



實華發展
SHIHUA DEVELOPMENT

實華發展有限公司
Shihua Development Company Limited

(Incorporated in Bermuda with limited liability)
Stock Code: 485



2016

ANNUAL REPORT 年報



OUR MISSION

We have highlighted the mission of “invest for a better life”, integrated the success of the culture of our new management team into current operations, and adhered to the “customer-first, all wins, harmony-oriented, environmental friendly, result driven” philosophy, thus promoting sustainable corporate development. This is proved that we proactively responded to stakeholders’ concerns and, in particular, persisted with repaying investors’ trust with increasing returns and looking for good opportunities. We will expand our business to other sectors that would have good opportunities. We ensure a steady supply of quality products and considerate services to our customers, kept our promise to employees and paid heed to their concerns, created a home-alike working environment and a broad development platform, and proactively engaged in social welfare in return for the support and understanding of all walks of life.

集團使命

我們肩負「創造美好生活」之使命，將我們新管理團隊在企業文化方面取得的成就融入到當前經營的業務中，並堅持「客戶至上、謀求共贏、和平共處、推動環保、以結果為導向」之理念，從而推動企業的可持續發展。這一理念表明我們積極回應利益相關者所關注之問題，尤其是我們將不斷增加回報，尋求良機，從而不負投資者之重托。我們日後會將業務擴展至具備良好發展機遇的其他分部。我們保證會供應優質產品，為客戶提供貼心服務，踐行向員工許下的承諾並關注員工所需，為其創造居家式辦公環境並為其提供廣闊的發展平台，同時積極參與社會福利事業，從而取得社會各界的支持和理解。

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Wang Jing (Chairman)
Wang Xing Qiao (Chief Executive Officer)
Chen Wan Jin (resigned on 6 July 2016)
Zhao Shuang

Non-Executive Director

Li Jun

Independent Non-Executive Directors

Yang Xin Hua (resigned on 6 July 2016)
Wang Ping
Cheng Tai Kwan Sunny
Song Wenke (appointed on 6 July 2016)

COMPANY SECRETARY

Lam Wai Kei

AUDITOR

Deloitte Touche Tohmatsu

AUDIT COMMITTEE

Wang Ping (Chairman)
Yang Xin Hua (resigned on 6 July 2016)
Cheng Tai Kwan Sunny
Song Wenke (appointed on 6 July 2016)

REMUNERATION COMMITTEE

Yang Xin Hua (Chairman) (resigned on 6 July 2016)
Wang Ping
Cheng Tai Kwan Sunny
Song Wenke (Chairman) (appointed on 6 July 2016)

NOMINATION COMMITTEE

Wang Jing (Chairman)
Yang Xin Hua (resigned on 6 July 2016)
Cheng Tai Kwan Sunny
Song Wenke (appointed on 6 July 2016)

董事局

執行董事

王晶(主席)
王星喬(行政總裁)
陳萬金(於二零一六年七月六日辭任)
趙爽

非執行董事

李軍

獨立非執行董事

楊新華(於二零一六年七月六日辭任)
王平
鄭大鈞
宋文科(於二零一六年七月六日獲委任)

公司秘書

林偉基

核數師

德勤•關黃陳方會計師行

審核委員會

王平(主席)
楊新華(於二零一六年七月六日辭任)
鄭大鈞
宋文科(於二零一六年七月六日獲委任)

薪酬委員會

楊新華(主席)(於二零一六年七月六日辭任)
王平
鄭大鈞
宋文科(主席)(於二零一六年七月六日獲委任)

提名委員會

王晶(主席)
楊新華(於二零一六年七月六日辭任)
鄭大鈞
宋文科(於二零一六年七月六日獲委任)

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank
DBS Bank (Hong Kong) Limited

SOLICITOR

Locke Lord

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL OFFICE

Rooms 05-15, 13A/F., South Tower, World Finance Centre,
Harbour City, 17 Canton Road, Tsim Sha Tsui, Kowloon,
Hong Kong
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Fax: (852) 2208 6006
Website: www.00485.hk
Email: office@lnshihua.com

主要銀行

香港上海滙豐銀行有限公司
恒生銀行
星展銀行(香港)有限公司

律師

洛克律師事務所

香港股份過戶登記處

卓佳秘書商務有限公司

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

主要辦事處

香港
九龍尖沙咀廣東道17號
海港城環球金融中心南座13A樓05-15室
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CHAIRMAN'S STATEMENT

主席報告書

On behalf of the Board of Shihua Development Company Limited and all of its subsidiaries, I am pleased to present the Group's annual report for the year ended 31 March 2016 to the Shareholders.

During the past two financial years, the Company has undergone a significant restructuring on the corporate structure, businesses and its management team. In designing the business strategies and has future plans for the Group, the Board and the management team focused on the development of its current business in design and sale of wide range of electronic products but has also actively captured potential opportunities and diversified its businesses into other business sectors so as to broaden the revenue stream of the Group and achieve better results for the Company and the Shareholders. With the contributions of the Board, the management team and the employees, the financial performance of the Company for the year ended 31 March 2016 has been improving gradually.

For the year ended 31 March 2016, the Group's turnover has reached to HK\$425,523,000, representing an increase of 11% as compared to last year (2015: HK\$381,863,000) and the gross profit has increased by 75% to the amount of HK\$103,045,000 as compared with the same period in 2015 (2015: HK\$59,052,000). By streamlining the structure of the Company, the distribution costs have increased from HK\$30,961,000 for the year ended 31 March 2015 to HK\$42,418,000 for the year ended 31 March 2016 while the administrative expenses have relatively decreased from HK\$78,655,000 for the year ended 31 March 2015 to HK\$64,141,000 for the year ended 31 March 2016. As a result, the loss before taxation has decreased from HK\$245,868,000 for the year ended 31 March 2015 to HK\$14,495,000 for the year ended 31 March 2016.

The considerable improvement in the Group's financial performance for the year ended 31 March 2016 compared to the year ended 31 March 2015 reflected the continuing benefits of the Board's strategies and the excellent progress made with the implementation of the Group Restructuring.

本人謹代表實華發展有限公司及其全部附屬公司，欣然向股東呈列本集團截至二零一六年三月三十一日止年度之年度報告。

於過往兩個財政年度，本公司已對公司的結構、業務及其管理團隊進行了重大重組。在制定本集團業務策略及未來規劃化方面，董事局及管理團隊專注於發展其各類電子產品設計及銷售之現有業務並積極抓住潛在機遇，向其他業務領域進行拓展以增加本集團的收入來源及為本公司及股東帶來更好的回報。由於董事局、管理團隊及全體僱員之貢獻，本公司於截至二零一六年三月三十一日止年度之財務表現逐漸改善。

本集團截至二零一六年三月三十一日止年度的營業額達425,523,000港元，較去年(二零一五年：381,863,000港元)增長11%，毛利較二零一五年(二零一五年：59,052,000港元)同比增長75%至103,045,000港元。通過調整本公司結構，分銷成本從截至二零一五年三月三十一日止年度之30,961,000港元增至截至二零一六年三月三十一日止年度之42,418,000港元，而行政費用相對減少，從截至二零一五年三月三十一日止年度之78,655,000港元減至截至二零一六年三月三十一日止年度之64,141,000港元。因此，除稅前虧損減少，從截至二零一五年三月三十一日止年度之245,868,000港元減至截至二零一六年三月三十一日止年度之14,495,000港元。

本集團截至二零一六年三月三十一日止年度之財務表現較截至二零一五年三月三十一日止年度顯著提升，反映出董事局策略之持續裨益及本集團實行重組所帶來的卓越成效。

CHAIRMAN'S STATEMENT 主席報告書

Beyond the considerable improvement of the Group, however, the global economy has recovered slower and weaker than expected and the economy in the PRC has experienced the dramatic changes in which the pattern of its economic growth has been more moderately over the past few years. Having considered the uncertainties towards the current market conditions and business environment, the Board will adopt a cautious approach on the current businesses and continue to seek for other potential business opportunities in various sectors in order to eliminate the unsystematic and potential business risks towards the Group and to bring the Group with sustainable growth.

Lastly, I would like to thank my fellow Directors, senior management and all our staff for their performance and support during the year. I would also like to thank all our Shareholders, suppliers, business partners and customers, whose supports have contributed our success in the past year.

By the order of the Board
Wang Jing
Chairman

Hong Kong, 29 June 2016

然而，除本集團財務表現出現顯著提升外，全球經濟復甦之速度及力度不及預期，中國經濟出現巨大變動，其採取之經濟增長模式較過去數年更為溫和。經考慮現行市場狀況及業務環境之不確定因素，董事局將審慎對待現有業務且持續尋求本集團於不同行業之潛在業務機遇，以減少本集團的無系統性及潛在的業務風險，並為本集團帶來可持續增長。

最後，本人謹此感謝各位董事同仁、高級管理層人員以及全體員工於本年度內的表現及支持。本人亦藉此機會向全體股東、供應商、業務夥伴及客戶過往對本集團營運成功所作出的貢獻表示由衷謝意。

承董事局命
主席
王晶

香港，二零一六年六月二十九日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

Turnover

In 2016, the Group recorded a revenue of HK\$425,523,000 (2015: HK\$381,863,000), representing an increase of 11% as compared to the corresponding period of the previous year.

Electronic Division

The turnover of the Group was mainly derived from the sales of electronic products, whereas the manufacturing and selling of electronic products in the previous year. The turnover of the Group increased by 11% for the year ended 31 March 2016. Segment loss has reduced from HK\$54,192,000 for the year ended 31 March 2015 to HK\$2,683,000 for the year ended 31 March 2016 due to the cessation of manufacturing business in the previous financial year. In considering the rising production costs in the past few years which resulted in the rapid decrease in the gross profit margin, the Group disposed of a separate line of manufacturing business in the past financial year.

Properties Investment

The Group reported a segment profit of HK\$4,348,000 for the year ended 31 March 2016 (2015: HK\$16,868,000) due to the combined effect of gain on disposal of a subsidiary at the amount of HK\$10,211,000 and the decrease in fair value of investment properties at the amount of HK\$5,863,000.

Securities Trading

For the year ended 31 March 2016, the Group recorded a segment profit of HK\$6,000 due to the increase in fair value of investment held for trading. For the year ended 31 March 2015, the Group recorded a segment loss of HK\$18,000 due to the decrease in the fair value of investment held for trading.

Gross Profit/Loss and Results

The Group's gross profit has increased from HK\$59,052,000 for the year ended 31 March 2015 to HK\$103,045,000 for the year ended 31 March 2016. This improvement is mainly due to the Group Restructuring on the electronic products business which took place in the previous financial year and the cost control during the year.

業務回顧

營業額

於二零一六年，本集團錄得收益425,523,000港元（二零一五年：381,863,000港元），較去年同期增加11%。

電子分部

本集團營業額主要來自電子產品的銷售，而過往年度來自電子產品之製造及銷售。截至二零一六年三月三十一日止年度本集團營業額增長為11%。分部虧損由截至二零一五年三月三十一日止年度的54,192,000港元減至截至二零一六年三月三十一日止年度的2,683,000港元，乃由於製造業務於上一財政年度終止所致。鑒於過往幾個年度持續上升的生產成本導致毛利率急劇下降，因此本集團於上一財政年度出售一條製造業務的單獨生產線。

物業投資

於截至二零一六年三月三十一日止年度，本集團錄得分類溢利4,348,000港元（二零一五年：16,868,000港元），乃由於出售一間附屬公司收益10,211,000港元及投資物業公平價值減少5,863,000港元之綜合影響所致。

證券買賣

於截至二零一六年三月三十一日止年度，本集團錄得分類溢利6,000港元，乃由於持作買賣之投資的公平價值增加所致。截至二零一五年三月三十一日止年度，本集團分部虧損18,000港元，乃由於持作買賣之投資的公平價值減少所致。

毛利／毛損及業績

本集團之總溢利自截至二零一五年三月三十一日止年度之59,052,000港元增加至截至二零一六年三月三十一日止年度之103,045,000港元。此增長主要由於本集團於上一財政年度重組電子產品業務及年內控制成本所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

A one-off gain on disposal of a subsidiary of HK\$10,211,000 was recorded during the year while the loss arising from the issue of convertible bonds of HK\$38,536,000, loss on deconsolidation of subsidiaries of HK\$15,553,000 and loss arising from distribution in specie of shares in a subsidiary of HK\$138,946,000 were recorded in previous financial year.

