立非執行董事。其於2018年9月13日獲委任為獨立非執行董事。林女士擁有超過20年的審核、會計及財務管理經驗。林女士於2012年1月起獲委任為普匯中金國際控股有限公司(「**普匯中金**」)(一家於聯交所主板上市的公司，股份代號：0997)的財務總監。彼分別由2012年2月及2012年1月起直至2019年4月為普匯中金的執行董事及公司秘書；由2010年2月至2011年12月期間為輝影國際集團有限公司(現稱雋泰控股有限公司，一家於聯交所主板上市的公司，股份代號：630)的執行董事；及於2007年7月至2010年3月為澳科控股有限公司(一家於聯交所主板上市的公司，股份代號：2300)的財務總監。林女士曾在私人公司擔任多個管理職位，包括於1999年6月至2006年2月及於2006年7月至2007年3月間擔任副財務總裁及會計經理。彼亦曾於1993年5月至1999年4月於不同的國際核數師行任職。

林女士於1993年2月在梅鐸大學取得理學士學位及於2006年4月在阿德萊德大學取得工商管理學碩士學位。其在1995年11月被澳洲會計師公會認可為執業會計師，並在1996年9月成為香港會計師公會的會員。其現時是香港會計師公會的非執業會員。

Mr. Chun Chi Man (秦治民), aged 60

Independent non-executive Director

Mr. Chun is an independent non-executive Director. He was appointed as an independent non-executive Director on 13 September 2018. Mr. Chun has over 20 years of experience in property industry in PRC and Hong Kong. Mr. Chun has been the General Manager (Leasing) of Century Link from March 2015 to December 2016, the General Manager — commercial of The Hub at Hong Qiao from January 2014 to November 2014, the General Manager of L Development & Management (Shanghai) Co., Ltd. from September 2010 to December 2013, the Deputy General Manager of Lai Fung Holdings Limited, a company listed on the Main Board of Stock Exchange (stock code: 1125) from September 2007 to July 2010. Mr. Chun held various managerial positions at Hutchison Whampoa Properties Limited from July 1995 to July 2005. Mr. Chun obtained a bachelor's degree of Science from University of Salford at July 1987. He is a member of Shanghai Chongming District Committee (Consultative Conference).

Senior management

Mr. Chen Jian (陳建), aged 46

Artwork management manager of the Group

Mr. Chen is the artwork management manager of the Group. He joined the Group in June 2012. Prior to joining the Group, Mr. Chen worked at the marketing department in a state-owned company in the PRC, responsible for conducting market research and formulating marketing strategies. Mr. Chen completed a course in applied science from Qingdao Institute of Chemical Industry* (青島化工學院) (now known as Qingdao University of Science & Technology* (青島科技大學)) in July 1996 and a bachelor's degree in international economy from Higashi Nippon International University in March 2005. He further obtained a master's degree in international business from Kanto Gakuin University in March 2008.

秦治民先生，60歲

獨立非執行董事

秦先生乃獨立非執行董事，於2018年9月13日獲委任為獨立非執行董事。秦先生在中國和香港地產行業有逾20年經驗。秦先生於2015年3月至2016年12月擔任Century Link的租務總經理；2014年1月至2014年11月擔任虹橋天地的商務總經理；2010年9月至2013年12月擔任L Development & Management (Shanghai) Co., Ltd.的總經理；2007年9月至2010年7月擔任麗豐控股有限公司（一家於聯交所主板上市的公司，股份代號：1125）的副總經理。秦先生於1995年7月至2005年7月擔任和記黃埔地產有限公司的多個經理職位。秦先生於1987年7月取得索爾福德大學的理學學士學位。彼為上海市崇明區委員會（協商會議）委員。

高級管理層

陳建先生，46歲

本集團藝術品管理部經理

陳先生乃本集團藝術品管理部經理。彼於2012年6月加入本集團。陳先生加盟本集團前，曾任職於一家中國國有企業的營銷部門，負責進行市場研究和制定營銷策略。陳先生於1996年7月完成青島化工學院（現稱為青島科技大學）應用科學課程，於2005年3月取得東日本國際大學的國際經濟學學士學位。彼於2008年3月取得關東學院大學的國際商業學碩士學位。

Mr. Koizumi Jumpei (小泉潤平), aged 30

Tea wares and Chinese ceramics artwork manager of the Group
Mr. Koizumi is the tea wares and Chinese ceramics artwork manager of the Group. He joined the Group in April 2013. He has over six years of experience in artworks management. Prior to joining the Group, from April 2011 to March 2013, Mr. Koizumi assisted his family in running Koizumi Ancient Art, Kyoto* (京都古美術小泉), an antique shop with over 16 years of operation in selling antiques including teawares, and acquired knowledge and experience in authentication and valuation of Japanese and non-Japanese teawares through purchasing and selling teawares and exchanging views on authentication and valuation of teawares with teaware experts. Since joining the Group in 2013, through application of the experiences in teawares previously accumulated during his days in Koizumi Ancient Art, Kyoto* (京都古美術小泉) and frequent participation in our auctions, Mr. Koizumi further enriched his experience in valuation of artworks by reviewing the appraisal and auction results of multiple artworks and exchanging views on market price and industry trend of the artworks with other artwork experts. Mr. Koizumi obtained a bachelor's degree in biology-oriented business and technology from Kindai University in March 2011.

Mr. Wong Chi Ming (汪志明), aged 39

General manager of the Group
Mr. Wong is the general manager of the Group. He joined the Group in June 2014. Mr. Wong has been the operation and administration manager of Tiancheng International Auctioneer Limited from June 2011 to June 2014. He was also the assistant manager of Seoul Auction Hong Kong Limited from May 2009 to May 2011, the operations and administration officer of Christie's Hong Kong Limited from August 2004 to October 2006, and the assistant taxation officer of the Inland Revenue Department from July 2003 to August 2004. Mr. Wong completed the professional exhibition management course (long distance learning course) at Singapore Association of Convention & Exhibition Organizers & Suppliers in June 2006 and a bachelor's degree in business administration from Lingnan University in November 2002.

小泉潤平先生，30歲

本集團茶具和中國陶瓷藝術品部經理
小泉先生乃本集團茶具和中國陶瓷藝術品部經理。彼於2013年4月加入本集團。小泉先生有超過六年藝術品管理經驗。小泉先生加盟本集團前，於2011年4月至2013年3月期間協助其家人經營古董店京都古美術小泉，在銷售茶具等古董方面擁有逾16年營運經驗，並透過買賣茶具及與茶具專家交流茶具鑑定和估值意見而取得日本與非日本茶具的鑑定和估值知識及經驗。小泉先生自2013年加盟本集團以來，透過運用彼先前於京都古美術小泉期間累積的茶具經驗並頻繁參加我們的拍賣會，藉著研究多項藝術品的估價與拍賣結果及與其他藝術品專家交流對藝術品市價和行業趨勢的看法，進一步豐富其藝術品估值經驗。小泉先生於2011年3月取得近畿大學生物為本業務與技術學士學位。

汪志明先生，39歲

本集團總經理
汪先生乃本集團總經理。彼於2014年6月加入本集團。汪先生於2011年6月至2014年6月擔任天成國際拍賣有限公司的營運與行政經理；於2009年5月至2011年5月擔任首爾拍賣香港有限公司的助理經理；於2004年8月至2006年10月擔任佳士得香港有限公司的營運及行政主任；以及於2003年7月至2004年8月擔任稅務局的助理稅務主任。汪先生於2006年6月完成新加坡會議展覽籌組商與供應商協會的專業展覽管理課程(遙距學習課程)，於2002年11月取得嶺南大學工商管理學士學位。

Mr. Chak Chi Shing (翟志勝), aged 39

Chief financial officer and company secretary of the Company

Mr. Chak is responsible for the corporate finance, investor relations, financial management and company secretarial matters of the Company. He joined the Group in September 2019. Mr. Chak is also a director of CGU Enterprises Limited, a wholly owned subsidiary of the Company. Mr. Chak has been the independent non-executive director of SDM Group Holdings Limited (“SDM”), a company listed on the Main Board of the Stock Exchange (stock code: 8363) since May 2019. Prior to joining the Company, he was the executive director of China Shenghai Food Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1676), from December 2018 to September 2019; the company secretary of Bolina Holding Co., Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 1190), from March 2017 to August 2018 and the chief financial officer and company secretary of SDM from February 2016 to July 2016. He obtained a bachelor’s degree of commerce in Accounting and Finance from Curtin University of Technology in March 2006. He is a certified public accountant of Hong Kong Institute of Certified Public Accountants and Certified Public Accountant Australia. Mr. Chak has over 15 years of experience in auditing, accounting, corporate finance and financial management and over three years of experience in company secretarial matter and corporate governance in listed companies.

翟志勝先生，39歲

本公司財務總監及公司秘書

翟先生負責本公司的企業融資、投資者關係、財務管理及公司秘書事宜。彼自2019年9月加入本集團。翟先生亦為本公司的全資附屬公司CGU Enterprises Limited的董事。自2019年5月起，翟先生一直為SDM Group Holdings Limited (「SDM」)的獨立非執行董事，該公司於聯交所主板上市(股份代號：8363)。在加入本公司之前，彼於2018年12月至2019年9月在中國升海食品控股有限公司出任執行董事，該公司於聯交所主板上市(股份代號：1676)；於2017年3月至2018年8月在航標控股有限公司出任公司秘書，該公司於聯交所主板上市(股份代號：1190)；及於2016年2月至2016年7月為SDM的財務總監及公司秘書。彼於2006年3月自科廷科技大學(Curtin University of Technology)取得會計和金融(商務)專業學士學位。彼為香港會計師公會及澳洲會計師公會的執業會計師。翟先生於審計、會計、企業融資及財務管理方面擁有逾15年經驗及於上市公司的公司秘書事宜及企業管治方面擁有逾三年經驗。

CORPORATE GOVERNANCE PRACTICES

The board of directors (the “**Board**”) of the Company is committed to maintaining good corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company’s corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules. The Company has complied with all code provisions of the CG Code during the Reporting Period.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by its Directors. Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the Reporting Period.

The Company has also extended the coverage of the Model Code adoption to the senior management of the Company who are likely to be in possession of unpublished inside information of the Company (the “**relevant employees**”). No incident of noncompliance of the Model Code by the relevant employees was noted by the Company during the Reporting Period.

企業管治常規

本公司董事會（「**董事會**」）致力於維持高水平的企業管治。董事會認為，高水平的企業管治準則對於為本集團提供保障股東權益、提升企業價值、制定業務策略及政策以及提高透明度及問責性的框架而言至關重要。

本公司的企業管治常規乃根據上市規則附錄十四所載的企業管治守則（「**企業管治守則**」）所載列的原則及守則條文編製。本公司已於報告期間遵守企業管治守則所載的所有守則條文。

董事的證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「**標準守則**」）作為其董事進行證券交易的行為守則。經作出特定查詢後，全體董事已確認，彼等已於報告期間完全遵守標準守則所規定的準則。

本公司亦將標準守則的採納範圍拓展至可能會掌握本公司未公開的內幕消息的本公司高級管理層（「**有關僱員**」）。於報告期間，據本公司所悉有關僱員概無違反標準守則。

BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company. The Board has delegated the day-to-day responsibility to the executive Directors and senior management who perform their duties under the leadership of the chairman of the Board.

The Board currently consists of four executive Directors, namely, Mr. Ando Shokei (Chairman of the Board), Mrs. Ando Eri (vice chairlady of the Board), Mr. Katsu Bunkai and Mr. Sun Hongyue; and three Independent non-executive Directors, namely, Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man.

The Board of the Company currently comprises the following Directors:

Executive Directors

Mr. Ando Shokei (alias Liao Xianggui) (*Chairman*)
Mrs. Ando Eri (alias Feng Huijin)
Mr. Katsu Bunkai (alias Ge Wenhai)
Mr. Sun Hongyue

Independent Non-executive Directors

Mr. Chung Kwok Mo John
Ms. Lam Suk Ling Shirley
Mr. Chun Chi Man

The biographical information of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 19 to 27 of this annual report.

Other than the spousal relationship between Mr. Ando Shokei and Mrs. Ando Eri, none of the members of the Board is related to one another.

Chairman

The position of Chairman is held by Mr. Ando Shokei, who provides leadership and is responsible for the effective functioning and leadership of the Board.

董事會

董事會監督本集團的業務、策略性決策及表現，並應客觀地作出符合本公司最佳利益的決策。董事會已將日常職責授予執行董事及高級管理層，彼等於董事會主席之領導下履行職責。

董事會現時包括四名執行董事，即安藤湘桂先生(董事會主席)、安藤惠理女士(董事會副主席)、葛文海先生及孫鴻月先生；以及三名獨立非執行董事，即鍾國武先生、林淑玲女士及秦治民先生。

本公司董事會現時由以下董事組成：

執行董事

安藤湘桂先生(又名廖湘桂)(*主席*)
安藤惠理女士(又名馮慧瑾)
葛文海先生
孫鴻月先生

獨立非執行董事

鍾國武先生
林淑玲女士
秦治民先生

董事履歷資料載於本年報第19至27頁的「董事及高級管理層的履歷詳情」一節。

除安藤湘桂先生及安藤惠理女士為配偶關係外，董事會成員彼此之間概無任何關聯。

主席

主席職務由安藤湘桂先生擔任，其發揮領導力，並負責領導及確保董事會有效運作。

Independent Non-executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Term of directors

Each of the executive Directors entered into a service contract with the Company on 13 September 2018 and the Company issued letters of appointment to each of the independent non-executive Directors on the same day. The principal particulars of these service contracts and letters of appointment are (i) for a term of three years commencing from 11 October 2018, and (ii) subject to termination by not less than three months' notice in writing served by either party on the other. The term of the service contracts and the letters of appointment may be renewed subject to the provisions of the articles of association of the Company (the "Articles") and the applicable Listing Rules.

Under the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. The retiring Directors shall be eligible for re-election.

Responsibilities of the directors

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs. The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

獨立非執行董事

於報告期間，董事會一直遵守上市規則有關委任至少三名獨立非執行董事並佔董事會人數三分之一，而其中一名獨立非執行董事須具備適當專業資格或會計或相關財務管理專長的規定。

本公司已收到各獨立非執行董事根據上市規則第3.13條所載獨立性指引就其獨立性發出的年度確認書。本公司認為，全體獨立非執行董事均屬獨立人士。

董事任期

各執行董事已在2018年9月13日與本公司訂立服務合約，且本公司已於同日向各獨立非執行董事發出委任函。該等服務合約及委任函的主要詳情為(i)年期為自2018年10月11日起為期三年；及(ii)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。服務合約及委任函的年期可根據本公司章程細則（「細則」）條文及適用上市規則予以續期。

根據細則，於每屆股東週年大會上，當時為數三分之一的董事（如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董事人數）須輪值退任。退任董事合資格膺選連任。

董事的職責

董事會承擔領導及控制本公司的職責，並集體負責指導及監管本公司的事務。董事會直接（及間接透過其各委員會）領導及指導管理層，其工作包括制定策略及監督其執行情況、監控本集團營運及財務表現，以及確保設有完備的內部控制及風險管理系統。

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances for discharging their duties to the Company.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

Continuous professional development of directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

全體董事(包括獨立非執行董事)均為董事會帶來多種領域的寶貴業務經驗、知識及專業精神，使其高效及有效地運作。全體董事均可全面並及時獲得本公司所有資料，及可在適當情況下經提出要求後尋求獨立專業意見，以向本公司履行其職責。

獨立非執行董事須負責確保本公司進行高水平的監管報告，並為董事會帶來持平的觀點，以就企業行動及運作作出有效的獨立判斷。

董事會保留其有關本公司政策事項、策略及預算、內部控制及風險管理、重大交易(尤其是可能涉及利益衝突的交易)、財務資料、委任董事及其他重大營運事項的所有重大事項的決策。與執行董事會決策、指導及協調本公司日常營運及管理有關的職責均轉授予管理層處理。

董事的持續專業發展

董事應瞭解監管的最新發展及變動，以有效履行彼等的職責及確保彼等繼續對董事會作出知情及相關貢獻。

每位新獲委任董事均於首次接受委任時獲得正式、全面及專門的入職培訓，以確保該董事對本公司的業務及營運均有適當的理解，並充分知悉彼於上市規則及相關法定規定下的董事責任及義務。

The Directors are encouraged to participate in continuing professional development to develop and refresh knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All directors also understand the importance of continuous professional development and they are committed to participating any suitable training to develop and refresh their knowledge and skills.

As at 31 March 2020, each of the individual Directors has attending training courses or seminars or read materials relevant to his/her professional and/or duties as Director. The individual training record of each Director received for the Reporting Period is summarised below:

鼓勵董事參與持續專業發展，以發展及更新彼等的知識及技能。本公司將為董事安排內部簡報，並於適當時候向董事提供相關議題的閱讀材料。全體董事亦了解持續專業發展的重要性，且彼等致力於參加任何適當的培訓，以發展及更新彼等的知識及技能。

於2020年3月31日，各董事均參加培訓課程或研討會或閱讀與其專業及／或董事職責相關的材料。於報告期間，各董事所接受的個人培訓記錄概述如下：

		Course/ Seminar provided accredited by professional body 經專業機構 認可的所提供 課程／研討會	Reading materials 閱讀材料
Executive Directors		執行董事	
Mr. Ando Shokei (alias Liao Xianggui)	安藤湘桂先生(又名廖湘桂)	—	√
Mrs. Ando Eri (alias Feng Huijin)	安藤惠理女士(又名馮慧瑾)	—	√
Mr. Katsu Bunkai (alias Ge Wenhai)	葛文海先生	—	√
Mr. Sun Hongyue	孫鴻月先生	—	√
Independent Non-executive Directors		獨立非執行董事	
Mr. Chung Kwok Mo John	鍾國武先生	√	√
Ms. Lam Suk Ling Shirley	林淑玲女士	√	√
Mr. Chun Chi Man	秦治民先生	√	√

Board committees

The Board has established four committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

The attendance record of each Director at these meetings is set out in the table below:

董事委員會

董事會已設立四個委員會，即審核委員會、薪酬委員會、提名委員會及企業管治委員會，以監察本公司特定範疇的事務。本公司所有董事委員會均訂有具體書面職權範圍，清楚列載各委員會的權限及職責。審核委員會、薪酬委員會、提名委員會及企業管治委員會的職權範圍刊登於本公司網站及聯交所網站，並應要求可供股東查閱。

定期董事會會議應至少每年舉行四次，涉及多數董事親身或通過電子通信方式積極參與。

下表載列各董事於該等會議的出席記錄：

		Attended/eligible to attend 參與/合資格參與	
		Board meetings 董事會會議	AGM 股東週年大會
Executive Directors		執行董事	
Mr. Ando Shokei (alias Liao Xianggui)	安藤湘桂先生(又名廖湘桂)	10/10	1/1
Mrs. Ando Eri (alias Feng Huijin)	安藤惠理女士(又名馮慧瑾)	10/10	1/1
Mr. Katsu Bunkai (alias Ge Wenhai)	葛文海先生	10/10	1/1
Mr. Sun Hongyue	孫鴻月先生	10/10	1/1
Mr. Yang Chun Hang (Resigned on 13 September 2019)	邱仲珩先生 (於2019年9月13日辭任)	7/7	1/1
Non-executive Director		非執行董事	
Mr. Yang Yi Chung (Resigned on 14 May 2019)	楊維聰先生 (於2019年5月14日辭任)	1/1	0/0
Independent Non-executive Directors		獨立非執行董事	
Mr. Chung Kwok Mo John	鍾國武先生	10/10	1/1
Ms. Lam Suk Ling Shirley	林淑玲女士	10/10	1/1
Mr. Chun Chi Man	秦治民先生	10/10	1/1

Audit Committees

The Audit Committee consists of three independent non-executive Directors namely Ms. Lam Suk Ling Shirley (chairlady), Mr. Chung Kwok Mo John and Mr. Chun Chi Man. Ms. Lam Suk Ling Shirley, chairlady of the Audit Committee, possesses appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company. The duties of the Audit Committee include, without limitation, (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) monitoring the integrity of the financial statements and annual report and accounts, and the interim report, and reviewing significant financial reporting judgments contained therein; (c) reviewing the financial control, risk management and internal control systems; and (d) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board.

The Audit Committee held two meetings during the Reporting Period to review, among others, the interim and annual financial results and reports. The members of the Audit Committee and the attendance of each member during the Reporting Period are as follows:

審核委員會

審核委員會包括三名獨立非執行董事，即林淑玲女士（主席）、鍾國武先生及秦治民先生。審核委員會主席林淑玲女士擁有上市規則第3.21條所規定的適當專業資格或會計或相關財務管理專業知識。

審核委員會的職權範圍不遜於企業管治守則所載的條款。審核委員會的職權範圍刊登於聯交所及本公司網站。審核委員會的職責包括（但不限於）：(a)就外聘核數師之委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪金及聘用條款以及處理任何有關核數師辭任或罷免之問題；(b)監察財務報表、年報及賬目以及中期報告的完整性，並檢討當中所載的重大財務報告判斷；(c)檢討財務控制、風險管理及內部控制系統；及(d)制定及檢討本公司的企業管治政策及常規，並向董事會提供推薦建議。

審核委員會於報告期間舉行了兩次會議以（其中）審閱中期及年度財務業績及報告。審核委員會成員及各成員於報告期間的出席情況如下：

**Attended/
eligible to
attend
參與／合資格
參與**

Independent Non-executive Directors

Mr. Chung Kwok Mo John
Ms. Lam Suk Ling Shirley
Mr. Chun Chi Man

獨立非執行董事

鍾國武先生
林淑玲女士
秦治民先生

2/2
2/2
2/2

Remuneration Committees

The Remuneration Committee consists of three independent non-executive Directors, namely Mr. Chung Kwok Mo John (chairman), Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man, one non-executive Director namely Mr. Yang Yi Chung (resigned on 14 May 2019) and one executive Director namely Mrs. Ando Eri, a majority of whom are independent non-executive Directors.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company. The primary functions of the Remuneration Committee include (a) making recommendations to the Board on the Company's policy and structure for all Directors' and senior management and establishing a formal and transparent procedure for developing remuneration policy; (b) reviewing and approving the management's remuneration proposal with reference to the Board's corporate goals and objectives; (c) making recommendations to the Board on the overall remuneration packages of individual Directors and senior management.

薪酬委員會

薪酬委員會包括三名獨立非執行董事，即鍾國武先生(主席)、林淑玲女士及秦治民先生；一名非執行董事，即楊維聰先生(於2019年5月14日辭任)及一名執行董事，即安藤惠理女士，其中大多數均為獨立非執行董事。

薪酬委員會的職權範圍不遜於企業管治守則所載的條款。薪酬委員會的職權範圍刊登於聯交所及本公司網站。薪酬委員會的主要功能包括(a)就本公司之董事及高級管理人員之全體薪酬政策及架構向董事會提出建議，及就制訂薪酬政策設立正規而透明之程序；(b)因應董事會所制訂的企業方針及目標，檢討及批准管理層之薪酬建議；(c)向董事會建議個別董事及高級管理層的總體薪酬待遇。

The Remuneration Committee held two meetings to review and recommend the remuneration packages of the executive Directors and senior management during the Reporting Period. The members of the Remuneration Committee and the attendance of each member during the Reporting Period are as follows:

薪酬委員會於報告期間舉行了兩次會議，以審閱並就年內執行董事及高級管理人員的薪酬待遇作出建議。薪酬委員會成員及各成員於報告期間的出席情況如下：

		Attended/ eligible to attend 參與/合資格 參與
Executive Director	執行董事	
Mr. Ando Shokei	安藤湘桂先生	2/2
Non-executive Director	非執行董事	
Mr. Yang Yi Chung (Resigned on 14 May 2019)	楊維聰先生(於2019年5月14日辭任)	1/1
Independent Non-executive Directors	獨立非執行董事	
Mr. Chung Kwok Mo John	鍾國武先生	2/2
Ms. Lam Suk Ling Shirley	林淑玲女士	2/2
Mr. Chun Chi Man	秦治民先生	2/2

Nomination Committee

The Nomination Committee consists of one executive Director, namely Mr. Ando Shokei (chairman), three independent non-executive Directors, namely Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man and one non-executive Director namely Mr. Yang Yi Chung (resigned on 14 May 2019).

提名委員會

提名委員會包括一名執行董事，即安藤湘桂先生(主席)；三名獨立非執行董事，即鍾國武先生、林淑玲女士及秦治民先生及一名非執行董事，即楊維聰先生(於2019年5月14日辭任)。

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company. The principal duties of the Nomination Committee include, without limitation, (a) reviewing the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the corporate strategy; (b) identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; (c) assessing the independence of the independent non-executive Directors; and (d) making recommendations to the Board on the appointment or re-appointment of the Directors and succession planning for the Directors, in particular the chairman.

Board diversity policy

The Company has adopted a board diversity policy (“**Board Diversity Policy**”) which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company’s competitive advantage.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company’s Board Diversity policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate’s character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

提名委員會的職權範圍不遜於企業管治守則所載的嚴格條款。提名委員會的職權範圍刊登於聯交所及本公司網站。提名委員會的主要職責包括(但不限於)(a)至少須每年檢討董事會架構、人數及成員多元化(包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期方面)，並就任何擬定變更向董事會發表建議以便配合企業策略；(b)物色具備合適資格可擔任董事會成員的人士及甄選或向董事會建議甄選其提名之董事人選；(c)評估獨立非執行董事的獨立性；及(d)就董事的委任或重新委任以及董事(尤其是主席)繼任計劃向董事會提出建議。

董事會多元化政策

本公司已採納董事會多元化政策(「**董事會多元化政策**」)，當中載有達致董事會多元化的方法。本公司認同及接納多元化董事會的好處，並將提升董事會層面多元化程度視為維持本公司競爭優勢的重要要素。

於評估董事會組成時，提名委員會將考慮本公司董事會多元化政策所載的多個方面以及董事會多元化相關因素。提名委員會將討論及議定達致董事會多元化的可計量目標(倘必要)並向董事會推薦以供採納。在物色及甄選合適的董事候選人時，提名委員會將在向董事會提供推薦建議前考慮候選人的品格、資歷、經驗、獨立性及就配合公司策略及達致董事會成員多元化而言屬必要的其他相關準則(倘適用)。

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. At present, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any measurable objectives.

根據董事會多元化政策，提名委員會將每年檢討董事會的架構、人數及組成，並於適當時就董事會的變動作出建議，補足本公司的企業策略，確保董事會維持平衡的多元化組合。就檢討及評估董事會的組成而言，提名委員會致力達成所有職級的多元性，並將會考慮多個層面，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識及地區及行業經驗。

本公司旨在保持本公司業務增長相關的多元化層面的合適平衡，並致力確保所有職級(由董事會起由上而下)的招聘及挑選慣例的架構合適，因此可考慮廣泛及多樣的人選。

董事會將審閱可計量的目標，以執行董事會多元化政策，且不時評估有關目標，以確保其合適性，以及確定達成該等目標的進程。現時，提名委員會認為董事會的多元性充足，而董事會並未設立任何可計量目標。

The Nomination Committee met once during the Reporting Period to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring Directors standing for re-election at the annual general meeting and to consider and recommend to the Board on the appointment of Directors.

於報告期間，提名委員會舉行了一次會議，以檢討董事會的架構、人數及組成，以及獨立非執行董事的獨立性，並審閱於股東週年大會上退任重選的董事的資歷及考慮及向董事會推薦執行董事的委任。

**Attended/
eligible to
attend
參與/合資格
參與**

Executive Director	執行董事	
Mr. Ando Shohei	安藤湘桂先生	1/1
Non-executive Director	非執行董事	
Mr. Yang Yi Chung (Resigned on 14 May 2019)	楊維聰先生(於2019年5月14日辭任)	1/1
Independent Non-executive Directors	獨立非執行董事	
Mr. Chung Kwok Mo John	鍾國武先生	1/1
Ms. Lam Suk Ling Shirley	林淑玲女士	1/1
Mr. Chun Chi Man	秦治民先生	1/1

Director nomination policy

The Company has adopted a director nomination policy (the “**Director Nomination Policy**”) on 31 December 2018 which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company’s business and corporate strategy;

董事提名政策

本公司已於2018年12月31日採納董事提名政策(「**董事提名政策**」)，當中載有挑選的準則及程序，以及有關董事的提名及委任的董事會繼任計劃的考慮因素，旨在確保董事會的技能、經驗及多元觀點達致對本公司而言屬適當的平衡，確保董事會的延續性及董事會層級的領導層合適。

董事提名政策載有評估董事會建議人選的合適性及潛在貢獻的因素，包括但不限於以下各項：

- 品格及誠信；
- 資歷，包括與本公司業務及企業策略相關的專業資格、技能、知識及經驗；

- diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
 - requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
 - commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- 在所有層面的多樣性，包括但不限於性別、年齡(18歲或以上)、文化及教育背景、族群、專業經驗、技能、知識及服務年期；
 - 根據上市規則，董事會獨立非執行董事的規定，以及建議的獨立非執行董事的獨立性；及
 - 有關履行董事會及／或本公司董事會委員會成員職務的可行時間及相關意願的承諾。

The Director Nomination Policy also sets out the procedures and process for the selection and appointment of new Directors and re-election of Directors at general meetings. During the Reporting Period, the Nomination Committee adhered to the following nomination procedures and the process set out in the Director Nomination Policy to select and recommend candidates for directorship:

董事提名政策亦載有挑選及委任新董事及於股東大會重選董事的程序及過程。於報告期間，提名委員會遵守以下提名程序及董事提名政策所載程序，以甄選及推薦董事候選人：

(a) Appointment of new director

- i. Upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, the Nomination Committee should, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- ii. If the process yields one or more desirable candidates, the Nomination Committee should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- iii. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

(a) 委任新董事

- i. 提名委員會應在收到委任新董事的建議及候選人的履歷資料(或相關詳情)後，依據上述準則評估該名候選人，以決定該名候選人是否合資格擔任董事。
- ii. 如過程涉及一名或多名合意的候選人，提名委員會應根據本公司的需要及每名候選人的資歷審查(如適用)排列彼等的優先次序。
- iii. 提名委員會隨後應就委任合適人選擔任董事一事向董事會提出建議(如適用)。

- iv. For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

(b) Re-election of Director at General Meeting

- i. The Nomination Committee should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- ii. The Nomination Committee should also review and determine whether the retiring Director continues to meet the criteria as set out above.
- iii. The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of Director at the general meeting.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Committee

The Corporate Governance Committee consists of three independent non-executive Directors, namely Mr. Chun Chi Man (Chairman), Mr. Chung Kwok Mo John and Ms. Lam Suk Ling Shirley, one executive Director, namely Mr. Ando Shokei (chairman), and one non-executive Director namely Mr. Yang Yi Chung (resigned on 14 May 2019).

- iv. 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會應依據上述準則評估該名候選人，以決定該名候選人是否合資格擔任董事。

提名委員會及／或董事會應就擬於股東大會上委任的董事向股東提出建議(如適用)。

(b) 於股東大會上重選董事

- i. 提名委員會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- ii. 提名委員會亦應檢討及釐定退任董事是否仍然符合上述準則。
- iii. 提名委員會及／或董事會應就擬於股東大會上重選的董事向股東提出建議。

提名委員會將於適當時候檢討董事提名政策以確保其有效。

企業管治委員會

企業管治委員會包括三名獨立非執行董事，即秦治民先生(主席)、鍾國武先生及林淑玲女士；一名執行董事，即安藤湘桂先生(主席)及一名非執行董事楊維聰先生(於2019年5月14日辭任)。

The terms of reference of the Corporate Governance Committee are of no less exacting terms than those set out in the CG Code. The terms of reference of the Corporate Governance Committee are available on the websites of the Stock Exchange and the Company. The principal duties of the Corporate Governance Committee include, without limitation, (a) to develop and review the Group's policies and practices on corporate governance and to make recommendations to the Board; (b) to review and approve the annual corporate governance report and related disclosures in the annual and interim reports of the Group and ensuring compliance with relevant requirements under the Listing Rules or the rules of any other stock exchange in respect of which the securities of the Company are listed or quoted, or other laws, regulations, rules and codes as may be applicable to the Group; (c) to develop and formalise the functions reserved to the Board and those to be delegated by the Board to the management of the Group, and to review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group; and (d) to make sure that appropriate monitoring systems are in place to ensure compliance against the relevant internal controls systems, processes and policies, and in particular to monitor the implementation of the Group's plans to maintain high compliance with its own risk management standards.