As a result, the loss before taxation for the year ended 31 March 2016 decreased to HK\$15,999,000 compared to the loss before taxation for the year ended 31 March 2015 of HK\$247,131,000.

FINANCIAL POSITION

Liquidity and Financial Resources

As at 31 March 2016, the financial position of the Group has undergone a significant improvement. Bank balances and cash have increased to HK\$249,130,000, as compared to the bank balances and cash of HK\$36,718,000 as at 31 March 2015.

As at 31 March 2016, the gearing ratio of the Group was 0.35, excluding the Convertible Bonds (31 March 2015: 0.11). The increase of the Group's gearing ratio represents an increase in the amount of the debt of the Group as at 31 March 2015. The management utilized the gearing platform in order to further develop its business.

The current ratio of the Group of 1.59 as at 31 March 2016 is higher than the current ratio of 1.48 as at 31 March 2015. This simply means that it is easier to pay off its liabilities and therefore reduces the amount of the Group's debt.

Financing and Capital Structure

As at 31 March 2016, the total borrowing and note payable were HK\$119,903,000 and HK\$5,932,000 respectively, but the Group only had note payable of HK\$8,943,000 as at 31 March 2015. The Group's borrowing is a fixed-rate borrowing and bears interest rate at 8.5% per annum (2015: Nil). Note payable carries interest rate at 6.0% per annum (2015: same).

本年度錄得出售一間附屬公司的一次性收益10,211,000港元，而於上個財政年度錄得發行可換股債券產生之虧損38,536,000港元、取消附屬公司綜合入賬之虧損15,553,000港元及實物分派附屬公司股份產生之虧損138,946,000港元。

因此，於截至二零一六年三月三十一日止年度，除稅前虧損減少至15,999,000港元，而截至二零一五年三月三十一日止年度之除稅前虧損為247,131,000港元。

財務狀況

流動資金及財務資源

於二零一六年三月三十一日，本集團之財務狀況有重大提升，銀行結餘及現金增至249,130,000港元，而於二零一五年三月三十一日的銀行結餘及現金為36,718,000港元。

於二零一六年三月三十一日，本集團的資產負債比率為0.35（不包括可換股債券）（二零一五年三月三十一日：0.11）。本集團資產負債比率的增長指本集團於二零一五年三月三十一日的債務金額的增長。管理層動用槓桿平台以進一步發展其業務。

本集團於二零一六年三月三十一日的流動比率為1.59，高於二零一五年三月三十一日的流動比率1.48。這一現象表明本集團償清其負債更加容易因此減少本集團的債務金額。

財務及資本架構

於二零一六年三月三十一日，全部借貸及應付票據分別為119,903,000港元及5,932,000港元，本集團於二零一五年三月三十一日並無任何借貸而僅有應付票據8,943,000港元。本集團之借貸為定息借款，按年利率8.5厘計息（二零一五年：無）。應付票據按年利率6.0厘計息（二零一五年：相同）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Deposit paid for investments

During the year ended and as at 31 March 2016, a deposit amounted to HK\$106,714,000 (2015: nil) has been paid for an investment, represented a refundable deposit paid to an independent third party for a potential acquisition. The potential acquisition was under negotiation as at 31 March 2016.

The deposit is fully refundable if certain conditions precedent are not fulfilled.

Exposure to fluctuation in exchange rates

For the year ended 31 March 2016, the Group's transactions were mostly denominated in US dollars, Hong Kong dollars, Renminbi and Canadian dollars. The Group did not have significant exposure to foreign exchange fluctuation as the management monitors the related foreign currencies closely and will consider hedging for significant foreign currency exposure, if necessary.

Result of the Capital Reorganisation and Open Offer

With reference to the announcements of the Company dated 20 August 2015 and 7 October 2015, the Company announced that it proposed to effect the Capital Reorganisation, Change the board lot size and raise approximately HK\$251,169,000 before expenses by issuing 2,920,568,484 Offer Shares (the "Offer Shares") to the qualifying shareholders at the subscription price of HK\$0.086 per Offer Share on the basis of four Offer Shares for every one adjusted share held on the record date (the "Open Offer"). The Open Offer was underwritten by Achieve Prosper and Kingston Securities Limited.

The Capital Reorganisation became effective on 13 January 2016. Upon completion of the Capital Reorganisation, the issued share capital of the Company was reduced to HK\$7,301,421.21 divided into 730,142,121 Adjusted Shares with nominal value of HK\$0.01 each. The board lot size for trading of the Shares was changed from 10,000 Shares to 20,000 Adjusted Shares.

On 23 February 2016, 2,920,568,484 Offer Shares were allotted and issued pursuant to the Open Offer. The net proceeds for the Open Offer were approximately HK\$246,598,000.

就投資已付之按金

截至二零一六年三月三十一日止年度及於二零一六年三月三十一日，已就投資支付106,714,000港元（二零一五年：無）的按金，即就潛在收購向一名獨立第三方支付的可退還按金。於二零一六年三月三十一日，潛在收購事項仍在磋商中。

倘若若干先決條件未獲達成，該按金將全數退還。

匯率波動之風險

截至二零一六年三月三十一日止年度，本集團的交易主要以美元、港元、人民幣及加元計值。本集團並無面臨重大外匯波動風險，乃由於管理層密切監控相關外幣並將於有必要時對沖重大外幣風險。

股本重組及公開發售之結果

茲提述本公司日期為二零一五年八月二十日及二零一五年十月七日之公告，本公司宣佈其擬落實股本重組、更改每手股份買賣單位及透過按於記錄日期每持有一股經調整股份可獲發四股發售股份之基準以每股發售股份0.086港元之認購價向合資格股東發行2,920,568,484股發售股份（「發售股份」）（「公開發售」）籌集約251,169,000港元（扣除開支前）。公開發售由達榮及金利豐證券有限公司包銷。

股本重組於二零一六年一月十三日生效。於股本重組完成後，本公司之已發行股本縮減至7,301,421.21港元，分為每股面值0.01港元的730,142,121股經調整股份。股份買賣的每手股份買賣單位由10,000股股份更改為20,000股經調整股份。

於二零一六年二月二十三日，本公司已根據公開發售配發及發行2,920,568,484股發售股份。公開發售之所得款項淨額約為246,598,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Up to the date of this annual report, proceeds from the Open Offer were (i) approximately HK\$208,276,000 has been used for repaying the whole amount due to Achieve Prosper under the Promissory Note, and (ii) approximately HK\$20,000,000 has been used for repaying the outstanding balance of the Amount Payable to Shareholder as at the Latest Time for Acceptance. For the remaining proceeds from the Open Offer, the Company intends to use for the Group's property investment business.

For details of the Open Offer, please refer to (i) the circular of the Company dated 27 November 2015, (ii) the prospectus of the Company dated 27 January 2016, and (iii) the announcements of the Company dated 17 December 2015, 21 December 2015, 22 December 2015, 24 December 2015, 13 January 2016, 15 January 2016, 26 January 2016, 27 January 2016 and 22 February 2016.

Update on use of proceeds from the Subscription of Convertible Bonds

With reference to the joint announcement of Achieve Prosper, the Company and Fairy King Prawn Holdings Limited dated 21 March 2014 in relation to, among others, the CB Subscription; (ii) the circular of the Company dated 24 May 2014 in relation to, among others, the CB Subscription; (iii) the joint announcement of Achieve Prosper and the Company dated 29 May 2014 in relation to extension of long stop date of CB subscription; and (iv) the announcement of the Company dated 30 July 2014 in relation to the completion of CB Subscription. The net proceeds from the issue of the Convertible Bonds are approximately HK\$74,788,000. It was intended that a small portion of the net proceeds will be paid by the Company to the Administrators Vehicle for the purpose of implementing the Creditors' Scheme whilst the remaining portion will be applied for funding new investments which the Group may from time to time identify and for general working capital purposes.

直至本年報日期，公開發售之所得款項(i)約208,276,000港元用於償還承兌票據項下應付達榮的全部款項；及(ii)約20,000,000港元用於償還於接納之最後時限應付股東款項之未償付結餘。就公開發售之餘下所得款項，本公司擬用作本集團之物業投資業務。

有關公開發售之詳情，請參閱(i)本公司日期為二零一五年十一月二十七日之通函；(ii)本公司日期為二零一六年一月二十七日的招股章程；及(iii)本公司日期為二零一五年十二月十七日、二零一五年十二月二十一日、二零一五年十二月二十二日、二零一五年十二月二十四日、二零一六年一月十三日、二零一六年一月十五日、二零一六年一月二十六日、二零一六年一月二十七日及二零一六年二月二十二日之公告。

認購可換股債券所得款項用途之最新資料

經參考達榮、本公司及靚蝦王控股有限公司於二零一四年三月二十一日就(其中包括)可換股債券認購事項刊發之聯合公告；(ii)本公司於二零一四年五月二十四日就(其中包括)可換股債券認購事項刊發之通函；(iii)達榮與本公司於二零一四年五月二十九日就延長可換股債券認購事項之最後截止日期刊發之聯合公告；及(iv)本公司於二零一四年七月三十日就完成可換股債券認購事項刊發之公告。發行可換股債券所得款項淨額約為74,788,000港元。本公司擬定就推行債權人計劃向管理人公司支付一小部分所得款項淨額，而剩餘部分將用於為本集團不時物色之新投資提供資金及用作一般營運資金。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Up to 29 June 2016, approximately (i) HK\$52,824,000 (up to 31 March 2015: HK\$51,645,000) has been used for the general working capital of the Group, (ii) approximately HK\$12,000,000 (up to 31 March 2015: HK\$12,000,000) has been paid by the Company to the Administrators Vehicle for the purpose of implementing the Creditors' Scheme, and (iii) the remaining proceeds of approximately HK\$9,964,000 has been maintained at a bank and will be used as intended. No proceeds have been applied for funding new investments of the Group as at the date of this annual report.

Pledge of Assets

The general credit facilities granted to the Group and the margin accounts with securities brokers are secured by an investment property under construction of HK\$188,967,000 (2015: Nil), deposits with securities brokers of HK\$32,000 (2015: HK\$47,000) and investment held for trading of HK\$74,000 (2015: HK\$73,000).

Contingent Liabilities

The Group had no material contingent liabilities for the year ended 31 March 2015 and 31 March 2016.

截至二零一六年六月二十九日，約(i)52,824,000港元(截至二零一五年三月三十一日：51,645,000港元)已用作本集團一般營運資金；(ii)約12,000,000港元(截至二零一五年三月三十一日：12,000,000港元)已用作本公司就推行債權人計劃向管理人員公司支付款項；及(iii)餘下所得款項約9,964,000港元已存入銀行並將用作擬定用途。於本年報日期概無所得款項為本集團新增投資提供資金。

資產抵押

本集團獲授之一般信貸融資及於證券經紀之保證金賬戶由在建投資物業188,967,000港元(二零一五年：無)、於證券經紀之按金32,000港元(二零一五年：47,000港元)及持作買賣之投資74,000港元(二零一五年：73,000港元)作擔保。

或然負債

本集團於截至二零一五年三月三十一日及二零一六年三月三十一日止年度並無重大或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

MATERIAL ACQUISITIONS AND DISPOSAL DURING THE YEAR

Acquisitions

During the year ended 31 March 2016, the Group has successfully completed two acquisitions and one disposal for the development in the property investment business in the PRC.