企業管治委員會的職權範圍不遜於企業管治守則所載的嚴格條款。企業管治委員會的職權範圍刊登於聯交所及本公司網站。企業管治委員會的主要職責包括(但不限於)(a)制定及檢討本集團的企業管治政策及常規，並向董事會提出建議；(b)審查和批准年度企業管治報告和本集團的年報及中期報告中相關披露及確保遵守上市規則或任何其他本公司之證券於其上市或報價的證券交易所的規則或適用於本集團的其他法律、法規、規則和守則；(c)制定及規範那些保留予董事會的職能及該等由董事會轉授予本集團管理層的職能，並定期檢討有關安排以確保其符合本集團的需要；及(d)確保本集團有適當的監測系統以確保遵循有關內部控制系統、過程和政策，特別是監察本集團嚴格實施對維持自身風險管理標準的計劃。

The Corporate Governance Committee met once during the Reporting Period to introduce and propose relevant principles concerning corporate governance and to review and determine the corporate governance policy.

於報告期間，企業管治委員會舉行了一次會議，以推出及提呈有關企業管治的相關原則及檢討及釐定企業管治政策。

**Attended/
eligible to
attend
參與/合資格
參與**

Executive Director

Mr. Ando Shokei

執行董事

安藤湘桂先生

1/1

Non-executive Director

Mr. Yang Yi Chung (Resigned on 14 May 2019)

非執行董事

楊維聰先生(於2019年5月14日辭任)

1/1

Independent Non-executive Directors

Mr. Chung Kwok Mo John

Ms. Lam Suk Ling Shirley

Mr. Chun Chi Man

獨立非執行董事

鍾國武先生

林淑玲女士

秦治民先生

1/1

1/1

1/1

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

During the Reporting Period, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

RISK MANAGEMENT

The Board is also responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management system.

企業管治職能

董事會負責執行企業管治守則守則條文D.3.1所載的職能。

於報告期間，董事會已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司有關遵守法律及監管規定的政策及常規、遵守標準守則的情況以及本公司遵守企業管治守則及本企業管治報告中的披露情況。

風險管理

董事會亦負責評估並釐定其在實現本公司策略目標時願意承擔的風險的性質及程度，並確保本公司建立及維持適當及有效的風險管理制度。

During the Reporting Period, the Group has reviewed the risk management system. The Board considers that the risk management system is effective and adequate for the Group as a whole.

The Board further considers that (i) there was no issue relating to the material controls, including financial, operational and compliance controls and risk management functions, of the Group; and (ii) that there were adequate staff with appropriate qualifications and experience, resources and budget of its accounting and financial reporting function, and adequate training programmes have been provided for the Reporting Period.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the internal control of the Group and for reviewing its effectiveness. Procedures have been designed to ensure maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication and ensure compliance of applicable laws, rules and regulations.

The risk management and internal control systems are reviewed and assessed on an on-going basis by the Audit Committee and the Board, and will be further reviewed and assessed at least once each year by the Board.

Based on the risk evaluation, the Group will manage the risk as follows:

- Risk elimination — management may identify and implement certain changes or controls that in effect eliminate the risk entirely.

於報告期間，本集團已審閱風險管理制度。董事會認為，風險管理制度對本集團整體而言屬有效及充足。

董事會亦認為，於報告期間，(i)概無任何有關本集團的重大監控問題，包括財務、營運以及合規控制及風險管理職能方面；及(ii)已有足夠具備適當資歷與經驗的人員以及資源及預算處理其會計及財務申報工作，並已提供足夠培訓課程。

風險管理及內部監控

董事會負責本集團的內部監控，檢討監控的成效。本公司已設計程序，確保保存適當的會計記錄，以便提供可靠的財務資料，以供內部使用或刊印發行，亦確保符合相關法律、規則及規例。

風險管理及內部控制系統由審核委員會及董事會持續審查及評估，並將由董事會每年最少作一次深入審查及評估。

根據風險評估，本集團將按以下方式管理風險：

- 風險消除 — 管理層可識別及實施若干變動或監控，完全排除風險。

- Risk mitigation — management may implement risk mitigation plan designed to reduce the likelihood, velocity or severity of the risk to an acceptable level.
 - Risk monitoring — accidents and other situations involving material loss or near-loss will be investigated and properly documented as part of the effort to manage risks.
 - Risk retention — management may decide that the risk rating is low enough that the risk is at acceptable level and no action is required. The risk will continue to be monitored as part of the risk management program to ensure the level of risk does not increase to an unacceptable level.
- 減低風險水平 — 管理層可實施風險緩解計劃，旨在使風險之可能性、速度或嚴重性降低至可接受水平。
 - 風險監控 — 為管理風險之一部分，將對涉及重大損失或接近損失事故及其他情況進行調查並妥為存檔。
 - 維持風險水平 — 管理層可確定基於風險評級屬於低而風險屬可接受水平，毋須採取任何措施。作為風險管理計劃之一部分，將繼續監察風險以確保風險不會上升至不可接受水平。

The Company has in place an internal control system which enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The key components of the internal control system are shown as follow:

本公司已實施內部監控系統，該系統使本集團能實現有效及高效營運、可靠財務報告及符合適用法律法規的目標。內部監控系統之主要構成如下：

- Control environment — a set of standards, processes and structures are established to provide the basis for carrying out internal control across the Group.
 - Risk assessment — a dynamic and iterative process is conducted for identifying and analysing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
 - Control activities — action established by policies and procedures to help ensure management mitigates risks in the achievement of objectives of the Group are carried out.
 - Information and communication — internal and external communication are made to provide the Group with the information needed to carry out day-to-day controls.
 - Monitoring — ongoing and separate evaluations are conducted to ascertain whether each component of internal control is present and functioning.
- 監控環境 — 一套為進行本集團內部監控提供基礎的準則、程序及架構。
 - 風險評估 — 一個動態重複流程，以識別及分析達成本集團目標的風險，形成釐定如何管理風險的依據。
 - 監控活動 — 根據政策及程序確立行動，以確保執行管理層為降低達成本集團目標之風險所作出的指示。
 - 資訊及溝通 — 作出內部及外部溝通，以向本集團提供進行日常監控所需資料。
 - 監察 — 持續及個別評估以查明內部監控的各元素是否存在並運作正常。

In addition, the Company regulates the handling and dissemination of inside information to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Company has taken various procedures and measures to prevent a breach of disclosure requirement, including arousing the awareness to the Directors and employees to preserve confidentiality of inside information and disseminating information to specified persons on a need-to-know basis.

Internal audit

The Company has not established an internal audit department and the Directors are of the view that given the size, nature and complexity of the business of the Group, it would be more cost effective to appoint an independent internal control review advisor (“**Internal Control Advisor**”), which is independent of the Group’s daily operation and consists of professional staff with relevant expertise, to perform the review on risk management and internal control systems of the Group in order to meet its needs.

The Board itself and through the Audit Committee and the Internal Control Advisor has conducted an annual review on the effectiveness of risk management and internal control systems of the Group, which cover all material controls including financial, operational and compliance controls.

The Internal Control Advisor has conducted interviews with relevant staff members, reviewed relevant documentation of risk management and internal control systems of the Group, evaluated findings of any deficiencies in the systems and provided recommendations for improvement. The scope and findings of review on the systems have been reported to and reviewed by the Audit Committee, who has further reported to the Board for its review at Board meeting.

During the Reporting Period, the Group has appointed an Internal Control Advisor to review the internal control system. Improvements in internal control and risk management measures as recommended were adopted. Based on the findings from Internal Control Advisor, the Board considers that the internal control system is effective and adequate for the Group as a whole.

此外，本集團對內幕消息的處理及發佈進行規範，以確保內幕消息在獲妥為批准披露前一直保密，並確保有效及一致地發佈有關消息。本公司已採取多項程序及措施防止違反披露規定，包括提高董事及僱員對內幕信息的持續保密意識及在需要知情的基礎上向指定人員發佈信息。

內部審核

本公司尚未成立內部審核部門，董事認為，基於本集團業務之規模、性質及複雜程度，委任獨立內部監控審閱顧問（「**內部監控顧問**」，其獨立於本集團之日常營運及包括具有相關專業知識之專業員工）檢討本集團之風險管理及內部監控系統可更具成本效益，以滿足其需求。

董事會已親自及透過審核委員會及內部監控顧問對本集團的風險管理及內部監控系統的有效性進行年度審閱，其涵蓋包括財務、營運及合規監控在內的所有重要監控方面：

內部監控顧問已與相關員工進行面談，並審閱本集團風險管理及內部監控制度相關文件、評估於該等制度中發現的任何不足並提供改善意見。對該等制度審閱的範圍及發現已呈報審核委員會並經其審閱，而審核委員會已於董事會會議上就其審閱結果向董事會呈報。

於報告期內，本集團已委任內部監控顧問以檢討內部監控系統。已採納對內部控制及風險管理措施的改進建議。根據內部監控顧問的調查結果，董事會認為內部監控系統對本集團整體而言有效且足夠。

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the Reporting Period.

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

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 70 to 80.

DEED OF NON-COMPETITION OF THE CONTROLLING SHAREHOLDER

Reference is made to the non-competition undertakings given by Mr. Ando Shokei in favour of the Company disclosed in the prospectus of the Company dated 27 September 2018 ("Prospectus"). Mr. Ando has confirmed to the Company that he has complied with the non-competition undertakings during the Reporting Period. The independent non-executive Directors have conducted such review for the Reporting Period, and also reviewed the relevant undertakings and are satisfied that such undertakings have been complied with.

AUDITOR REMUNERATION

The Group incurred fees and charge by the auditor, Pricewaterhousecoopers, in respect of audit services during the Reporting Period as follows:

Service category	服務種類	Fees paid/ payable 已付／應付費用 HK\$ 港元
Audit service	審計服務	2,300,000
Non-audit services (Note)	非審計服務(附註)	195,000

Note:

The non-audit services mainly represented the tax advisory and other services, which provided by the auditor in Japan during the Reporting Period.

董事對合併財務報表的責任

董事深明彼等編製本公司於報告期間合併財務報表的責任。

據董事所知，並無有關可能會令本公司持續經營能力備受質疑的事件或狀況的任何重大不確定因素。

本公司獨立核數師有關其對合併財務報表的申報責任的聲明載於第70至80頁獨立核數師報告內。

控股股東的不競爭契據

謹此提述日期為2018年9月27日之本公司招股章程(「招股章程」)所披露安藤湘桂先生為本公司利益而提供的不競爭承諾。安藤先生已向本公司確認，彼於報告期間遵守不競爭承諾。獨立非執行董事已於報告期間進行有關審閱，並已審閱相關承諾及信納有關承諾獲遵守。

核數師酬金

於報告期間，本集團就核數師羅兵咸永道會計師事務所提供的審計服務所產生之費用及收費如下：

附註：

非審計服務主要指於報告期間核數師於日本提供的稅務諮詢及其他服務。

COMPANY SECRETARY

Mr. Chak Chi Shing, the chief financial officer of the Company, has been appointed as the Company Secretary of the Company since 13 September 2019.

According to Rule 3.29 of the Listing Rules, Mr. Chak Chi Shing, the company secretary of the Company, has taken no less than 15 hours of relevant professional training during the Reporting Period.

SHAREHOLDERS' RIGHTS

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Right to call a general meeting

General meetings may be convened by the Directors on requisition of Shareholder(s) representing at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings or by such shareholder(s) who made the requisition (as the case may be) pursuant to Sections 566 and 568 respectively of the Companies Ordinance (Chapter 622 of Laws of Hong Kong) (the "**Companies Ordinance**"). Shareholders should follow the requirements and procedures as set out in the Companies Ordinance for convening a general meeting.

Putting forward proposals at general meeting

Pursuant to Section 615 of the Companies Ordinance, shareholders representing at least 2.5% of the total voting rights of all shareholders; or at least 50 shareholders (as the case may be) who have a right to vote at the relevant annual general meeting, may request to circulate a resolution to be moved at an annual general meeting. Shareholders should follow the requirements and procedures as set out in the Companies Ordinance for circulating a resolution for annual general meeting. Written request can be sent by post to the Company's registered office address at Room 2601, 26/F Wing On Centre, 111 Connaught Road Central, Hong Kong or by email at ir@chuo-auction.com.hk.

公司秘書

自2019年9月13日起，本公司財務總監翟志勝先生已獲委任為本公司的公司秘書。

於報告期間，本公司的公司秘書翟志勝先生已遵照上市規則第3.29條，參加不少於15個小時的相關專業培訓。

股東權利

為保障股東權益及權利，各項實質上獨立的事宜(包括選舉個別董事)應在股東大會上以獨立決議案的形式提呈。於股東大會上提呈的所有決議案均將根據上市規則以投票表決方式進行表決，而投票結果將於各次股東大會舉行後在本公司及聯交所的網站上刊登。

召開股東大會之權利

股東大會可由董事按佔有權於股東大會投票的所有股東之總表決權至少5%之股東，或分別根據公司條例(香港法例第622章)(「**公司條例**」)第566及568條提出呈請之該等股東(視乎情況而定)呈請予以召開。股東應遵守公司條例所載有關召開股東大會之規定及程序。

於股東大會上提出議案

根據公司條例第615條，佔全體股東總表決權至少2.5%的股東或至少50位有權在相關股東週年大會上投票的股東(視情況而定)可要求傳閱將於股東週年大會上動議的決議案。股東應遵守公司條例所載有關傳閱股東週年大會決議案之規定及程序。書面請求可郵寄至本公司註冊辦事處，地址為香港干諾道中111號永安中心26樓2601室，或電郵至ir@chuo-auction.com.hk。

Putting forward enquires to the Board

Shareholders may send written enquiries or requests to the Company for putting forward any enquiries to the Board. Contact details are as follows:

Address: Room 2601, 26/F Wing On Centre, 111 Connaught Road Central, Hong Kong (for the attention of the Board of Directors)

Email: ir@chuo-auction.com.hk

Shareholders are also welcome to make enquiries via the online enquiry form available on the Company's website at www.chuo-auction.com.hk.

For the avoidance of doubt, Shareholders must lodge their questions together with their detailed contact information (including full name, contact details and identification) for prompt response from the Company if the Company deems appropriate. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Chairman of the Board and the chairman of Board Committee will attend the annual general meeting to answer any question. In addition, the Company will convene special general meeting ("SGM") to approve transaction and/or matter in accordance with the Listing Rules and the corporate governance procedures of the Company. These will provide further opportunities for Shareholders to comment and vote on specific transaction and/or matter. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings.

The interim and annual reports of the Company are dispatched to Shareholders in a timely manner before the time limits laid by statutory and Listing Rules requirements to ensure effective communication with Shareholders.

向董事會作出查詢

就向董事會作出查詢而言，股東可將書面查詢或請求發送至本公司。聯絡資料如下：

地址：香港干諾道中111號永安中心26樓2601室（註明收件人為董事會）

電郵：ir@chuo-auction.com.hk

本公司亦歡迎股東透過網上查詢表格作出查詢，有關表格刊載於本公司網站 www.chuo-auction.com.hk。

為免生疑，股東必須於提交上述查詢時連同詳細聯絡資料（包括全名、聯絡詳情及身份），以便本公司在適當情況下迅速回應。股東資料或會按法律規定予以披露。

與股東及投資者的溝通

本公司認為，與股東有效溝通對促進投資者關係及讓投資者瞭解本集團業務表現及策略而言至關重要。董事會主席及董事會委員會主席將出席股東週年大會以回答任何問題。此外，本公司將召開股東特別大會（「股東特別大會」），以根據上市規則及本公司的企業管治程序批准交易及／或事宜。這些將為股東提供更多機會就特定交易及／或事宜發表評論及投票。本公司致力與股東保持持續對話，尤其是透過股東週年大會及其他股東大會。

本公司中期報告及年報均於法定及上市規則規定之時限前及時寄發予股東，以確保與股東保持有效之溝通。

All the Shareholders are given at least 20 clear business days' notice before the date of the annual general meeting and at least 10 clear business days' notice for all other general meetings.

All the annual and interim reports, circulars, announcements and notices of Shareholders' meetings as required under the Listing Rules will be available on the websites of the Company and the Stock Exchange.

The Company has also complied with the requirements concerning voting by poll under the Listing Rules. Details of the poll voting procedures and the rights of Shareholders to demand a poll are included in circulars to Shareholders dispatched by the Company and explained by the chairman of general meeting at the meeting. All resolutions proposed at general meeting are voted separately.

During the Reporting Period, the Company has not made any changes to its Articles. An up to date version of the Articles is available on the websites of the Company and the Stock Exchange.

Policies relating to Shareholders

The Company has in place a shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Company has adopted a dividend policy on 31 December 2018 (the "**Dividend Policy**") on payment of dividends. Details are set out in Report of the Directors.

召開股東週年大會之通告須於大會舉行前至少二十個完整營業日向全體股東發出，至於召開所有其他股東大會之通告，則須於大會舉行前至少十個完整營業日向全體股東發出。

誠如上市規則所規定，所有年報及中期報告、通函、公告及股東大會通告將可於本公司及聯交所網站查閱。

本公司亦已遵守上市規則有關以投票方式表決之規定。有關投票表決程序以及股東要求投票表決之權利之詳情載於本公司寄發予股東之通函中，並由股東大會主席於大會上解釋。所有於股東大會上提呈之決議案均分開投票。

於報告期間，本公司並未對其細則作出任何變動。最新版本之細則可於本公司及聯交所的網站閱覽。

股東相關政策

本公司已制定股東通訊政策，以確保合適地處理股東的意見及憂慮。本政策會定期檢討以確保其有效。

本公司已於2018年12月31日就派付股息採納股息政策（「**股息政策**」）。詳情載於董事會報告。

REPORTS OF THE DIRECTORS

董事會報告

The Directors submit herewith their report together with the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL BUSINESS ACTIVITIES

The Group is a well-recognized auction house of Chinese and Japanese artworks in Hong Kong and Japan. The Group specialize in auctioneering a wide variety of artworks with emphasis on Chinese and Japanese artworks, including Chinese paintings and calligraphies, Chinese antiques and Japanese and Chinese tea wares.

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

BUSINESS REVIEW

Part of the business review as required under Schedule 5 of the Companies Ordinance is included in the section headed "Management Discussion and Analysis" in this annual report on pages 9 to 18 and such contents form part of this Reports of the Directors.

RESULTS AND DIVIDENDS

The results of the Group for the Reporting Period are set out in the consolidated income statement on page 81 of this report.

The Board recommended the payment of a final dividend of HK1.0 cent per ordinary share (2019: HK2.0 cents), absorbing a total amount of approximately HK\$5,000,000, in respect of the Reporting Period (the "**Proposed Final Dividend**") (2019: HK\$10,000,000), which is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting ("**AGM**") of the Company to be held on Friday, 18 September 2020. The Proposed Final Dividend is expected to be paid on Friday, 16 October 2020 to all shareholders whose to be appeared on the register of members of the Company on Tuesday, 29 September 2020.

董事謹此提呈報告及本集團於報告期間的經審核合併財務報表。

主要業務活動

本集團是香港及日本知名的中國及日本藝術品拍賣行。本集團專注拍賣以中國及日本藝術品為主的各種藝術品，包括中國書畫、中國古董及日本及中國茶具。

本集團在本年度之業績表現按營運分部進行的分析載於合併財務報表附註5。

業務審視

部分根據公司條例附表5的業務審視載列於本年報第9至18頁的「管理層討論及分析」一章內，上述內容為本董事會報告一部分。

業績及股息

本集團於報告期間業績載於本年報第81頁合併損益表。

董事會建議就於報告期間派付末期股息每股普通股1.0港仙(2019年：2.0港仙)，派息總額約為5,000,000港元(「**建議末期股息**」)(2019年：10,000,000港元)，惟須待本公司股東於本公司將於2020年9月18日(星期五)舉行的應屆股東週年大會(「**股東週年大會**」)上批准方可作實。建議末期股息預期將於2020年10月16日(星期五)派付予所有於2020年9月29日(星期二)名列本公司股東名冊的股東。

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM of the Company to be held on Friday, 18 September 2020 or any adjournment thereof, the register of members of the Company will be closed from Monday, 14 September 2020 to Friday, 18 September 2020, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM of the Company to be held on Friday, 18 September 2020, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 11 September 2020.

The Proposed Final Dividend is subject to the passing of an ordinary resolution by the Shareholders at the AGM of the Company to be held on Friday, 18 September 2020 or any adjournment thereof. For determining the entitlement to the Proposed Final Dividend, the register of members of the Company will be closed from Friday, 25 September 2020 to Tuesday, 29 September 2020, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the Proposed Final Dividend (subject to the approval of the Shareholders at the AGM) all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30p.m. on Thursday, 24 September 2020.

FINANCIAL SUMMARY

A summary of the results of the assets and liabilities of the Group for the past five year is set out on page 196 of this report.

暫停辦理股份過戶登記

為釐定出席本公司將於2020年9月18日(星期五)舉行的股東週年大會或其任何續會並進行表決的權利,本公司將自2020年9月14日(星期一)至2020年9月18日(星期五)(包括首尾兩天)暫停辦理股份過戶登記,期間不會進行股份過戶登記手續。為符合資格出席本公司將於2020年9月18日(星期五)舉行的股東週年大會並進行表決,所有轉讓文件連同相關股票必須不遲於2020年9月11日(星期五)下午4時30分前送交本公司的香港股份過戶登記處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心54樓),以辦理登記手續。

建議末期股息須待股東於本公司將於2020年9月18日(星期五)舉行的股東週年大會或其任何續會上通過普通決議案方可作實。為釐定建議末期股息的權利時,本公司將自2020年9月25日(星期五)至2020年9月29日(星期二)(包括首尾兩天)暫停辦理股份過戶登記,期間不會進行股份過戶登記手續。為符合資格獲得建議末期股息(須待股東於股東週年大會上批准),所有轉讓文件連同相關股票必須不遲於2020年9月24日(星期四)下午4時30分前送交本公司的香港股份過戶登記處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心54樓),以辦理登記手續。

財務概要

本集團過去五年之業績以及資產及負債概要載於本報告第196頁。

DIVIDEND POLICY

The Company has adopted the Dividend Policy, which aims to set out the principles and guidelines that the Company applies to the declaration and distribution of dividends to the Shareholders. The Company may by ordinary resolution declare dividends as the Directors consider appropriate. The determination to pay dividends will be based on the Company's profits, cash flows, financial condition, capital requirements and other conditions that the Board deems relevant. No dividend shall be payable except out of the profits or other distributable reserves of the Company available for distribution. Except as otherwise provided by the Articles or the rights attached to Shares or the terms of issue thereof, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. The Company may pay dividends by any method that the Directors consider appropriate.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the movements during the Reporting Period in the share capital of the Company are set out in Note 25 to the consolidated financial statements.

DEBENTURES ISSUED

The Company did not have any debentures in issue for the Reporting Period.

EQUITY-LINKED AGREEMENT

During the Reporting Period, save for the Share Option Scheme as set out in the paragraph headed "Share Option Scheme" of this Reports of the Directors, the Company did not enter into any other equity-linked agreement, nor did any other equity-linked agreement exist during the Reporting Period. Please refer to the paragraph headed "Share Option Scheme" in this Reports of the Directors and Note 35 to the consolidated financial statements for further information about the Share Option Scheme.

股息政策

本公司已採納股息政策，旨在載列本公司適用於向股東宣派及派發股息的原則及指引。本公司可通過普通決議案宣派董事認為適當的股息。支付股息的決定將基於本公司的利潤、現金流量、財務狀況、資本要求以及董事會認為相關的其他條件。股息只能從本公司可供分派之溢利或其他可供分派之儲備中支付。除非在細則或任何附於股份之權利或其發行條款另有規定，所有股息將根據派付股息的股份繳足金額宣派及支付。本公司可按董事認為適當的任何方法支付股息。

物業、廠房及設備

本集團物業、廠房及設備於報告期間的變動詳情載於合併財務報表附註15。

股本

本公司股本於報告期間的變動詳情載於合併財務報表附註25。

已發行債權證

本公司於報告期間並無任何已發行債權證。

股票掛鈎協議

於報告期間，除本董事會報告「購股權計劃」一段所載購股權計劃外，本公司並無訂立任何其他股票掛鈎協議，亦無任何其他股票掛鈎協議於報告期間存在。有關購股權計劃之進一步資料，請參閱本董事會報告「購股權計劃」一段及合併財務報表附註35。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

During the Reporting Period, neither the Company nor any of its subsidiaries, were a party to any arrangements to enable the Directors (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 85 of this annual report and Note 26 to the consolidated financial statements, respectively.

Distributable reserves of the Company as at 31 March 2020 calculated under Part 6 of the Companies Ordinance amounted to approximately HK\$49.4 million.

DIRECTORS

The Directors during the Reporting Period and up to the date of this Reports of the Directors were:

Executive Directors

Mr. Ando Shokei (alias Liao Xianggui) (*Chairman*)
Mrs. Ando Eri (alias Feng Huijin)
Mr. Katsu Bunkai (alias Ge Wenhai)
Mr. Sun Hongyue
Mr. Yau Chung Hang (Resigned on 13 September 2019)

Non-executive Director

Mr. Yang Yi Chung (Resigned on 14 May 2019)

Independent Non-executive Directors

Mr. Chung Kwok Mo John
Ms. Lam Suk Ling Shirley
Mr. Chun Chi Man

Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man are independent non-executive directors and were appointed for an initial term of three years commencing from 13 September 2018, which may be terminated by either party giving not less than three months' written notice. The term of appointment shall be renewed and extended automatically for successive term of one year upon expiry of the then current term until terminated by either party giving not less than three months' written notice to the other.

購回股份或債權證之安排

於報告期間，概無本公司或其任何附屬公司參與任何安排，致使董事（包括彼等之配偶及十八歲以下之子女）可藉購入本公司或任何其他法人團體的股份或債權證而獲取利益。

儲備

本集團及本公司的儲備於年內的變動詳情，分別載於本年報第85頁合併權益變動表及合併財務報表附註26。

按照《公司條例》第6部所計算，本公司於2020年3月31日之可供分派儲備約為49.4百萬港元。

董事

於報告期間及直至本董事會報告日期之董事如下：

執行董事

安藤湘桂先生(又名廖湘桂)(主席)
安藤惠理女士(又名馮慧瑾)
葛文海先生
孫鴻月先生
邱仲珩先生(於2019年9月13日辭任)

非執行董事

楊維聰先生(於2019年5月14日辭任)

獨立非執行董事

鍾國武先生
林淑玲女士
秦治民先生

鍾國武先生、林淑玲女士及秦治民先生均為獨立非執行董事，初步委任年期自2018年9月13日起計為期三年，可由任何一方發出不少於三個月的書面通知終止。委任任期於當時的現有任期屆滿後自動重續及延長一年，直至任何一方向另一方發出不少於三個月的書面通知終止為止。

Mr. Yang Yi Chung and Mr. Yau Chung Hang resigned as non-executive director and executive director of the Company on 14 May 2019 and 13 September 2019 respectively. They have confirmed that they have no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

During the Reporting Period and up to the date of this report, Mr. Ando Shokei, Mrs. Ando Eri and Mr. Katsu Bunkai are also directors in certain subsidiaries of the Company.

Other directors of the Company's subsidiaries during the Reporting Period and up to the date of this report were:

Mr. Chak Chi Shing
Ms. Chu Ching Man
Ms. Peng Kuan Lin

Directors' service contracts

As at 31 March 2020, none of the Directors had a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation other than statutory compensation.

The Directors' remuneration is determined with reference to the remuneration of the comparable companies, the Directors' time contribution, duties and responsibilities and individual performance as well as the results of the Group.

Biographical details of Directors and senior management

Biographical details of Directors and senior management are set out in page 19 to 27 of this annual report.

Executive Directors

Each of the executive Directors has entered into a service contract with the Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from 13 September 2018 which may be terminated by either party by giving not less than three months' written notice. The term of service contract shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term until terminated by either party by giving not less than three months' written notice.

楊維聰先生及邱仲珩先生分別於2019年5月14日及2019年9月13日辭任本公司非執行董事及執行董事。彼等均已確認彼等與董事會並無意見分歧，亦無有關本公司事宜須敦請本公司股東垂注。

於報告期間直至本報告日期，安藤湘桂先生、安藤惠理女士及葛文海先生亦為本公司若干附屬公司的董事。

於報告期間直至本報告日期，本公司附屬公司的其他董事如下：

翟志勝先生
朱靜雯女士
彭貫琳女士

董事的服務合約

於2020年3月31日，董事與本公司或其任何附屬公司概無訂立任何本公司於一年內不作賠償(法定賠償除外)而不可終止的服務合約。

董事薪酬乃根據可資比較公司支付的薪酬、董事投入的時間、職務及責任、個別工作表現及本集團的業績而釐定。

董事及高級管理層履歷詳情

董事及高級管理層履歷詳情載於本年報第19至27頁。

執行董事

各執行董事與本公司已訂立服務合約，據此，彼等同意出任執行董事，任期由2018年9月13日起初步為期三年，並可由任何一方發出不少於三個月書面通知予以終止。服務合約的條款將在當時的現有任期屆滿後自動重續及延長一年，直至由任何一方發出不少於三個月書面通知予以終止為止。

During the term of the service contract, each of these executive Directors is entitled to the basic salary increment (subject to an annual increment after 1 April 2019 at the discretion of the Directors of not more than 10% of the average annual salary for the 12 months immediately prior to such increase).

In addition, during the term of the service contract, each of the executive Directors is also entitled to a discretionary management bonus in such sum as the Board may in its absolute discretion determine provided that the aggregate amount of bonuses payable to all the executive Directors for any financial year of the Company shall not exceed 10% of the audited consolidated or combined net profit attributable to the shareholders of the Company (after taxation and minority interests and payment of such bonuses but before extraordinary or exceptional items) in respect of that financial year of the Company. An executive Director may not vote on any resolution of the Directors regarding the amount of management bonus payable to him/her.

Pursuant to the service contract of Mr. Ando, the Group has purchased two life insurance policies for Mr. Ando so as to compensate the Group against losses resulting from the loss of Mr. Ando as a key man to the Group during the term of the insurance policies, and to serve as a life insurance for Mr. Ando after the expiry thereof. Under the service contract, Mr. Ando is entitled to all the benefits and payout under two life insurance policies upon the expiry thereof. Such two life insurance contracts were expired and terminated during the Reporting Period.

Pursuant to the service contract of Mr. Sun, an apartment in Japan will be provided for Mr. Sun as staff dormitory by the Group, and Mr. Sun will bear half of the monthly rental of such apartment. Such apartment was no longer provided to Mr. Sun since September 2019.

於服務合約任期內，該等執行董事各自有權收取基本薪酬（於2019年4月1日後可由董事會酌情增加，增幅不多於緊接該增加前十二個月平均年薪的10%）。

此外，於服務合約任期內，各執行董事亦有權獲得酌情管理層花紅，金額由董事會全權酌情釐定，惟本公司於任何財政年度向所有執行董事應付的該項花紅總額不得超過本公司於該財政年度的本公司股東應佔經審核合併或匯總純利（除稅、少數股東權益及該等花紅付款後，但未扣除非經常或特殊項目）的10%。執行董事不得就任何有關應付其的管理層花紅之金額的董事決議案投票。

根據安藤先生的服務合約，本集團已為安藤先生投購兩份人壽保險保單，以在保險保單有效期內，一旦作為本集團要員的安藤先生有任何不測，亦可補償本集團因而蒙受的損失，亦在期限屆滿後用作安藤先生的人壽保險。根據服務合約，安藤先生在保險保單屆滿後，可享兩份保險保單的所有福利及分派。該兩份人壽保險合約已於報告期間到期並終止。

根據孫先生的服務合約，本集團向孫先生提供日本一個寓所作為員工宿舍，而孫先生每月將自行承擔一半租金。有關寓所自2019年9月不再提供予孫先生。

Independent non-executive Directors

Each of the independent non-executive Directors has been appointed for an initial term of three years commencing from 13 September 2018, which may be terminated by either party giving not less than three months' written notice. The term of appointment shall be renewed and extended automatically for successive term of one year upon expiry of the then current term until terminated by either party giving not less than three months' written notice to the other. The appointments are subject to the provisions of the Articles with regard to vacation of office of Directors, removal and retirement by rotation of Directors. Each of the independent non-executive Directors is entitled to a director's fee of HK\$240,000 per annum. Save for directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Directors' and senior management remuneration

Details of the remuneration of the Directors of the Group for the Reporting Period are set out in Note 37 to the consolidated financial statements of the Company. The remuneration of each of the four senior management personnel fell within the band below HK\$1,000,000.