With reference to the circular of the Company dated 29 April 2015 and announcements of the Company dated 18 March 2015, 27 April 2015, 30 June 2015 and 3 August 2015, the Group entered into a sale and purchase agreement (amended and supplemented by supplemental agreement dated on 27 April 2015) for the acquisition of a property (the "Property") in the PRC from Liaoning Shihua (Group) Property Development Company Limited (遼寧實華(集團)房地產開發有限公司) which is a controlling shareholder of the Company. The Property is located at one of the core commercial districts of Benxi, Liaoning Province and is part of the property development project of Liaoning Shihua, namely Shihua- Melian City. A part of the Property is subject to a premises lease agreement for operating a Wal-Mart store. With the final consent obtained from Wal-Mart (Liaoning) Store Co. Ltd on 27 July 2015, the acquisition took place on 3 August 2015. The construction of the Property is processing smoothly and the Company is under the negotiations with various potential and sizeable tenants for the leasing of the remaining part of the Property. It is expected that the construction will be completed by the end of 2016.

On 10 December 2015, the Group entered into a land use rights grant contract (the "Contract") with the Land and Resources Bureau of Benxi City. Pursuant to the terms of the Contract, the Group acquired the land use rights of a parcel of land of site area of 1,075 sq.m. located in front of the train station of Benxi City, Liaoning Province, the PRC (the "Land") at a consideration of RMB9,400,000. The term of the grant is 40 years from the date of delivery of the Land by the Benxi Land Bureau. The Group is developing the Land for commercial use and the Land will comprise a 2-storey commercial property with a total gross area of approximately 960 sq.m., which could be used for running catering businesses. The site is currently under construction and it is expected that the construction will be completed by the end of 2016. The Company is also under negotiations with various catering companies on the leasing of the property on the Land.

年內重大收購及出售事項

收購

截至二零一六年三月三十一日止年度內，本集團成功就物業投資業務發展於中國完成兩項收購及一項出售。

茲提述本公司日期為二零一五年四月二十九日之通函及本公司日期為二零一五年三月十八日、二零一五年四月二十七日、二零一五年六月三十日及二零一五年八月三日之公告，本集團就向遼寧實華(集團)房地產開發有限公司(本公司的一間控股股東)收購一項位於中國的物業(「物業」)訂立一份買賣協議(經日期為二零一五年四月二十七日之補充協議修訂及補充)。該物業乃位於遼寧省本溪市的一個核心商業區且為遼寧實華物業發展項目之一部分(即實華美蘭城)。該物業之一部分根據一份物業租賃協議出租，用於營運沃爾瑪超市。經沃爾瑪(遼寧)百貨有限公司於二零一五年七月二十七日最終同意後，該項收購已於二零一五年八月三日落實。該物業之建設工程進行順利且本公司正與多個潛在大型租戶協商租賃事項以租賃物業之剩餘部分。預期建設工程將於二零一六年年底完成。

於二零一五年十二月十日，本集團與本溪市國土資源局訂立一份土地使用權出讓合同(「合同」)，根據該合同之條款，本集團收購一幅位於中國遼寧省本溪市火車站前地盤面積為1,075平方米土地(「土地」)之土地使用權，代價為人民幣9,400,000元。出讓期限自本溪國土局交付該土地之日起計40年。本集團現正發展該土地作為商業用途且該土地將包含建築面積約960平方米之兩層高之商業物業，可能用於經營餐飲業務。該幅土地目前正在施工，且預期有關工程將於二零一六年年底之前完成。本公司亦正與多間餐飲公司協商土地物業租賃事項。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Disposal

In addition to the two acquisitions, the Company also disposed the entire equity interest of a subsidiary holding the deposit for acquisition of a property in last year in return for a gain at approximately HK\$10,211,000 during the year. The disposal provided additional funding to the Company to capture suitable business opportunities.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

Save as disclosed in the paragraph headed “Material acquisitions and disposal during the year” in this section, the Group has not executed any legal binding agreements in respect of material investment or capital assets and did not have any other further plans relating to material investment or capital assets as at the date of this annual report.

Relationships with Customers and Suppliers

Customers

The Group believes that customers’ commitment is the key variable to the success of the business. To build up a trust relationship with its customers, the Group is committed to provide steady supply of quality products to its customers and focus on product innovation and development. Moreover, members of the Group’s management team communicate with its major customers and marketing teams on a regular basis and to understand their expectations of the customers and to respond to their requirements and needs. During the year ended 31 March 2016, the Board considered that the Company has maintained a good relationship with its customers.

Suppliers

The Group has been nurtured to build up a good and long-term relationships with its suppliers, based on the mutual trust and commitment. The Group maintains an approved list of the suppliers in which the admission is subject to the assessment of their background, quality and quantity of the products, prices and response to the suggestions and customers’ feedback, the management team will review and update the list from time to time. During the year, the Board considered that the Company has maintained a good business relationship with our suppliers and no material delay or dispute related to them causing disruption to its operations.

出售

除兩項收購外，本公司亦出售一間持作去年收購物業之按金的附屬公司的全部權益，從而於年內取得收益約10,211,000港元。出售為本公司把握適合商機提供額外資金。

有關重大投資或資本資產之未來計劃

除本章節「年內重大收購及出售事項」段落所披露者外，本集團於本年報日期概無就重大投資或資本資產簽立任何具法律約束力之協議及概無有關重大投資或資本資產之任何進一步計劃。

與客戶及供應商之關係

客戶

本集團相信客戶之承諾為業務成功之主要變量。為與客戶建立信任關係，本集團致力於向本集團客戶提供優質產品的穩定供應並不斷創新及發展。此外，本集團管理團隊成員定期與主要客戶及市場推廣團隊溝通，了解客戶之期望及反映彼等之需求。截至二零一六年三月三十一日止年度，董事局認為本公司已與客戶維持良好關係。

供應商

本集團基於相互信任及承諾在與供應商建立良好及長期關係方面富有經驗。本集團持有供應商核准名單，供應商在其背景、產品質量及數量、價格及對建議及客戶反饋的反映經評估後方可納入核准名單，管理團隊將不時審核及更新該名單。年內，董事局認為本公司已與供應商維持良好業務關係，並無與彼等有關的重大拖延或糾紛導致其業務的中斷。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Employee and remuneration

The Company believes that its employees are the most valuable asset of the Group. In order to recruit and retain the employees, the Company offers a remuneration packages at a competitive level and reviews on a regular basis. The Company also provides staff benefits such as insurance, retirement scheme and training programs to its employees to establish a healthy and safety working environment. To recognise the contributions of its employees, the Company offers discretionary bonus to the employees and senior management by reference to the Group's performance as well as the individual performance.

As at 31 March 2016, the Group had a total employees of 50 who worked at the offices in Hong Kong, the PRC, United States and Canada. The total remuneration of the employees was HK\$25,310,000 for the year ended 31 March 2016.

Environmental policies and performance

The Group's business do not involve in production-related air, water and land pollutions which are regulated under national laws and regulations. From 2016 onward, the Group commenced the operation of a hydroelectric power station to protect the environment. Hydroelectricity does not "consume" water, all of the water is returned to its source of origin. Compared to the power plants which generates the electricity by burning the fossil fuels such as coal and natural gas, hydroelectricity does not produce greenhouse gasses or other air pollution. It is absolutely a clean source of energy.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 March 2016, neither the Company nor its subsidiaries purchased, sale or redeemed any of the Company's listed securities.

PROSPECT AND FUTURE DEVELOPMENTS

It has been the Group's business strategy to diversify its business and broaden the revenue stream for the Group and to enhance the shareholders' value. Apart from the original businesses of the Group, the Company has formulated long term business plans and capture potential business opportunities in different industries with great potential to achieve better results and faster growth for the Group.

僱員及酬金

本公司認為僱員是本集團最寶貴的資產。為招募及挽留僱員，本公司為其提供富有競爭力的薪酬待遇並定期進行檢查。本公司亦為僱員提供僱員福利，如保險、退休計劃及培訓項目，從而建立一個健康安全的工作環境。為認可其僱員所作貢獻，本公司根據本集團業績及個人表現為僱員與高級管理層提供酌情花紅。

於二零一六年三月三十一日，本集團於香港、中國、美國及加拿大辦事處擁有總計50名僱員。截至二零一六年三月三十一日止年度，僱員總薪酬為25,310,000港元。

環境政策及表現

本集團業務並不涉及受國家法律及法規監管的空氣、水及土地污染相關的生產。自二零一六年起，本集團開始營運水電站以保護環境。水電站並不「消耗」水，所有用水均會流回其原本來源處。相較通過燃燒化石燃料（如煤炭及天然氣）產生電力的發電站而言，水電站不會產生溫室氣體或其它空氣污染。水力發電絕對是一種清潔能源。

購買、出售或贖回上市證券

截至二零一六年三月三十一日止年度，本公司或其附屬公司概無購回、出售或贖回本公司任何上市證券。

前景及未來發展

本集團之業務策略為多元化其業務及拓寬其收入來源並提升股東價值。除本集團之原始業務外，本公司已制定長期業務計劃及在不同具有巨大潛力的行業之中把握潛在商機，以取得更好業績及更快發展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Trading business of the electronic products

The turnover of the design and sale of electronic products for the year 31 March 2016 was amounted to HK\$425,523,000, representing an increase of 11% as compared to the turnover for the year ended 31 March 2015. By eliminating the administrative costs and manufacturing costs incurred from the manufacturing business upon the completion of the Group Restructuring and the implement of the Creditor's Scheme (please refer to the circular of the Company dated 24 May 2014, announcements of the Company dated 26 June 2014, 10 March 2015 and 13 March 2015 for further details) and adoption of a series of cost cutting measures, it enables the Company to have more resources and flexibilities on the merchandising and marketing for the trading business of the electronic products during the year. However, having considered that the slower and weaker recovery of the global economy and the uncertainties towards the current market conditions, political conditions and the fluctuation of the foreign currencies, the Board will adopt a cautious approach on the trading business of the electronic products and closely monitor the market trends and the cost components in order to enable the Company to make immediate actions and responses when needed.

Property development and investment business

As mentioned previously in the paragraph headed "Material Acquisitions and disposal during the year", the Group acquired one property and granted a contract for the land use rights in the PRC in 2015. It is expected that the construction of the property and the site will be completed by the end of 2016. The negotiations between the Company and various tenants are processing smoothly and the Company is optimistic that the two acquisitions will generate a steady rental income to the Company and enhance the revenue of the Group.

In addition, the Group will continue to leverage on the extensive experience of its controlling shareholder in the PRC and to capture potential business opportunities and to generate better results for the Group.