Directors' interest in transactions, arrangements or contracts of significance

Save as disclosed in Notes 34 and 37 to the consolidated financial statements, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

獨立非執行董事

各獨立非執行董事的初步委任年期自2018年9月13日起計為期三年。該合約可由任何一方發出不少於三個月的書面通知終止。委任任期於當時的現有任期屆滿後自動重續及延長一年，直至任何一方向另一方發出不少於三個月的書面通知終止為止。該等委任受細則中有關董事離任、罷免及董事輪席退任的條文規限。各獨立非執行董事均有權每年收取240,000港元的董事袍金。除董事袍金外，預期並無獨立非執行董事會因擔任獨立非執行董事一職而收取任何其他薪酬。

董事及高級管理層薪酬

本集團董事報告期間的薪酬詳情載於本公司合併財務報表附註37。四名高級管理層人員各自的薪酬在1,000,000港元的範圍以下。

董事於重大交易、安排或合約之權益

除合併財務報表附註34及37所披露者外，概無與本集團業務有關的重大交易、安排及合約於報告期間末或報告期間內任何時間續存，而當中本公司或其任何附屬公司為訂約方，且董事或其關連實體直接或間接擁有重大權益。

PERMITTED INDEMNITY PROVISION

In accordance with the definition of section 469 of the Companies Ordinance, the permitted indemnity provision in relation to the director's and officer's liability insurance was in force during the Reporting Period and remains in force as at the date of this annual report.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the Prospectus under the section headed "Continuing Connected Transaction" and the transactions as disclosed in Note 34 to the consolidated financial statements, no controlling shareholder of the Company or any of its subsidiaries has any contract of significance (including contract of significance for the provision of services) with the Company or its subsidiaries during the Reporting Period.

MANAGEMENT CONTRACTS

No contracts concerning the management or administration of the whole or any substantial part of the business of the Group was entered into or subsisted during the Reporting Period.

PENSION SCHEME

Details of the pension scheme of the Company are set out in the paragraph headed "Pension Obligations" in Note 2.25(b) to the consolidated financial statements.

獲准許的彌償條文

根據公司條例第469條中的定義，有關董事及要員責任保險的獲准許彌償條文於報告期間有效及至本年報日期仍然有效。

控股股東在重大合約中的權益

於報告期間內，除招股章程中「持續關聯交易」一節及合併財務報表附註34所披露的交易的所披露者外，概無本公司或其任何附屬公司控股股東與本公司或其附屬公司訂立任何重大合約（包括提供服務的重大合約）。

管理合約

於報告期間，本集團並無就本集團全部或任何重大部分業務之管理或行政工作訂立或存有 任何合約。

退休金計劃

本公司退休金計劃詳情載於合併財務報表附註2.25(b)中「退休金責任」一段。

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme. The purpose of the Share Option Scheme is to enable the Company to grant share options to selected participants as incentives or rewards for their contribution to the Group. All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to growth of the Group are eligible to participate in the Share Option Scheme. The Share Option Scheme will remain in force for a period of 10 years commencing on its adoption date. The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 10% of the Shares in issue on the Listing Date (the “**General Scheme Limit**”). As at the date of this Reports of the Directors, the total number of Shares available for issue under the Share Option Scheme was 50,000,000 Shares, representing 10% of the issued share capital of the Company. The Company may renew the General Scheme Limit with shareholders’ approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the Shareholders’ approval. 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 scheme adopted by the Group must not in aggregate exceed 30% of the Shares in issue from time to time. Unless approved by the shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. 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 the Directors to each grantee,

購股權計劃

本公司採納購股權計劃。購股權計劃旨在使本公司能夠向選定參與者授予購股權，作為彼等對本集團的貢獻提供激勵或獎勵。全體董事、僱員、商品或服務供應商、客戶、為本集團提供研究、開發或其他技術支援的人士或實體、本集團任何成員公司的股東、本集團的諮詢人或顧問，以及曾經或可能藉合資經營、業務聯盟或其他業務安排而對本集團的增長作出貢獻的任何其他群組或類別的參與者，均有資格參與購股權計劃。購股權計劃將於採納日期起計十年內有效。因根據購股權計劃及本集團採納的任何其他購股權計劃將予授出的所有購股權獲行使而可能配發及發行的股份總數合共不得超過於上市日期已發行股份數目的10%（「**一般計劃上限**」）。於本董事會報告日期，根據購股權計劃可供發行的股份總數為50,000,000股股份，相當於本公司已發行股本的10%。本公司於獲取股東批准後可更新一般計劃上限，惟每次更新的上限不得超過於獲授股東批准當日已發行股份的10%。根據購股權計劃及本集團所採納的任何其他購股權計劃而已授出惟尚未行使的所有尚未行使的購股權獲行使而可能發行的股份數目上限，合共不得超過不時已發行股份的30%。除非獲本公司股東批准，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所授出的購股權（包括已行使或尚未行使購股權兩者）獲行使而已向各參與者發行及可能將發行的股份總數不得超過當時本公司已發行股本的1%。參與者應於授出購股權的要約日期起計21日內接納購股權。於接納所授購股權時須繳付1港元的象徵式代價。購股權可於董事釐定並通知各承授人的期間內隨時根據購股權計劃的條款行使（該期間須由獲行使授出購股權的要約當日一天後起計，但無論如何須於授出

which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option, subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised. The subscription price for the Shares under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of: (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for the grant. No share options have been granted, exercised or cancelled by the Company under the Share Option Scheme since its adoption and up to the date of this Reports of the Directors. During the Reporting Period, no share options have been outstanding, granted, exercised, lapsed or cancelled by the Company under the Share Option Scheme.

SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE SHARES

So far as is known to the Directors, as at 31 March 2020, other than a Director or chief executive of the Company whose interests are disclosed under the sub-paragraph headed "Directors' and chief executive's interests and/or short positions in the shares, underlying shares and debentures of the company or any of its associated corporations" below, no other persons had an interest or a short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO").

購股權日期起計十年內屆滿，惟可根據有關條文提早終止)。除非董事另行決定及在向承授人作出授出購股權的要約中說明，購股權計劃並無規定在可行使購股權前所需持有的最短期限。購股權計劃下的股份認購價須由董事釐定，但不得低於(i)授出購股權的要約日期(必須為營業日)在聯交所每日報價表所報的股份收市價；及(ii)緊接授出購股權的要約日期前五個營業日在聯交所每日報價表所報的股份平均收市價各項中的最高者。自採納購股權計劃日期及直至本董事會報告日期，本公司並無根據購股權計劃授出、行使或註銷購股權。於報告期間，本公司根據購股權計劃概無尚未行使、已授出、行使、失效或註銷的購股權。

主要股東於股份的權益

就董事所知，於2020年3月31日，除其權益於下文「董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中的權益及／或淡倉」分段所披露的董事或本公司主要行政人員外，概無其他人士於股份或相關股份中擁有根據證券及期貨條例(香港法例第571章)(「證券及期貨條例」)第336條記錄於本公司須存置之登記冊內的權益或淡倉。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 31 March 2020, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules, were as follows:

Long position in shares:

董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中的權益及淡倉

於2020年3月31日，本公司董事及最高行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有根據證券及期貨條例第352條記錄於須存置之登記冊的權益及淡倉，或根據上市規則附錄十所載的標準守則須另行知會本公司及聯交所之權益及淡倉如下：

於股份的好倉：

Name	Name of Group member/associated corporation	Nature of interest	Number of shares interested	Approximate percentage of interest held in the Company
名稱	本集團成員公司／相聯法團名稱	權益性質	擁有權益股份數目 (Note 1) (附註1)	本公司持有的權益之概約百分比
Mr. Ando Shokei 安藤湘桂先生	The Company 本公司	Beneficial owner 實益擁有人	374,967,278(L)	75%
Mrs. Ando Eri 安藤惠理女士	The Company 本公司	Interest of spouse (Note 2) 配偶權益(附註2)	374,967,278(L)	75%
Mr. Katsu Bunkai 葛文海先生	TCA Japan TCA日本	Beneficial owner (Note 3) 實益擁有人(附註3)	50 class A shares 50股A類股份	5%

Notes:

1. The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.
2. Mrs. Ando Eri is the spouse of Mr. Ando Shokei. Under the SFO, Mrs. Ando Eri is taken to be interested in the same number of Shares in which Mr. Ando Shokei is interested.
3. These shares represent class A shares in TCA Japan held by Mr. Katsu Bunkai. Shareholders of class A shares in TCA Japan do not have any voting right at the general meeting of shareholders of TCA Japan.

Save as disclosed above, as at 31 March 2020, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code and the Hong Kong Companies Ordinance (Cap. 622).

MAJOR CUSTOMERS AND SUPPLIERS

The customers under the art auction and related business primarily include sellers who consign artworks to the Group for the auctions and buyers who purchase artworks in the art auctions. To the best knowledge of the Directors, the customers under the segment are generally comprised of artwork interested parties including artworks artists, masters, experts, merchants, collectors, art galleries and private museums.

The suppliers mainly include sellers from whom the Group purchase artworks as principal for the artwork sales segment, property owners who provide venue for artwork preview exhibition and art auction operation, suppliers of event organization and accommodation booking services for the artwork preview exhibition and art auction operation, suppliers of photo-taking, printing and delivery services for the auction catalogs, and suppliers of delivery services for the auctioned artworks and security and insurance services.

附註：

1. 字母「L」代表董事於本公司或有關相聯法團股份中的好倉。
2. 安藤惠理女士為安藤湘桂先生之配偶。根據證券及期貨條例，安藤惠理女士被當作於安藤湘桂先生擁有權益的相同股份數目中擁有權益。
3. 該等股份為葛文海先生於TCA日本持有的A類股份。TCA日本A類股份股東於TCA日本的股東大會上並無任何投票權。

除上文所披露者外，於2020年3月31日，概無本公司董事及最高行政人員於本公司或任何相聯法團(定義見證券及期貨條例第XV部)之任何股份、相關股份或債權證中擁有記錄於根據證券及期貨條例第352條須予備存的登記冊，或根據標準守則及香港公司條例(第622章)之規定而須另行知會本公司及聯交所的任何權益或淡倉。

主要客戶及供應商

本集團的藝術品拍賣及相關業務客戶主要包括將藝術品委託予我們拍賣的賣家及在我們舉辦的藝術品拍賣會上購買藝術品的買家。據董事所知，我們在此分部下的客戶一般由藝術品愛好者構成，包括藝術家、藝術品大師、專家、商人、收藏家、藝廊及私人博物館。

我們的供應商主要包括本集團以主事人身份就藝術品銷售分部向其購買藝術品的賣家、提供場地作藝術品預展及舉行藝術品拍賣會的業主、為我們的藝術品預展及舉行藝術品拍賣會提供活動籌備及住宿預訂服務的供應商、為我們的拍品圖錄提供攝影、印刷及付運服務的供應商，以及為已拍賣藝術品提供付運服務、保安及保險服務的供應商。

The information of the customers and suppliers is as follows: 客戶及供貨商的資料如下：

		Percentage of the total income for the year ended 31 March 2020 截至2020年3月31日 止年度佔總收入 百分比
Five largest customers	五大客戶	17.8%
The largest customer	最大客戶	5.0%
		Percentage of the total purchase and cost of services for the year ended 31 March 2020 截至2020年3月31日 止年度佔總購買及 服務成本百分比
Five largest suppliers	五大供應商	84.9%
The largest supplier	最大供應商	50.0%

As far as the Directors are aware, none of the Directors, their close associates or shareholders holding more than 5% of the issued shares of the Company had any interest in the five largest customers or five largest suppliers of the Group.

就董事所知，概無董事、彼等的緊密聯繫人或持有本公司已發行股份5%以上的股東於本集團五大客戶或五大供應商中擁有任何權益。

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the ordinary course of business by the Group during the Reporting Period are set out in Note 34 to the consolidated financial statements of this annual report. The related party transactions set out in Note 34 to the consolidated financial statements constitute connected transactions (as defined under Chapter 14A of the Listing Rules) which are fully exempted from the shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules. Accordingly, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

關聯方交易

本集團於報告期間日常業務過程中進行的關聯方交易詳情載於本年報合併財務報表附註34。載於合併財務報表附註34的關聯方交易構成關連交易(定義見上市規則第14A章)，其獲全面豁免遵守上市規則第14A章項下股東批准、年度審閱及所有披露規定。因此，本公司已根據上市規則第14A章遵守披露規定。

PUBLIC FLOAT

Based on the information publicly available to the Company and as far as the Directors are aware as at the date of this annual report, the Company has maintained the prescribed minimum public float under the Listing Rules.

COMPETING BUSINESS

The compliance of the controlling shareholder of the Company namely, Mr. Ando Shokei, of the non-competition undertakings entered into in favour of the Company on 13 September 2018 is set out in the Corporate Governance Report.

During the Reporting Period, none of the Directors or the controlling shareholder of the Company or their respective close associates are considered to be interested in businesses which compete or are likely to compete, either directly or indirectly, with the core businesses of the Group.

EMPLOYEES

The number of employees as at 31 March 2020 is set out under “Management Discussion and Analysis — Employees and emolument policy” on page 18 of this annual report.

During the Reporting Period, the Group did not experience any strikes or significant labor disputes which materially affected the operation of the Group. The Group maintained good relationship with its employees.

EVENTS AFTER THE REPORTING PERIOD

There is no significant event after the end of the Reporting Period of the Group.

公眾持股量

根據本公司可獲得的公開資料及就其董事知悉，於本年報日期，本公司已維持上市規則規定的最低公眾持股量。

競爭業務

本公司控股股東，即安藤湘桂先生，遵守於2018年9月13日為本公司利益出具的不競爭承諾的情況載於企業管治報告內。

於報告期間，概無本公司董事或控股股東或其各自的緊密聯繫人被認為與本集團核心業務競爭或可能直接或間接競爭的業務擁有權益。

僱員

於2020年3月31日的員工人數載於本年報第18頁「管理層討論及分析 — 僱員及薪酬政策」。

於報告期間，本集團並無經歷任何對本集團經營有重大影響的罷工或重大勞工糾紛。本集團與其僱員維持良好關係。

報告期後事項

本集團於報告期完結後並無重大事項。

USE OF PROCEEDS

From the Global Offering

The Company's shares were listed on the Main Board of the Stock Exchange on 11 October 2018 and the Company received net proceeds (after deduction of underwriting commission and related costs and expenses) from the global offering of approximately HK\$110.0 million. As at 31 March 2020, the Company have partially utilized such proceeds in accordance with the intended use of proceeds as disclosed in the Prospectus. During the Reporting Period, the net proceeds had been applied for as follows:

所得款項用途

來自全球發售

本公司的股份於2018年10月11日在聯交所主板上市，本公司接獲全球發售所得款項淨額為約110.0百萬港元(已扣除包銷佣金以及相關成本及開支)。於2020年3月31日，本公司已按照招股章程中所披露的所得款項擬定用途部分使用該等所得款項。於報告期間，所得款項淨額已應用如下：

		Actual net proceeds	Amount utilised as at 31 March 2020	Unutilised net proceeds as at 31 March 2020
		實際所得 款項淨額	於2020年3月31日 所動用的金額	於2020年3月31日 尚未動用的 所得款項淨額
		(HK\$ million)	(HK\$ million)	(HK\$ million)
		(百萬港元)	(百萬港元)	(百萬港元)
Strengthening and expanding existing auction business	加強及擴充現有拍賣業務	62.7	13.1	49.6
Enhancing marketing and promotional activities	加強營銷及推廣活動	22.0	10.9	11.1
Recruiting high caliber managers and experts	招聘高質素的管理人才及專家	8.8	1.9	6.9
Developing the Group's ERP system	開發本集團的企業資源規劃系統	5.5	—	5.5
Supplementing the Group's working capital and for general corporate purposes	補充本集團的營運資金及作一般公司用途	11.0	11.0	—
		110.0	36.9	73.1

As at the date of this annual report, the Company does not anticipate any change to the above plan of use of proceeds. The remaining unutilised net proceeds as at 31 March 2020 are expected to be fully utilized on or before 31 March 2021.

於本年報日期，本公司並不預期上述所得款項用途計劃會有任何變動。於2020年3月31日餘下尚未動用的所得款項淨額預期於2021年3月31日或之前悉數動用。

From the issue of the convertible notes

In April 2018, the Company entered into subscription agreements with six independent investors in relation to their subscription of the convertible notes totaling approximately HK\$38.8 million. The outstanding principal amount of these convertible notes shall be automatically and mandatorily converted into fully paid shares of the Company upon successful initial public offering in recognized stock exchange according to a formula prescribed in the subscription agreements. All of the convertible notes were converted into 28,512,722 ordinary shares on 11 October 2018. For details, please refer to the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments” of the Prospectus.

As at 31 March 2020, the net proceeds had been applied for as follows:

來自發行可換股票據

於2018年4月，本公司與六名獨立投資人訂立認購協議，內容有關其認購可換股票據合共約38.8百萬港元。根據認購協議所規定的公式，該等可換股票據的尚未行使本金額應於本公司在認可股票交易所首次成功公開發售時自動及強制轉換為本公司繳足股份。所有可換股票據已於2018年10月11日轉換為28,512,722股普通股。詳情請參閱招股章程「歷史、重組及公司架構 — 首次公開發售前投資」一節。

於2020年3月31日，所得款項淨額的使用情況如下：

	Actual net proceeds	Amount utilised as at 31 March 2020	Unutilised net proceeds as at 31 March 2020
	實際 所得款項淨額	於2020年 3月31日之 已動用金額	於2020年 3月31日之 未動用 所得款項淨額
	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元
Fund the capital expenditures and working capital of the Group	38.8	38.8	—
撥付本集團資本開支及營運資金			

As at the 31 March 2020, the Group had utilized the entire amount of the proceeds from the issue of the convertible notes.

於2020年3月31日，本集團已動用來自發行可換股票據的全部所得款項。

AUDIT COMMITTEE

The Company has established an audit committee in compliance with Rule 3.21 of the Listing Rules. It comprises three independent non-executive Directors namely Ms. Lam Suk Ling Shirley (chairlady), Mr. Chung Kwok Mo John and Mr. Chun Chi Man.

The audit committee has reviewed with the management of the Group the accounting principles and standards adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review this annual report and the audited annual financial results of the Group for the Reporting Period.

AUDITOR

The consolidated financial statements for the Reporting Period have been audited by PricewaterhouseCoopers. A resolution will be submitted to the forthcoming AGM to re-appoint PricewaterhouseCoopers as auditors of the Company.

DONATIONS

During the Reporting Period, the Group made charitable donations in the amount of approximately HK\$121,000.

PRINCIPAL RISKS AND UNCERTAINTIES

Discussion of the principal risks and uncertainties faced by the Group is included in Note 3 to the consolidated financial statements and such contents form part of this Reports of the Directors.

ENVIRONMENTAL POLICIES

The Group is committed to environmental protection and values corporate social responsibilities. The Group continues to update internal policies and programs for environmental risk prevention to ensure compliance with requirements of applicable industrial and local standards, laws, regulations and policies. The Group also continues to implement environmental protection, energy saving and emission reduction projects to improve environmental management, setting a solid foundation for better future development.

審核委員會

本公司已遵照上市規則第3.21條規定設立審核委員會。審核委員會包括三名獨立非執行董事，即林淑玲女士(主席)、鍾國武先生及秦治民先生。

審核委員會已與本集團管理層審閱本集團所採納的會計原則及準則，並討論審計、內部控制及財務報告事宜，包括審閱本年報及本集團於報告期間的經審核年度財務業績。

核數師

於報告期間的合併財務報表已由羅兵咸永道會計師事務所審核。將於應屆股東週年大會提呈一項決議案，以重新委聘羅兵咸永道會計師事務所為本公司的核數師。

捐款

於報告期間，本集團作出慈善捐款約為121,000港元。

主要風險及不確定因素

有關本集團所面臨的主要風險及不確定因素的討論載於合併財務報表附註3，且該內容構成本董事會報告的一部分。

環境政策

本集團致力推動環保，重視企業社會責任。本集團持續更新規避環境風險的內部政策和項目，以確保遵守適用行業和地方標準、法律、規例及政策的規定。本集團亦持續推行環保、節能及減排項目，以改善環境管理，為日後的更佳發展奠定堅實基礎。

ACCOUNT OF THE GROUP KEY RELATIONSHIP

Employees

Employees are regarded as the most important and valuable assets of the Group. The objective of the Group's human resource management is to reward and recognise high-performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by offering appropriate training and providing opportunities within the Group for career advancement.

Suppliers

Please refer to the paragraph headed "Major Customers and Suppliers" in this Reports of the Directors for details of the suppliers of the Group. Sound relationships with suppliers of the Group are important for the Group's business, which can derive cost effectiveness and long term business benefits.

Customers

Please refer to the paragraph headed "Major Customers and Suppliers" in this Reports of the Directors for details of the customers of the Group. The Group has the mission in sourcing excellent artworks with good provenance to explore and collect more valuable artworks for auction by its customer whilst maintaining long term profitability and business growth. Various means have been taken to strengthen the communications between customers and the Group.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on the Group in all material respects.

CORPORATE GOVERNANCE

The Company has adopted the code of provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rules. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the CG Code during the Reporting Period.

本集團的主要關係說明

僱員

我們視僱員為本集團最為重要及珍貴的資產。本集團人力資源管理的目的為提供具競爭力的薪酬待遇及推行完善的績效評估制度，並附設適當獎勵，從而嘉獎和認可表現優秀的員工，以及提供適當培訓和在本集團的晉升機會，從而促進事業發展與進程。

供應商

有關本集團的供應商詳情，請參閱本董事會報告「主要客戶及供應商」一段。與本集團的供應商維持良好關係對本集團的業務至關重要，可促進成本效益及長期商業利益。

客戶

有關本集團的客戶詳情，請參閱本董事會報告「主要客戶及供應商」一段。本集團的使命為搜羅更多「來源有據，流傳有序」的出色藝術珍品以讓客戶作拍賣，同時實現長期的盈利和業務增長。我們已使用各種方法來加強客戶與本集團的溝通。

遵守法律及法規

於報告期間，本公司概不知悉任何未有遵守任何相關法律及法規而於所有重大層面對本集團產生重大影響之情況。

企業管治

本公司已採納上市規則附錄十四所載企業管治守則（「企業管治守則」）的守則條文。董事會已審閱本公司的企業管治常規，並信納本公司於報告期間已遵守企業管治守則所載的守則條文。

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. After specific enquiry made by the Company, all of the Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct of the Company governing Directors' securities transactions during the Reporting Period.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board

Ando Shokei

Hong Kong, 26 June 2020

董事進行證券交易之標準守則

本公司已就董事的證券交易採納一套行為守則，其條款不遜於標準守則所載的規定準則。經本公司作出特定查詢後，全體董事已確認彼等於報告期間，已遵守標準守則及本公司規管董事進行證券交易的行為守則所載的規定準則。

購回、出售或贖回本公司上市證券

於報告期間，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

董事會代表

安藤湘桂

香港，2020年6月26日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the Shareholders of Tokyo Chuo Auction Holdings Limited
(incorporated in Hong Kong with limited liability)

OPINION

What we have audited

The consolidated financial statements of Tokyo Chuo Auction Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 81 to 195, which comprise:

- the consolidated balance sheet as at 31 March 2020;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

羅兵咸永道

致東京中央拍賣控股有限公司股東
(於香港註冊成立的有限公司)

意見

我們已審計的內容

東京中央拍賣控股有限公司(以下簡稱「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)列載於81至195頁的合併財務報表，包括：

- 於2020年3月31日的合併資產負債表；
- 截至該日止年度的合併損益表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等合併財務報表已根據香港會計師公會(以下簡稱「**香港會計師公會**」)頒佈的《香港財務報告準則》(以下簡稱「**香港財務報告準則**」)真實而中肯地反映了 貴集團於2020年3月31日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》妥為擬備。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition
- Impairment of consignee advance and prepayments to sellers for auctioned artwork

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(以下簡稱「**香港審計準則**」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「**守則**」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 收入確認
- 委託人預付款項及就已拍賣藝術品向賣家預付的款項的減值

Key Audit Matter
關鍵審計事項

How our audit addressed the Key Audit Matter
我們的審計如何處理關鍵審計事項

Revenue recognition

收入確認

Refer to note 2.22 and note 6 to the consolidated financial statements.

請參閱合併財務報表附註2.22及附註6。

The Group recognised revenue from art auction and related business of HK\$98.0 million for the year ended 31 March 2020.

貴集團於截至2020年3月31日止年度自藝術品拍賣及相關業務確認收入98.0百萬港元。

We understood, evaluated and tested management's key internal controls and revenue recognition process over art auction and related business.

我們已了解、評估及檢測管理層對藝術品拍賣及相關業務的關鍵內部監控及收入確認程序。

We attended selected auctions held during the year to check the hammer price of the auction sales on a sample basis.

我們已參與年內經選定拍賣會，以抽樣方式檢查拍賣銷售的落槌價。

Key Audit Matter
關鍵審計事項

We considered revenue recognition for art auction and related business as a key audit matter as it is quantitatively significant to the consolidated income statements and consolidated statement of comprehensive income.

我們將藝術品拍賣及相關業務的收入確認視為關鍵審計事項，因為其在數額上對合併損益表及合併綜合收益表而言屬重大。

How our audit addressed the Key Audit Matter
我們的審計如何處理關鍵審計事項

We checked the commission income from auctions and other auction related income on a sample basis by agreeing the hammer price to auctioneers' record and the commission rates for buyers and sellers to respective invoices, bank receipts and other relevant evidence. We checked the calculation of the commission income on a sample basis by multiplying the hammer price with the relevant commission rates for buyers and sellers.

我們以抽樣方式檢查拍賣的佣金收入及其他拍賣相關收入，方法為將拍賣商記錄與落槌價及買賣雙方的佣金費率與各自的發票、銀行收據及其他相關憑證進行比對。我們以抽樣方式檢查佣金收入的計算，方法為將落槌價與買賣雙方的相關佣金費率相乘。

We compared other commission income and other auction related income such as service income from catalogue preparation to the relevant invoices, bank receipts and other relevant evidence on a sample basis. 我們以抽樣方式，將其他佣金收入和其他拍賣相關收入（例如編製圖錄所得服務收入）與有關發票、銀行收據及其他相關憑證作比較。

We tested completeness of the auction lots sold by reconciling auctioneers' records on auction lots sold to the items recorded in the sales register on a sample basis.

我們以抽樣方式，將拍賣商記錄的已售拍賣品比對銷售名冊上記錄的拍賣品，以測試其完整性。

We found the sales transactions being tested were supported by appropriate evidence.

我們發現經測試的銷售交易均具合適的憑證所支持。

Key Audit Matter 關鍵審計事項

Impairment of consignor advance and prepayments to sellers for auctioned artwork

委託人預付款項及就已拍賣藝術品向賣家預付的款項的減值

Refer to note 2.14, note 3.2, note 22 and note 23 to the consolidated financial statements.

請參閱合併財務報表附註2.14、附註3.2、附註22及附註23。

As at 31 March 2020, the balance of consignor advance and prepayments to sellers for auctioned artwork was HK\$86.3 million and HK\$79.7 million, respectively, which represented 17% and 16% of the total assets of the Group as at 31 March 2020, respectively.

於2020年3月31日，委託人預付款項及就已拍賣藝術品向賣家預付的款項之結餘分別為86.3百萬港元及79.7百萬港元，分別佔貴集團於2020年3月31日總資產的17%及16%。

Consignor advance 委託人預付款項

The Group provides certain collectors and art dealers with advances with artwork held under the Group's custody. If the consigned artwork is sold in auction, the proceeds received from the buyer, after deducting commission, consignor advance, interest and relevant taxes, will be paid to the consignor. If the artwork under custody remains unsold, the consignor will be required to repay the advance together with interest, where applicable, before the artwork under custody is returned to the consignor.

貴集團以貴集團託管所持有的藝術品向若干藏家及藝術代理人提供預付款項。如果受委託之藝術品於拍賣中售出，從買家所得之所得款項（經扣除佣金、委託人預付款項、利息及相關稅項）將會支付予委託人。如果託管之藝術品仍未售出，委託人在託管藝術品交回委託人前，將須償還預付款項（連同利息，如有）。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We understood, evaluated and tested management's key internal controls relating to the approval process of granting consignor advance and prepayments to sellers for auctioned artwork.

我們已了解、評估及檢測管理層有關授出就委託人預付款項及就已拍賣藝術品向賣家預付的款項的批核程序的關鍵內部監控。

We discussed with management on the nature and judgement involved in their assessment on the recoverability of individual significant balances for consignor advance and prepayments to sellers for auctioned artwork by considering the credit history and worthiness of the consignors and sellers and corroborated their explanations with supporting evidences to evaluate whether specific provision should be made.

經考慮委託人及賣家的信貸紀錄及信譽度，我們與管理層就委託人預付款項及就已拍賣藝術品向賣家預付的款項的獨立重大結餘的可收回性，討論彼等的評估所牽涉的性質及判斷，及證實彼等的解釋有可支持證據，以評價是否有需要作出特定的撥備。

We checked, on a sample basis, the approval of consignor advances and prepayments to sellers for auctioned artwork by tracing to agreements and payment records.

我們透過抽樣檢查協議及付款紀錄以檢查委託人預付款項及就已拍賣藝術品向賣家預付的款項之審批。

We obtained the full list of consignor advance and prepayments to sellers for auctioned artwork, and checked, on a sample basis, whether these advances and prepayments to sellers for auctioned artwork are supported by the artwork under the custody of the Group.

我們取得委託人預付款項及就已拍賣藝術品向賣家預付的款項的完整清單及以抽樣方式檢查該等委託人預付款項及就已拍賣藝術品向賣家預付的款項是否有藝術品歸貴集團託管。

Key Audit Matter 關鍵審計事項

Prepayments to sellers for auctioned artwork 就已拍賣藝術品向賣家預付的款項

Prepayments to sellers for auctioned artwork represent the amounts advanced to sellers of auctioned artwork before receiving full payments from relevant buyers. Amounts may be advanced to sellers prior to receiving full payment of the auction purchase prices from the relevant buyers and the Group will keep the related auctioned artwork under its custody. Prior to receiving full payment of the auction purchase prices from the relevant buyers, the Group reserves the right to request repayment from sellers for the prepayments advanced to them, or request the sellers to replace another artwork with estimated value no less than the prepayments to the Group.

就已拍賣藝術品向賣家預付的款項指就未向相關買家收取已拍賣藝術品全數款項而預付予賣家之金額。金額可能於未收到相關買家悉數支付拍賣購買價的款項前預付予賣家，而 貴集團將保留相關已拍賣藝術品由其託管。於收到相關買家悉數支付拍賣購買價的款項前， 貴集團保留要求賣家償還已預付於彼等的預付款項，或要求賣家替換另一項其價值估計不少於向 貴集團償還的預付款項之藝術品。

The Group established policies to ensure that advances are made to consignors and sellers with an appropriate credit history and the Group assesses the credit worthiness of its consignors and sellers as well as considering prior transaction history with these consignors and sellers.

貴集團訂有政策以確保預付款項乃向信貸記錄恰當的委託人及賣家作出，而 貴集團評估其委託人及賣家的信譽度，並考慮該等委託人及賣家的交易往績。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We assessed, on a sample basis, whether the artwork under the Group's custody was in good condition by attending the physical count of the artwork.

我們通過親身盤點 貴集團託管的藝術品，以抽樣方式評估藝術品是否狀況良好。

We obtained and reviewed, on a sample basis, the valuation assessments for the artwork under the Group's custody prepared by the internal artwork appraisal team. We inquired of the internal artwork appraisal team about the factors they considered in their assessments and compared the assessments by referencing to the recent market prices for similar artwork on a sample basis.