電子產品貿易業務

截至二零一六年三月三十一日止年度，設計及銷售電子產品之營業額為425,523,000港元，較截至二零一五年三月三十一日止年度營業額增長11%。本集團完成重組及實施債權人計劃(有關詳情，請參閱本公司日期為二零一四年五月二十四日之通函、本公司日期為二零一四年六月二十六日、二零一五年三月十日及二零一五年三月十三日之公告)以及採用一系列成本削減措施後，減省了生產業務產生之行政成本及生產成本，令本公司年內在電子產品貿易業務推銷及市場推廣方面，擁有更多資源及更大靈活性。然而，考慮到全球經濟復甦較預期緩慢及疲弱以及當前市場條件、政治條件及外幣波動的不穩定性，董事局將對電子產品貿易業務採取審慎策略並密切監控市場趨勢及成本構成以令本公司在需要時能作出即時行動及反應。

地產發展及投資業務

誠如之前「年內重大收購及出售事項」段落所述，本集團已於二零一五年在中國收購一項物業及獲授土地使用權。預期物業及地盤建設將於二零一六年年底完成。本公司正與各不同租戶順利協商且本公司有信心該兩項收購將為本公司產生穩定租金收入並提高本集團之收入。

此外，本集團將繼續利用其控股股東於中國之廣泛經驗，把握潛在業務機遇並為本集團創造更好業績。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Renewable energy business

In light of the uncertainties in the current market conditions, the Group further diversified its business into the development and operation of renewable energy which is one of the global concerns and issues nowadays, especially in the PRC. In March 2016, the Company entered into an equity transfer agreement with a company established in the PRC to acquire the entire interest of a company which is engaged in the operation and management of a hydroelectric power station in Benxi City, Liaoning Province, the PRC. In considering the growing environmental concerns over global warming and climate change risks associated with the current energy generation, the Company believes that the importance and the demand of the renewable energy for global energy consumption will continuously increase and the government of the PRC may provide favourable policy to encourage the development of this business sector. The Company will leverage the experience in running the renewable energy business and is actively looking for new business opportunities in this sector. The Board expects that the expansion into the renewable energy business will be beneficial to the Company in a long run.

Looking forward, it is expected that business environment will remain tough in the coming financial year. To respond and embrace any challenges ahead, the Board will continue devoting effort on formulating long term business strategies and to strengthen, broaden, review and reconstruct the business portfolio of the Group in order to achieve better results and corporate goals for the Group and the shareholders.

可再生能源業務

鑒於當前市場條件的不穩定性，本集團進一步將其業務細分為可再生能源之開發及營運，可再生能源為當前全球(尤其是中國)焦點及問題之一。於二零一六年三月，本公司與一間於中國註冊成立之公司訂立股權轉讓協議，以收購該公司之全部權益，該公司在中國遼寧省本溪市營運及管理一個水電站。鑒於當前能源發電相關的全球變暖及氣候變化風險引起越來越多對環境的關注，本公司認為，可再生能源對全球能源消耗的重要性及有關需求將繼續增加，且中國政府或會提供優惠政策鼓勵該業務領域發展。本公司將利用其在經營可再生能源業務之經驗，積極尋求該領域的新商機。董事局預期進軍可再生能源業務從長遠而言將對本公司有利。

展望未來，預期未來財政年度之業務環境將仍舉步維艱。為提前應對及迎接任何挑戰，董事局繼續致力於制定長期業務策略以及加強、擴大、檢討及重組本集團之業務組合，以令本集團及股東取得更好業績和實現企業目標。

DIRECTORS AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Wang Jing, aged 61, is the executive Director and the Chairman of the Board of the Company. He joined the Group in July 2014. He is a vice chairman of Liaoning Federation of Industry and Commerce (遼寧省工商業聯合會), a Liaoning Province Model Worker (遼寧省勞動模範) in 2006, and a member of People's Congress of Benxi City (本溪市人大代表). He has founded Liaoning Shihua Property and he had been appointed as the general manager of Liaoning Shihua Group (遼寧實華集團) ("Liaoning Shihua Group") since April 2007. He currently acts as the chairman of Liaoning Shihua Group. He has also been an executive member of the Property Development Industry Association of Liaoning Province (遼寧省房地產行業協會常務理事) since March 2012. In February 2014, Mr. Wang was awarded as "Liaoning Province Excellent Builder" (遼寧省優秀建設者) by various organisations including the Liaoning United Front Work Department of the Chinese Communist Party (中共遼寧省委統戰部). Mr. Wang did not hold any directorship in other listed companies in the last three years. Mr. Wang Jing is the father of Mr. Wang Xing Qiao, an executive Director and the Chief Executive Officer of the Company. He is the chairman of the nomination committee. As at the date of this annual report, Mr. Wang Jing is the sole director and the beneficial owner of 82.8% of the equity interest in Liaoning Shihua Property, which indirectly holds the entire issued share capital of Achieve Prosper. Achieve Prosper in turn is interested in 2,171,827,290 Shares.

Mr. Wang Xing Qiao, aged 28, is the executive Director and Chief Executive Officer of the Company. He joined the Group in July 2014 and is a director of 14 subsidiaries of the Company. Mr. Wang graduated in the University of Toronto with a bachelor's degree in commerce with high distinction in 2009. He also obtained a master of philosophy degree in finance from the Judge Business School of the University of Cambridge in 2010. He is currently the deputy general manager of Liaoning Shihua Group and is also the Shenyang regional general manager of Liaoning Shihua Group. Mr. Wang did not hold any directorship in other listed companies in the last three years. He is the son of Mr. Wang Jing, an executive Director and the Chairman of the Board. As at the date of this annual report, Mr. Wang Xing Qiao beneficially owns 3,275,000 Shares. He is also the sole director of Achieve Prosper and holds the entire issued shares capital of Achieve Prosper on trust for Hong Kong Shihua which is wholly owned by Liaoning Shihua Property, a company is owned as to 82.2% by Mr. Wang Jing.

執行董事

王晶先生，61歲，為本公司執行董事兼董事局主席。彼於二零一四年七月加入本集團。彼為遼寧省工商業聯合會副主席，二零零六年遼寧省勞動模範及本溪市人大代表。彼成立遼寧實華房地產，並自二零零七年四月起獲委任為遼寧實華集團（「遼寧實華集團」）之總經理。彼現時擔任遼寧實華集團主席。彼亦自二零一二年三月起為遼寧省房地產行業協會常務理事。於二零一四年二月，王先生獲多個機構（包括中共遼寧省委統戰部）評為「遼寧省優秀建設者」。於過去三年，王晶先生並無於其他上市公司擔任任何董事職位。王晶先生為本公司執行董事及行政總裁王星喬先生之父親。彼為提名委員會主席。於本年報日期，王晶先生為遼寧實華房地產之唯一董事並為其82.8%股權之實益擁有人，而遼寧實華房地產間接持有達榮的全部已發行股本。而達榮於2,171,827,290股股份中擁有權益。

王星喬先生，28歲，為本公司執行董事及行政總裁。彼於二零一四年七月加入本集團並為本公司十四家附屬公司之董事。王先生於二零零九年畢業於多倫多大學，並獲得商業學士學位（優異）。彼亦於二零一零年獲得劍橋大學賈吉商學院金融哲學碩士學位。彼現時為遼寧實華集團之副總經理，亦為遼寧實華集團瀋陽地區總經理。於過去三年，王先生並無於其他上市公司擔任任何董事職位。彼為執行董事兼董事局主席王晶先生之兒子。於本年報日期，王星喬先生實益擁有3,275,000股股份。彼亦為達榮之唯一董事並以信託方式為香港實華持有達榮的全部已發行股本，香港實華由遼寧實華房地產（王晶先生擁有82.2%股權之公司）全資擁有。

DIRECTORS AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理層履歷

Mr. Zhao Shuang, aged 36, is the executive Director of the Company. He joined the Group in July 2014. He graduated from Changchun University (長春大學) in 2002, major in marketing and sales. Mr. Zhao was appointed as the head of assets management of Liaoning Shihua Group in 2009 and later the general manager of Liaoning Shihua Group responsible for assets management in January 2014. Prior to joining Liaoning Shihua Group, Mr. Zhao has been a project manager, an assistant to general manager and vice general manager of Dalian Dongzhan Group Co. Ltd (大連東展集團有限公司) from 2002 to 2009. Mr. Zhao did not hold any directorship in other listed companies in the last three years.

NON-EXECUTIVE DIRECTOR

Mr. Li Jun, aged 64, is the non-executive Director of the Company. He joined the Group in July 2014. He graduated from Beijing Open University (北京自修大學) in the field of industrial and economics management in 1988. He was the general secretary of Liaoning Province Benxi City Real Estate Association (遼寧省本溪市房地產協會) from 1997 to 2007. Mr. Li was appointed as the Benxi regional vice general manager of Liaoning Shihua Group in 2007, and the general manager of Liaoning Shihua Property Group in 2014.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Wang Ping, aged 45, is the independent non-executive Director of the Company. He joined the Group in July 2014. Mr. Wang has over 16 years of experience in corporate finance, audit and accounting. Mr. Wang is currently acting as the independent non-executive director of Chongyi Zhangyuan Tungsten Co., Ltd (stock code: 002378.sz), Shenzhen Fuanna Bedding and Furnishing Co., Ltd (stock code: 002327.sz), Sichuan Crun Co., Ltd (stock code: 002272.sz), China Hangking Holdings Limited (stock code: 3788), China Tianrui Group Cement Company Limited (stock code: 1252) and Jiayao Holdings Limited (stock code: 1626). Mr. Wang worked as vice president in EV Capital Pte Ltd from May 2007 and March 2010. From February 2004 to March 2007, he served as chief financial officer for China Jishan Holdings Limited (中國稽山控股有限公司), the shares of which are listed on the main board of Singapore Stock Exchange. From September 1999 to August 2002, he served as a senior accountant and subsequently a manager for audit department

趙爽先生，36歲，為本公司執行董事。彼於二零一四年七月加入本集團。彼於二零零二年畢業於長春大學，主修市場營銷學。趙先生於二零零九年獲委任為遼寧實華集團之資產經營主管，其後於二零一四年一月獲委任為遼寧實華集團之總經理，負責資產經營。於加入遼寧實華集團前，趙先生於二零零二年至二零零九年期間曾擔任大連東展集團有限公司之項目經理、總經理助理及副總經理。於過去三年，趙先生並無於其他上市公司擔任任何董事職位。

非執行董事

李軍先生，64歲，為本公司非執行董事。彼於二零一四年七月加入本集團。彼於一九八八年畢業於北京自修大學工業經濟管理專業。彼於一九九七年至二零零七年期間為遼寧省本溪市房地產協會秘書長。李先生於二零零七年獲委任為遼寧實華集團本溪地區副總經理，並於二零一四年獲委任為遼寧實華房地產集團之總經理。

獨立非執行董事

王平先生，45歲，為本公司獨立非執行董事。彼於二零一四年七月加入本集團。王先生於企業財務、審核及會計方面擁有逾16年經驗。彼現時為崇義章源鎢業股份有限公司(股份代號：002378.sz)，深圳市富安娜家居用品股份有限公司(股份代號：002327.sz)，四川川潤股份有限公司(股份代號：002272.sz)，中國罕王控股有限公司(股份代號：3788)，中國天瑞集團水泥有限公司(股份代號：1252)及嘉耀控股有限公司(股份代號：1626)之獨立非執行董事。王先生曾自二零零七年五月至二零一零年三月期間於EV Capital Pte Ltd擔任副總裁。自二零零四年二月至二零零七年三月，彼擔任中國稽山控股有限公司(其股份於新加坡證券交易所主板上市)之財務總監。自一九九九年九月至二零零二年八月，彼於德勤華永會計師事務所有限公司任高級會計師並隨後任審計部經理。彼於二零一四年四月至二零一五年十二月及二零一二年三月至二零

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of Deloitte Touche Tohmatsu CPA Ltd. He was also an executive director and chief financial officer of China First Capital Group Limited (formerly known as China Vehicle Components Technology Holdings Limited), a company listed on the Stock Exchange (stock code: 1269), from April 2014 to December 2015 and from March 2012 to December 2015 respectively.

Mr. Wang graduated from Nanjing University(南京大學) majoring in Economics and Management in 1993 and obtained a master's degree in business administration from Lingnan (University) College of Sun Yat-Sen University (中山大學) in 2004. He is a non-practicing member of Shanghai Institute of Certified Public Accountants. Mr. Wang is the chairman of the audit committee and a member of the remuneration committee of the Company.

Mr. Cheng Tai Kwan Sunny, aged 44, is the independent non-executive Director of the Company. He joined the Group in July 2014. He obtained a bachelor's degree of business administration in accounting from The Hong Kong University of Science and Technology in November 1996, a master of science degree from The Chinese University of Hong Kong in December 2006 and a degree of executive master of business administration from Northwestern University and The Hong Kong University of Science and Technology in December 2009. Mr. Cheng was admitted as an associate of the Association of Chartered Certified Accountants in July 1999 and a member of the Hong Kong Institute of Certified Public Accountants in September 2001. Mr. Cheng has years of experience in management, financial reporting and management accounting. Mr. Cheng worked for a subsidiary of Li & Fung Limited, a company listed on the Stock Exchange from January 2005 to June 2012. Mr. Cheng is currently the chief executive officer of a private group. Mr. Cheng is the member of audit committee, nomination committee and remuneration committee.

Mr. Song Wenke, aged 41, has been appointed as the independent non-executive Director with effect from 6 July 2016. Mr. Song was graduated from the Dalian University of Technology with major in business administration. He has extensive experience in corporate operations and management. Mr. Song has acted as the deputy director of Dalian PiMi Marine Biological Research Institute* (大連皮米海洋生物研究院) since June 2016.

一五年十二月分別為聯交所上市公司中國首控集團有限公司(前身為中國車輛零部件科技控股有限公司)(股份代號：1269)之執行董事及財務總監。

王先生於一九九三年畢業於南京大學，主修經濟與管理學，並於二零零四年獲得中山大學嶺南(大學)學院企業管理碩士學位。彼為上海市註冊會計師協會非執業會員。王先生為本公司審核委員會主席及薪酬委員會成員。

鄭大鈞先生，44歲，為本公司獨立非執行董事。彼於二零一四年七月加入本集團。彼於一九九六年十一月獲得香港科技大學工商管理學士(會計學)學位，於二零零六年十二月獲得香港中文大學理學碩士學位及於二零零九年十二月獲得西北大學及香港科技大學行政工商管理碩士學位。鄭先生於一九九九年七月獲得英國特許公認會計師公會會員資格及於二零零一年九月獲得香港會計師公會會員資格。鄭先生於管理、財務報告及管理會計方面擁有數年經驗。鄭先生曾於二零零五年一月至二零一二年六月期間於聯交所上市公司利豐有限公司之附屬公司任職。鄭先生現時為一家私人集團之行政總裁。鄭先生為審核委員會、提名委員會及薪酬委員會成員。

宋文科先生，41歲，已獲委任為獨立非執行董事，自二零一六年七月六日起生效。宋先生畢業於大連理工大學工商管理專業。彼於企業營運及管理方面擁有豐富經驗。宋先生自二零一六年六月起擔任大連皮米海洋生物研究院常務副院長。

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SENIOR MANAGEMENT

Gary Atkinson, aged 35, joined The Singing Machine Company, Inc. in January 2008 and was appointed as the interim chief executive officer in November 2009. Mr. Atkinson is a licensed attorney in the State of Florida and Georgia. He graduated from the University of Rochester with a Bachelors Degree in Economics and has been awarded a dual-degree J.D./M.B.A. from Case Western Reserve University School of Law and Weatherhead School of Management.

Mr. Peter Horak, aged 77, was appointed chief executive officer of Cosmo in January 2001. He is the co-founder of Cosmo Communication Canada Inc. ("Cosmo Canada") and has been its president since 1988. Mr. Horak has extensive knowledge and experience in distribution of consumer electronics products in Canada. Prior to joining Cosmo Canada in 1982, Mr. Horak worked with several top electronic companies and served as Sanyo's vice president of sales and marketing. He leads the sales team to open new markets and develop new products and works closely with the administrative group and warehouse supporting group.

高級管理層

Gary Atkinson，35歲，於二零零八年一月加入 The Singing Machine Company, Inc.，並於二零零九年十一月獲委任為臨時行政總裁。Atkinson 先生為美國佛羅里達州及喬治亞州之執業律師。彼畢業於羅徹斯特大學，取得經濟學學士學位，並獲凱斯西儲大學法學院及魏德海管理學院頒發法律博士／工商管理碩士雙學位。

Peter Horak先生，77歲，於二零零一年一月獲委任為Cosmo之行政總裁。彼為Cosmo Communication Canada Inc. (「Cosmo Canada」) 之共同創辦人，並於一九八八年起擔任該公司之主席。Horak先生於加拿大分銷消費電子產品方面擁有豐富知識及經驗。於一九八二年加盟Cosmo Canada前，Horak先生曾於多家著名電子公司工作，並曾任三洋之銷售及市場推廣部副總裁。彼帶領銷售隊伍開拓新市場、開發新產品以及與行政隊伍及庫存支援隊伍緊密合作。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to maintain a high standard of corporate governance. The Board of Directors of the Company firmly believes that the maintenance of a good, solid and sensible framework of corporate governance will ensure the Company to run its business in the best interests of its shareholders as a whole.

The Company adopted all the code provisions in Corporate Governance Code (the "Code") contained in Appendix 14 of the Listing Rules as its own code on corporate governance practices and guidance.

During the year ended 31 March 2016, the Company has complied with the Code except the following:-

1. The Company was incorporated in Bermuda and enacted by private act, the Starlight International Holdings Limited Company Act, 1989 of Bermuda (the "1989 Act"). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the bye-laws of the Company ("the Bye-laws"). As the Company is bound by the provisions of the 1989 Act, the Bye-laws cannot be amended to fully reflect the requirements of the code provision A.4.2 which stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

As complied to the code provision A.4.2, Mr. Wang Jing, the Chairman of the Company has voluntarily retired from his directorship by rotation at the annual general meetings of the Company at least once every three years, provided that, being eligible for re-election, he may offer himself for re-election at the annual general meeting.

本公司致力維持高水平企業管治。本公司董事局深信，維持良好、穩健及明智的企業管治架構，將確保本公司之業務營運符合其股東整體最佳利益。

本公司已採納上市規則附錄十四所載之企業管治守則(「守則」)之全部守則條文作為其本身企業管治常規守則及指引。

除下列各項外，本公司於截至二零一六年三月三十一日止年度一直遵守守則之規定：

1. 本公司乃根據私人法一九八九年百慕達升岡國際有限公司法(「一九八九年法」)於百慕達註冊成立。根據一九八九年法第3(e)章，擔任執行主席或董事總經理之董事毋須根據本公司之公司細則(「公司細則」)規定於各股東週年大會上輪值告退。由於本公司受到一九八九年法之條文約束，公司細則不得作出修訂以全面反映守則條文第A.4.2條有關各董事(包括擁有特定委任年期之董事)須最少每三年輪值告退一次之規定。

為遵守守則條文第A.4.2條，本公司主席王晶先生已自願於本公司至少每三年舉行一次的股東週年大會上輪值退任其董事職位，惟合資格重選，彼可依願於股東週年大會膺選連任。

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2. Pursuant to A.6.7 of the Code, independent non-executive Director and other non-executive Director should attend general meeting and develop a balanced understanding of the views of shareholders. Mr. Yang Xin Hua, the independent non-executive Director and Mr. Li Jun, the non-executive Director, were unable to attend the annual general meeting of the Company held on 2 September 2015 due to their other business commitments. In order to comply with the code provision, the Company will continue to furnish all Directors with appropriate information on all general meetings and take all reasonable measures to arrange the schedule in such a caution may enable all Directors to attend the general meeting as far as possible.

Save as disclosed above, in the opinion of the Directors of the Company, the Company has complied with all code provisions as set out in the Code throughout the year ended 31 March 2016 and up to the date of this annual report and, where appropriate, the applicable recommended best practices of the Code.

BOARD OF DIRECTORS

Composition of the Board

The Board is charged with leading the Group in a responsible and effective manner. Each Director has to carry out his duties in utmost good faith above and beyond any prevailing applicable laws and regulations and act in the best interests of the shareholders. The duties of the Board include establishing the strategic direction of the Group, setting objectives and monitoring the performance of the Group.

2. 根據守則第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會並對股東意見作出公正之理解。獨立非執行董事楊新華先生以及非執行董事李軍先生因其他業務未能出席本公司於二零一五年九月二日舉行之股東週年大會。為遵守守則條文，本公司將繼續為全體董事提供股東大會的適當資料及採取一切合理措施，審慎安排時間盡可能令全體董事出席股東大會。

除上文所披露者外，本公司董事認為，本公司於截至二零一六年三月三十一日止整個年度及直至本年報日期已遵守守則所載全部守則條文及(如適用)守則之適用建議最佳常規。

董事局

董事局之組成

董事局須以負責有效之方式領導本集團。除遵守任何現行適用法例及規例外，每名董事須絕對真誠地履行彼之職責，並以股東最佳利益行事。董事局職責包括制定本集團策略方向、設定目標及監察本集團表現。

CORPORATE GOVERNANCE REPORT

企業管治報告

As at the date of this annual report, the Board consists of three executive Directors, one non-executive Director and three independent non-executive Directors. More than one-third of the Board members are independent non-executive Directors which enables the Board to make decisions and judgement in an independent and professional manner, assists the management in formulating the Company's development strategies, achieving the corporate goals and monitors the Company's performance. The members of the Board as at the date of this annual report are as follows:-

Executive Directors

Wang Jing (Chairman)
Wang Xing Qiao (Chief Executive Officer)
Zhao Shuang

Non-Executive Director

Li Jun

Independent Non-Executive Directors

Wang Ping
Cheng Tai Kwan Sunny
Song Wenke (Note)

The Board has established schedule of matters specifically reserved to the Board for its decision and those reserved for the management. The Board reviews this schedule on a periodic basis to ensure that it remains appropriate to the needs of the Company. The brief biographical details and relationship of the Directors are described on pages 16-19 of the annual report.

Mr. Wang Jing, the Chairman of the Board and the executive Director, is the father of Mr. Wang Xing Qiao, the chief executive officer and the executive Director. Save as disclosed herein, the Board members have no financial, business, family or other material or relevant relationship with each other.

Note: Mr. Song Wenke has been appointed as independent non-executive Director with effect from 6 July 2016.
Mr. Chen Wen Jin has resigned as executive Director with effect from 6 July 2016.
Mr. Yang Xin Hua has resigned as independent non-executive Director with effect from 6 July 2016.

於本年報日期，董事局由三名執行董事、一名非執行董事及三名獨立非執行董事組成。董事局有超過三分之一的成員為獨立非執行董事，故可使董事局按獨立及專業的方式作出決定及判斷，協助管理層制定本公司發展策略，達成企業目標並監察本公司之表現。於本年報日期，董事局之成員如下：

執行董事

王晶(主席)
王星喬(行政總裁)
趙爽

非執行董事

李軍

獨立非執行董事

王平
鄭大鈞
宋文科(附註)

董事局制定專門留待董事局議決及管理層處理之事務議程。董事局會定期審閱相關議程，確保其仍然切合本公司需要。董事之簡歷及關係載於年報第16-19頁。

董事局主席兼執行董事王晶先生為行政總裁兼執行董事王星喬先生之父親。除本報告所披露者外，董事局成員之間概無財政、業務、家族、其他重大或相關關係。

附註：宋文科先生獲委任為本公司獨立非執行董事，自二零一六年七月六日起生效。
陳萬金先生已辭任本公司執行董事，自二零一六年七月六日起生效。
楊新華先生已辭任本公司獨立非執行董事，自二零一六年七月六日起生效。

CORPORATE GOVERNANCE REPORT

企業管治報告

Role of the Board

The Board decides on corporate strategies, approves overall business plans and evaluates the Group's financial performance and management. Specific tasks that the Board delegates to the Group's management, which including the implementation of strategies approved by the Board, the monitoring of operating budgets, the implementation of internal controls procedures and the assurance of compliance with relevant statutory requirements, other rules and regulations.