我們以抽樣方式取得及審閱由內部藝術品鑒定團隊對 貴集團託管的藝術品所進行之估值評估。我們向內部藝術品鑒定團隊詢問彼等進行評估所考慮的因素及參考類近藝術品的近期市價以抽樣方式比較該等評估。

Key Audit Matter 關鍵審計事項

Management has applied HKFRS 9 and conducted an assessment of expected credit losses relating to the consignor advance and prepayments to sellers for auctioned artwork. The Group considers that the credit risk arising from these advances and prepayments is not significant after considering the credit history and worthiness of the consignors and sellers as well as the market value of the relevant artwork held by the Group.

管理層已應用香港財務報告準則第9號及就委託人預付款項及就已拍賣藝術品向賣家預付的款項進行預期信貸虧損的評估。經考慮委託人及賣家的信貸紀錄及信譽度以及貴集團持有的相關藝術品的市值後，貴集團認為委託人預付款項及就已拍賣藝術品向賣家預付的款項的信貸風險並不重大。

The Group's internal artwork appraisal team has assessed and evaluated the market value of the artwork under its custody based on the recent market prices of similar artwork so to determine if the amount of allowance made is adequate.

貴集團的內部藝術品鑒定團隊已根據類近藝術品的近期市場價格對其託管的藝術品的市場價值進行評估及估價，以釐定所作之撥備是否足夠。

We identified impairment of consignor advance and prepayments to sellers for auctioned artwork as a key audit matter because of its significance to the consolidated financial statements and because the judgement exercised by management in determining an appropriate level of loss allowances for these advances and prepayments involves assessment on creditability of consignors and sellers as well as estimation of the market value of artwork under the Group's custody, which can be inherently uncertain.

我們識別委託人預付款項及就已拍賣藝術品向賣家預付的款項的減值為關鍵審計事項，因為其對於合併財務報表具有重大影響且管理層於釐定該等委託人預付款項及就已拍賣藝術品向賣家預付的款項適當程度的虧損撥備時作出的判斷涉及評估委託人及賣家的信用度以及估計貴集團託管的藝術品的市場價值，其本質上可能具有不確定性。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We evaluated, on a sample basis, management's assessment of the values of artwork under the Group's custody based on the valuation assessments performed by the internal artwork appraisal team. We discussed with management on the means of realisation of the artwork under the Group's custody and the expected cash flows to be recovered from the artwork, and compared the carrying value of the consignor advance and prepayments to sellers for auctioned artwork with the value of artwork on a sample basis.

根據內部藝術品鑒定團隊進行的估值，我們以抽樣方式評價管理層對貴集團託管的藝術品的價值的評估。我們與管理層討論貴集團託管的藝術品變現及預期將就該等藝術品收回現金流量的方式，以及以抽樣方式將委託人預付款項及就已拍賣藝術品向賣家預付的款項之賬面值與藝術品的價值作出比較。

We compared, on a sample basis, the subsequent settlement of the consignor advance as at 31 March 2020 with bank receipts or other relevant documents.

我們以抽樣方式將於2020年3月31日委託人預付款項的期後結算與銀行收據或其他相關文件作出比較。

Based on our work performed, we found that management's estimates and judgment were supported by available evidence.

根據我們履行的工作，我們認為管理層的估計及判斷有可行的證據支持。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than 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 DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他信息

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

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

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審計委員會就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》擬備真實而中肯的合併財務報表，並對其認為為合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審計委員會須負責監督 貴集團的財務報告過程。

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

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

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照香港《公司條例》第405條向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響合併財務報表使用者依賴該等合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計就情況而言適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

- 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.
- 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.
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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.

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

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

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.

The engagement partner on the audit resulting in this independent auditor's report is Lee Kin Wah, Albert.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 June 2020

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

出具本獨立核數師報告的審計項目合夥人是李健華。

羅兵咸永道會計師事務所
執業會計師

香港，2020年6月26日

CONSOLIDATED INCOME STATEMENT

合併損益表

FOR THE YEAR ENDED 31 MARCH 2020
截至2020年3月31日止年度

		Note 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Revenue	收入	6	107,589	166,091
Costs of services	服務成本	9	(26,594)	(34,668)
Costs of sales of goods	貨品銷售成本	9	(5,058)	(5,242)
Gross profit	毛利		75,937	126,181
Other losses, net	其他虧損淨額	7	(460)	(4,043)
Other income	其他收入	8	14,497	1,836
Net impairment losses on financial assets	金融資產減值虧損淨額	9	(3,789)	(1,194)
Selling and distribution expenses	銷售及分銷開支	9	(27,918)	(41,717)
Administrative expenses	行政開支	9	(48,687)	(66,075)
Operating profit	經營溢利		9,580	14,988
Finance income	財務收入	10	2,195	582
Finance costs	財務成本	10	(1,447)	(272)
Finance income, net	財務收入淨額	10	748	310
Share of net profit of associate accounted for using the equity method	應佔一間聯營公司之淨溢利，使用權益會計法列賬	18	133	—
Profit before income tax	除所得稅前溢利		10,461	15,298
Income tax expense	所得稅開支	11	(2,219)	(6,677)
Profit for the year	年度溢利		8,242	8,621
Profit/(loss) attributable to:	以下各方應佔溢利／(虧損)：			
Owners of the Company	本公司擁有人		8,444	8,632
Non-controlling interests	非控股權益		(202)	(11)
			8,242	8,621
Earnings per share for profit attributable to owners of the Company	本公司擁有人應佔溢利的每股盈利			
Basic and diluted (HK cents)	基本及攤薄(港仙)	12	HK1.69 cents 1.69港仙	HK1.99 cents 1.99港仙

The above consolidated income statement should be read in conjunction with the accompanying notes. 上述合併損益表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

合併綜合收益表

FOR THE YEAR ENDED 31 MARCH 2020
截至2020年3月31日止年度

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Profit for the year	年度溢利	8,242	8,621
Other comprehensive income/(loss): Item that may be reclassified subsequently to profit or loss	其他綜合收入／(虧損)： 其後可能重新分類至損益的 項目		
Currency translation differences	外幣折算差額	985	(1,872)
Total other comprehensive income/ (loss) for the year, net of tax	年度其他綜合收入／ (虧損)總額，扣除稅項	985	(1,872)
Total comprehensive income for the year	年度綜合收入總額	9,227	6,749
Total comprehensive income for the year attributable to:	以下各方應佔年度綜合 收入總額：		
Owners of the Company	本公司擁有人	9,421	6,887
Non-controlling interests	非控股權益	(194)	(138)
		9,227	6,749

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述合併綜合收益表應與隨附附註一併閱讀。

CONSOLIDATED BALANCE SHEET

合併資產負債表

AS AT 31 MARCH 2020
於2020年3月31日

		Note 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	8,996	10,942
Right-of-use assets	使用權資產	16	22,042	—
Intangible assets	無形資產		958	590
Investment accounted for using the equity method	使用權益會計法列賬投資	18	7,930	—
Financial asset at fair value through profit or loss	按公平值計入損益之金融資產	19	632	—
Deferred income tax assets	遞延所得稅資產	20	1,266	1
Deposits and prepayments	按金及預付款項	23	4,194	10,943
			46,018	22,476
Current assets	流動資產			
Inventories	存貨	21	53,858	20,898
Trade and other receivables	貿易及其他應收款項	22	232,899	225,367
Deposits and prepayments	按金及預付款項	23	91,290	14,841
Tax recoverable	可收回稅項		—	10,599
Pledged bank deposits	已抵押銀行存款	24	5,443	20,300
Cash and cash equivalents	現金及現金等價物	24	82,577	236,522
			466,067	528,527
Total assets	總資產		512,085	551,003
Equity	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	25	169,730	169,730
Reserves	儲備	26	110,179	110,556
			279,909	280,286
Non-controlling interests	非控股權益		4,160	6,602
Total equity	總權益		284,069	286,888

Consolidated Balance Sheet
合併資產負債表

AS AT 31 MARCH 2020
於2020年3月31日

		Note 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Liabilities	負債			
Non-current liabilities	非流動負債			
Other payables	其他應付款項	28	1,454	6,884
Lease liabilities	租賃負債	16	16,129	—
Borrowings	借款	27	186	2,962
Deferred income tax liabilities	遞延所得稅負債	20	2,596	2,574
			20,365	12,420
Current liabilities	流動負債			
Trade and other payables and accruals	貿易及其他應付款項及應計費用	28	153,192	213,301
Lease liabilities	租賃負債	16	6,850	—
Borrowings	借款	27	38,927	32,861
Current income tax liabilities	當期所得稅負債		8,682	5,533
			207,651	251,695
Total liabilities	負債總額		228,016	264,115
Total equity and liabilities	權益及負債總額		512,085	551,003

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

上述合併資產負債表應與隨附附註一併閱讀。

The consolidated financial statements on pages 81 to 195 were approved by the Board of Directors on 26 June 2020 and were signed on its behalf.

第81至195頁之合併財務報表於2020年6月26日獲董事會批准並由以下董事代為簽署。

Ando Shokei
安藤湘桂
Director
董事

Ando Eri
安藤惠理
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

合併權益變動表

FOR THE YEAR ENDED 31 MARCH 2020
截至2020年3月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔					Non-controlling interests 非控股權益	Total equity 權益總額
		Share capital (Note 25) 股本 (附註25) HK\$'000 千港元	Other reserves (Note 26) 其他儲備 (附註26) HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元			
Balance as at 1 April 2018	於2018年4月1日的結餘	—	(45,381)	149,050	103,669	6,740	110,409	
Comprehensive income/(loss)	綜合收入/(虧損)							
— Profit/(loss) for the year	— 年度溢利/(虧損)	—	—	8,632	8,632	(11)	8,621	
Other comprehensive loss	其他綜合虧損							
— Currency translation differences	— 外幣折算差額	—	(1,745)	—	(1,745)	(127)	(1,872)	
Total comprehensive (loss)/income for the year	年度綜合(虧損)/收入總額	—	(1,745)	8,632	6,887	(138)	6,749	
Conversion of convertible notes to ordinary shares (Note 25)	將可換股票據轉換為普通股(附註25)	42,726	—	—	42,726	—	42,726	
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs (Note 25)	發行有關首次公開發售的普通股(扣除包銷佣金及其他發行成本)(附註25)	127,004	—	—	127,004	—	127,004	
Balance at 31 March 2019	於2019年3月31日的結餘	169,730	(47,126)	157,682	280,286	6,602	286,888	
Balance as at 1 April 2019, as originally presented	於2019年4月1日的結餘(原先呈列)	169,730	(47,126)	157,682	280,286	6,602	286,888	
Change of accounting policy (Note 2.2)	會計政策變動(附註2.2)	—	—	(526)	(526)	—	(526)	
Balance as at 1 April 2019, as restated	於2019年4月1日的結餘(經重列)	169,730	(47,126)	157,156	279,760	6,602	286,362	
Comprehensive income/(loss)	綜合收入/(虧損)							
— Profit/(loss) for the year	— 年度溢利/(虧損)	—	—	8,444	8,444	(202)	8,242	
Other comprehensive income	其他綜合收入							
— Currency translation differences	— 外幣折算差額	—	977	—	977	8	985	
Total comprehensive income/(loss) for the year	年度綜合收入/(虧損)總額	—	977	8,444	9,421	(194)	9,227	
Transaction with non-controlling interest (Note 26(ii))	與非控股權益交易(附註26(ii))	—	—	728	728	(2,248)	(1,520)	
Final dividend declared and paid	已宣派及支付的末期股息	—	—	(10,000)	(10,000)	—	(10,000)	
Balance at 31 March 2020	於2020年3月31日的結餘	169,730	(46,149)	156,328	279,909	4,160	284,069	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes. 上述合併權益變動表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF CASH FLOWS

合併現金流量表

FOR THE YEAR ENDED 31 MARCH 2020
截至2020年3月31日止年度

	Note 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Cash flow from operating activities			
Cash (used in)/generated from operations	30(a)	(155,151)	42,916
Income tax refunded/(paid)		10,471	(28,500)
Net cash (used in)/generated from operating activities		(144,680)	14,416
Cash flow from investing activities			
Purchase of property, plant and equipment		(1,104)	(578)
Purchase of intangible assets		(430)	(104)
Purchase of financial asset		(875)	—
Payment for investment in an associate	18	(7,625)	—
Placement of pledged bank deposits		(5,443)	(20,300)
Release of pledged bank deposits		20,300	—
Investment in key management life insurance contracts		—	(814)
Termination of key management life insurance contracts		—	6,187
Transaction with non-controlling interests	26(ii)	(1,520)	—
Repayment from a related company		—	14,716
Interest received		1,225	582
Net cash generated from/(used in) investing activities		4,528	(311)

FOR THE YEAR ENDED 31 MARCH 2020
截至2020年3月31日止年度

		Note 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Cash flow from financing activities	融資活動之現金流量			
Repayment of lease liabilities	償還租賃負債	30	(7,525)	—
Proceeds from bank borrowings	銀行借款所得款項	30	47,263	31,788
Repayment of bank borrowings	償還銀行借款	30	(43,955)	(44,049)
Interest paid	已付利息		(500)	(453)
Payment of listing expenses	支付上市開支		—	(7,984)
Dividend paid	已付股息		(9,897)	—
Proceed from issuance of convertible notes	發行可換股票據之所得款項		—	38,800
Net proceeds from issuance of ordinary shares relating to initial public offering	發行有關首次公開發售的普通股的所得款項淨額		—	137,145
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額		(14,614)	155,247
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		(154,766)	169,352
Cash and cash equivalents at beginning of the year	年初現金及現金等價物		236,522	70,382
Exchange gains/(losses) on cash and cash equivalents	現金及現金等價物匯兌收益/(虧損)		821	(3,212)
Cash and cash equivalents at end of the year	年末現金及現金等價物	24	82,577	236,522

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes. 上述合併現金流量表應與隨附附註一併閱讀。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

1 GENERAL INFORMATION

Tokyo Chuo Auction Holdings Limited (the “**Company**”) is a limited liability company incorporated in Hong Kong. The address of the Company’s registered office is Room 2601, 26/F, Wing on Centre, No. 111 Connaught Road Central, Hong Kong.

The Company is an investment holding company. The Company’s subsidiaries principally engage in the provision of auction and related services as well as artwork sales in Hong Kong and Japan.

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

These financial statements are presented in Hong Kong Dollar (“**HK\$**”), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries (the “**Group**”).

2.1 Basis of preparation

(a) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) and requirements of the Hong Kong Companies Ordinance Cap. 622.

1 一般資料

東京中央拍賣控股有限公司(「**本公司**」)為一間在香港註冊成立的有限公司。本公司的註冊辦事處地址為香港干諾道中111號永安中心26樓2601室。

本公司為投資控股公司。本公司附屬公司主要從事在香港及日本提供拍賣及相關服務以及藝術品銷售。

本公司股份於香港聯合交易所有限公司(「**聯交所**」)主板上市。

除另有註明外，該等財務報表以港元(「**港元**」)呈列。

2 主要會計政策概要

本附註提供編製該等合併財務報表所採納的主要會計政策列表。除另有註明外，該等政策於所有呈列年度一直貫徹應用。本集團財務報表包括本公司及其附屬公司(統稱為「**本集團**」)。

2.1 編製基準

(a) 遵守香港財務報告準則及香港公司條例

本集團合併財務報表乃按照香港財務報告準則(「**香港財務報告準則**」)及香港法例第622章《公司條例》的規定編製。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, as modified by the financial asset at fair value through profit or loss, which is measured at fair value.

(c) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures
Annual improvements project	Annual Improvements 2015–2017 Cycle

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(b) 歷史成本法

財務報表乃按歷史成本基準編製，經按公平值計量的按公平值計入損益之金融資產修訂。

(c) 本集團所採納新訂及經修訂準則

本集團於2019年4月1日開始的年度報告期間首次採納下列準則及修訂本：

香港(國際財務報告詮釋委員會)－詮釋第23號	香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理之不確定性
香港財務報告準則第9號(修訂本)	香港財務報告準則第9號(修訂本)	具有負補償之預付款項特徵
香港財務報告準則第16號	香港財務報告準則第16號	租賃
香港會計準則第19號(修訂本)	香港會計準則第19號(修訂本)	計劃修訂、縮減或結清
香港會計準則第28號(修訂本)	香港會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益
年度改進項目	年度改進項目	2015年至2017年週期的年度改進

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(c) **New and amended standards adopted by the Group** (Continued)

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 April 2019. This is disclosed in note 2.2. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(c) **本集團所採納新訂及經修訂準則** (續)

本集團須因採納香港財務報告準則第16號而改變其會計政策。本集團已選擇追溯採用新規則，但確認於2019年4月1日初次應用新準則的累計影響。該影響於附註2.2予以披露。上述列出的其他修訂絕大部分並無對過往期間已確認金額造成任何影響，且預期將不會對當期有未來期間造成重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(d) New standards and interpretations not yet adopted

The following are new and amended standards have been issued but not effective for the financial year beginning on 1 April 2019 and have not been early adopted by the Group:

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(d) 尚未採納的新訂準則及詮釋

下列新訂及經修訂準則已頒佈但於2019年4月1日開始的財政年度尚未生效，且本集團並無提早採納：

**Effective for annual periods beginning on or after
 於下列日期或之後開始的年度期間生效**

HKAS 1 and HKAS 8 (Amendments)	Definition of Material	1 January 2020
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義	2020年1月1日
HKAS 39, HKFRS 7 and HKFRS 9 (Amendments)	Hedge accounting	1 January 2020
香港會計準則第39號、香港財務報告準則第7號及香港財務報告準則第9號(修訂本)	對沖會計處理	2020年1月1日
HKFRS 3 (Amendments)	Definition of a Business	1 January 2020
香港財務報告準則第3號(修訂本)	業務的定義	2020年1月1日
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020
2018年度財務報告的概念框架	經修訂財務報告的概念框架	2020年1月1日
HKFRS 17	Insurance Contracts	1 January 2021
香港財務報告準則第17號	保險合約	2021年1月1日
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by HKICPA
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間資產出售或注資	尚待香港會計師公會釐定

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(d) *New standards and interpretations not yet adopted* (Continued)

These new standard and amendments to standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Group does not intend to early adopt these standards before their respective effective dates.

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's financial statements.

HKFRS 16 "Lease"

As indicated in Note 2.1 above, the Group has adopted HKFRS 16 Leases retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated balance sheet on 1 April 2019.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 0.52% to 4.28% per annum.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(d) *尚未採納的新訂準則及詮釋* (續)

該等新訂準則及經修訂準則預期不會對本集團當期或未來報告期間及可見未來交易造成重大影響。

本集團無意於該等準則各自的生效日期前提早採納該等準則。

2.2 會計政策變動

本附註說明採納香港財務報告準則第16號租賃對本集團財務報表的影響。

香港財務報告準則第16號「租賃」

誠如上文附註2.1所顯示，如香港財務報告準則第16號租賃的特定過渡條文所允許，本集團自2019年4月1日起追溯採納該準則，但未有重列2019年報告期間的比較數字。因此，該等新租賃規則導致的重新分類及調整於2019年4月1日的期初合併資產負債表中確認。

於採納香港財務報告準則第16號時，本集團已就先前根據香港會計準則第17號租賃的原則分類為「經營租賃」的租賃確認租賃負債。該等負債乃以剩餘租賃付款的現值計量，使用承租人截至2019年4月1日的增量借款利率貼現。於2019年4月1日對租賃負債所應用的加權平均承租人增量借款年利率為0.52%至4.28%。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

HKFRS 16 "Lease" (Continued)

(i) *Practical expedients applied*

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous;
- accounting for operating leases with a remaining lease term of less than 12 months as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying HKAS 17 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

香港財務報告準則第16號「租賃」 (續)

(i) 所應用的可行權宜方法

於首次應用香港財務報告準則第16號時，本集團使用以下該準則所允許的可行權宜方法：

- 對具有合理相似特徵的租賃組合使用單一貼現率；
- 倚賴先前關於租賃是否屬虧損的評估；
- 對剩餘租期少於12個月的經營租賃入賬為短期租賃；
- 於初次應用日期排除初始直接成本以計量使用權資產；及
- 倘合約包含延長或終止租約的選擇權時，以事後分析結果釐定租期。

本集團亦已選擇不重新評估合約在初次應用日期是否為或包含租賃。相反，對於在過渡日期之前訂立的合約，本集團依據其應用香港會計準則第17號及詮釋第4號釐定安排是否包含租賃所作的評估。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

HKFRS 16 "Lease" (Continued)

(ii) Measurement of lease liabilities

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

香港財務報告準則第16號「租賃」 (續)

(ii) 租賃負債的計量

		2019 2019年 HK\$'000 千港元
Operating lease commitments disclosed as at 31 March 2019	於2019年3月31日披露的經營租賃承擔	13,092
Less: discounted using the lessee's incremental borrowing rate at the date of initial application	減：使用於初次應用日期承租人的增量借款利率貼現	(5,023)
Add: adjustments as a result of a different treatment of extension and termination options	加：因延期及終止選擇權處理方式不同導致的調整	21,476
Less: short-term leases recognised at straight-line basis as expense	減：按直線基準確認為開支的短期租賃	(372)
Lease liabilities recognised as at 1 April 2019	於2019年4月1日確認的租賃負債	29,173
Of which are:	其中包括：	
Current lease liabilities	流動租賃負債	6,451
Non-current lease liabilities	非流動租賃負債	22,722
		29,173

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

HKFRS 16 "Lease" (Continued)

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis if the new rule had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

(iv) Adjustments recognised in the consolidated balance sheet on 1 April 2019

The change in accounting policy affected the following items in the consolidated balance sheet on 1 April 2019:

- Prepayments — decrease by HK\$342,000
- Right-of-use assets — increase by HK\$28,258,000
- Lease liabilities — increase by HK\$29,173,000
- Deferred tax assets — increase by HK\$213,000
- Other payable — decrease by HK\$518,000

The net impact on retained earnings on 1 April 2019 was a decrease of HK\$526,000.

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

香港財務報告準則第16號「租賃」 (續)

(iii) 使用權資產的計量

倘一直應用新規則，物業租賃的相關使用權資產，按追溯基準計量。並無任何虧損的租賃合同需要在初次應用日期對使用權資產進行調整。

(iv) 於2019年4月1日在合併資產負債表內確認的調整

於2019年4月1日，會計政策變動影響以下合併資產負債表內的項目：

- 預付款項 — 減少 342,000港元
- 使用權資產 — 增加 28,258,000港元
- 租賃負債 — 增加 29,173,000港元
- 遞延稅項資產 — 增加 213,000港元
- 其他應付款項 — 減少 518,000港元

於2019年4月1日，保留盈利的淨影響減少526,000港元。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

2 主要會計政策概要(續)

2.3 合併原則及權益會計處理

(a) 附屬公司

附屬公司指本集團有權控制的實體(包括結構性實體)。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。附屬公司在控制權轉移至本集團之日全面合併入賬。附屬公司在控制權終止之日起停止合併入賬。

本集團應用收購法將業務合併入賬。

集團內的交易、集團公司間結餘及未變現交易收益均予以對銷。除非交易提供已轉讓資產減值的證據，否則未變現虧損亦會對銷。附屬公司的會計政策已在需要時作出修改，以確保與本集團所採納的政策貫徹一致。

附屬公司業績及權益的非控股權益分別呈列於合併損益表、合併綜合收益表、合併權益變動表及合併資產負債表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principles of consolidation and equity accounting (Continued)

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (c) below), after initially being recognised at cost.

(c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the consolidated income statement, and the Group's share of movements in other comprehensive income of the investee in consolidated statement of other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.10.

2 主要會計政策概要 (續)

2.3 合併原則及權益會計處理 (續)

(b) 聯營公司

聯營公司為本集團對其有重大影響但不擁有控制權或共同控制權的所有實體。於一般情況下，本集團擁有介乎20%至50%的投票權。於初步按成本確認後，於聯營公司的投資採用權益會計法(見下文(c))入帳。

(c) 權益會計法

根據權益會計法，投資初步按成本確認，其後亦進行調整以於合併損益表確認本集團應佔被投資方收購後溢利或虧損，並於合併其他綜合收益表確認本集團應佔被投資方其他全面收入的變動。已收或應收聯營公司及合營企業的股息確認為投資賬面值扣減。

倘本集團應佔以權益入帳投資的虧損相等於或超過其於該實體的權益(包括任何其他無抵押長期應收款項)，則本集團不會確認進一步虧損，除非已代表另一實體承擔責任或作出付款。

本集團與其聯營公司及合營企業之間交易的未變現收益按本集團於該等實體的權益予以對銷。除非交易提供已轉讓資產減值的證據，否則未變現虧損亦會對銷。以權益入帳之被投資方的會計政策已在需要時作出調整，以確保與本集團所採納會計政策一致。

權益入賬投資的賬面值根據附註2.10所述政策進行減值測試。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principles of consolidation and equity accounting (Continued)

(d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in consolidated income statement. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in the consolidated statement of other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in the consolidated statement of other comprehensive income are reclassified to the consolidated income statement or transferred to another category of the consolidated statement of changes in equity as specified/permitted by applicable HKFRSs.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2 主要會計政策概要 (續)

2.3 合併原則及權益會計處理 (續)

(d) 所有權權益變動

本集團將其與非控股權益進行而不構成喪失控制權的交易視為與本集團權益擁有人間進行的交易。擁有權權益變動會導致控股及非控投權益賬面值調整，以反映各自於附屬公司的權益。非控股權益調整金額與任何已付或已收代價的任何差額，乃於本公司擁有人應佔權益內確認為獨立儲備。

倘本集團不再擁有控制權或重大影響力，導致投資不再合併或按權益會計法入賬，其於該實體之任何保留權益按其公平值重新計量，而賬面值變動則於合併損益表確認。就其後入賬列作聯營公司或金融資產之保留權益，其公平值為初始賬面值。此外，先前於合併其他綜合收益表確認與該實體有關之任何金額，按猶如本集團已直接出售有關資產或負債之方式入賬。此可能意味先前在合併其他綜合收益表確認之金額在適用香港財務報告準則所指明/允許之下重新分類至合併損益表或轉撥至合併權益變動表另一類別。

倘於一間聯營公司的擁有權權益減少但保留重大影響力，則先前於其他綜合收入確認的金額僅有一定比例份額重新分類至損益(如適用)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Separate financial statements

Investments in subsidiaries and associates are accounted for at cost less impairment. Cost includes direct attributable costs of investment. Cost also includes capital contribution relating to Equity Incentive Scheme for investments in subsidiaries. The results of subsidiaries and associates are accounted for by the Company on the basis of dividend received and receivable.

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

2.5 Segment reporting

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

2 主要會計政策概要 (續)

2.4 獨立財務資料

於附屬公司及聯營公司的投資乃按成本扣除減值入賬。成本包括投資的直接應佔成本。成本亦包括於附屬公司投資有關股份獎勵計劃的出資。附屬公司及聯營公司的業績乃由本公司按已收及應收股息的基準入賬。

倘自於附屬公司的投資收取的股息超過宣派股息期間該附屬公司的綜合收入總額，或倘獨立財務報表的投資賬面值超過合併財務報表內被投資方的資產淨值(包括商譽)賬面值，則須對該等投資進行減值測試。

2.5 分部報告

營運分部按照向主要營運決策者(「**主要營運決策者**」)提供的內部報告方式呈報。主要營運決策者(負責資源調配及評估各營運分部的表現)已確認為作出策略決定的本集團執行董事。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation

(a) *Functional and presentation currency*

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

(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 the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings and cash and bank balances are presented in the consolidated income statement within 'other losses, net'.

2 主要會計政策概要 (續)

2.6 外幣換算

(a) *功能及呈列貨幣*

本集團各實體的財務報表所載的項目乃採用該實體營運所在的主要經濟環境的貨幣(「**功能貨幣**」)計量。合併財務報表以本公司的功能貨幣及本集團的呈列貨幣港元呈列。

(b) *交易及結餘*

外幣交易採用交易日或項目重新計量的估值日的通行匯率換算為功能貨幣。因結算該等交易及按年底匯率兌換以外幣計值的貨幣資產及負債而產生的匯兌收益及虧損均於合併損益表內確認。

有關借款與現金及銀行結餘的匯兌收益及虧損呈列於合併損益表內「其他虧損淨額」項下。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement 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
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2 主要會計政策概要 (續)

2.6 外幣換算 (續)

(c) 集團公司

功能貨幣有別於呈列貨幣的所有本集團實體(並無來自嚴重通貨膨脹經濟體的貨幣)的業績及財務狀況均按以下方式換算為呈列貨幣：

- (i) 於各資產負債表呈列的資產及負債乃按該資產負債表日期的收盤匯率換算；
- (ii) 各損益表的收支乃按平均匯率換算(除非該平均匯率並非為有關交易當日的通行匯率累積影響的合理約數，在該情況下，收支按有關交易當日的匯率換算)；及
- (iii) 所有因此而產生的匯兌差額於其他綜合收入確認。

購入外國實體所產生的商譽及公平值調整，乃作為該外國實體的資產及負債處理，並按收盤匯率換算。所產生的匯兌差額於其他綜合收入中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Investment in insurance contracts

The Group invests in certain key management insurance contracts, which contain both investment and insurance elements. The life insurance contracts are initially recognised at the amount of premium paid, and subsequently measured at each balance sheet date at its cash surrender value. Changes to the cash surrender value at each balance sheet date will be recognised in income statement as “other losses, net”. In the event of death of the insured person, the surrender of the policies, or the policies mature, the investment will be derecognised and any resulting gains/losses will be recognised in profit or loss.

2.8 Property, plant and equipment

Property, plant and equipment, other than freehold land, are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

2 主要會計政策概要 (續)

2.7 保險合約投資

本集團投資若干包括投資及保險元素在內的主要管理層保險合約。人壽保險以已付保費金額初始確認，隨後於各結算日以現金退保價值計量。於各結算日的現金退保價值變動將於損益表中確認為「其他虧損淨額」。倘受保人身故、退保或保單到期，投資將會取消確認投資，而當中所導致的任何收益／虧損將會於損益中確認。

2.8 物業、廠房及設備

物業、廠房及設備(永久業權土地除外)是按歷史成本減累積折舊和任何減值虧損列賬。歷史成本包括收購項目直接引致的開支。成本亦可能包括物業、廠房及設備外幣購買的合資格現金流量對沖所產生的任何收益或虧損而自權益轉出的部分。

僅當與項目相關的未來經濟利益很可能會流入本集團，且能夠可靠計量項目的成本時，其後成本方會計入資產的賬面值或確認為一項獨立資產(如適用)。重置部分的賬面值取消確認。所有其他維修及保養於其產生的財政期間在合併損益表中扣除。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment (Continued)

Freehold land is not depreciated. Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	2%–4%
樓宇	2%至4%
Leasehold improvements	Shorter of remaining period of the lease or useful life of 5 years
租賃物業裝修	租賃的餘下期限或5年的可使用年期(以較短者為準)
Furniture, fixtures and office equipment	20%
傢俬、固定裝置及辦公室設備	20%
Motor vehicles	20%
汽車	20%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within "Other losses, net" in the consolidated income statements.

2.9 Intangible assets

(a) Computer software

Computer software purchased from vendors are initially shown at historical cost and subsequently amortised over their estimated useful lives, which does not exceed three years.

(b) Club membership

Club membership is amortised over its useful life of 20 years and is stated at cost less accumulated amortisation and impairment loss.

2 主要會計政策概要 (續)

2.8 物業、廠房及設備 (續)

永久業權土地並無折舊。物業、廠房及設備的折舊乃按其估計可使用年期以直線法分配其成本至其剩餘價值，計算如下：

資產之剩餘價值及可使用年期於各報告期末進行檢討及調整(如適用)。

倘資產賬面值高於其估計可收回金額，則資產的賬面值即時撇減至其可收回金額(附註2.10)。

出售收益及虧損透過比較所得款項及賬面值進行釐定，並於合併損益表的「其他虧損淨額」內確認。

2.9 無形資產

(a) 電腦軟件

購自賣方的電腦軟件初步以歷史成本列示並隨後按其估計可使用年期攤銷，該年期不會超過三年。

(b) 俱樂部會籍

俱樂部會籍按其20年的可使用年期攤銷，並以成本減累計攤銷及減值虧損列賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets (Continued)

(c) License

License to run the lending service is recognised as intangible asset in the consolidated balance sheet. It has indefinite useful life and is tested annually for impairment and carried at its cost less accumulated impairment loss.

2.10 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

2 主要會計政策概要 (續)

2.9 無形資產 (續)

(c) 牌照

經營借貸服務的牌照於合併資產負債表中確認為無形資產。其擁有限定的使用年期及每年進行減值測試及以其成本減累計減值虧損入賬。

2.10 非金融資產減值

使用年期不限定的無形資產無需攤銷，但每年須就減值進行測試，或倘有事件或情況變動顯示其可能出現減值時則會更頻密地作減值測試。其他資產須於任何事件或情況改變顯示賬面值可能無法收回時進行減值測試。減值虧損按資產的賬面值超出其可收回金額的金額確認。可收回金額以資產的公平值扣除出售成本及使用價值兩者之間較高者為準。於評估減值時，資產按獨立可辨認現金流入(大致獨立於其他資產或資產組合的現金流入)(現金產生單位)的最低層次組合。已減值的非金融資產(商譽除外)於各報告日檢討是否可能撥回減值。

須攤銷的資產須於事件或情況變動顯示其賬面值可能無法收回時進行減值檢討。減值虧損按資產賬面值超出其可收回金額的金額確認入賬。可收回金額指資產公平值減出售成本及使用價值的較高者。就評估減值而言，資產按獨立可識別現金流量(現金產生單位)的最低水平組合。已減值的非金融資產(商譽除外)於各報告日檢討是否可能撥回減值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產

(a) 分類

本集團將其金融資產分類為下列計量類別：

- 其後將按公平值(計入其他綜合收入(「其他綜合收入」)或損益)計量的金融資產；及
- 將按攤銷成本計量的金融資產。

分類視乎本集團用以管理金融資產的業務模式及現金流量的合約條款而定。

至於按公平值計量的資產，收益及虧損將記入損益或其他綜合收入。至於非持作買賣的股權工具的投資，將取決於本集團是否已於初步確認時作出不可撤回的選擇，以按公平值計入其他綜合收入將股本投資入賬。

本集團僅會在改變其用以管理該等資產的業務模式時才將債務投資重新分類。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in income statement and presented in other losses, net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(b) 確認及取消確認

常規金融資產買賣於交易日 (即本集團承諾購買或出售該資產當日) 確認。金融資產於自金融資產收取現金流量的權利屆滿或轉讓且本集團已實質上轉移所有權的一切風險及回報時取消確認。

(c) 計量

於初步確認時，本集團按金融資產的公平值加與收購金融資產直接產生的交易成本 (倘金融資產並非按公平值計入損益) 計量金融資產。按公平值計入損益的金融資產交易成本於損益支銷。

債務工具

債務工具的其後計量視乎本集團用以管理資產的業務模式及資產的現金流量特徵而定。倘持有資產目的為收取合約現金流量，而該等資產的現金流量僅為支付本金及利息，則該等資產按攤銷成本計量。來自該等金融資產的利息收入採用實際利率法計入財務收入。終止確認時產生的任何收益或虧損與匯兌收益及虧損一併於損益表中直接確認及於其他虧損淨額呈列。減值虧損在合併損益表內以單獨分拆項目呈列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets

(Continued)

(d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3.2 for further details.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.13 Inventories

Inventories represented artworks that opportunistically purchased by the Group and are stated at the lower of cost and net realisable value. Costs of purchase of these artworks are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(d) 減值

本集團按前瞻基準評估與其按攤銷成本列賬的債務工具相關的預期信貸虧損。所應用的減值方法視乎信貸風險是否大增而定。

本集團對貿易應收款項應用香港財務報告準則第9號允許的簡化方法，其規定預期全期虧損自應收款項初始確認起確認，更多詳情見附註3.2。

2.12 抵銷金融工具

當有法定可執行權利可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表報告其淨額。法定可執行權利不得以未來事件而定，而須可於正常業務過程中以及一旦公司或對手方違約、無償債能力或破產時強制執行。

2.13 存貨

存貨指本集團趁機購買的藝術品，並按成本值與可變現淨值較低者列賬。購買該等藝術品的成本乃扣除回扣及折扣後釐定。可變現淨值為日常業務過程中的估計售價減去進行出售所需的估計成本。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Trade and other receivables

Trade receivables represent commission receivables and related services fees receivables that are due from buyers and sellers as a result of the auctions conducted by the Group. Trade receivables also included those arising from direct artwork sales conducted by the Group. The Group grants credit period of 7 days for commission receivables and 30 days for receivables from artwork sales. Receivables are generally due for settlement within credit periods granted by the Group and are all classified as current.

Upon completing the auction, the Group is obliged to collect from the buyers the hammer price amounts for artworks sold. Such receivables are classified as “receivables from buyers in respect of auction and related business” and due for settlement within 7 days of recognition according to the terms of the contracts with the buyers.

Other receivables that are realised as part of the Group’s normal operating cycle are classified as current assets even when they are not expected to be realised within 12 months after the reporting period. The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in the form of cash or cash equivalents.

Trade and other receivables are recognised initially at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 3.2 for a description of the Group’s impairment policies.

2 主要會計政策概要 (續)

2.14 貿易及其他應收款項

貿易應收款項指因本集團舉行的拍賣而應收買家及賣家的應收佣金及應收相關服務費用。貿易應收款項亦包括來自本集團舉行的直接藝術品銷售產生的款項。本集團就應收佣金而授出7天的信貸期，並就應收藝術品銷售款項而授出30天的信貸期。應收款項一般須於本集團授出的信貸期內結付，並全部分類為流動。

於拍賣完成時，本集團須向買家收取售出藝術品的落槌價。該等應收款項分類為「應收買家拍賣及相關業務款項」，並須根據與買家訂立的合約條款於確認後7天內結付。

變現為本集團正常營運週期的一部分的其他應收款項分類為流動資產，即使該等應收款項預期不會於報告期間後12個月內變現。一個實體的營運週期為收購資產作加工與其變現為現金或現金等價物之間的時間。

貿易及其他應收款項最初按公平值確認。本集團持有貿易應收款項的目標是收集合約現金流量，因此其後使用實際利率法按攤銷成本計量。有關本集團減值政策的說明，請參閱附註3.2。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Cash and bank balances

For the purpose of presentation in the statement of cash flows, cash and bank balances includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade and other payables

Trade payables represent obligations to pay for services from suppliers in the ordinary course of business and amounts due to sellers of artworks purchased by the Group for trading purpose.

Upon completing the auction, the Group is required to remit the hammer price amounts for artworks sold to sellers upon receiving the corresponding amounts from the buyer and such payables are classified as "payables to sellers in respect of auction and related business". These unpaid balances as at period end are unsecured and are usually paid within 35 days upon receiving the hammer price amount. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 主要會計政策概要 (續)

2.15 現金及銀行結餘

就編製現金流量表而言，現金及銀行結餘包括手頭現金、金融機構活期存款、其他短期高流動性投資（原定到期日為三個月或以下，隨時可轉換為已知金額的現金及價值變動風險不大者）。

2.16 股本

普通股會被分類為權益。

發行新股或購股權直接應佔的增量成本會在權益中呈列為所得款項的減少（扣除稅項）。

2.17 貿易及其他應付款項

貿易應付款項指就供應商於日常業務過程中所提供服務付款的責任及本集團就買賣用途購買藝術品而應付賣家的款項。

於拍賣完成時，本集團在向買家收取相關款項後，須把已成交藝術品的落槌價支付予賣家，而該等應付款項分類為「應付賣家拍賣及相關業務款項」。於期末的該等未付結餘為無抵押，一般須於收取落槌價款項後35天內支付。除非款項並非於報告期後12個月內到期，否則貿易及其他應付款項乃呈列為流動負債。其初步按公平值確認及隨後使用實際利率法按攤銷成本計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fees are deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fees are capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 主要會計政策概要 (續)

2.18 借款

借款初步按公平值扣除所產生的交易成本確認。借款其後按攤銷成本計量。所得款項(扣除交易成本)與贖回金額之間的任何差額以實際利率法於借款期間於損益中確認。

在融資很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無證據顯示該融資很有可能部分或全部提取的情況下，該費用將資本化為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團具有無條件權利將負債的結算遞延至報告期末後最少12個月，否則借款歸類為流動負債。

2.19 借款成本

直接歸屬於收購、興建或生產合資格資產(即為需要頗長時間方可用作擬定用途或出售的資產)的一般及特定借款成本乃計入該等資產的成本，直至資產大體上可用作擬定用途或出售為止。

所有其他借款成本在產生期內的損益中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, and the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 主要會計政策概要 (續)

2.20 當期及遞延所得稅

期內所得稅開支或抵免指根據各司法權區的適用所得稅率按當期應課稅收入應付的稅項，而有關所得稅率經暫時差額及未動用稅項虧損所致的遞延稅項資產及負債變動調整。

(a) 當期所得稅

當期所得稅開支按結算日本公司附屬公司經營並產生應課稅收入所在的國家已頒佈或實質頒佈的稅法計算。管理層定期評估報稅表中對於有關須詮釋的適用稅務規例的立場。管理層亦根據預期須向稅務機關支付的金額計提適當的撥備。

(b) 遞延所得稅

遞延所得稅以負債法按資產及負債的稅基與其於財務報表內的賬面值的暫時差額確認。然而，倘遞延稅項負債源自商譽的初步確認，則不會確認遞延稅項負債，倘遞延所得稅源自首次確認業務合併以外交易中的資產或負債，而交易時並不影響會計或應課稅損益，則遞延所得稅不會入賬。遞延所得稅採用結算日前已頒佈或實質頒佈的稅率（及稅法）釐定，預期該等稅率（及稅法）在有關遞延所得稅資產變現或遞延所得稅負債獲清償時適用。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(c) Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 主要會計政策概要 (續)

2.20 當期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

遞延稅項資產僅在可能有未來應課稅金額以動用該等暫時差額及虧損時予以確認。

對於外國業務投資的賬面值與稅基之間的暫時差額，倘本公司可以控制暫時差額的撥回時間，以及暫時差額在可見將來很可能不會撥回，則不會確認遞延稅項負債及資產。

(c) 抵銷

當有法定可執行權利將當期稅項資產與負債抵銷，而遞延稅項結餘與同一稅務機構相關時，則可將遞延稅項資產與負債抵銷。當實體有法定可執行權利抵銷且有意按淨額基準結算或同時變現資產及清償負債時，則當期稅項資產與稅項負債抵銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2 主要會計政策概要 (續)

2.21 撥備及或然負債

當本集團因過往事件須承擔現有的法律或推定責任，而履行有關責任可能需要資源流出，並可對有關金額作可靠估計，則確認撥備。並無就未來經營虧損確認撥備。

倘存在多項相若責任，結付時是否可能需要資源流出，須考慮整體責任的類別而定。即使同一類別的任何一項責任導致資源流出可能性極低，亦須確認撥備。

撥備採用稅前比率按照預期需履行有關責任的開支現值計量，該比率反映當時市場對金錢時間值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息開支。

或然負債乃因過往事件可能產生的責任，而其存在與否僅能透過發生或未有發生一宗或以上本集團不能完全控制的不明朗未來事件確定。或然負債亦可能是因不大可能須流出經濟資源或未能可靠計量有關責任金額而不予確認的過往事件所產生的現時責任。

或然負債不予確認，但已在合併財務報表附註中披露。當流出資源的可能性有變，致使可能流出資源，則或然負債將被確認為撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Revenue recognition

(a) Commission revenue

The Group earns commission revenue from both buyer and seller through the auction sales in which the Group mainly acts as the role of auctioneer as well as promoting the sales through professional marketing techniques provided. The commission revenue is calculated as a percentage of the hammer price of the artwork sold at the auction in accordance with the contracts between the Group and the buyer and the seller. The Group also recorded revenue generated from private sales arranged by the Group on behalf of the consignors. The Group may act as an agent by matching the needs of consignors to those of buyers by private sales. In return, the Group collect commissions which are determined through negotiation with both buyers and sellers, usually representing the difference between the purchase price paid by the buyers and the selling price as pre-agreed by the sellers and the Group.

The Group's entitlement to commission income includes an element of consideration that is variable or contingent on the outcome of future events. Actual commission income to be received is dependent upon, among others, the completion of transaction between buyers and sellers; and price concession based on customary industry practice.

2 主要會計政策概要 (續)

2.22 收入確認

(a) 佣金收入

本集團透過拍賣銷售向買家及賣家賺取佣金收入，而本集團在拍賣銷售當中主要擔當拍賣官的角色，以及透過所提供的專業營銷技術推廣銷售。佣金收入乃按照本集團與買家及賣家所訂立的合約，於拍賣售出藝術品的落槌價的百分比而計算得出。本集團亦錄得來自本集團代表委託人安排的私洽產生的收入。本集團在私洽中擔任代理人，配對委託人與買家的需求。本集團從中收取佣金作為回報，佣金按買家與賣家磋商而定，一般是買家支付的購買價與賣家與本集團事先協定的售價之間的差額。

本集團收取佣金收入的權利包括代價的元素，其根據未來事件結果而有所變動或取決於該等事件。將收取的實際佣金收入視乎(其中包括)買賣雙方之間完成交易及根據常見的行業慣例的價格優惠。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Revenue recognition (Continued)

(a) Commission revenue (Continued)

The Group recognised revenue upon completion of the auction sale as evidenced by the fall of auctioneer's hammer. For private sales, commission revenue is recognised upon conclusion of contract with relevant buyer and seller. The Group is required to estimate the amount of consideration to which it will be entitled from the provision of auction services and private sales. The estimated amount of variable consideration will be included in the transaction price only to the extent that it is highly probable taking into consideration of the risk of fallen through and price concession based on customary industry practice, that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(b) Revenue from other services relating to auctions

In relation to the auctions organised, the Group also earns other services income from catalogue preparation, or insurance charged to the sellers for artworks in preparation for and placed in the auctions, and they are recognized as revenue when the related services are rendered.

(c) Revenue from artwork sales

Revenue from sale of artworks is recognized upon transferring control of goods to customers, which generally coincides with the time when the goods are delivered to customers and title has passed.

2.23 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.24 Agency income

Agency income are recognised at the fee agreed in the contract with the customers when the related services are rendered.

2 主要會計政策概要 (續)

2.22 收入確認 (續)

(a) 佣金收入 (續)

本集團以拍賣官落槌所證明的拍賣銷售完成後確認收入。就私洽而言，佣金收入於相關買家及賣家訂立合約後確認。本集團須估計其提供拍賣服務及私洽將有權收取的代價金額。估計之可變代價只會在已考慮拍賣落空的風險及常見的行業慣例中的減價風險後，及當與可變代價相關之不穩定因素其後獲得解決，已確認累積收入之金額極可能不會出現重大回撥下，方會包括在交易價格中。

(b) 與拍賣相關其他服務的收入

就所舉辦的拍賣會而言，本集團亦自編製圖錄或為籌備拍賣及就置於拍賣會的藝術品而向賣家收取的保費中賺取其他服務收入，並於提供相關服務時確認為收入。

(c) 藝術品銷售收入

藝術品銷售收入於商品的控制權轉移予客戶（一般與貨品向客戶交付及所有權轉交的時間相符）時確認。

2.23 利息收入

利息收入以實際利率法按時間比例確認。

2.24 代理收入

代理收入於相關服務提供時，按與客戶達成的合同協定的費用確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(b) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Employees of the Group are covered by various government-sponsored defined contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no obligation for post-retirement benefits beyond the contributions made.

The contributions are recognised as employee benefit expense when they are due.

2 主要會計政策概要(續)

2.25 僱員福利

(a) 短期責任

僱員直至報告期末的服務獲確認工資及薪金負債(包括預期在僱員提供相關服務期間結束後12個月內悉數結算的非貨幣福利及累計病假)，並按結算有關負債預期支付的金額計量。負債於合併資產負債表內呈列為當期僱員福利責任。

(b) 退休金責任

定額供款計劃為本集團須向獨立實體支付固定供款的退休金計劃。倘基金資產於本期間或過往期間並不足以向所有僱員支付與僱員服務有關的福利，則本集團概無任何法律或推定責任支付額外供款。本集團員工參與多個獲政府資助的定額供款退休金計劃，據此，員工有權享有每月按若干公式計算的退休金。相關政府機構有責任向此等退休員工支付退休金。本集團每月向此等退休金計劃供款。根據此等計劃，除所作供款外，本集團並無其他退休後福利責任。

供款於到期時確認為僱員福利開支。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Employee benefits (Continued)

(c) Employee leave entitlement

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 balance sheet date.

(d) Share-based compensation

The Group operates share option scheme under which the Group receives services from employees as consideration for equity instruments of the Company.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options as at the date of grant: (i) including any market performance conditions; (ii) excluding the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets); and (iii) including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

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.

2 主要會計政策概要 (續)

2.25 僱員福利 (續)

(c) 僱員應享假期

僱員應享年假於有關假期應計予僱員時確認。本集團為僱員直至結算日止就已提供服務所產生年假的估計負債作出撥備。

(d) 以股份為基礎的酬金

本集團實行購股權計劃，據此，本集團獲取僱員提供的服務作為本公司股本工具的代價。

僱員為獲取購股權而提供的服務的公平值確認為開支。該等予以支銷的總金額參考於授出日期的購股權的公平值釐定：(i)包括任何市場表現條件；(ii)不包括任何服務及非市場表現歸屬條件的影響(例如：盈利能力及銷售增長目標)；及(iii)包括任何非歸屬條件的影響(例如規定僱員保存或於指定時段持有股份)。非營銷歸屬條件計入有關預期將歸屬的購股權數目的假設中。總開支於歸屬期間(所有特定歸屬條件將獲達成的期間)確認。於各報告期末，本集團會根據非營銷歸屬條件修改其估計預期將歸屬的購股權數目，並於合併損益表內確認修改原來估計數字(如有)的影響，以及須對權益作出的相應調整。

倘購股權獲行使，本公司將發行新股。任何扣除直接應佔交易成本的已收所得款項入賬計入股本。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Leases

As explained in Note 2.1(c), the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in Note 2.2.

Until 31 March 2019, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases (Note 32). Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments).

Lease payment to be made under reasonably certain options are also included in the measurement of lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 主要會計政策概要(續)

2.26 租賃

誠如附註2.1(c)所闡述，本集團更改其(作為承租人)租賃的會計政策。新政策載於下文及政策變動的影響載於附註2.2。

直至2019年3月31日，凡擁有權的大部分風險及回報不會轉移至本集團(作為承租人)的租賃，均分類為經營租賃(附註32)。根據經營租賃作出的付款按租期以直線法自損益表扣除。

自2019年4月1日，租賃按租賃資產可供本集團使用的日期確認為使用權資產及相應負債。

租賃產生的資產及負債按現值基準初始計量。租賃負債包括固定付款額的淨現值(包括實質固定付款額)。

租賃付款將根據合理確定選擇權作出，亦計入租賃負債的計量。

租賃付款額按照租賃內含利率折現。如果無法確定該利率(為本集團租賃的一般狀況)，則應採用承租人的增量借款利率，即個別承租人在相似經濟環境下，以相似條款、抵押和條件借入資金，以獲取價值相若資產而必須支付的利率。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Leases (Continued)

To determine the incremental borrowing rate, the Group:

- (i) where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- (ii) uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing; and
- (iii) makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonable certain to exercise a purchase option, the right-of-use assets is depreciated over the underlying asset's useful life. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2 主要會計政策概要 (續)

2.26 租賃 (續)

為釐定增量借款利率，本集團：

- (i) 在可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整，以反映自獲得第三方融資以來融資條件的變動；
- (ii) 使用累加法，首先就本集團所持有租賃的信貸風險（最近並無第三方融資）調整無風險利率；及
- (iii) 進行租約特定的調整，例如期限、國家、貨幣及抵押。

租賃付款均在本金和融資成本之間分配。融資成本在租賃期內從損益中扣除，以使每個期間的餘額產生固定的定期利率。

使用權資產按照成本計量，其中成本包括以下項目：

- 租賃負債初始計量金額；
- 在租賃期開始日或之前支付的任何租賃付款額，扣除收到的任何租賃激勵；及
- 修復費用。

使用權資產一般在資產可使用年期和租期中較短的期限內按直線法折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年期內予以折舊。與短期租賃以及所有低價值資產租賃相關的付款按直線法於損益確認為開支。短期租賃指租賃期為12個月或以下的租賃。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Dividend distribution

Dividend distribution to the Company's Shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.28 Financial guarantees

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

2 主要會計政策概要(續)

2.27 股息分派

向本公司股東作出的股息分派於本集團期內合併財務報表確認為負債，當中股息獲本公司股東或董事（倘適用）批准。

2.28 財務擔保

財務擔保乃要求發行人（即擔保人）就擔保受益人（「**持有人**」）因特定債務人未能根據債項工具的條款於到期時還款而蒙受的損失，而向持有人支付特定款項以作賠償的合約。

所發出的財務擔保初始按公平值確認，乃參照類似服務在公平磋商交易的過程中所收取的費用（如可獲得該等資料）而釐定，或參照息差釐定，方法是以放款人在接受擔保的情況下實際收取的利率與不接受擔保的情況下放款人將會收取的估計利率作比較（如該等資料能可靠地估計）。倘在發出擔保收取或可收取代價，代價則根據適用於該類資產的本集團政策而予確認。倘並無收取或應收代價，則於損益確認即時開支。

初始確認後，初始確認為遞延收入的款項於擔保期內作為所發出財務擔保的收入於損益內攤銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 Related party transactions

A related party transaction is a transfer of resources, services or obligations between the Group and a related party of the Group, regardless of whether a price is charged.

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party.

2 主要會計政策概要 (續)

2.29 關聯方交易

關聯方交易指本集團與本集團關聯方之間的資源、服務或責任轉移，不論是否扣除對價。

- (a) 倘屬以下人士，即該人士或該人士的近親與本集團有關連：
- (i) 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的主要管理層成員。
- (b) 倘符合任何下列條件，即實體與本集團有關連：
- (i) 該實體及本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司互相關連)。
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司的聯營公司或合營企業)。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 Related party transactions (Continued)

(b) (Continued)

- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) a person, or a close member of that person's family, who has control or joint control over the Group, has significant influence over the Group or is a member of the key management personnel of the Group (or of a parent of the Group).
- (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.

2 主要會計政策概要(續)

2.29 關聯方交易(續)

(b) (續)

- (v) 該實體為本集團或與本集團有關連的實體就僱員利益設立的離職後福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關連。
- (vi) 該實體受上文(a)項所識別人士控制或受共同控制。
- (vii) 對本集團有控制權或共同控制權、對本集團有重大影響力或為本集團(或本集團母公司)的主要管理層人員的人士或該人士的近親。
- (viii) 該實體或集團內任何成員公司為本集團或本集團母公司提供主要管理人員服務。

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

3.1 Market risk

(a) Foreign exchange risk

The Company mainly operates in Hong Kong and Japan with transactions mainly settled in HK\$ and Japanese Yen ("JPY"). Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group entity's functional currency.

As the assets and liabilities of each company within the Group are mainly denominated in the respective company's functional currency, the directors are of the opinion that the Group's volatility of its profits against reasonably possible changes in exchange rates of foreign currencies would not be significant.

As at 31 March 2020, the Group was exposed to foreign exchange risk primarily with respect to the potential effects on profit or loss which included the impacts from translation in other receivables which are not denominated in functional currency of respective group companies.

3 財務風險管理

本集團的活動令其面對各類財務風險：市場風險（包括外匯風險及現金流量利率風險）、信貸風險及流動資金風險。本集團的整體風險管理政策主要針對金融市場不可預測的特性，並務求將對本集團財務表現構成的潛在不利影響降至最低。

3.1 市場風險

(a) 外匯風險

本公司主要在香港及日本營運，交易主要以港元及日圓（「日圓」）結付。當未來商業交易或已確認資產或負債以本集團實體的功能貨幣以外的貨幣計值時，將產生外匯風險。

由於本集團各公司的資產及負債均主要以其功能貨幣計值，董事認為外幣匯率的合理可能變動對本集團之溢利不穩定性並無嚴重的影響。

於2020年3月31日，本集團承受的外匯風險主要與損益有關的潛在影響，其包括集團公司各自並非以功能貨幣計值的其他應收款項的折算影響。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Market risk (Continued)

(a) Foreign exchange risk (Continued)

The following table shows that, if JPY had strengthen/weakened by 5% against HK\$, with all other variables held constant, post-tax profit for the year change, mainly as a result of foreign exchange gains/losses on translation of JPY denominated other receivables in group entities which their functional currencies are HK\$.

Post-tax profit increase/ (decrease)	除稅後溢利增加/ (減少)	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
JPY/HK\$ exchange rate — increase 5%	日圓/港元匯率 — 上升5%	251	19
JPY/HK\$ exchange rate — decrease 5%	日圓/港元匯率 — 下跌5%	(251)	(19)

(b) Cash flow interest rate risk

The Group's interest rate risk arises from bank borrowings. The Group's bank borrowings which are carried at floating rates expose the Group to cash flow interest rate risk. The Group has not entered into any interest rate swaps to hedge its exposure to interest rate risk.

As at 31 March 2020, if the interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, the profit before tax for the year would have been approximately HK\$388,000 lower/higher (2019: HK\$351,000 lower/higher), mainly as a result of higher/lower interest expense on floating-rate borrowings.

3 財務風險管理(續)

3.1 市場風險(續)

(a) 外匯風險(續)

下表顯示，倘若日圓兌港元升值/貶值5%而所有其他可變因素維持不變，年內除稅後溢利變動，主因為集團實體的功能貨幣為港元，而於換算彼等以日圓計值的其他應收款項時出現外匯收益/虧損。

(b) 現金流量利率風險

本集團的利率風險來自銀行借款。本集團以浮動利率計息的銀行借款令本集團面對現金流量利率風險。本集團並無訂立任何利率掉期以對沖所承受的利率風險。

於2020年3月31日，假設所有其他變數維持不變，倘借款利率上升/下跌100個基點，年度除稅前溢利將減少/增加約388,000港元(2019年：減少/增加351,000港元)，主要由於浮動利率借款的利息開支增加/減少。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk

The carrying amounts of cash and cash equivalents, bank deposits, trade and other receivables and deposits and prepayments included in the consolidated financial statements represent the Group's maximum exposure to credit risk in relation to its financial assets. The Company had given guarantees to financial institutions in connection with the banking facilities granted to its subsidiary as set out in Note 31, which would expose the Group or the Company to credit risk. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem.

(a) Risk management

Cash and cash equivalents and bank deposits were deposited in the major financial institutions in Hong Kong, Japan, Taiwan and the PRC, which the directors believe are of high credit quality.

The Group established policies to ensure that revenue from art auction and related business and artwork sales, consignor advance and prepayment to sellers for auctioned artwork are made to customers with an appropriate credit history and the Group assesses the credit worthiness and financial strength of its customers as well as considering prior transaction history with the customers and volume of sales. Refer to Note 22 for ageing analysis of trade receivables. Management makes periodic collective assessment as well as individual assessment on the recoverability of trade and other receivables based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any disputes with the debtors. If the other receivables from buyers in respect of auction and related business has not been received, the Group is not obligated to pay the corresponding other payables to sellers in respect of auction and related business. If the buyer defaults on payment, the sale may be cancelled, and the auction lots will be returned to the seller. Both of the other receivables and other payables in respect of auction and related business in relation to such cancelled sales shall be derecognised simultaneously. As such, management believes the credit risk relating to other receivables in respect of auction and related business is not significant.

3 財務風險管理(續)

3.2 信貸風險

合併財務報表內的現金及現金等價物、銀行存款、貿易及其他應收款項以及按金及預付款項之賬面值，代表本集團就其金融資產承受的最高信貸風險。本公司已就其附屬公司獲授銀行融資向金融機構作出擔保(載於附註31)，因而令本集團或本公司面臨信貸風險。本集團管理信貸風險措施的目的為控制可收回性問題的潛在風險。

(a) 風險管理

現金及現金等價物及銀行存款存放於董事認為擁有高信貸質素的香港、日本、台灣及中國的大型金融機構。

本集團訂有政策以確保來自藝術品拍賣及相關業務以及藝術品銷售的收入、委託人預付款項及就已拍賣藝術品向賣家預付的款項乃向信貸記錄恰當的客戶作出，而本集團評估客戶的信譽度及財務實力，並考慮客戶的交易往績及銷售量。有關貿易應收款項的賬齡分析，請參閱附註22。管理層根據債務人的過往付款記錄、逾期期間長短、財務實力以及與債務人可能存在的任何爭議，對貿易及其他應收款項的可收回性定期進行集體評估及個別評估。倘其他應收買家拍賣及相關業務款項尚未收取，本集團毋須就拍賣及相關業務向賣家支付相關其他應付款項。倘買家未能支付，銷售可能會取消，而拍賣品將退回予賣家。就該等已取消銷售而言，其他應收及應付拍賣及相關業務款項須同時取消確認。因此，管理層相信與其他應收拍賣及相關業務款項有關的信貸風險並不重大。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

(a) Risk management (Continued)

For consignor advance, the Group provides certain collectors and art dealers with advances with artwork held under the Group's custody. If the consigned artwork is sold in auction, the proceeds received from the buyer, after deducting commission, consignor advances, interest and relevant taxes, will be paid to the consignor. If the under custody artwork remains unsold, the consignor will be required to repay the advance together with interest, where applicable, before the artwork under custody is returned to the consignor. As such, management believes the credit risk relating to consignor advance is not significant.

Prepayments to sellers for auctioned artwork represent the amounts advanced to sellers of artwork before receiving full payments from relevant buyers. Amounts may be advanced to sellers prior to receiving full payment of the auction purchase prices from the relevant buyers using the related auctioned artwork as collateral. Prior to receiving full payment of the auction purchase prices from the relevant buyers, the Group reserves the right to request repayment from sellers for the prepayments advanced to them, or request the sellers to replace another artwork with estimated value no less than the prepayments to the Group. As such, management believes the credit risk relating to prepayments to sellers is not significant.

3 財務風險管理(續)

3.2 信貸風險(續)

(a) 風險管理(續)

就委託人預付款項而言，本集團就本集團託管持有的藝術品向若干藏家及藝術代理人提供預付款項。如果受委託之藝術品於拍賣中售出，從買家所得之所得款項(經扣除佣金、委託人預付款項、利息及相關稅項)將會支付予委託人。如果所託管之藝術品仍未售出，委託人在所託管藝術品交回委託人前，將須償還預付款項(連同利息，如有)。因此，管理層相信有關委託人預付款項的信貸風險並不重大。

就已拍賣藝術品向賣家預付的款項指未向相關買家收取全數款項前，就藝術品預付予賣家之金額。在相關買家全數支付拍賣購買價前，可使用相關已拍賣藝術品作為抵押品，向賣家預付款項。收到相關買家悉數支付拍賣購買價的款項前，本集團保留要求賣家償還已預付於彼等的預付款項，或要求賣家取代另一項藝術品作為抵押品，其估計價值不少於向本集團的預付款項。因此，管理層相信有關向賣家預付的款項的信貸風險並不重大。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

(a) Risk management (Continued)

For financial guarantee, the Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than its carrying amount (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

3 財務風險管理(續)

3.2 信貸風險(續)

(a) 風險管理(續)

就財務擔保而言，本集團監察特定債務人違約之風險，並於財務擔保之預期信貸虧損釐定為高於其賬面值時(即初始確認數額減去累計攤銷)確認撥備。

為釐定預期信貸虧損，本集團將考慮自發行擔保以來特定債務人違約風險之變動。本集團將計量十二個月之預期信貸虧損，除非自發行擔保以來特定債務人違約之風險大幅增加，則在這種情況下，將計量全期預期信貸虧損。由於本集團僅在特定債務人違約之情況下根據所擔保工具之條款進行付款，因此，根據預期付款以償還持有人之信貸損失，再減去本集團預期從擔保持有人、特定債務人或任何其他方獲得之任何數額，藉以估計預期信貸虧損。相關數額乃使用就現金流量特定風險已作出調整之當前無風險利率貼現計算。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

(b) Impairment of financial assets

The Group's trade receivables and other financial assets carried at amortised cost are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 March 2020 or 1 April 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

3 財務風險管理(續)

3.2 信貸風險(續)

(b) 金融資產減值

本集團的貿易應收款項及其他按攤銷成本列賬的金融資產須應用預期信貸虧損模式。雖然現金及現金等價物亦須遵守香港財務報告準則第9號的減值規定，惟已識別減值虧損並不重大。

貿易應收款項

本集團應用香港財務報告準則第9號簡化法計量預期信貸虧損，該方法就所有貿易應收款項使用全期預期虧損撥備。

為計量預期信貸虧損，貿易應收款項根據共同信貸風險特徵及逾期日數分類。

預期虧損率乃分別根據於2020年3月31日或2019年4月1日前24個月期間之銷售付款情況及於該期間經歷之相應過往信貸虧損計算。過往虧損率乃經調整以反映影響客戶結清應收款項能力的宏觀經濟因素之現時及前瞻性資料。本集團已將其銷售貨品及服務所在國家的國內生產總值識別為最相關因素，因此根據該等因素的預期變化調整過往虧損率。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Trade receivables (Continued)

On that basis, the loss allowance was determined for the years ended 31 March 2020 and 2019 as follows for trade receivables:

		Past due within 30 days 於30日 內逾期	Past due 1 to 3 months 於1至 3個月逾期	Past due 3 to 6 months 於3至 6個月逾期	Past due 6 to 12 months 於6至 12個月逾期	Past due 12 to 18 months 於12至 18個月逾期	Past due over 18 months 超過 18個月逾期	Total 總計	
As at 31 March 2020	於2020年3月31日								
Expected loss rate	預期虧損率	0.0%	0.1%	0.4%	1.2%	9.9%	2.5%	14.5%	
Gross carrying amount — Trade receivables (HK\$'000)	賬面總值 — 貿易應收款項(千港元)	3,245	—	—	6,052	5,428	4,932	582	20,239
Loss allowance (HK\$'000)	虧損撥備(千港元)	—	—	—	(72)	(536)	(126)	(84)	(818)
As at 31 March 2019	於2019年3月31日								
Expected loss rate	預期虧損率	0.0%	0.5%	0.7%	0.0%	1.0%	46.2%	46.2%	
Gross carrying amount — Trade receivables (HK\$'000)	賬面總值 — 貿易應收款項(千港元)	14,000	22,328	—	6,919	4,301	26	—	47,574
Loss allowance (HK\$'000)	虧損撥備(千港元)	—	(108)	—	—	(420)	(12)	—	(540)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 360 days past due.