All Directors have full and timely access to the information of the Company as well as the advice and services of the company secretary. The Board, may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses to assist them to perform their duties.

Corporate Governance Functions

The Board is also responsible for performing the corporate governance duties as set out below:–

1. develop and review the Company's policies and practices on corporate governance and make recommendations;
2. review and monitor the training and continuous professional development of directors and senior management;
3. review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
5. review the Company's compliance with the Code and disclosure in the Corporate Governance Report under Appendix 14 of the Listing Rules.

董事局之職責

董事局決定企業策略、批核整體業務計劃、評估本集團之財務表現及管理。董事局授權本集團管理層進行之具體工作包括執行董事局批准之策略；監察經營預算；執行內部監控程序；以及確保本集團符合有關法定要求及其他規則和規例。

全體董事有充分時間得悉有關本公司的資料，以及公司秘書之意見及服務，董事局可應要求於適當情形下尋求獨立專業意見，本公司將承擔相關費用以協助彼等履行其職責。

企業管治職能

董事局亦負責履行以下載列之企業管治職責：

1. 制定及審閱本公司之企業管治政策及慣例並作出推薦建議；
2. 檢討及監察董事及高級管理層之培訓及持續專業發展；
3. 檢討及監察本公司之政策及慣例是否符合法律及監管規定；
4. 制定、檢討及監察適用於僱員及董事之行為手冊及合規手冊(如有)；及
5. 檢討本公司是否遵守守則及上市規則附錄十四下之企業管治報告之披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

Chairman and Chief Executive

To comply with the A.2.1 of the Code, the Chairman and chief executive officer of the Company were separate and held by Mr. Wang Jing and Mr. Wang Xing Qiao respectively. The Chairman is responsible for the Group's strategic planning and directions and to provide leadership of the Board while the chief executive officer takes the lead in the daily operations and business development.

Non-executive Director

According to the code provision A.4.1 as set out in the Code, non-executive directors should be appointed for specific term, subjected to re-election. Mr. Li Jun, as the non-executive Director has entered into an appointment letter with the Company pursuant to which is appointed for the service with the Company for a fixed term of two years from 21 July 2014 to 20 July 2016 and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the current term of the appointment. The appointment shall terminate on the earlier of (i) 20 July 2017 or (ii) the date on which the director ceases to be director for any reasons pursuant to the Bye-laws or any other applicable laws.

Independent Non-executive Directors

The three independent non-executive Directors, all of whom are independent of the management of the Company, are highly experienced professionals coming from diversified background. They ensure that the Board maintains high standard of financial and other mandatory reportings as well as provides adequate checks and balance of safeguard the interest of Shareholders and the Company as a whole. Each of the independent non-executive Directors has entered into an appointment letter with the Company pursuant to which each of them is appointed for the service with the Company for a fixed term of two years from 21 July 2014 to 20 July 2016 and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the current term of the appointment. The appointment shall terminate on the earlier of (i) 20 July 2017 or (ii) the date on which the directors ceases to be director for any reasons pursuant to the bye-laws of the Company or any other applicable laws. The Board confirms that the Company has received from each of the independent non-executive Directors a confirmation of independence for the year ended 31 March 2016 pursuant to Rule 3.13 of the Listing Rules.

主席及行政總裁

為遵守守則條文第A.2.1條，本公司主席及行政總裁乃分開並分別由王晶先生及王星喬先生擔任，主席乃負責本集團戰略規劃及引導，且領導董事局，行政總裁則負責領導日常營運及業務發展。

非執行董事

根據守則所載之守則條文第A.4.1條，非執行董事須具有特定委任年期，可參與重選。非執行董事李軍先生已與本公司訂立委任書，據此，其獲委任自二零一四年七月二十一日至二零一六年七月二十日為本公司作出定期兩年服務並於當前委任期屆滿日後起自動續期一年。有關委任應於以下較早日期終止(i)二零一七年七月二十日或(ii)董事基於任何理由根據公司細則或任何其他適用法例終止出任董事之日。

獨立非執行董事

三名獨立非執行董事(均獨立於本公司管理層)，乃來自不同背景之資深專業人士。彼等確保董事局維持高水平財務及其他強制申報，並具備充分權力制衡，以保障股東及本公司整體利益。各獨立非執行董事均已與本公司訂立委任書，據此，彼等各自獲委任自二零一四年七月二十一日至二零一六年七月二十日為本公司作出定期兩年服務並於當前委任期屆滿日後起自動續期一年。有關委任應於以下較早日期終止(i)二零一七年七月二十日或(ii)董事基於任何理由根據本公司之公司細則或任何其他適用法例終止出任董事之日。董事局確認，本公司已自各獨立非執行董事收到根據上市規則第3.13條作出之截至二零一六年三月三十一日止年度之獨立性確認書。

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Director's Training and Professional Development

Under the code provision A.6.5, directors should participate in continuous professional development to develop and refresh their knowledge and skills and to ensure that their contributions to the Board remains informed and relevant. During the year ended 31 March 2016, all Directors confirmed that they had complied with the code provision A.6.5 by reading the materials provided by the Company Secretary and/or attending regular trainings on the topics relating to corporate governance and latest change and development of regulatory regime launched by professional parties. The Company had received the training records from each of the Directors.

Board Meetings and Attendance Records of Directors

Board meetings are held regularly at approximately quarterly intervals to review the financial and operating performance of the Group and also held on ad hoc basis as required by the business needs. All Directors are given an opportunity to include matters for discussion in the agenda and give opinion. Regular Board meetings and ad hoc Board meetings are attended by a majority of the directors in person or through other electronic means of communication. In addition, all directors are encouraged to attend the general meetings of the Company. During the year ended 31 March 2016, other than resolutions passed in writing by all the Directors, the Board held a total of 10 Board meetings and 5 General Meetings:—

董事培訓及專業發展

根據守則條文第A.6.5條，董事需參加持續專業發展，以發展及更新彼等之知識及技能；以及確保其在知情情況下切合所需對董事局作出貢獻。於截至二零一六年三月三十一日止年度，全體董事確認，彼等已閱覽公司秘書提供之所有資料，及／或出席由專業團體所舉辦、題目與企業管治及最新監管制度轉變及發展有關之定期培訓，故已遵守守則條文第A.6.5條。本公司已接獲各董事之培訓記錄。

董事局會議及董事出席記錄

董事局會議固定約每季舉行一次，以審閱本集團財務及營運表現，亦可應業務需要舉行臨時會議。全體董事可於日程中載入以供討論之事宜並給出意見。大部分董事親身或透過其他電子通訊方式出席常規董事局會議及臨時董事局會議。此外，所有董事均獲鼓勵參加公司股東大會。截至二零一六年三月三十一日止年度，除全體董事書面通過的決議案外，董事局共舉行10次董事局會議及5次股東大會：

Names of Directors	董事姓名	Numbers of Board meetings attended/held 出席／舉行 董事局會議次數	Numbers of General Meetings attended/held 出席／舉行 股東大會會議次數
Wang Jing	王晶	9/10	0/5
Wang Xing Qiao	王星喬	10/10	5/5
Chen Wan Jin	陳萬金	8/10	0/5
Zhao Shuang	趙爽	10/10	0/5
Li Jun	李軍	9/10	0/5
Yang Xin Hua	楊新華	4/10	0/5
Wang Ping	王平	7/10	2/5
Cheng Tai Kwan Sunny	鄭大鈞	7/10	4/5

CORPORATE GOVERNANCE REPORT 企業管治報告

DIRECTOR'S SECURITIES TRANSACTIONS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules, as the code of conduct regarding director's securities transactions.

The Company has made specific enquiry of all Directors that they have complied with the Model Code throughout the year ended 31 March 2016.

BOARD COMMITTEES

To strengthen the functions of the Board and to enhance its expertise, there are three Board committees namely, the audit committee, remuneration committee and nomination committee formed under the Board, with each performing different functions.

AUDIT COMMITTEE

The audit committee has been established with defined terms of reference in alignment with the recommendations set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants and the code provisions set out in the Code of the Listing Rules. During the year ended 31 March 2016, the audit committee comprises three independent non-executive Directors and the composition was as below:-

Mr. Wang Ping (Chairman)
Mr. Yang Xin Hua (Note)
Mr. Cheng Tai Kwan Sunny

The members of audit committee meet no less than twice a year with the senior management and the external auditors. The role and function of the audit committee including the review of the accounting principles and practices adopted by the Group and other financial reporting matters and the assurance of the completeness, accuracy and fairness of the financial statement of the Group. The audit committee is also responsible for monitoring the effectiveness of the internal control and risk management systems throughout the Group and most importantly, to review all significant business affairs managed by the executive Directors in particular on connected transactions.

Note: With effect from 6 July 2016, Mr. Yang Xin Hua has resigned as a member of audit committee and Mr. Song Wenke has been appointed as a member of audit committee.

董事進行證券交易

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之標準守則，作為董事進行證券交易之操守守則。

本公司已向全體董事作出具體查詢，彼等於截至二零一六年三月三十一日止年度一直遵守標準守則。

董事局委員會

為加強董事局職能及提升其專業知識，已於董事局轄下成立三個董事局委員會，分別為審核委員會、薪酬委員會及提名委員會，各自履行不同職能。

審核委員會

本公司已成立審核委員會，並制定職權範圍，以遵照香港會計師公會所頒佈「有效運作審核委員會之準則」所載推薦建議以及上市規則之守則所載守則條文。截至二零一六年三月三十一日止年度，審核委員會包括三名獨立非執行董事，其組成如下所示：

王平先生(主席)
楊新華先生(附註)
鄭大鈞先生

審核委員會成員每年與高級管理人員及外聘核數師會面不少於兩次。審核委員會之角色及職能包括：審閱本集團所採納會計準則及慣例與其他財務申報事宜及確保本集團財務報表之完整性、準確性及公平性。審核委員會亦負責監控本集團內部監控及風險管理制度之成效；而最重要的，乃審閱執行董事處理之一切重大事務，特別是關連交易。

附註：自二零一六年七月六日起，楊新華先生已辭任審核委員會成員及宋文科先生獲委任為審核委員會成員。

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The committee also provides advices and recommendations to the Board and oversees all matters relating to the external auditors. It plays an important role in monitoring and safeguarding the independence of external auditors.

The members of audit committee met twice during the year ended 31 March 2016. Works undertaken by the audit committee included:

- reviewing of the financial statements for the year ended 31 March 2016 and for the six months ended 30 September 2015;
- reviewing of the auditor's fees and its re-appointment; and
- reviewing internal control and risk management system and making recommendations to the Board.

REMUNERATION COMMITTEE

The remuneration committee has been established with defined terms of reference. During the year, the remuneration committee comprises three independent non-executive Directors and its composition for the year ended 31 March 2016 was as below:-

Mr. Yang Xin Hua (Chairman) (Note)
Mr. Wang Ping
Mr. Cheng Tai Kwan Sunny

The primary objectives of the remuneration committee are to review and make recommendations on the remuneration packages and structure of the executive Directors and senior management. In designing the remuneration policy, the Company aims to attract and retain executives which is the key element to the success of the business of the Company and to motivate executives to pursue appropriate growth strategies and to evaluate the performance of the executives and staff. The remuneration should reflect performance, complexity and responsibility of the individual and the remuneration package will be structured to include salary, bonus and share options scheme which to provide incentives to Directors and senior management to improve their individual performances.

Note: With effect from 6 July 2016, Mr. Yang Xin Hua has resigned as the chairman of remuneration committee and Mr. Song Wenke has been appointed as the chairman of the remuneration committee.

委員會亦向董事局提供意見及推薦建議，並監管有關外聘核數師之一切事宜，於監察及保障外聘核數師獨立性方面擔當重要角色。

審核委員會成員於截至二零一六年三月三十一日止財政年度會面兩次。審核委員會所進行之工作包括：

- 審閱截至二零一六年三月三十一日止年度及截至二零一五年九月三十日止六個月之財務報表；
- 審閱核數師酬金及其續聘事宜；及
- 檢討內部監控及風險管理制度並向董事局作出推薦建議。

薪酬委員會

本公司已成立薪酬委員會，並制定職權範圍。截至二零一六年三月三十一日止年度，薪酬委員會包含三名獨立非執行董事及其組成如下：

楊新華先生(主席)(附註)
王平先生
鄭大鈞先生

薪酬委員會之主要目標為對薪酬組合、執行董事及高級管理層之結構作出檢討及提出推薦建議。本公司制定適當薪酬政策，旨在吸引及留聘行政人員（此乃本公司經營成功的關鍵因素），並激勵行政人員推行適當發展策略，同時評核行政人員及員工個別表現。薪酬應反映個別員工之表現、職務難度及職責；而薪酬組合之結構將涵蓋薪金、花紅及購股權計劃，為董事及高級管理人員提供獎勵，以提升彼等個別表現。

附註：自二零一六年七月六日起，楊新華先生已辭任薪酬委員會主席及宋文科先生獲委任為薪酬委員會主席。

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The members of remuneration committee met once during the financial year ended 31 March 2016. Works undertaken by the remuneration committee during the year included:-

- reviewing of the remuneration policy for 2015/2016; and
- reviewing of the remuneration of the Directors.

NOMINATION COMMITTEE

The nomination committee is responsible for making recommendations to the Board on the composition of the Board and the appointment of Directors regarding the qualification and competency of the candidates. It considers the reappointment of the Directors and succession planning for Directors so as to ensure that all nominations and appointments are fair and transparent.

Board Diversity Policy

In addition, the Company has formulated and adopted a board diversity policy since 2013.

The board recognises the importance of having a diverse board in enhancing the board effectiveness and corporate governance. A diverse board enables the Company make good use of the differences in the skills, industry knowledge, experience, education background and other qualities of the members of the Board and avoid any discriminations on the ground of race, age, gender or religious belief. These differences will be taken into account in determining the optimum composition of the Board and when possible should be balanced appropriately.

During the year ended 31 March 2016, the composition of the nomination committee was as below:-

Mr. Wang Jing (Chairman)
Mr. Yang Xin Hua (Note)
Mr. Cheng Tai Kwan Sunny

Note: With effect from 6 July 2016, Mr. Yang Xin Hua has resigned as a member of nomination committee and Mr. Song Wenke has been appointed as a member of nomination committee.

薪酬委員會成員於截至二零一六年三月三十一日止財政年度會面1次。薪酬委員會於年內所進行之工作包括：

- 審閱二零一五年／二零一六年薪酬政策；及
- 審閱董事之薪酬。

提名委員會

提名委員會負責就董事局組成及董事委任向董事局提出有關候選人資格及能力方面之推薦建議。其考慮董事之重新委任及董事之繼任計劃，藉以確保所有提名及委任均屬公平及透明。

董事局多元化政策

此外，本公司自二零一三年起制訂及採納董事局多元化政策。

董事局認可一個多元化的董事局對於提升董事局的效能和企業管治十分重要。多元化的董事局使本公司能善用董事局成員之技能、行業知識、經驗、教育背景及其他特質的差異，同時避免因種族、年齡、性別或宗教信仰而有所歧視。在釐定董事局最佳的組成時亦會考慮此等差異，且盡可能取得適當平衡。

截至二零一六年三月三十一日止年度，提名委員會的組成如下：

王晶先生(主席)
楊新華先生(附註)
鄭大鈞先生

附註：自二零一六年七月六日起，楊新華先生已辭任提名委員會成員及宋文科先生獲委任為提名委員會成員。

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The members of nomination committee met once during the year ended 31 March 2016. Works undertaken by the nomination committee during the year included:-

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board;
- making recommendations on any proposed changes to the Board to complement the Company's corporate strategy and the re-election of retiring and appointment of Directors; and
- Assessing the independence of independent non-executive Directors

COMMITTEE MEETINGS

The attendance record of each committee members during the year ended 31 March 2016 is shown as below:-

提名委員會成員於截至二零一六年三月三十一日止財政年度會面1次。年內提名委員會已完成工作包括：

- 檢討董事局之架構、人數及組成(包括技能、知識及經驗)；
- 就任何為配合本公司之公司策略而擬對董事局組成之變動提出建議及重選退任董事及委任董事；及
- 評估獨立非執行董事之獨立性

委員會會議

截至二零一六年三月三十一日止年度各委員會成員之出席記錄呈列如下：

Names of Directors	董事姓名	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Wang Jing	王晶	N/A 不適用	N/A 不適用	1/1
Yang Xin Hua	楊新華	0/2	0/1	0/1
Wang Ping	王平	2/2	1/1	N/A 不適用
Cheng Tai Kwan Sunny	鄭大鈞	2/2	1/1	1/1

COMPANY SECRETARY

For the year ended 31 March 2016, Mr. Lam Wai Kei was the company secretary of the Company. Mr. Lam Wai Kei has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

公司秘書

截至二零一六年三月三十一日止年度，林偉基先生獲委任為本公司之公司秘書。林偉基先生已適當遵守上市規則第3.29條有關專業培訓規定。

AUDITOR'S REMUNERATION

The remuneration in respect of services provided by Deloitte Touche Tohmatsu for the Group for the year ended 31 March 2016 are analysed as follow:

核數師酬金

德勤•關黃陳方會計師行於截至二零一六年三月三十一日止年度向本集團提供服務所涉及酬金分析如下：

Audit service HK\$1,704,000

審計服務： 1,704,000港元

CORPORATE GOVERNANCE REPORT 企業管治報告

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The management provides the explanation and information to the Board to facilitate an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibility to prepare the financial statements that give a true and fair view of the state of affairs of the Group. Meanwhile, the Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable. In preparing the financial statements for the year ended 31 March 2016, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the applicable laws were complied with.

The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as going concern. The Board has prepared the financial statements on a going concern basis.

The reporting responsibilities of external auditor of the Company are disclosed in "Independent Auditor's Report".

INTERNAL CONTROL

The Board has overall responsibilities for maintaining a sound and effective internal control system of the Group. The system includes a defined management structure with limits of authority, safeguard its assets against unauthorised use or disposition, ensures the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensures compliances with relevant laws and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage the risks of failure in the Group's operational systems and in the achievement of the Group's objectives.

During the year, the Company has conducted review the effectiveness of system of internal control including risk management system and also the Company's accounting and financial reporting function and also made recommendations to follow up.

董事與核數師負責編製財務報表之責任

管理層提呈財務及其他資料予董事局審批前，會提供解釋說明及資料讓董事局在知情之情況下作出評估。

董事確認有責任編製一份能夠真實而公平地反映本集團事務狀況之財務報表。同時，董事亦負責確保須選擇及貫徹應用適當之會計政策，有關判斷及評估計亦需審慎合理。於編製截至二零一六年三月三十一日止年度之財務報表時，本集團已採納香港普遍採納之會計原則，並遵守香港會計師公會所頒佈之香港財務報表準則及適用法例之規定。

董事局並不知悉有任何事件或情況存有重大不明朗因素，會導致本集團持續經營能力出現重大問題。董事局已採用持續經營基準編製財務報表。

本公司外聘核數師之報告責任已於「獨立核數師報告書」內披露。

內部監控

董事局須在整體上負責維持本集團健全及有效之內部監控制度。當中包括設有一個權限分明之清晰管理架構、保障集團資產不會遭挪用或竊取、確保會計記錄妥為存置以提供可靠財務資料作內部或公佈之用，並且確保遵守有關法例及規例。該制度旨在合理（但非絕對）保證不會出現嚴重錯誤陳述或損失，並管理本集團之營運系統以及本集團達致業務目標過程中之失誤風險。

年內，本公司已檢討內部監控制度之有效性，包括風險管理制度以及本公司之會計及財務匯報職能，並亦已作出推薦建議以作跟進。

CORPORATE GOVERNANCE REPORT 企業管治報告

COMMUNICATION WITH SHAREHOLDER'S AND INVESTOR RELATION

The board recognises the importance of good communication with the Shareholders. Information in relation to the Group is disseminated to the Shareholders in a timely manner through a number of formation channels, which include interim and annual reports, announcements and circulars of the Company.

The general meetings of the Company are valuable forum for the Board to communicate directly with the Shareholders. The Shareholders are encouraged to attend the general meetings of the Company.

An annual general meeting of the Company was held on 2 September 2015 (the "2015 AGM"), and 4 special general meetings including one adjourned special general meeting (the "2015 SGM") were held on 22 May 2015, 21 December 2015 and 24 December 2015. A notice convening the 2015 AGM contained in the circular dated 30 July 2015 was despatched to the Shareholders together with 2015 Annual Report on 30 July 2015 and the notice convening the 2015 SGM contained in the circular was despatched to the shareholders on 27 April 2015, 28 April 2015 and 27 November 2015. The Board of Directors attended the 2015 AGM and 2015 SGM to answer questions from the Shareholders.

The Chairman of the meeting of 2015 AGM and 2015 SGM explained detailed procedures for conduction of a poll. All the resolutions proposed at the 2015 AGM and 2015 SGM were passed separately by the Shareholders by way of poll. The results of the poll were published on the websites of the Stock Exchange and the Company after the meeting.

The forthcoming annual general meeting of the Company will be held on 31 August 2016 (the "2016 AGM"). A notice convening 2016 AGM will be published on the websites of the Stock Exchange and the Company and despatched together with the 2016 Annual Report to the shareholders as soon as practicable in accordance with the Bye-laws and the Code.

股東通訊及投資者關係

董事局深明與股東保持良好通訊之重要性。有關本集團之資料乃按時透過多種正式途徑向股東傳達，包括本公司中期報告及年報、公佈及通函。

本公司股東大會乃董事局直接與股東通訊之寶貴平台。本公司鼓勵股東出席股東大會。

本公司於二零一五年九月二日舉行股東週年大會（「二零一五年股東週年大會」）及分別於二零一五年五月二十二日、二零一五年十二月二十一日及二零一五年十二月二十四日舉行四次股東特別大會（「二零一五年股東特別大會」），包括一次股東特別大會續會。日期為二零一五年七月三十日之通函所載召開二零一五年股東週年大會通告已連同二零一五年年報於二零一五年七月三十日寄發予股東，而通函內所載召開二零一五年股東特別大會通告已於二零一五年四月二十七日，二零一五年四月二十八日及二零一五年十一月二十七日寄發予股東。董事局出席二零一五年股東週年大會及二零一五年股東特別大會，回答股東提問。

二零一五年股東週年大會及二零一五年股東特別大會主席闡釋按股數投票方式進行表決之詳細程序。於二零一五年股東週年大會及二零一五年股東特別大會上提呈之所有決議案已獲股東以按股數投票方式分別通過。投票結果於大會後刊發於聯交所及本公司網站。

本公司將於二零一六年八月三十一日舉行應屆股東週年大會（「二零一六年股東週年大會」）。二零一六年股東週年大會召開通告將刊發於聯交所及本公司網站，並連同二零一六年年報將根據公司細則及守則在實際可行情況下盡快寄發予股東。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Company is committed to enhancing communications and relationships with its investors. Designated senior management maintains an open dialogue with institutional investors and analysts to keep them abreast of the Company's development.