Impairment losses on trade receivables are presented as net impairment losses within the consolidated income statement. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 財務風險管理(續)

3.2 信貸風險(續)

(b) 金融資產減值(續)

貿易應收款項(續)

故此，貿易應收款項於截至2020年及2019年3月31日止年度的虧損撥備釐定如下：

當合理預期無法收回時撇銷貿易應收款項。合理預期無法收回的指標(其中)包括債務人未能與本集團訂立還款計劃，以及逾期超過360日未能作出合約付款。

貿易應收款項減值虧損於合併收益表中呈列作減值虧損淨額。其後收回先前撇銷的款項於同一欄目入賬。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Other financial assets

Other financial assets carried at amortised cost, including consignor advance and prepayment to sellers for auctioned artwork, are considered to be of low risk after considering the credit history and worthiness of the consignors and sellers as well as the market value of the relevant artwork held by the Group, and therefore the impairment provision is determined as 12 months expected credit losses. Management assessed and evaluated the market value of the artwork under its custody based on the valuation assessments performed by the internal artwork appraisal team and by referencing to the recent market prices of similar artwork. As of 31 March 2020, no provision was made in relation to these consignor advances and prepayments to sellers (2019: Nil).

The loss allowance provided for other financial assets for the year ended 31 March 2020 amounted to HK\$511,000 (2019: nil).

3.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances and the availability of funding through committed credit facilities and takes into account all available information on future business environment including among others, the economic impact of the unprecedented COVID-19 on the economies of the countries in which the Group and its customers and suppliers operate. The Group manages its liquidity risk by closely monitoring the turnover days of receivables, monitoring its working capital requirements and keeping credit lines available.

3 財務風險管理(續)

3.2 信貸風險(續)

(b) 金融資產減值(續)

其他金融資產

經考慮委託人及賣家的信貸紀錄及信譽度以及本集團持有的相關藝術品的市值後，按攤銷成本列賬的其他金融資產(包括委託人預付款項及就已拍賣藝術品向賣家預付的款項)視為低風險，因此，減值撥備釐定為12個月預期信貸虧損。管理層根據內部藝術品鑒定團隊作出的估值評估及參考類近藝術品的近期市場價格，對其託管的藝術品的市場價值進行評估及估價。截至2020年3月31日，有關該等委託人預付款項及向賣家預付的款項並無作出撥備(2019年：無)。

截至2020年3月31日止年度，就其他金融資產作出的虧損撥備為511,000港元(2019年：零)。

3.3 流動資金風險

審慎的流動資金風險管理包括通過作出已承諾信貸融資及考慮所有未來營商環境的現有資料(其中包括無先例可援的COVID-19對本集團及其客戶及供應商經營所在的國家的經濟造成的經濟影響)，維持充足的現金結餘及可供動用資金。本集團通過密切監察應收款項的周轉日、監控其營運資金需求及保持可供動用的信貸額度管理其流動資金風險。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet its operational needs and the Group expects to fund the future cash flow needs through internally generated cash flows from operations and borrowings from financial institutions. The current liabilities of the Group will be settled in the coming twelve months in accordance with their payment terms. Amongst the others, the majority of the current liabilities were payables to sellers in respect of auction and related business, amounting to HK\$145,484,000. Regarding other payables to sellers in respect of auction and related business, the Group is not obligated to pay the seller until the other receivables from buyers in respect of auction and related business are collected. If the buyer defaults on payment, the sale may be cancelled, and the auction lots will be returned to the seller, and both of the other receivables and payables in respect of auction and related business in relation to such cancelled sales shall be derecognised simultaneously.

The Directors of the Company have reviewed the Group's cash flows projections, which cover a period of twelve months from 1 April 2020. The directors are of the opinion that, taking into account the anticipated cash flows generated from the Group's operations, the possible changes in its operating performance, the Group will have sufficient working capital to fulfill its financial obligations as and when they fall due in the coming twelve months from 31 March 2020.

3 財務風險管理(續)

3.3 流動資金風險(續)

本集團對流動資金需求的滾動預測進行監控，確保有足夠現金滿足經營需求及本集團預計以內部產生的經營所得現金流量及金融機構借款為未來現金流量需求提供資金。根據付款條款，本集團的流動負債將於未來十二個月結付。當中包括大部分流動負債為就拍賣及相關業務應付予賣方的款項，金額為145,484,000港元。就其他應付賣家拍賣及相關業務款項而言，本集團毋須向賣家付款，直至收取其他應收買家拍賣及相關業務款項為止。倘買家未能支付，銷售可能會取消，而拍賣品將退回予賣家。就該等已取消銷售而言，其他應收及應付拍賣及相關業務款項須同時取消確認。

本公司董事已審閱本集團的現金流量預測，涵蓋自2020年4月1日起計十二個月期間。董事認為，經計及本集團營運產生的預期現金流量及營運表現的可能變動，本集團將有充足營運資金，滿足其自2020年3月31日起計未來十二個月到期的財務責任。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity grouping based on the remaining period at each of the consolidated balance sheet dates to the respective contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

3 財務風險管理(續)

3.3 流動資金風險(續)

下表為根據於各合併資產負債表日期的剩餘期間至相關合約到期日為止按相關到期組別對本集團按淨額結算的金融負債所作的分析。表內披露的金額為訂約未貼現現金流量。

		On demand 按要 求 HK\$'000 千港元	Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Over 5 years 超過5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 March 2020	於2020年3月31日						
Trade and other payables	貿易及其他應付款項	—	153,192	—	1,572	—	154,764
Borrowings and interest payments	借款及利息款項	13,352	26,814	187	—	—	40,353
Lease liabilities	租賃負債	—	7,395	7,179	9,554	—	24,128
		13,352	187,401	7,366	11,126	—	219,245
As at 31 March 2019	於2019年3月31日						
Trade and other payables	貿易及其他應付款項	—	210,315	—	6,884	—	217,199
Borrowings and interest payments	借款及利息款項	—	32,914	2,682	287	—	35,883
		—	243,229	2,682	7,171	—	253,082

3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in long term.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on basis of the gearing ratio. This ratio is calculated as total debts divided by total capital. Total debts are calculated as total borrowings and lease liabilities. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus debts.

The gearing ratio at 31 March 2020 is as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Borrowings (Note 27)	借款(附註27)	39,113	35,823
Lease liabilities (Note 16)	租賃負債(附註16)	22,979	—
Total debt	債務總額	62,092	35,823
Total capital	總資本	346,161	322,711
Gearing ratio	資產負債比率	17.9%	11.1%

3 財務風險管理(續)

3.4 資本風險管理

本集團管理資本旨在保障本集團持續經營的能力，藉以回報股東及為其他持份者提供利益，同時維持最佳資本架構以長期提升股東價值。

本集團通過定期檢討資本架構藉以監管資本。作為該項檢討的一環，本公司董事會考慮資本成本及與已發行股本有關的風險。本集團或會調整向股東派付的股息金額、向股東返還資本、發行新股份或出售資產以降低債務。

與業內其他公司一樣，本集團利用資產負債比率監察其資本。該比率按照債務總額除以總資本計算所得。債務總額按總借款及租賃負債計算。總資本為合併資產負債表所列的「權益」另加債務。

於2020年3月31日的資產負債比率如下：

3 FINANCIAL RISK MANAGEMENT (Continued)

3.5 Fair value estimation

(a) Financial assets and liabilities

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

3 財務風險管理(續)

3.5 公平值估計

(a) 金融資產及負債

(i) 公平值層級架構

本節闡述釐定金融工具公平值所作出的判斷及估計，該等金融工具於財務報表中按公平值確認並計量。為得出釐定公平值所用輸入數據的可信程度指標，本集團根據會計準則將其金融工具分為三層。各層級之說明載於下表。

		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2020	於二零二零年 三月三十一日				
Financial asset	金融資產				
Financial assets at fair value through profit or loss ("FVTPL")	按公平值計入損益之金融資產(「按公平值計入損益之金融資產」)				
Put option	認沽期權	—	—	632	632
Total financial assets	金融資產總額	—	—	632	632

3 FINANCIAL RISK MANAGEMENT (Continued)

3.5 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

3 財務風險管理(續)

3.5 公平值估計(續)

(a) 金融資產及負債(續)

(i) 公平值層級架構(續)

第1層：於活躍市場買賣金融工具的公平值(例如公開買賣之衍生工具及股本證券)，是按報告期末所報市價釐定。本集團所持金融資產所用之市場報價為當時買入價。該等工具會列入第1層。

第2層：並非於活躍市場買賣的金融工具(例如場外交易衍生工具)公平值乃利用估值方法釐定，該估值方法盡量利用可觀察市場數據，儘量少依賴實體的特定估計。如計算有關金融工具的公平值所需的所有重大輸入數據為可觀察數據，則該金融工具列入第2層。

第3層：如一項或多項重大輸入數據並非根據可觀察市場數據而定，則該金融工具列入第3層。此即非上市股本證券所屬層級。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.5 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

Specific valuation techniques used to value financial instrument include:

The fair value of the put option is calculated by Monte carlo simulation. The significant unobservable inputs include volatility and dividend payout ratio.

There were no transfers of financial assets or liabilities between level 1, level 2 and level 3 fair value hierarchy classifications.

The following table presents the changes in level 3 items for the periods ended 31 March 2020:

		Put option at 認沽期權 HK\$'000 按千港元	Total 總計 HK\$'000 千港元
Opening balance as at 1 April 2019	於2019年4月1日的 期初結餘	—	—
Acquisitions	收購	875	875
Fair value loss recognised in the consolidated income statement	已於合併損益表確認之 公平值虧損	(243)	(243)
Closing balance as at 31 March 2020	於2020年3月31日的 期末結餘	632	632

3 財務風險管理(續)

3.5 公平值估計(續)

(a) 金融資產及負債(續)

(i) 公平值層級架構(續)

用以估值金融工具的特
定估值技術包括：

認沽期權的公平值乃使
用蒙地卡羅模擬模式。
重大不可觀察輸入數據
包括波幅及派息比率。

金融資產或負債的第1
層、第2層及第3層公平
值層級架構的分層之間
並無轉移。

下表呈列截至2020年3月
31日止期間第3層項目的
變動：

3 FINANCIAL RISK MANAGEMENT (Continued)

3.5 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

Sensitivity analysis of observable and unobservable inputs

As described, the fair values of financial asset that is classified in level 3 of the fair value hierarchy are determined using valuation techniques that make use of significant inputs that are not based on observable market data. These fair values could be sensitive to changes in the assumptions used to derive the inputs. Volatility and dividend payout ratio are the main significant unobservable inputs. The table below illustrates the sensitivity of the significant inputs when they are changed to reasonably possible alternative inputs:

Description 概述	Fair value at 31 March 於3月31日之公平值		Valuation techniques 估值法	Significant inputs 重大輸入數據	Range of inputs 數據範圍	Favourable/ (unfavourable) changes in profit or loss 損益有利/(不利)變動	
	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元				2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
	Financial assets at fair value through profit or loss 按公平值計入損益之 金融資產	632					
Put option 認沽期權			— Monte Carlo simulation 蒙地卡羅模擬 模式	Volatility 波幅	+5%	184	—
					-5%	(182)	—
				Dividend payout ratio 派息比率	+5%	(22)	—
					-5%	15	—

3 財務風險管理(續)

3.5 公平值估計(續)

(a) 金融資產及負債(續)

(i) 公平值層級架構(續)

可觀察及不可觀察輸入數據敏感度分析

如上文所述，分類為第3層公平值層級之金融資產公平值乃使用並非依據可觀察市場數據之重大輸入數據之估值法釐定。該等公平值可能對用作產生輸入數據之假設變動較為敏感。波幅及派息比率乃主要重大不可觀察輸入數據。下表說明重大輸入數據於變為合理可行輸入數據時之敏感度：

3 FINANCIAL RISK MANAGEMENT (Continued)

3.6 Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset as at 31 March 2020 and 2019:

3 財務風險管理(續)

3.6 抵銷金融資產及金融負債

下表呈列於2020年及2019年3月31日的抵銷已確認金融工具：

Effects of offsetting on the balance sheet 抵銷對資產負債表的影響

		Gross amounts 總額 HK\$'000 千港元	Gross amounts set off in the balance sheet 於資產負債表抵銷的總額 HK\$'000 千港元	Net amounts presented in the balance sheet 呈列於資產負債表的淨額 HK\$'000 千港元
As at 31 March 2020	於2020年3月31日			
Financial assets	金融資產			
Trade receivables	貿易應收款項	27,555	(7,316)	20,239
Total	總計	27,555	(7,316)	20,239
Financial liabilities	金融負債			
Payables to sellers in respect of auction and related business	就拍賣及相關業務應付賣家的款項	(152,800)	7,316	(145,484)
Total	總計	(152,800)	7,316	(145,484)
As at 31 March 2019	於2019年3月31日			
Financial assets	金融資產			
Trade receivables	貿易應收款項	72,015	(24,441)	47,574
Total	總計	72,015	(24,441)	47,574
Financial liabilities	金融負債			
Payables to sellers in respect of auction and related business	就拍賣及相關業務應付賣家的款項	(221,967)	24,441	(197,526)
Total	總計	(221,967)	24,441	(197,526)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

4.1 Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charges where useful lives are different to that of previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in future periods.

4 重大會計估計及判斷

本集團持續評估及根據過往經驗及其他因素作出估計及判斷，包括在有關情況下對未來事件的合理預期。

本集團就未來作出估計及假設，而按照定義所得會計估計與相關實際結果相等的機會不大。下文論述可能有較大風險導致於下個財政年度內對資產及負債之賬面值作出重大調整的估計及假設：

4.1 物業、廠房及設備之估計可使用年期及剩餘價值

本集團的管理層就本集團的物業、廠房及設備釐定估計可使用年期、剩餘價值以及相關折舊費用。此項估計以性質及功能類似的物業、廠房及設備的實際可使用年期的過往經驗為基準。當可使用年期有別於過往預計，管理層會修訂折舊費用，或撇銷或撇減已棄置或出售之技術性陳舊或非策略性資產。實際經濟年期可能有別於估計可使用年期及實際剩餘價值可能有別於估計剩餘價值。定期審閱或可導致折舊年期及剩餘價值變動，及因而影響未來期間的折舊開支。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. Write-downs of inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the period in which such estimate has been changed. Management reassesses these estimates at each balance sheet date.

4.3 Current and deferred income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

4 重大會計估計及判斷 (續)

4.2 存貨之可變現淨值

存貨之可變現淨值乃根據於日常業務過程中之估計售價減估計銷售開支計算。該等估計乃以現行市況及銷售相若性質產品的過往經驗為依據。倘發生事件或情況變動顯示結餘可能無法變現時，將記錄存貨撇減。識別撇減情況時須作出判斷及估計。當預期之金額與原定估計有差異時，則有關差異將影響於該估計出現變動期間內存貨之賬面值及存貨之撇減。管理層於各結算日重新評估該等估計。

4.3 當期及遞延所得稅

本集團於多個司法權區須繳付所得稅，並於釐定各有關司法權區的所得稅撥備時須作出重大判斷。日常業務過程中會有不能明確作最終稅項釐定的交易及計算。倘有關事宜的最終評稅結果有別於初步記錄的數額，則有關差額會影響作出有關決定期間的所得稅及遞延所得稅撥備。

倘管理層認為可能有未來應課稅溢利抵銷暫時差額或稅項虧損，則會確認有關若干暫時差額及稅項虧損的遞延所得稅資產。倘預期與原先估計不同，則有關差額將影響有關估計更改期間的遞延所得稅資產及稅項費用確認。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.4 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period, including the consideration of the global health issues. Details of the key assumptions and inputs used are disclosed in the tables in note 3.2.

4.5 Determination of right-of-use assets and lease liabilities

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

4.6 Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair value less costs to sell calculations. The calculations require the use of judgements and estimates.

4 重大會計估計及判斷(續)

4.4 金融資產減值

金融資產虧損撥備乃根據違約風險及預期虧損率的假設計量。本集團於各報告期末根據本集團過往經驗、當前市況以及前瞻性估計(包括考慮全球健康議題後)，使用判斷作出該等假設及挑選輸入數據，以計算減值。所用主要假設及輸入數據的詳情於附註3.2的表格披露。

4.5 使用權資產及租賃負債釐定

租賃付款額按照租賃內含利率折現。如果無法確定該利率，則應採用承租人的增量借款利率，即承租人在相似經濟環境下，以相似條款和條件借入所需資金以取得價值相近資產而必須支付的利率。

4.6 物業、廠房及設備及使用權資產減值

物業、廠房及設備及使用權資產須於任何事件出現或情況改變顯示賬面值可能無法收回時進行減值評估。可收回金額乃按使用價值計算或公平值減出售成本計算(以較高者為準)釐定。此等計算須運用判斷及估計。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.6 Impairment of property, plant and equipment and right-of-use assets (Continued)

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations.

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Group ("CODM") that make strategic decisions. The CODM assesses the performance of the operating segments based on a measure of gross profit for the purpose of allocating resources.

The management has identified two operating segments based on the types of revenues, namely (i) operation of art auction and related business; and (ii) artwork sales.

4 重大會計估計及判斷 (續)

4.6 物業、廠房及設備及使用權資產減值 (續)

管理層需就資產減值運用判斷，尤其是評估：(i)有否出現事件可能顯示有關資產價值可能無法收回；(ii)資產賬面值是否有可收回款項(即公平值減銷售成本及以業務持續使用資產為基礎估計的有關日後現金流量的淨現值兩者中的較高者)支持；及(iii)編製現金流量預測時使用的適當主要假設，包括該等現金流量預測是否以適用比率貼現。管理層就評估減值所選假設(包括現金流量預測所用貼現率或增長率假設)的變更，可能會對減值測試中所用的淨現值產生影響，從而或會影響本集團的財務狀況及經營業績。

5 分部資料

本集團執行董事被視為作出策略決策的主要經營決策者(「主要經營決策者」)。主要經營決策者根據毛利計量評估經營分部的表現，以分配資源。

管理層已基於收入類別識別兩個經營分部，分別為(i)藝術品拍賣及相關業務經營；及(ii)藝術品銷售。

5 SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the years ended 31 March 2020 and 2019 are as follows:

5 分部資料(續)

於截至2020年及2019年3月31日止年度，呈交主要經營決策者的分部資料如下：

		Operation of art auction and related business 藝術品拍賣及 相關業務經營 HK\$'000 千港元	Artwork sales 藝術品銷售 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 March 2020	截至2020年 3月31日止年度			
Segment revenue from external customers	來自外部客戶的分部收入	98,019	9,570	107,589
Costs of services/sales	服務／銷售成本	(26,594)	(5,058)	(31,652)
Segment results	分部業績	71,425	4,512	75,937
Other losses, net	其他虧損淨額			(460)
Other income	其他收入			14,497
Net impairment losses on financial assets	金融資產之減值虧損淨額			(3,789)
Selling and distribution expenses	銷售及分銷開支			(27,918)
Administrative expenses	行政開支			(48,687)
Operating profit	經營溢利			9,580
Finance income, net	財務收入淨額			748
Share of profit of associate accounted for using the equity method	應佔聯營公司溢利，使用權益會計法列賬			133
Profit before income tax	除所得稅前溢利			10,461
Income tax expense	所得稅開支			(2,219)
Profit for the year	年度溢利			8,242

5 SEGMENT INFORMATION (Continued)

5 分部資料(續)

		Operation of art auction and related business 藝術品拍賣及 相關業務經營 HK\$'000 千港元	Artwork sales 藝術品銷售 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 March 2019	截至2019年 3月31日止年度			
Segment revenue from external customers	來自外部客戶的 分部收入	146,889	19,202	166,091
Costs of services/sales	服務/銷售成本	(34,668)	(5,242)	(39,910)
Segment results	分部業績	112,221	13,960	126,181
Other losses, net	其他虧損淨額			(4,043)
Other income	其他收入			1,836
Net impairment losses on financial assets	金融資產減值虧 損淨額			(1,194)
Selling and distribution expenses	銷售及分銷開支			(41,717)
Administrative expenses	行政開支			(66,075)
Operating profit	經營溢利			14,988
Finance income, net	財務收入淨額			310
Profit before income tax	除所得稅前溢利			15,298
Income tax expense	所得稅開支			(6,677)
Profit for the year	年度溢利			8,621

Revenue from external customers, by geographical area, is as follows:

按地理區域劃分的來自外部客戶收入如下：

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Hong Kong	香港	61,274	94,105
Japan	日本	46,315	71,986
		107,589	166,091

5 SEGMENT INFORMATION (Continued)

Information on segment assets and segment liabilities of the Group are not reviewed by CODM for the purpose of resource allocation and performance assessment nor otherwise regularly provided to the CODM. As a result, no analysis of segment assets and segment liabilities is presented.

Non-current assets, other than deferred income tax assets, by geographical area are as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Hong Kong	香港	15,765	3,883
Japan	日本	20,425	18,592
Taiwan	台灣	8,562	—
		44,752	22,475

6 REVENUE

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Revenue from art auction and related business	藝術品拍賣及相關業務收入	98,019	146,889
Artwork sales	藝術品銷售	9,570	19,202
		107,589	166,091

All customers individually accounted for less than 10% of the Group's revenue for the year ended 31 March 2020 (2019: Same).

All revenue of the Group are recognised at a point in time.

5 分部資料(續)

由於本集團的分部資產及分部負債資料並未由主要經營決策者審閱以分配資源及評核表現，亦未有定期呈交予主要經營決策者，故並無呈列分部資產及分部負債的分析。

按地理區域劃分的非流動資產(遞延所得稅資產除外)如下：

6 收入

於截至2020年3月31日止年度，所有客戶個別佔本集團收入少於10% (2019年：情況相同)。

本集團所有收入均於某時間點確認。

7 OTHER LOSSES, NET

7 其他虧損淨額

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Exchange (loss)/gain	匯兌(虧損)/收益	(175)	138
Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備虧損淨額	—	(98)
Changes in cash surrender values of key management life insurance contracts	主要管理層人壽保險合約現金退保價值變動	32	24
Changes in fair value of convertible notes	可換股票據公平值變動	—	(4,107)
Fair value loss on financial asset at fair value through profit or loss	按公平值計入損益之金融資產公平值虧損	(243)	—
Others	其他	(74)	—
		(460)	(4,043)

8 OTHER INCOME

8 其他收入

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Agency income (Note (i))	代理收入(附註(i))	14,381	—
Miscellaneous income (Note (ii))	雜項收入(附註(ii))	—	723
Others (Note (iii))	其他(附註(iii))	116	1,113
		14,497	1,836

Notes:

- (i) During the year ended 31 March 2020, TCA Japan entered into an agency agreement with an independent third party in providing agency services relating to demolition of a property located in Japan. In return for such services provided, TCA Japan recognised an agency income of approximately HK\$14,381,000 for the year.
- (ii) The amount mainly represented miscellaneous handling fees charged to customers during auctions in Japan.
- (iii) Others mainly represented bidding deposits forfeited and penalties from the buyers.

附註：

- (i) 截至2020年3月31日止年度，TCA日本與獨立第三方訂立代理協議，提供有關拆除位於日本的物業的代理服務。TCA日本於本年度已確認約14,381,000港元的代理收入，以作為提供有關服務的回報。
- (ii) 該款項主要指在日本拍賣會期間向客戶收取的雜項手續費。
- (iii) 其他主要指沒收買家的競投保證金及罰款。

9 EXPENSES BY NATURE

9 按性質劃分之開支

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	5,058	5,242
Rental and setup costs for auction and preview exhibition venues	拍賣及預展場地租用及設置費用	17,869	23,367
Catalogue expenses	圖錄開支	5,542	9,722
Operating lease rentals in respect of rented premises	物業租賃的經營租賃租金	277	7,756
Agency commissions	代理佣金	3,487	2,528
Advertising and promotion expenses	廣告及宣傳開支	4,676	9,181
Transportation	運輸費用	2,622	4,629
Travelling	差旅開支	3,728	5,803
Entertainment	娛樂費用	1,563	3,811
Business hospitality	商務接待	2,276	3,794
Bank charge	銀行收費	1,608	1,075
Legal and professional fee	法律及專業費用	3,506	5,190
Employee benefit expenses (Note 13)	員工福利開支(附註13)	31,225	31,891
Depreciation of property, plant and equipment (Note 15)	物業、廠房及設備折舊(附註15)	3,050	2,727
Depreciation of right-of-use assets (Note 16)	使用權資產折舊(附註16)	6,837	—
Amortisation of intangible assets	無形資產攤銷	62	62
Net impairment losses on financial assets	金融資產減值虧損淨額	3,789	1,194
Auditor's remuneration	核數師薪酬		
— Audit services	— 審計服務	2,300	2,000
— Non-audit services	— 非審計服務	195	500
Listing expenses (Note)	上市開支(附註)	—	15,258
Others	其他	12,376	13,166
Total costs of sales of goods, costs of services, net impairment losses on financial assets, selling and distribution expenses and administrative expenses	貨品銷售成本、服務成本、金融資產減值虧損淨額、銷售及分銷開支及行政開支總額	112,046	148,896

Note:

For the year ended 31 March 2019, the amount included auditor's remuneration for non-audit services of HK\$2,147,000.

附註：

截至2019年3月31日止年度，該款項包括非審計服務的核數師薪酬2,147,000港元。

10 FINANCE INCOME, NET

10 財務收入淨額

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Finance income:	財務收入：		
— Interest income on bank deposits	— 銀行存款利息收入	745	582
— Interest income from consignor advance	— 委託人預付款項利息收入	1,450	—
		2,195	582
Finance costs:	財務成本：		
— Imputed interest of provision for reinstatement cost	— 復原成本撥備之推算利息	(92)	—
— Interest expense on lease liabilities	— 租賃負債利息開支	(712)	—
— Interest expense on bank and other borrowings	— 銀行及其他借款利息開支	(643)	(272)
		(1,447)	(272)
Finance income, net	財務收入淨額	748	310

11 INCOME TAX EXPENSE

The amounts of income tax expense charged to the consolidated income statements represent:

11 所得稅開支

於合併損益表列示的所得稅開支款項指：

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Current income tax	當期所得稅		
— Hong Kong	— 香港	1,530	5,437
— Japan	— 日本	1,804	260
— (Over)/under-provision in prior years	— 過往年度撥備 (過度)/不足	(87)	105
Total current income tax	當期所得稅總額	3,247	5,802
Deferred income tax (Note 20)	遞延所得稅(附註20)	(1,028)	875
Income tax expense	所得稅開支	2,219	6,677

(a) Hong Kong profits tax

For the year ended 31 March 2020, the Group is eligible to nominate one Hong Kong incorporated entity in the Group to be chargeable at the two tiered profits tax rates, whereby profits tax will be chargeable on the first HK\$2 million of assessable profits at 8.25% and assessable profits above this threshold will be subject to a rate of 16.5%. Hong Kong profits tax of other Hong Kong incorporated entities in the Group has been provided for at the rate of 16.5% on the estimated assessable profits (2019: same).

(a) 香港利得稅

截至2020年3月31日止年度，本集團有資格提名本集團一間香港註冊成立實體按兩級所得稅稅率繳納稅款，據此，首2百萬港元之應課稅溢利將按8.25%的稅率繳納稅款，而超出該上限的應課稅溢利將按16.5%的稅率繳納稅款。本集團其他香港註冊成立實體的香港利得稅已根據估計應課稅溢利按16.5%的稅率撥備(2019年：情況相同)。

11 INCOME TAX EXPENSE (Continued)

(b) Japan corporate income tax

Japan corporate income tax has been calculated on the estimated assessable profit for the year ended 31 March 2020 at the rates of taxations prevailing in Japan in which the Group operates. The Group is subject to national corporate income tax, inhabitant tax, and enterprise tax in Japan, which in aggregate, resulted in effective statutory income tax rates of approximately 34.6% for the year ended 31 March 2020 (2019: 34.6%).

The tax on the Group's profit before income tax differs from the theoretical amount that could arise using the weighted average tax rates applicable to profits of the consolidated entities during the respective years is as follows:

11 所得稅開支(續)

(b) 日本公司所得稅

日本公司所得稅按照截至2020年3月31日止年度估計應課稅溢利依日本(本集團經營業務所在地)之現行稅率計算。在日本,本集團須繳納國家公司所得稅、居民稅及企業稅,截至2020年3月31日止年度的合計實際法定所得稅率約為34.6%(2019年:34.6%)。

於相關年度,本集團除所得稅前溢利之稅項有別於採用適用於合併實體溢利之加權平均稅率計算之理論稅額,詳情如下:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	10,461	15,298
Tax calculated at a taxation rate of 16.5%	以16.5%稅率計算的稅項	1,726	2,524
Difference arising from tax rate in respect of other jurisdiction	其他司法權區稅率的差異	318	230
Tax effect of:	以下各項之稅務影響:		
— Expenses not deductible for tax purpose	— 不可扣稅開支	262	3,651
— Income not subject to income tax	— 毋須繳納所得稅之收入	(158)	(35)
— Tax losses not recognised	— 未確認稅項虧損	131	61
— Tax allowance and special deduction	— 免稅額及特別抵扣	(185)	(165)
— Withholding tax on unremitted earnings (Note 20)	— 未匯出盈利之預扣稅(附註20)	41	15
— (Over)/under-provision in prior years	— 過往年度撥備(過度)/不足	(87)	105
— Temporary difference not recognised	— 未確認的暫時差額	200	178
— Others	— 其他	(29)	113
Income tax expense	所得稅開支	2,219	6,677

12 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 March 2020 and 2019.

		2020 2020年	2019 2019年
Net profit attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔淨溢利(千港元)	8,444	8,632
Weighted average number of ordinary shares in issue ('000)	已發行普通股的加權平均數(千股)	500,000	433,544
Basic earnings per share (HK cents)	每股基本盈利(港仙)	1.69	1.99

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares during the year ended 31 March 2020 and accordingly the diluted earnings per share equals basic earnings per share. For the year ended 31 March 2019, the potential ordinary shares arising from convertible notes were not included in the calculation of dilutive earnings per share, as their inclusion would be anti-dilutive.

Accordingly, diluted earnings per share for the year ended 31 March 2020 is same as basic earnings per share (2019: same).

12 每股盈利

(a) 每股基本盈利

每股基本盈利按截至2020年及2019年3月31日止年度，本公司擁有人應佔溢利除以已發行普通股的加權平均數計算。

(b) 每股攤薄盈利

每股攤薄盈利乃透過調整發行在外的普通股加權平均數以假設所有潛在攤薄普通股已獲轉換而計算。截至2020年3月31日止年度，本公司並無潛在攤薄普通股，故此每股攤薄盈利相等於每股基本盈利。於截至2019年3月31日止年度，源於可換股票據的潛在普通股並無計入每股攤薄盈利的計算，因為有關計入屬反攤薄。

因此，截至2020年3月31日止年度的每股攤薄盈利相等於每股基本盈利(2019年：情況相同)。

13 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS AND SENIOR MANAGEMENT'S)

13 僱員福利開支(包括董事及高級管理層酬金)

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Salaries, wages and bonuses	薪金、工資及花紅	29,110	28,484
Pension, medical insurance and other social insurances	退休金、醫療保險及其他社會保險	1,895	1,987
Staff welfare and other benefits	員工福利及其他利益	220	1,420
		31,225	31,891

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include five (2019: five) directors for the year ended 31 March 2020, and their emoluments are reflected in the analysis shown in Note 37(a).

During the year ended 31 March 2020, neither the director nor other members of the five highest paid individuals received any emoluments from the Group as an inducement to join, upon joining the Group, to leave the Group or as compensation for loss of office.

(a) 五名最高薪人士

截至2020年3月31日止年度，本集團五名最高薪人士包括五名(2019年：五名)董事，彼等薪酬於附註37(a)所示分析中反映。

於截至2020年3月31日止年度，董事或其他五名最高薪人士的成員概無收取本集團任何薪酬作為加入本集團、於加入本集團後、離開本集團的獎勵或離職補償。

14 DIVIDEND

Proposed dividend

On 26 June 2020, the Directors have proposed a final dividend of HK 1.0 cent per ordinary share in respect of the year ended 31 March 2020 (2019: HK 2 cents), amounting to approximately HK\$5,000,000 (2019: HK\$10,000,000), which is subject to approval by the shareholders of the Company at the forthcoming annual general meeting of the Company.

This proposed dividend is not reflected as a dividend payable in the financial statements, but will be reflected as an appropriation of retained earnings for the year ended 31 March 2020.

Final dividend paid

Dividends paid and payable to equity shareholders of the Company attributable to the previous financial year, paid and payable during the year.

14 股息

建議股息

於2020年6月26日，董事建議截至2020年3月31日止年度的末期股息每股普通股1.0港仙（2019年：2港仙），金額約為5,000,000港元（2019年：10,000,000港元），惟須待本公司股東於本公司應屆股東週年大會上批准方可作實。

建議股息並無於財務報表反映為應付股息，但將反映為截至2020年3月31日止年度轉撥保留盈利。

已付末期股息

歸屬於上一個財政年度已付及應付本公司股東之股息（已支付及於年內應付）。

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Final dividend in respect of the previous financial year ended 31 March 2019, approved and payable during the year, of HK 2 cents (31 March 2018: Nil) per share	截至2019年3月31日止上一個財政年度的末期股息每股2港仙（2018年3月31日：無）（已獲批准及於年內應付）	10,000	—

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Freehold land	Buildings	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Total
		永久業權土地	樓宇	租賃物業裝修	傢私、固定裝置及辦公設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
As at 1 April 2018	於2018年4月1日						
Cost	成本	529	6,210	9,565	2,081	2,587	20,972
Accumulated depreciation	累計折舊	—	(560)	(4,886)	(840)	(1,286)	(7,572)
Net book amount	賬面淨值	529	5,650	4,679	1,241	1,301	13,400
Year ended 31 March 2019	截至2019年3月31日止年度						
Opening net book amount	年初賬面淨值	529	5,650	4,679	1,241	1,301	13,400
Additions	添置	—	—	278	300	—	578
Disposals	出售	—	—	(85)	(13)	—	(98)
Depreciation (Note 9)	折舊(附註9)	—	(315)	(1,659)	(250)	(503)	(2,727)
Exchange difference	匯兌差額	(10)	(121)	(32)	(22)	(26)	(211)
Closing net book amount	年末賬面淨值	519	5,214	3,181	1,256	772	10,942
As at 31 March 2019	於2019年3月31日						
Cost	成本	519	6,085	8,503	2,283	2,549	19,939
Accumulated depreciation	累計折舊	—	(871)	(5,322)	(1,027)	(1,777)	(8,997)
Net book amount	賬面淨值	519	5,214	3,181	1,256	772	10,942

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

15 物業、廠房及設備(續)

		Freehold land	Buildings	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Total
		永久業權土地	樓宇	租賃物業裝修	傢俬、固定裝置及辦公設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
As at 1 April 2019	於2019年4月1日						
Cost	成本	519	6,085	8,503	2,283	2,549	19,939
Accumulated depreciation	累計折舊	—	(871)	(5,322)	(1,027)	(1,777)	(8,997)
Net book amount	賬面淨值	519	5,214	3,181	1,256	772	10,942
Year ended 31 March 2020	截至2020年3月31日止年度						
Opening net book amount	年初賬面淨值	519	5,214	3,181	1,256	772	10,942
Additions	添置	—	—	897	207	—	1,104
Depreciation (Note 9)	折舊(附註9)	—	(331)	(2,098)	(220)	(401)	(3,050)
Exchange difference	匯兌差額	—	—	—	1	(1)	—
Closing net book amount	年末賬面淨值	519	4,883	1,980	1,244	370	8,996
As at 31 March 2020	於2020年3月31日						
Cost	成本	519	6,085	9,400	2,491	2,549	21,044
Accumulated depreciation	累計折舊	—	(1,202)	(7,420)	(1,247)	(2,179)	(12,048)
Net book amount	賬面淨值	519	4,883	1,980	1,244	370	8,996

Note:

All depreciation expenses have been charged to administrative expenses for the years ended 31 March 2020 and 2019.

附註：

截至2020年及2019年3月31日止年度，所有折舊開支已於行政開支內扣除。

16 LEASES

This note provides information for leases where the Group is a lessee.

The Group's right-of-use assets and lease liabilities mainly arise from lease of offices and warehouses with lease terms of 2 to 3 years, but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The consolidated balance sheet shows the following amounts relating to leases:

16 租賃

本附註就本集團為承租人下的租賃提供資料。

本集團的使用權資產及租賃負債主要自辦公室及倉庫產生，租期介乎2至3年，但可能有下述之延期選擇權。租期按個別基準磋商及包含多種不同條款及條件。租賃協議不施加任何契諾。

本集團內的多項物業租賃包含延期及終止選擇權。就管理本集團的營運中的資產而言，該等選擇權用以讓營運具有最高靈活性。大部分持有的延期及終止選擇權只可由本集團而非相關出租人行使。

合併資產負債表列示下列有關租賃的金額：

		As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元	As at 1 April 2019 於2019年 4月1日 HK\$'000 千港元 (Note 2.2) (附註2.2)
Right-of-use assets	使用權資產		
Buildings	樓宇	22,042	28,258
		22,042	28,258
Lease liabilities	租賃負債		
Non-current	非流動	16,129	22,722
Current	流動	6,850	6,451
		22,979	29,173

16 LEASES (Continued)

The movements of right-of-use assets and lease liabilities are analysed as follows:

16 租賃(續)

使用權資產及租賃負債之變動分析如下：

		31 March 2020 2020年3月31日 Total 總計 HK\$'000 千港元
Right-of-use assets	使用權資產	
As at 1 April 2019 under HKFRS 16 (Note 2.2)	根據香港財務報告準則第16號於2019年4月1日(附註2.2)	28,258
Additions	添置	1,346
Termination	終止	(721)
Depreciation charge	折舊費用	(6,837)
Exchange difference	匯兌差額	(4)
As at 31 March 2020	於2020年3月31日	22,042
As at 31 March 2020	於2020年3月31日	
Cost	成本	36,308
Accumulated depreciation	累計折舊	(14,266)
Net book amount	賬面淨值	22,042
Lease liabilities	租賃負債	
As at 1 April 2019 under HKFRS 16 (Note 2.2)	根據香港財務報告準則第16號於2019年4月1日(附註2.2)	29,173
Additions	添置	1,346
Termination	終止	(722)
Interest expenses	利息開支	712
Lease payments	租賃付款	(7,525)
Exchange difference	匯兌差額	(5)
As at 31 March 2020	於2020年3月31日	22,979

The total cash outflow for leases, including the payments made in relation to lease liabilities and expenses relating to short-term lease payments in 2020 was HK\$7,802,000.

於2020年的租賃現金流出總額(包括有關租賃負債作出的付款及有關短期租賃付款的開支)為7,802,000港元。

17 SUBSIDIARIES

The Group's principal subsidiaries as at 31 March 2020 are set out below:

17 附屬公司

於2020年3月31日，本集團的主要附屬公司載列如下：

Name	Place of incorporation/ establishment (Note (i))	Principal activities	Particulars of issued share capital/registered capital	Interest held by The Company		Interest held by The Company	
				Directly	indirectly	Directly	indirectly
名稱	註冊成立/ 成立地點(附註(i))	主要業務	已發行股本/註冊資本詳情	本公司持有之權益		本公司持有之權益	
				直接	間接	直接	間接
				2020年	2020年	2019年	2019年
Tokyo Chuo Auction Co., Ltd. ("TCA Japan") 株式會社東京中央オークション ([TCA日本])	Japan 日本	Provision of auction related services and artwork sales 提供拍賣相關服務及藝術品銷售	Paid-in capital of JPY50,000,000 實繳資本50,000,000日圓	95%	—	92%	—
Tokyo Chuo Auction Hongkong Company Limited 東京中央拍賣香港有限公司	Hong Kong 香港	Provision of auction related services and artwork sales 提供拍賣相關服務及藝術品銷售	Paid-in capital of HK\$1 實繳資本1港元	100%	—	100%	—
Shanghai Shengjia Culture Development Co., Ltd (Note (ii)) 上海晟嘉文化發展有限公司 (附註(ii))	The PRC 中國	Promotion and related activities 推廣及相關活動	Paid-in capital of RMB361,680 實繳資本人民幣361,680元	—	95%	—	92%
Tokyo Chuo Taiwan Auction Company Limited 東京中央台灣拍賣股份有限 公司	Taiwan 台灣	Investment holding 投資控股	Paid-in capital of TWD1,000,000 實繳資本新台幣1,000,000元	100%	—	—	—
CGU Enterprises Limited	Hong Kong 香港	Provision of money lending 提供放債	Paid-in capital of HK\$10,000 實繳資本10,000港元	100%	—	—	—

Notes:

- (i) These subsidiaries principally operate in their places of incorporation/establishment.
- (ii) This subsidiary is a wholly foreign-owned enterprise.

附註：

- (i) 該等附屬公司主要在其註冊成立/成立地點經營業務。
- (ii) 該附屬公司為外商獨資企業。

18 INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

The amount recognised in the consolidated balance sheet is as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Investments in an associate	於一間聯營公司的投資	7,930	—

The amount recognised in the consolidated income statement is as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Share of profits from an associate	於一間聯營公司應佔溢利	133	—

18 使用權益會計法列賬的投資

已於合併資產負債表確認的金額如下：

已於合併收益表確認的金額如下：

**18 INVESTMENT ACCOUNTED FOR USING
 EQUITY METHOD (Continued)**
 Investments in an associate

18 使用權益會計法列賬的投資 (續)

於一間聯營公司的投資

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
As at 1 April	於4月1日	—	—
Capital contributions	資本注資	7,625	—
Share of profits from an associate	於一間聯營公司應佔溢利	133	—
Currency translation difference	外幣折算差額	172	—
As at 31 March	於3月31日	7,930	—

On 1 April 2019, the Company entered into a non-legally binding memorandum of understanding with an independent third party in relation to the proposed acquisition by the Group of 34% of the entire issued shares in Mu Chun Tang Auction Co., Ltd (“**Mou Chun Tang**”) (沐春堂拍賣股份有限公司), a Taiwan-based auction house. The Proposed Acquisition was completed on 16 August 2019 at a consideration of HK\$8,500,000.

於2019年4月1日，本公司與獨立第三方訂立無法律約束力的諒解備忘錄，內容有關本集團擬收購一間台灣拍賣行沐春堂拍賣股份有限公司(「**沐春堂**」)的全部已發行股份的34%。擬進行的收購於2019年8月16日完成，代價為8,500,000港元。

As set out in the share purchase agreement, the Company shall be entitled to require the seller of Mou Chun Tang to repurchase the equity interest held by the Company at original purchase price at HK\$8,500,000 if the net profit after tax of Mou Chun Tang during the period from 1 January 2019 to 31 December 2021 does not exceed HK\$7,500,000 in aggregate. The fair value of such put option has been accounted for as a financial asset at fair value through profit or loss. The fair value of the put option as of date of acquisition amounted to HK\$875,000.

誠如股份購買協議所載，倘沐春堂於2019年1月1日至2021年12月31日期間之除稅後淨溢利合共不超過7,500,000港元，本公司有權要求沐春堂的賣家以原先購買價8,500,000港元購回本公司持有之股權。該認沽期權的公平值以按公平值計入損益之金融資產列賬。認沽期權的公平值截至收購當日為875,000港元。

18 INVESTMENT ACCOUNTED FOR USING EQUITY METHOD (Continued)

Investments in an associate (Continued)

Set out below are the summarised financial information for an associate for the year ended 31 March 2020:

18 使用權益會計法列賬的投資 (續)

於一間聯營公司的投資 (續)

下文載列截至2020年3月31日止年度一間聯營公司的財務資料概要：

		Mu Chun Tang Auction Co., Ltd 沐春堂拍賣 股份有限公司 2020 2020年 HK\$'000 千港元
Assets and liabilities as at 31 March	於3月31日的資產及負債	
Current assets	流動資產	13,000
Non-current assets	非流動資產	1,137
Current liabilities	流動負債	(3,623)
Non-current liabilities	非流動負債	(3,184)
Profit or loss for the period ended 31 March (since acquisition date as at 16 August 2019)	截至3月31日止期間的損益 (自於2019年8月16日的收購日期起)	
Revenue	收益	5,131
Profit and total comprehensive income for the year	年度溢利及綜合收入總額	1,003
Reconciliation to carrying amounts:	賬面值對賬：	
Opening net assets at book value as at acquisition date	於收購日期按賬面值之年初資產淨值	6,186
Profit and total comprehensive income for the period	期間溢利及全面收入總額	1,003
Currency translation difference	外幣折算差額	141
Closing net assets	年末資產淨值	7,330
Interest in associate (34%)	於一間聯營公司之權益(34%)	2,492
Fair value adjustment upon acquisition, net of tax	收購後公平值調整(扣除稅項)	5,314
Currency translation differences	外幣折算差額	124
Carrying value	賬面值	7,930

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

19 按公平值計入損益之金融資產

	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Put options in relation to acquisition of investment accounted for using equity method 有關投資收購的認沽期權，使用權益會計法列賬	632	—

The fair value of this put option as at 31 March 2020 was determined by using Monto Carlo simulation the with the following key assumptions:

於2020年3月31日，認沽期權的公平值通過使用蒙地卡羅模擬模式及下列主要假設而釐定：

	2020 2020年
Dividend payout ratio 派息比率	89%
Volatility 波幅	51.99%

20 DEFERRED INCOME TAX ASSETS AND LIABILITIES

20 遞延所得稅資產及負債

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax recoverable against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The offset amounts are as follows:

當有法定可執行權利將可收回之當期所得稅與當期所得稅負債抵銷，以及當遞延所得稅資產和負債與同一稅務機關就該應課稅實體或不同應課稅實體徵收之所得稅有關，而有意按淨額基準結算結餘時，遞延所得稅資產與負債將會抵銷。抵銷金額如下：

	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Deferred income tax assets 遞延所得稅資產	1,266	1
Deferred income tax liabilities 遞延所得稅負債	(2,596)	(2,574)
	(1,330)	(2,573)

20 DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

Movements in net deferred income tax (liabilities)/assets are as follows:

20 遞延所得稅資產及負債(續)

遞延所得稅(負債)/資產淨額的變動如下:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Beginning of the year	年初	(2,573)	(1,715)
Adjustment on adoption of HKFRS 16 (Note 2.2)	採納香港財務報告準則第16號後作出之調整(附註2.2)	213	—
Beginning of the year, restated	年初(經重列)	(2,360)	(1,715)
Credited/(charged) to income statement (Note 11)	於損益表計入/(扣除)(附註11)	1,028	(875)
Exchange differences	匯兌差額	2	17
End of the year	年末	(1,330)	(2,573)

20 DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

Movements in deferred income tax assets and liabilities during the year ended 31 March 2020, without taking into consideration the offsetting of balance within the same tax jurisdiction, are as follows:

Deferred income tax assets

		Property, plant and equipment	Inventories	Other payables and accruals and other payables	Lease liabilities	Others	Total
		物業、廠房 及設備	存貨	其他應付 款項及 應計費用	租賃負債	其他	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2018	於2018年4月1日	551	1,059	244	—	1,257	3,111
Credited/(charged) to income statement	於損益表計入/ (扣除)	(450)	(404)	65	—	(739)	(1,528)
Exchange differences	匯兌差額	(20)	(30)	(5)	—	(40)	(95)
At 31 March 2019	於2019年3月31日	81	625	304	—	478	1,488
Adjustment on adoption of HKFRS 16 (see note 2.2)	採納香港財務報告準則第16號後作出的調整(見附註2.2)	—	—	—	7,000	—	7,000
At 1 April 2019, restated	於2019年4月1日 (經重列)	81	625	304	7,000	478	8,488
Credited/(charged) to income statement	於損益表計入/ (扣除)	23	132	168	(1,517)	(163)	(1,357)
Exchange differences	匯兌差額	—	1	2	—	(1)	2
At 31 March 2020	於2020年3月31日	104	758	474	5,483	314	7,133

20 遞延所得稅資產及負債(續)

遞延所得稅資產及負債於截至2020年3月31日止年度的變動(不考慮在同一稅務司法權區內抵銷結餘)如下:

遞延所得稅資產

20 DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

Deferred income tax liabilities

20 遞延所得稅資產及負債(續)

遞延所得稅負債

		Key management life insurance contracts 主要管理層人壽保險合約 HK\$'000 千港元	Withholding tax on unremitted earnings 未匯出盈利之預扣稅 HK\$'000 千港元	Right-of-use assets 使用權資產 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 April 2018 (Credited)/charged to income statement	於2018年4月1日 於損益表 (計入)/扣除	1,756 (1,452)	2,591 15	— —	479 784	4,826 (653)
Exchange differences	匯兌差額	(66)	(51)	—	5	(112)
As at 31 March 2019	於2019年3月31日	238	2,555	—	1,268	4,061
Adjustment on adoption of HKFRS 16 (see note 2.2)	採納香港財務報告準則第16號後作出的調整(見附註2.2)	—	—	6,787	—	6,787
At 1 April 2019	於2019年4月1日	238	2,555	6,787	1,268	10,848
(Credited)/charged to income statement	於損益表 (計入)/扣除	(237)	41	(1,524)	(665)	(2,385)
Exchange differences	匯兌差額	(1)	1	—	—	—
As at 31 March 2020	於2020年3月31日	—	2,597	5,263	603	8,463

The Directors do not have an intention to distribute the retained earnings of certain subsidiary of the Group such that deferred income tax liabilities of HK\$1,113,000 (2019: HK\$1,095,000) have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of the subsidiary. Such unremitted earnings totaled HK\$22,256,000 as at 31 March 2020 (2019: HK\$21,896,000).

The Group did not recognise deferred income tax assets in respect of losses of approximately HK\$1,619,000 as at 31 March 2020 (2019: HK\$1,154,000). Unrecognised tax losses amounting to approximately HK\$1,591,000 as at 31 March 2020 (2019: HK\$1,154,000) will be subject to expiry from year 2024 to 2025 (2019: year 2023 to 2024), while the remaining balance as at 31 March 2019 can be carried forward indefinitely.

董事無意分派本集團若干附屬公司的保留盈利，因此並無就預扣稅及附屬公司未匯出盈利應付的其他稅項確認遞延所得稅負債1,113,000港元(2019年：1,095,000港元)。於2020年3月31日，有關未匯出盈利合共為22,256,000港元(2019年：21,896,000港元)。

於2020年3月31日，本集團並無就虧損約1,619,000港元(2019年：1,154,000港元)確認遞延所得稅資產。於2020年3月31日的未確認稅項虧損約1,591,000港元(2019年：1,154,000港元)將於2024年至2025年年度到期(2019年：2023年至2024年年度)，而於2019年3月31日的餘下結餘可無限期結轉。

21 INVENTORIES

21 存貨

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Artwork	藝術品	53,858	20,898

The cost of inventories recognised as expenses and included in "costs of sales of goods" amounted to approximately HK\$5,058,000 for the year ended 31 March 2020 (2019: HK\$5,242,000).

截至2020年3月31日止年度，確認為開支並計入「貨品銷售成本」之存貨成本約為5,058,000港元（2019年：5,242,000港元）。

22 TRADE AND OTHER RECEIVABLES

22 貿易及其他應收款項

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Trade receivables	貿易應收款項	20,239	47,574
Less: loss allowances	減：虧損撥備	(818)	(540)
Trade receivables — net	貿易應收款項淨額	19,421	47,034
Other receivables	其他應收款項		
— Receivables from buyers in respect of auction and related business (Note (i))	— 應收買家拍賣及相關業務款項(附註(i))	110,983	150,187
— Consignor advance (Note (ii))	— 委託人預付款項(附註(ii))	86,252	23,917
— Input value-added tax recoverable	— 可收回進項增值稅	399	2,877
— Others	— 其他	15,844	1,352
Trade and other receivables	貿易及其他應收款項	232,899	225,367

As at 31 March 2020, the fair value of trade and other receivables of the Group approximated their carrying amounts (2019: same).

於2020年3月31日，本集團貿易及其他應收款項的公平值與彼等賬面值相若（2019年：情況相同）。

22 TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (i) Other receivables from buyers in respect of auction and related business represent the purchase price of the auction articles receivable on behalf of sellers.
- (ii) Included in other receivables are advances of HK\$86,252,000 made to certain consignors as at 31 March 2020 (2019: HK\$23,917,000) upon consignment of auction articles to the Group. As at 31 March 2020, these advances bore interest at 0% to 12% per annum (2019: interest free).

The Group recognised loss allowance for trade and other receivables as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Loss allowance	虧損撥備		
— Trade receivables	— 貿易應收款項	3,278	1,194
— Other receivables	— 其他應收款項	511	—
Net impairment losses on trade and other receivables	貿易及其他應收款項的減值虧損淨值	3,789	1,194

The above impairment losses have been separately disclosed as “net impairment losses on financial assets” in the consolidated income statement.

As at 31 March 2020, the carrying amounts of trade and other receivables are denominated in the following currencies:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
HK\$	港元	168,830	119,226
JPY	日圓	64,060	106,086
Other	其他	9	55
		232,899	225,367

22 貿易及其他應收款項 (續)

附註：

- (i) 其他應收買家拍賣及相關業務款項指代表賣家應收的拍賣品購買價。
- (ii) 於2020年3月31日計入其他應收款項的預付款項86,252,000港元(2019年：23,917,000港元)，為向本集團委託拍賣品後向若干委託人作出的預付款項。於2020年3月31日，該等預付款項按年利率0%至12%計息(2019年：免息)。

本集團確認貿易及其他應收款項的虧損撥備如下：

上述的減值虧損已於合併損益表的「金融資產減值虧損淨額」分別予以披露。

於2020年3月31日，貿易及其他應收款項的賬面值以下列貨幣計值：

22 TRADE AND OTHER RECEIVABLES (Continued)

The Group grants credit period of 7 days for commission receivables and 30 days for receivables from artwork sales. The ageing analysis of trade receivables based on invoice date, before provision for impairment, as at 31 March 2020 and 2019, was as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
— Within 30 days	— 30天內	3,245	23,828
— 1 to 3 months	— 1至3個月	—	12,500
— 3 to 6 months	— 3至6個月	6,052	6,920
— 6 to 12 months	— 6至12個月	5,428	4,301
— Over 1 year	— 1年以上	5,514	25
		20,239	47,574

Movements of the Group's provision for impairment of trade receivables are as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
At beginning of the year	年初	540	202
Increase in loss allowance recognised	已確認虧損撥備增加	3,278	1,194
Write-off	撇銷	(3,001)	(859)
Exchange differences	匯兌差額	1	3
At end of the year	年末	818	540

22 貿易及其他應收款項(續)

本集團就應收佣金而授出7天的信貸期，並就應收藝術品銷售款項而授出30天的信貸期。於2020年及2019年3月31日，貿易應收款項基於發票日期(減值撥備前)的賬齡分析如下：

本集團貿易應收款項減值撥備之變動如下：

23 DEPOSITS AND PREPAYMENTS

23 按金及預付款項

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Current portion:	流動部分：		
Prepayments to sellers for auctioned artwork (Note (ii))	就已拍賣藝術品向 賣家預付的款項(附註(ii))	79,687	—
Deposits and prepayments	按金及預付款項	11,603	14,841
		91,290	14,841
Non-current portion:	非流動部分：		
Rental and other deposits	租金及其他按金	4,194	4,380
Key management life insurance contracts (Note (i))	主要管理層人壽保險合約 (附註(i))	—	6,563
		4,194	10,943
		95,484	25,784

As at 31 March 2020 and 2019, the fair value of deposits of the Group approximated their carrying amounts.

於2020年及2019年3月31日，本集團按金的公平值與其賬面值相若。

As at 31 March 2020 and 2019, the carrying amounts of deposits and prepayments are denominated in the following currencies:

於2020年及2019年3月31日，按金及預付款項的賬面值以下列貨幣計值：

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
HK\$	港元	76,988	14,930
JPY	日圓	18,396	10,599
RMB	人民幣	33	165
Others	其他	67	90
		95,484	25,784

23 DEPOSITS AND PREPAYMENTS (Continued)

Notes:

(i) Key management life insurance contracts

Movements of the Group's investment in key management life insurance contracts are as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
At beginning of the year	年初	6,563	12,270
Addition	添置	—	814
Termination of key management life insurance contracts	終止主要管理層人壽保險合約	(6,579)	(6,187)
Changes in cash surrender value of key management life insurance contracts	主要管理層人壽保險合約現金退保價值變動	32	24
Exchange differences	匯兌差額	(16)	(358)
At end of the year	年末	—	6,563

- (ii) As at 31 March 2020, prepayments to sellers for auctioned artwork represent the amounts advanced to sellers of artwork of HK\$79,687,000 (2019: Nil). Amounts may be advanced to sellers prior to receiving full payment of the auction purchase prices from the relevant buyers and the Group will keep the related auctioned artwork under its custody. As at 31 March 2020, such prepayments were interest-free and the respective auctioned artwork was kept under the Group's custody.

24 PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

Pledge bank deposits represent deposits pledged to a bank to secure general banking facilities granted to the Group. Deposits amounting to HK\$5,443,000 (2019: HK\$20,300,000) have been pledged to secure short-term bank borrowings, and are therefore classified as current assets (Note 27).

23 按金及預付款項(續)

附註：

(i) 主要管理層人壽保險合約

本集團於主要管理層人壽保險合約投資的變動如下：

- (ii) 於2020年3月31日，就已拍賣藝術品向賣家預付的款項指就藝術品預付予賣家之金額為79,687,000港元(2019年：零)。金額可於收到相關買家悉數支付拍賣購買價的款項前預付予賣家，而本集團將保留相關拍賣藝術品由其託管。於2020年3月31日，有關預付款項為免息及相關已拍賣藝術品將保留由本集團託管。

24 已抵押銀行存款及現金及現金等價物

已抵押銀行存款指抵押予銀行以取得授予本集團一般銀行融資的存款。5,443,000港元(2019年：20,300,000港元)的存款已抵押作短期銀行借款的擔保，因而被分類為流動資產(附註27)。

24 PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents represent cash and short-term bank deposits with an original maturity of three months or less.

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Cash at banks and on hand	銀行及手頭現金	82,577	235,079
Deposits with maturity less than 3 months	3個月內到期的存款	—	1,443
Total cash and cash equivalents	現金及現金等價物總額	82,577	236,522

The carrying amounts of the pledged bank deposits and cash and cash equivalents are denominated in the following currencies:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
HK\$	港元	50,496	163,729
JPY	日圓	25,134	81,346
USD	美元	11,959	10,914
RMB	人民幣	350	827
Others	其他	81	6
		88,020	256,822

As at 31 March 2019, the Group's bank balances of approximately HK\$273,000 were deposited with a bank in the PRC. The remittance of these funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. There was no such balance as at 31 March 2020.

24 已抵押銀行存款及現金及現金等價物(續)

現金及現金等價物指現金及原到期日為三個月或更短時間的短期銀行存款。

已抵押銀行存款及現金及現金等價物的賬面值以下列貨幣計值：

於2019年3月31日，本集團的銀行結餘約273,000港元已存於中國一間銀行。將該等資金匯出中國須遵守中國政府頒佈之外匯管制規則及法規。於2020年3月31日，並無相關結餘。

25 SHARE CAPITAL

25 股本

		Number of shares 股份數目		Share capital 股本	
		2020 2020年	2019 2019年	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Ordinary shares	普通股				
Issued and fully paid: As 1 April 2019 and 2018	已發行及繳足： 於2019年及 2018年4月1日	500,000,000	100	169,730	—
Bonus issue (Note (i))	紅股發行(附註(i))	—	374,967,178	—	—
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs (Note (ii))	就首次公開發售發行 普通股，扣除包銷 佣金及其他發行成本 (附註(ii))	—	96,520,000	—	127,004
Conversion of convertible notes to ordinary shares (Note (iii))	轉換可換股票據為普通 股(附註(iii))	—	28,512,722	—	42,726
As 31 March 2020 and 2019	於2020年及 2019年3月31日	500,000,000	500,000,000	169,730	169,730

Notes:

- (i) On 11 October 2018, a bonus issue of 374,967,178 shares were allotted to Mr. Ando Shokei upon successful listing of the Company.
- (ii) In October 2018, the Company issued 96,520,000 ordinary shares at HK\$1.50 per share, and raised gross proceeds of approximately HK\$144,780,000. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 11 October 2018. The gross proceeds, net of underwriting commissions and other issuance costs, are capitalised as share capital accordingly.

附註：

- (i) 於2018年10月11日，本公司成功上市後向安藤湘桂先生進行紅股發行，並配發374,967,178股股份。
- (ii) 於2018年10月，本公司按每股1.50港元發行96,520,000股普通股，籌集所得款項總額約144,780,000港元。本公司股份於2018年10月11日於香港聯合交易所有限公司主板上市。所得款項總額(已扣除包銷佣金及其他發行成本)據此撥充為股本。

25 SHARE CAPITAL (Continued)

Notes: (Continued)

- (iii) Pursuant to a written resolution of the sole director of the Company dated 24 April 2018, the Company entered into agreements with six independent investors in relation to their subscriptions of the Company's convertible notes totaling approximately HK\$38,800,000. The outstanding principal amount of these convertible notes shall be automatically and mandatorily converted into fully paid shares of the Company upon successful initial public offering in recognised stock exchange according to a formula prescribed in the subscription agreements. The convertible notes bear interest at 1% per annum. The convertible notes will mature upon 12 months from the date of the subscription, subject to mutual agreement between the independent investors and the Company to extend for a further 12-month period. If the initial public offering does not take place before the maturity date, the Company shall redeem the outstanding amount of the convertible notes with additional interest of 7% per annum. The Company may redeem all of the outstanding principal amount of the convertible notes with terms set out in the subscription agreements on or at any time after 31 December 2018 until the maturity date.

All of the convertible notes were converted into 28,512,722 ordinary shares on 11 October 2018. The principal amount of convertible notes and the cumulative changes in fair value are capitalised as share capital accordingly.

25 股本(續)

附註：(續)

- (iii) 根據日期為2018年4月24日之本公司唯一董事的書面決議案，本公司與六名獨立投資者訂立協議，內容有關彼等認購本公司合共約38,800,000港元的可換股票據。該等可換股票據的未償還本金額將於認可證券交易所成功首次公開發售後，根據認購協議所指定公式自動及強制轉換為本公司繳足股份。可換股票據以年利率1%計息。可換股票據將自認購日期起12個月後到期，可由獨立投資者及本公司共同協定延長多12個月。倘首次公開發售並無於到期日前進行，本公司須贖回可換股票據的未償還金額，另加年利率為7%的利息。本公司可以在2018年12月31日當日或之後的任何時間直至到期日期間，按認購協議載列的條款贖回所有可換股票據的未償還本金額。

於2018年10月11日，所有可換股票據轉換為28,512,722股普通股。可換股票據的本金額及累計公平值變動據此撥充為股本。

26 RESERVES

26 儲備

		Other reserves 其他儲備		Sub-total 小計 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
		Merger reserves (Note (i)) 合併儲備 (附註(i)) HK\$'000 千港元	Currency translation differences 外幣折算 差額 HK\$'000 千港元			
At 1 April 2018	於2018年4月1日	(38,358)	(7,023)	(45,381)	149,050	103,669
Profit for the year	年度溢利	—	—	—	8,632	8,632
Currency translation differences	外幣折算差額	—	(1,745)	(1,745)	—	(1,745)
At 31 March 2019	於2019年3月31日	(38,358)	(8,768)	(47,126)	157,682	110,556
Balance as at 1 April 2019, as originally presented	於2019年4月1日的結餘 (原先呈列)	(38,358)	(8,768)	(47,126)	157,682	110,556
Change of accounting policy (Note 2.2)	會計政策變動(附註2.2)	—	—	—	(526)	(526)
At 1 April 2019, as restated	於2019年4月1日(經重列)	(38,358)	(8,768)	(47,126)	157,156	110,030
Profit for the year	年度溢利	—	—	—	8,444	8,444
Currency translation differences	外幣折算差額	—	977	977	—	977
Transaction with non-controlling interest (Note (ii))	非控股權益交易 (附註(ii))	—	—	—	728	728
Final dividend declared and paid	已宣派及支付的末期股息	—	—	—	(10,000)	(10,000)
At 31 March 2020	於2020年3月31日	(38,358)	(7,791)	(46,149)	156,328	110,179

Notes:

- (i) The consolidation difference that arises under merger accounting is included as "merger reserve", and computed by comparing the considerations paid and the share capital of the subsidiaries that merged into the Group.

附註：

- (i) 「合併儲備」中包括在合併會計法下產生的合併差異，乃透過比較已付代價和併入本集團的附屬公司股本而計算。

26 RESERVES (Continued)

Notes: (Continued)

(ii) Transaction with non-controlling interests

On 17 June 2019, the Group acquired an additional 3% of the issued shares of TCA Japan for HK\$1,520,000. The Group recognised a decrease in non-controlling interests of HK\$2,248,000 and an increase in equity attributable to owners of the parent of HK\$728,000. The effect on the equity attributable to the owners of Company during the year is summarised as follows:

26 儲備(續)

附註：(續)

(ii) 與非控股權益交易

於2019年6月17日，本集團以1,520,000港元收購TCA日本的額外3%已發行股份。本集團確認非控股權益減少2,248,000港元及母公司擁有人應佔權益增加728,000港元。本公司擁有人應佔權益之影響概述如下：

		2020 2020年 HK\$'000 千港元
Carrying amount of non-controlling interests acquired	已收購非控股權益之賬面值	2,248
Consideration paid to non-controlling interests	已向非控股權益支付之代價	(1,520)
Gain recognised in the transactions with non-controlling interests	與非控股權益交易的已確認收益	728

There were no transactions with non-controlling interests in 2019.

於2019年，並無與非控股權益交易。

27 BORROWINGS

27 借款

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Non-current	非流動		
Bank borrowings (Note (a))	銀行借款(附註(a))	100	2,603
Other borrowings	其他借款	86	359
		186	2,962
Current	流動		
Bank borrowings (Note (a))	銀行借款(附註(a))	38,655	32,439
Other borrowings	其他借款	272	422
		38,927	32,861
Total borrowings	總借款	39,113	35,823

(a) Bank borrowings

As at 31 March 2020, the bank borrowings of approximately HK\$26,538,000 are denominated in JPY and of approximately HK\$12,217,000 are denominated in HKD respectively. As at 31 March 2019, all the bank borrowings are denominated in JPY.

As at 31 March 2020, the Group's bank borrowings amounting to HK\$7,210,000 were guaranteed by personal guarantee from Mr. Ando, while bank borrowings amounting to HK\$12,217,000 were subjected to corporate guarantee provided by a subsidiary.

(a) 銀行借款

於2020年3月31日，約26,538,000港元及約12,217,000港元銀行借款分別以日圓及港元計值。於2019年3月31日，所有銀行借款以日圓計值。

於2020年3月31日，本集團金額為7,210,000港元的銀行借款由安藤先生作出的個人擔保所擔保，而金額為12,217,000港元的銀行借款則由一間附屬公司提供的公司擔保所擔保。

27 BORROWINGS (Continued)

(a) Bank borrowings (Continued)

During the financial year of 2019, the Group's banking facilities were guaranteed by (i) personal guarantees from Mr. Ando, (ii) corporate guarantee from a related party, and (iii) third party corporate guarantee. The personal guarantees provided by the Group's director were released in April and May 2018. Corporate guarantee provided by a related company and third party corporate were released in May 2018, May 2018 and April 2018 respectively.

These facilities are secured by certain bank deposits with an aggregate amount of HK\$5,433,000 (2019: HK\$20,300,000) (Note 24 and 34).

The effective interest rates of bank borrowings as at 31 March 2020 were 0.52% to 4.12% per annum (2019: 0.3% to 0.8% per annum).

As at 31 March 2020, the fair value of bank borrowings approximated their carrying amounts (2019: same).

The Group's bank borrowings are repayable as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Within 1 year	一年內	38,655	32,439
Between 1 and 2 years	一年至兩年內	100	2,403
Between 2 and 5 years	兩年至五年內	—	200
		38,755	35,042

27 借款(續)

(a) 銀行借款(續)

於2019年財政年度，本集團的銀行融資由(i)安藤先生作出的個人擔保；(ii)關聯方作出的公司擔保；及(iii)第三方公司擔保所擔保。由本集團董事提供的個人擔保於2018年4月及5月解除。公司擔保由關聯公司及第三方公司提供，已分別於2018年5月、2018年5月及2018年4月解除。

該等融資由總額為5,433,000港元(2019年：20,300,000港元)的若干銀行存款作抵押(附註24及34)。

於2020年3月31日，銀行借款的實際年利率為0.52%至4.12%(2019年：每年0.3%至0.8%)。

於2020年3月31日，銀行借款的公平值與其賬面值相若(2019年：情況相同)。

本集團應償還的銀行借款如下：

28 TRADE AND OTHER PAYABLES AND ACCRUALS

28 貿易及其他應付款項及應計費用

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Trade payables	貿易應付款項	—	5,467
Payables to sellers in respect of auction and related business	應付賣家拍賣及相關業務款項	145,484	197,526
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	9,162	17,192
		154,646	220,185
Less: Non-current portion: — Other payables	減：非流動部分： — 其他應付款項	(1,454)	(6,884)
Current portion	流動部分	153,192	213,301

Payables to sellers in respect of auction and related business represent the purchase price of auction articles payable to sellers less seller commissions and other auction related receivable.

As at 31 March 2020 and 2019, all financial trade and other payables of the Group were non-interest bearing, and their fair value approximate to their carrying amounts due to their short maturities.

As at 31 March 2020, the non-current other payable represented the Group's obligation to pay the reinstatement costs to the landlords of the offices in Hong Kong and Japan, which was expected to be settled at the end of the leases.

As at 31 March 2019, the non-current other payable mainly represents the Group's obligation to pay for the employee benefits of a director of the Group, which was expected to be settled after 12 months from the balance sheet date.

Such employee benefits were settled during the year ended 31 March 2020 upon early termination of the related key management life insurance contract.

應付賣家拍賣及相關業務款項指應付賣家拍賣品購買價減賣家佣金及其他拍賣相關應收款項。

於2020年及2019年3月31日，本集團所有金融貿易及其他應付款項均免息，而由於彼等到期日較短，因此彼等公平值與彼等賬面值相若。

於2020年3月31日，非流動其他應付款項指本集團向香港及日本辦事處業主支付復原成本的責任，預期將於租賃結束時結付。

於2019年3月31日，非流動其他應付款項主要指本集團就本集團董事支付僱員福利的責任，其將預期於結算日起12個月後結付。

於提早終止相關主要管理層人壽保險合約後，有關僱員福利於截至2020年3月31日止年度已結付。

28 TRADE AND OTHER PAYABLES AND ACCRUALS (Continued)

The Group's trade and other payables and accruals are denominated in the following currencies:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
HK\$	港元	126,593	89,794
JPY	日圓	27,922	130,391
Others	其他	131	—
		154,646	220,185

As at 31 March 2020, the ageing analysis of the trade payables based on invoice date are as follows:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Within 30 days	30天內	—	5,467

28 貿易及其他應付款項及應計費用 (續)

本集團貿易及其他應付款項及應計費用以下列貨幣計值：

於2020年3月31日，基於發票日期的貿易應付款項的賬齡分析如下：

29 FINANCIAL INSTRUMENTS BY CATEGORY

29 按類別劃分的金融工具

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Financial assets at amortised cost	按攤銷成本列賬的金融資產		
— Trade and other receivables	— 貿易及其他應收款項	232,899	225,367
— Prepayments to sellers for auctioned artwork	— 就已拍賣藝術品向賣家預付之款項	79,687	—
— Deposits	— 按金	4,412	11,096
— Pledged bank deposits	— 已抵押銀行存款	5,443	20,300
— Cash and cash equivalents	— 現金及現金等價物	82,577	236,522
		405,018	493,285
Financial liabilities at amortised cost	按攤銷成本列賬的金融負債		
— Trade and other payables	— 貿易及其他應付款項	154,646	217,199
— Borrowings	— 借款	39,113	35,823
— Lease liabilities	— 租賃負債	22,979	—
		216,738	253,022

30 NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of profit before income tax to net cash (used in)/generated from operations:

30 合併現金流量表附註

(a) 除所得稅前溢利與經營業務(所用)／所得現金淨額之對賬：

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	10,461	15,298
Adjustments for:	就以下各項調整：		
— Depreciation of property, plant and equipment	— 物業、廠房及設備折舊	3,050	2,727
— Amortisation of intangible assets	— 無形資產攤銷	62	62
— Depreciation of Right-of-use assets	— 使用權資產折舊	6,837	—
— Share of net profit of associate accounted for using the equity method	— 應佔一間聯營公司之淨溢利，使用權益會計法列賬	(133)	—
— Gain on termination of key management life insurance contracts	— 終止主要管理層人壽保險合約收益	(703)	—
— Changes in cash surrender values of key management life insurance contracts	— 主要管理層人壽保險合約現金退保價值變動	(32)	(24)
— Changes in fair value of convertible notes	— 可換股票據公平值變動	—	4,107
— Change in fair value of financial asset at fair value through profit or loss	— 按公平值計入損益之金融資產公平值變動	243	—
— Loss on disposal of property, plant and equipment (Note 30(b))	— 出售物業、廠房及設備虧損(附註30(b))	—	98
— Interest income	— 利息收入	(2,195)	(582)
— Interest expenses	— 利息開支	1,447	272
— Net impairment losses on financial assets	— 金融資產減值虧損淨額	3,789	1,194
— Gain on termination of lease	— 終止租賃收益	(1)	—
Changes in working capital:	營運資金變動：		
— Inventories	— 存貨	(32,960)	2,152
— Trade and other receivables	— 貿易及其他應收款項	(10,352)	197,097
— Deposits and prepayments	— 按金及預付款項	(76,333)	(10,015)
— Trade and other payables and accruals	— 貿易及其他應付款項及應計費用	(58,331)	(169,470)
Cash (used in)/generated from operations	經營業務(所用)／所得現金	(155,151)	42,916

30 NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(b) In the consolidated statement of cash flows, proceeds from disposal of properties, plant and equipment comprise:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Net book amount	賬面淨值	—	98
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	—	(98)
Proceeds from disposal	出售所得款項	—	—

(c) Debt reconciliation

This section sets out an analysis of the movements in total debt for the year ended 31 March 2020.

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Borrowings — repayable within one year	借款 — 須於一年內償還	38,927	32,861
Borrowings — repayable after one year	借款 — 須於一年後償還	186	2,962
Total debt	債務總額	39,113	35,823
Gross debt — fixed interest rates	總債務 — 固定利率	358	781
Gross debt — variable interest rates	總債務 — 浮動利率	38,755	35,042
Total debt	債務總額	39,113	35,823

30 合併現金流量表附註(續)

(b) 於合併現金流量表中，出售物業、廠房及設備的所得款項包括：

(c) 債務之對賬

本節載列截至2020年3月31日止年度的債務總額變動分析。

30 NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(c) Debt reconciliation (Continued)

30 合併現金流量表附註 (續)

(c) 債務之對賬 (續)

		Liabilities from financing activities 來自融資活動負債				
		Borrowings due within 1 year 於1年內 到期的 借款 HK\$'000 千港元	Borrowings due after 1 year 於1年後 到期的 借款 HK\$'000 千港元	Lease liabilities due within 1 year 於1年內 到期的 租賃負債 HK\$'000 千港元	Lease liabilities due after 1 year 於1年後 到期的 租賃負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Total debt as at 1 April 2018	於2018年4月1日的債務總額	44,439	4,886	—	—	49,325
Cash flows	現金流量	(12,285)	24	—	—	(12,261)
Reclassification	重新分類	1,820	(1,820)	—	—	—
Foreign exchange adjustments	外匯調整	(1,113)	(128)	—	—	(1,241)
Total debt as at 31 March 2019	於2019年3月31日的債務總額	32,861	2,962	—	—	35,823
Adoption of HKFRS 16	採納香港財務報告準則 第16號	—	—	6,451	22,722	29,173
Total debt as at 1 April 2019	於2019年4月1日的債務總額	32,861	2,962	6,451	22,722	64,996
Cash flows	現金流量	4,606	(1,298)	(7,525)	—	(4,217)
Acquisition-leases	收購—租賃	—	—	966	380	1,346
Termination-leases	終止—租賃	—	—	(49)	(673)	(722)
Interest cost	利息成本	—	—	170	542	712
Reclassification	重新分類	1,470	(1,470)	6,841	(6,841)	—
Foreign exchange adjustments	外匯調整	(10)	(8)	(4)	(1)	(23)
Total debt as at 31 March 2020	於2020年3月31日的債務總額	38,927	186	6,850	16,129	62,092

31 FINANCIAL GUARANTEES

As at 31 March 2020, the Company's subsidiary had given guarantees totalling approximately HK\$18,500,000 (2019: Nil) to financial institutions in connection with the banking facilities granted to the Company.

As at 31 March 2019, the Company had given guarantees totaling approximately HK\$20,300,000 to financial institutions in connection with the banking facilities granted to its subsidiary.

32 COMMITMENTS

The Group leases various carpark and office warehouses and office under non-cancellable operating leases expiring within 3 years. The leases have renewal rights. On renewal, the terms of the leases are renegotiated.

From 1 April 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see Note 2.2 and Note 16 for further information.

31 財務擔保

於2020年3月31日，本公司的附屬公司已就授予本公司的銀行融資向財務機構作出合共約18,500,000港元(2019年：零)的擔保。

於2019年3月31日，本公司已就其附屬公司獲授的銀行融資提供合共約20,300,000港元的擔保予金融機構。

32 承擔

本集團根據不可撤回經營租賃租賃多個停車場及辦公室倉庫及辦公室，租期3年內屆滿。該等租賃擁有重續權。於重續時，可重新磋商租期。

於2019年4月1日，本集團將該等租賃確認使用權資產，短期及低價值租賃除外，進一步資料見附註2.2及附註16。

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
No later than 1 year	不遲於1年	296	7,715
Later than 1 year and no later than 2 years	遲於1年但不遲於2年	—	5,377
Later than 2 year but not later than 5 years	遲於2年但不遲於5年	—	—
		296	13,092

33 ASSETS PLEDGED AS SECURITY

At the end of the reporting period, the Group has pledged the following assets to secure certain borrowings granted to the Group:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Pledged bank deposits	已抵押銀行存款	5,443	20,300
		5,443	20,300

33 已抵押為擔保的資產

於報告期末，本集團已抵押下列資產以擔保若干授予本集團的借款：

34 RELATED PARTY TRANSACTIONS

(a) Names and relationships with related parties

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control.

34 關聯方交易

(a) 關聯方名稱及關係

關聯方指有能力控制、共同控制或在對投資對象持有權力時能對對方施加重大影響力；因參與投資對象的業務而承擔可變回報的風險或權利；且有能力藉對投資對象行使其權力而影響投資者回報金額的人士。倘受限於同一控制或共同控制，亦被視為關聯方。

34 RELATED PARTY TRANSACTIONS

(Continued)

(a) Names and relationships with related parties

(Continued)

The following individuals and companies are related parties of the Group that had balances and/or transactions with the Group during the year ended 31 March 2020.

Name of related parties 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Mr. Ando Shokei 安藤湘桂先生	Controlling Shareholder 控股股東
Mrs. Ando Eri 安藤惠理女士	Controlling Shareholder 控股股東
Bai Sheng Co., Ltd. 株式會社百勝	Controlled by Mr. Ando Shokei 由安藤湘桂先生控制
Mr. Katsu Bunkai 葛文海先生	Executive director 執行董事
Mr. Sun Hongyue 孫鴻月先生	Executive director 執行董事
Mr. Yau Chung Hang (Note (i)) 邱仲珩先生(附註(i))	Executive director 執行董事
Mr. Yang Yi Chung (Note (ii)) 楊維聰先生(附註(ii))	Non-executive director 非執行董事
Mr. Chung Kwok Mo John 鍾國武先生	Independent non-executive director 獨立非執行董事
Ms. Lam Suk Ling Shirley 林淑玲女士	Independent non-executive director 獨立非執行董事
Mr. Chun Chi Man 秦治民先生	Independent non-executive director 獨立非執行董事

Notes:

- (i) Mr. Yau has resigned as the Company's executive director with effect from 13 September 2019.
- (ii) Mr. Yang has resigned as the Company's non-executive director with effect from 14 May 2019.

附註：

- (i) 邱先生已辭任本公司執行董事，由2019年9月13日起生效。
- (ii) 楊先生已辭任本公司非執行董事，由2019年5月14日起生效。

34 關聯方交易(續)

(a) 關聯方名稱及關係(續)

以下人士及公司為本集團的關聯方，彼等於截至2020年3月31日止年度與本集團錄得結餘及／或進行交易。

34 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

In addition to those disclosed elsewhere in the notes to the consolidated financial statement, the Group had the following transactions with related parties:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Auction commissions from a related party	應收關聯方拍賣佣金		
— Bai Sheng Co., Ltd.	— 株式會社百勝	2	189
— Mr. Sun Hongyue	— 孫鴻月先生	520	134
Agency commissions charged by a related party	關聯方收取代理佣金		
— Bai Sheng Co., Ltd.	— 株式會社百勝	—	65
Rental expenses to a related party	向關聯方支付的租金開支		
— Bai Sheng Co., Ltd.	— 株式會社百勝	218	—

As at 31 March 2020, the Group's bank facilities amounting to HK\$7,210,000 were guaranteed by personal guarantee from Mr. Ando.

During the financial year of 2019, the Group's banking facilities were guaranteed by (i) personal guarantees from Mr. Ando, (ii) corporate guarantee from a related party, and (iii) third party corporate guarantee. The personal guarantees provided by the Group's director were released in April and May 2018. Corporate guarantee provided by a related company and third party corporate were released in May 2018, May 2018 and April 2018 respectively.

All the related party transactions were conducted in accordance with terms mutually agreed with related parties and in the ordinary course of business.

34 關聯方交易 (續)

(b) 與關聯方的交易

除合併財務報表附註其他部分所披露者外，本集團與關聯方之交易如下：

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Auction commissions from a related party	應收關聯方拍賣佣金		
— Bai Sheng Co., Ltd.	— 株式會社百勝	2	189
— Mr. Sun Hongyue	— 孫鴻月先生	520	134
Agency commissions charged by a related party	關聯方收取代理佣金		
— Bai Sheng Co., Ltd.	— 株式會社百勝	—	65
Rental expenses to a related party	向關聯方支付的租金開支		
— Bai Sheng Co., Ltd.	— 株式會社百勝	218	—

於2020年3月31日，本集團金額為7,210,000港元的銀行融資由安藤先生作出的個人擔保所擔保。

於2019年財政年度，本集團的銀行融資由(i)安藤先生作出的個人擔保；(ii)關聯方作出的公司擔保；及(iii)第三方作出的公司擔保所擔保。由本集團董事提供的個人擔保於2018年4月及5月解除。公司擔保由關聯公司及第三方公司提供，已分別於2018年5月、2018年5月及2018年4月解除。

所有關聯方交易乃根據與關聯方相互協定的條款於日常業務過程中進行。

34 RELATED PARTY TRANSACTIONS

(Continued)

(c) Key management compensation

Key management includes directors and top management. The compensation paid or payable to key management for employee services is shown below:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Wages, salaries and bonus	工資、薪金及花紅	17,790	16,803
Pensions	退休金	670	641
Staff welfare and other benefits	僱員福利及其他利益	22	845
		18,482	18,289

35 SHARE OPTION SCHEME

The Group has adopted the share option scheme on 13 September 2018 under which certain selected classes of participants (including, among others, full-time employees) may be granted options to subscribe for the new shares. As of the date of this report, no share options have been granted under the scheme.

34 關聯方交易 (續)

(c) 主要管理層薪酬

主要管理層包括董事及最高管理層。就僱員服務而已付或應付主要管理層的薪酬列示如下：

35 購股權計劃

本集團於2018年9月13日採納購股權計劃，據此，若干獲甄選類別的參與者（其中包括全職僱員等）可獲授予購股權以認購新股。截至本報告日期，概無根據該計劃授出任何購股權。

36 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY 36 本公司資產負債表及儲備變動

Balance sheet of the Company

本公司資產負債表

	Note 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Assets			
Non-current assets			
Investment in subsidiaries		47,548	45,344
Property, plant and equipment		1,024	2,673
Right-of-use assets		12,746	—
Deferred tax assets		203	—
Deposits and prepayments		953	1,073
		62,474	49,090
Current assets			
Inventories		2,279	1,600
Trade and other receivables		—	9,064
Deposits and prepayments		10,175	10,506
Amount due from subsidiaries		147,874	23,811
Pledged bank deposits		4,000	20,300
Cash and cash equivalents		27,588	126,156
		191,916	191,437
Total assets		254,390	240,527

36 BALANCE SHEET AND RESERVE MOVEMENT
 OF THE COMPANY (Continued)

Balance sheet of the Company (Continued)

36 本公司資產負債表及儲備變動
 (續)

本公司資產負債表(續)

		Note 附註	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Equity	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本		169,730	169,730
Reserves	儲備	36(a)	49,379	60,430
Total equity	總權益		219,109	230,160
Liabilities	負債			
Non-current liabilities	非流動負債			
Other payable	其他應付款項		768	—
Lease liabilities	租賃負債		10,035	—
Borrowings	借款		—	14
			10,803	14
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及 應計費用		3,254	4,705
Amounts due to subsidiaries	應付附屬公司款項		5,391	5,391
Lease liabilities	租賃負債		3,602	—
Borrowings	借款		12,231	170
Current income tax liabilities	當期所得稅負債		—	87
			24,478	10,353
Total liabilities	負債總額		35,281	10,367
Total equity and liabilities	權益及負債總額		254,390	240,527

The balance sheet of the Company was approved by the Board of Directors on 26 June 2020 and was signed on its behalf.

本公司資產負債表已由董事會於2020年6月26日批准並由下列董事代表簽署。

Ando Shokei
 安藤湘桂
 Director
 董事

Ando Eri
 安藤惠理
 Director
 董事

36 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Reserve movement of the Company

36 本公司資產負債表及儲備變動 (續)

(a) 本公司儲備變動

		Retained earnings 保留盈利 HK\$'000 千港元
At 1 April 2018	於2018年4月1日	80,975
Loss for the year	年度虧損	(20,545)
At 31 March 2019	於2019年3月31日	60,430
At 1 April 2019, as originally presented	於2019年4月1日(原先呈列)	60,430
Change of accounting policy	會計政策變動	(506)
At 1 April 2019 (Restated)	於2019年4月1日(經重列)	59,924
Dividend declared	已宣派股息	(10,000)
Loss for the year	年度虧損	(545)
At 31 March 2020	於2020年3月31日	49,379

37 BENEFITS AND INTEREST OF DIRECTORS

(a) Directors and chief executive's emoluments

The remuneration of each director of the Company paid/payable by the Group for the years ended 31 March 2020 and 2019 are set out as follows:

37 董事福利及利益

(a) 董事及最高行政人員薪酬

截至2020年及2019年3月31日止年度，本集團已付／應付本公司各董事的薪酬載列如下：

		Director's fee	Salaries, wages and bonuses	Pension, medical insurance, other social insurances and other benefits	Total
		董事袍金	薪金、工資及花紅	退休金、醫療保險、其他社會保險及其他福利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
For the year ended	截至以下日期止年度				
31 March 2020	2020年3月31日				
Executive directors	執行董事				
— Mr. Ando	— 安藤先生	—	8,269	(76)	8,193
— Mrs. Ando Eri	— 安藤惠理女士	—	2,894	120	3,014
— Mr. Katsu Bunkai	— 葛文海先生	—	1,230	116	1,346
— Mr. Sun Hongyue	— 孫鴻月先生	—	1,478	154	1,632
— Mr. Yau Chung Hang (Note (ii))	— 邱仲珩先生 (附註(ii))	120	621	9	750
Non-executive directors	非執行董事				
— Mr. Yang Yi Chung (Note (i))	— 楊維聰先生 (附註(i))	41	—	—	41
— Mr. Chung Kwok Mo John	— 鍾國武先生	240	—	—	240
— Ms. Lam Suk Ling Shirley	— 林淑玲女士	240	—	—	240
— Mr. Chun Chi Man	— 秦治民先生	240	—	—	240
		881	14,492	323	15,696

37 BENEFITS AND INTEREST OF DIRECTORS

(Continued)

(a) Directors and chief executive's emoluments

(Continued)

37 董事福利及利益 (續)

(a) 董事及最高行政人員薪酬 (續)

For the year ended	Director's fee	Salaries, wages and bonuses	Pension, medical insurance, other social insurances and other benefits	Total
截至以下日期止年度	董事袍金	薪金、工資及花紅	退休金、醫療保險、及其他社會保險及其他福利	總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
31 March 2019	2019年3月31日			
Executive directors	執行董事			
— Mr. Ando	— 安藤先生	— 7,879	946	8,825
— Mrs. Ando Eri	— 安藤惠理女士	— 2,748	117	2,865
— Mr. Katsu Bunkai	— 葛文海先生	— 998	108	1,106
— Mr. Sun Hongyue	— 孫鴻月先生	— 1,512	149	1,661
— Mr. Yau Chung Hang (Note (ii))	— 邱仲珩先生 (附註(ii))	120 1,341	18	1,479
Non-executive directors	非執行董事			
— Mr. Yang Yi Chung (Note (i))	— 楊維聰先生 (附註(i))	120 —	—	120
— Mr. Chung Kwok Mo John	— 鍾國武先生	120 —	—	120
— Ms. Lam Suk Ling Shirley	— 林淑玲女士	120 —	—	120
— Mr. Chun Chi Man	— 秦治民先生	120 —	—	120
		600 14,478	1,338	16,416

The remuneration shown above represents remuneration paid and payable by the Group for these directors in their capacity as employees to the Group and/or in their capacity as directors of the Company during the years ended 31 March 2020 and 2019. No directors waived or agreed to waive any emoluments during the years ended 31 March 2020 and 2019.

Notes:

- (i) Mr. Yang has resigned as the Company's non-executive director with effect from 14 May 2019.
- (ii) Mr. Yau has resigned as the Company's executive director with effect from 13 September 2019.

上表所載薪酬指該等董事於截至2020年及2019年3月31日止年度以本集團僱員身份及/或本公司董事身份由本集團已付或應付的薪酬。概無董事於截至2020年及2019年3月31日止年度放棄或同意放棄任何酬金。

附註：

- (i) 楊先生已辭任本公司非執行董事，由2019年5月14日起生效。
- (ii) 邱先生已辭任本公司執行董事，由2019年9月13日起生效。

37 BENEFITS AND INTEREST OF DIRECTORS

(Continued)

(b) Directors' retirement benefits

During the year ended 31 March 2020, no retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking (2019: Nil).

(c) Directors' termination benefits

No payment was made to directors as compensation for early termination of the appointment during the year ended 31 March 2020 (2019: Nil).

(d) Consideration provided to third parties for making available directors' services

No payment was made to third parties for making available directors' services during the year ended 31 March 2020 (2019: Nil).

(e) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

Save as disclosed in Note 34, there are no other loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors during the year ended 31 March 2020 (2019: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

There are no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2020 (2019: Nil).

37 董事福利及利益 (續)

(b) 董事退休福利

截至2020年3月31日止年度，任何董事均未就管理本公司事務或其附屬公司業務所提供的其他服務而獲付或應收取任何退休福利(2019年：無)。

(c) 董事離職福利

截至2020年3月31日止年度，並無向董事作出任何付款作為提早終止委聘的補償(2019年：無)。

(d) 就提供董事服務向第三方撥付的代價

截至2020年3月31日止年度，並無就提供董事服務向第三方作出任何付款(2019年：無)。

(e) 關於以董事、有關董事的受控法團及與有關董事關連的實體為受益人的貸款、準貸款及其他交易的資料

除附註34所披露者外，截至2020年3月31日止年度，並無以董事、有關董事的受控法團及與有關董事關連的實體為受益人的其他貸款、準貸款及其他交易(2019年：無)。

(f) 董事於交易、安排或合約的重大權益

於年末或截至2020年3月31日止年度的任何時間內，本公司概無簽訂任何涉及本公司業務而本公司董事直接或間接在其中擁有重大權益之重要交易、安排及合約(2019年：無)。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements.

本集團於過去五個財政年度之業績以及資產、負債與非控股權益概要，摘錄自己刊發經審計財務報表。

FINANCIAL HIGHLIGHTS

財務摘要

		2016 2016年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2020 2020年 HK\$'000 千港元
Revenue	收益	138,613	148,048	173,266	166,091	107,589
Gross profit	毛利	97,296	107,168	132,319	126,181	75,937
Profit before income tax	除所得稅前溢利	30,223	41,004	57,982	15,298	10,461
Profit attributable to owners of the Company	本公司擁有人應佔溢利	18,497	30,780	44,063	8,632	8,444
Total assets	總資產	316,165	374,060	570,336	551,003	512,085
Total liabilities	負債總額	241,090	266,325	459,927	264,115	228,016
Net Assets	資產淨額	75,075	107,735	110,409	286,888	284,069
Equity attributable to:	以下人士應佔權益：					
— Equity shareholders of the Company	— 本公司權益股東	67,267	98,307	103,669	280,286	279,909
— Non-controlling interests	— 非控股權益	7,808	9,428	6,740	6,602	4,160
		75,075	107,735	110,409	286,888	284,069
Gross profit margin ¹	毛利率 ¹	70.2%	72.4%	76.4%	76.0%	70.6%
Net profit margin ²	純利率 ²	13.3%	20.8%	25.4%	5.2%	7.8%
Current ratio ³	流動比率 ³	1.28	1.39	1.21	2.10	2.24
Net debt to equity ratio ⁴	淨負債資本比率 ⁴	Net Cash 現金淨額	Net Cash 現金淨額	Net Cash 現金淨額	Net Cash 現金淨額	Net Cash 現金淨額

¹ Gross profit margin is calculated by dividing gross profit by revenue.

¹ 毛利率以毛利除以收益計算得出。

² Net profit margin is calculated by dividing profit attributable to owners of the Company by revenue.

² 純利率以本公司擁有人應佔溢利除以收益計算得出。

³ Current ratio is calculated by dividing total current assets by total current liabilities.

³ 流動比率以流動資產總額除以流動負債總額計算得出。

⁴ Net debt to equity ratio is calculated by dividing interest-bearing liabilities less cash and cash equivalents by total equity.

⁴ 淨負債資本比率以計息負債減現金及現金等價物除以總權益計算得出。