The Company has maintained a company website (www.00485.hk) for the purpose of updating the Company's business developments and operations, financial information and news can always be found.

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary whose contact details are as follows:–

Address: Rooms 05-15, 13A/F., South Tower, World Finance Centre, Harbour City, 17 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong
Fax: +852 2208 6008
Email: jlam@lnshihua.com

SHAREHOLDERS' RIGHTS

Shareholders are entitled to requisition a special general meeting and put forward proposals at general meeting. Please refer to the procedures as follows:

(A) Procedures for requisitioning a special general meeting

Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right to vote at general meetings of the Company may, by written requisition to the Board or the Company Secretary signed and deposited in accordance with the Bye-laws of the Company, Bermuda Companies Act 1981, require the Directors to call a special general meeting for the transaction of business specified in the requisition.

本公司致力加強與投資者溝通及提升彼此之間的關係。指定高級管理層與機構投資者及分析員保持公開對話，令彼等瞭解本公司之最新發展。

為經常更新有關本公司業務發展及營運、財務資料及消息之最新進展，本公司已將其公司網站地址保留為(www.00485.hk)。

股東可隨時經公司秘書以書面形式向董事局提出查詢及關注，聯絡詳情如下：–

地址：香港九龍尖沙咀廣東道17號海港城環球金融中心南座13A樓05-15室

傳真：+852 2208 6008
郵箱：jlam@lnshihua.com

股東權利

股東有權請求召開股東特別大會及於股東大會上提呈建議。請參閱下列有關程序：

(A) 請求召開股東特別大會之程序

於提出請求當日持有不少於十分之一附有權利可於本公司股東大會上投票之本公司繳足股本之股東可根據本公司之公司細則及百慕達一九八一年公司法向董事局或公司秘書遞交經簽署之書面請求書，要求董事召開股東特別大會處理該請求書列明之事務。

CORPORATE GOVERNANCE REPORT 企業管治報告

(B) Procedures for putting forward proposals at general meetings

Shareholder(s) holding not less than one-twentieth of the paid-up capital of the Company carrying the right to vote at general meetings of the Company or not less than 100 Shareholders may, at their expense, provide a written request to the attention of the Company Secretary signed and deposited in accordance with the Bermuda Companies Act 1981.

Besides, the updated Memorandum of Association and Bye-laws of the Company has been posted on the website of the Company at www.00485.hk and the designated website of the Stock Exchange at www.hkexnews.hk.

There were no material changes to the Memorandum of Association and Bye-laws of the Company for the year ended 31 March 2016.

CONCLUSION

The Company strongly believes that the quality and standard of corporate governance reflects the quality of the management and the operations of the Group's businesses. Good corporate governance can safeguard the proper use of funds and effective allocation of resources and to protect shareholders' interests. The management wholeheartedly advocated of the good practice in corporate governance and will try our best to maintain, strengthen and improve the standard and quality of the Group's corporate governance.

(B) 於股東大會提呈建議之程序

持有不少於二十分之一附有權利可於本公司股東大會上投票之本公司繳足股本之股東或不少於100名股東可根據百慕達一九八一年公司法向公司秘書遞交經簽署之書面要求，費用由彼等自行承擔。

此外，本公司之經更新組織章程大綱及細則已載於本公司網站www.00485.hk及聯交所指定網站www.hkexnews.hk。

截至二零一六年三月三十一日止年度，本公司之組織章程大綱及細則並無重大變動。

總結

本公司深信，企業管治質素及水平反映本集團業務管理及營運質素。良好的企業管治可確保適當動用資金及有效分配資源，並保障股東利益。管理人員竭誠提倡良好的企業管治慣例，定當努力不懈，致力維持、加強及改善本集團企業管治水平及質素。

DIRECTORS' REPORT

董事局報告書

The directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its principal subsidiaries are engaged in the design and sale of a wide range of electronic products, operation and management of a hydroelectric power station, properties investment and securities trading during the year.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 52-53.

The Company paid a special dividends by way of distribution in specie of shares in a subsidiary (which the details are set out in note 12 to the consolidated financial statement) for the year ended 31 March 2015. No special dividends was paid by way of distribution for the year ended 31 March 2016.

Other than the special dividends, the directors of the Company have determined that no dividends will be paid in respect of the year ended 31 March 2016 (2015: Nil).

PRINCIPAL PROPERTIES

Details of principal properties held for development and for investment purposes are set out on pages 116-117 of the annual report.

SHARE ISSUED IN THE YEAR

Details of the shares issued in the year ended 31 March 2016 are set out in note 28 to the consolidated financial statements.

DISTRIBUTABLE RESERVE

There is no reserve available for distribution to shareholders as at 31 March 2016.

董事局仝人謹呈覽本公司及其附屬公司截至二零一六年三月三十一日止年度之年報及經審核之綜合財務報表。

主要業務

本公司主要業務為投資控股。年內本公司主要附屬公司從事包括設計及銷售範圍廣泛之電子產品、營運及管理水電站、物業投資及證券買賣。

業績及分配

截至二零一六年三月三十一日止年度之本集團業績載於第52-53頁之綜合損益及其他全面收益表。

截至二零一五年三月三十一日止年度，本公司通過實物分派附屬公司股份支付特別股息，詳情載於綜合財務報表附註12。截至二零一六年三月三十一日止年度概無通過分派支付特別股息。

除特別股息外，本公司董事議決將不派發截至二零一六年三月三十一日止年度之股息(二零一五年：無)。

主要物業

持作開發主要物業及投資目的詳情載列於本年報第116頁至第117頁。

年內已發行股份

截至二零一六年三月三十一日止年度已發行股份詳情載列於綜合財務報表附註28。

分配儲備

於二零一六年三月三十一日，並無可用儲備分配予股東。

EQUITY LINKED AGREEMENTS

(a) Convertible bonds

On 30 July 2014, the Company issued 3% coupon Convertible Bonds at a principal amount of HK\$75,000,000 maturing on 30 July 2017 to the immediate holding company of the Company. The Convertible Bonds are convertible, at the option of the bond holder, into ordinary shares of HK\$0.01 each of the Company at a conversion price of HK\$0.23 (after adjustment for Capital Reorganisation and details of which are set out in note 28(c) to the consolidated financial statements) (2015: HK\$0.172 (before adjustment for Capital Reorganisation and details of which are set out in note 28(c) to the consolidated financial statements)) per share, subject to anti-dilutive adjustments, at any time on or after 30 July 2014 up to and including the maturity date. None of the Convertible Bonds has been converted into ordinary shares of the Company during both years. Unless previously redeemed, converted or purchased and cancelled, the outstanding Convertible Bonds will be redeemed by the Company at 100% of its principal amount on the maturity date. The reason for issuance of the Convertible Bonds is to explore alternative funding arrangements to fund the working capital needs.

(b) Share option scheme

Details of the Share Option Scheme is set out in note 29 to the consolidated financial statements and the section headed "Share options" contained in the Directors' Report. No shares were issued pursuant to the Share Option Scheme during the year ended 31 March 2016.

協議有關的權益

(a) 可換股債券

於二零一四年七月三十日，本公司向本公司之直接控股公司發行本金額為75,000,000港元於二零一七年七月三十日到期之3厘票息可換股債券。於二零一四年七月三十日當日或之後直至到期日(包括當日)之任何時間，債券持有人可選擇按換股價每股0.23港元(股本重組調整後，詳情載於綜合財務報表附註28(c))(二零一五年:0.172港元(股本重組調整前，詳情載於綜合財務報表附註28(c)))將可換股債券轉換為本公司每股面值0.01港元之普通股(可作反攤薄調整)。兩個年度內並無可換股債券轉換為本公司普通股。除非提早贖回、轉換或購買及註銷，否則本公司將於到期日按其本金額的100%贖回尚未轉換之可換股債券。發行可換股債券的原因為探索靈活的資金安排以滿足營運資金需求。

(b) 購股權計劃

購股權計劃詳情載列於綜合財務報表附註29及董事局報告「購股權」章節。截至二零一六年三月三十一日止年度，概無股份根據購股權計劃發行。

DIRECTORS' REPORT

董事局報告書

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws and there was no restriction against such rights under the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the group for the last five financial years is set out on page 167 of this annual report.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 March 2016, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SHARE OPTIONS

The Company has a share option scheme (the "Scheme") which was approved and adopted at the special general meeting of the Company held on 15 January 2008 for a period of 10 years. With reference to the composite offer and response document dated 30 June 2014 jointly issued by Achieve Prosper and Starlight International Holdings Limited (currently named as "Shihua Development Company Limited") (the "Composite Document") in respect of the mandatory unconditional cash offers by Kingston Securities Limited, on behalf of the Achieve Prosper, to acquire all the issued shares (other than those already owned and agreed to be acquired by the Achieve Prosper and parties acting in concert with it), and to cancel all outstanding shares options of the Company. From 21 July 2014 onward, being the latest time and date for acceptance of the Listco Offers (as defined in the Composite Document), no shares options were granted, exercised or cancelled by the Company under the Scheme.

優先購買權

本公司之公司細則概無有關優先購買權之條文，百慕達法律亦沒有制約該等權利，使本公司須按比例向現有股東發售新股。

五年財務概要

本集團五個財政年度內業績、資產及負債概要載列於本年報第167頁。

購買、出售或贖回上市證券

於截至二零一六年三月三十一日止年度，本公司或其附屬公司概無購回、出售或贖回本公司任何上市證券。

購股權

本公司於二零零八年一月十五日舉行之股東特別大會上批准及採納為期十年之購股權計劃(「計劃」)。茲提述達榮與升岡國際有限公司(現稱為「實華發展有限公司」)於二零一四年六月三十日聯合刊發之綜合收購建議及回應文件(「綜合文件」)，內容有關金利豐證券有限公司代表達榮就收購本公司之全部已發行股份(達榮及與其一致行動人士已擁有或同意將予收購之股份除外)及註銷其所有尚未行使購股權提出之強制性無條件現金收購建議。自二零一四年七月二十一日(即接納上市公司收購建議(定義見綜合文件)之最後時間及日期)起，本公司並無購股權根據該計劃獲授出、行使或註銷。

DIRECTORS' REPORT

董事局報告書

DIRECTORS

The Directors of the Company during the year ended 31 March 2016 and up to the date of the directors' report were:-

Executive Directors

Wang Jing (Chairman)
Wang Xing Qiao (Chief Executive Officer)
Chen Wan Jin
Zhao Shuang

Non-executive Director

Li Jun

Independent Non-Executive Directors

Yang Xin Hua
Wang Ping
Cheng Tai Kwan Sunny

Pursuant to the code provision A.4.2 of the Code, all directors are subject to retirement by rotation at the subsequent annual general meetings of the Company at least once every three years, provided that, being eligible for re-election, they may offer themselves for re-election at the annual general meeting.

In addition, Mr. Wang Jing, who is the Chairman of the Company and not subject to the retirement by rotation pursuant to the Starlight International Holdings Limited Company Act, 1989 of Bermuda, will voluntarily retire from his directorship and being eligible for re-election at the annual general meeting.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

董事

截至二零一六年三月三十一日止年度及直至董事局報告書日期，本公司董事為：

執行董事

王晶(主席)
王星喬(行政總裁)
陳萬金
趙爽

非執行董事

李軍

獨立非執行董事

楊新華
王平
鄭大鈞

根據守則之守則條文第A.4.2條，全體董事須至少每三年於本公司隨後舉行的股東週年大會上輪席告退，惟彼等合資格可依願於股東週年大會上膺選連任。

此外，王晶先生(本公司主席及毋須根據百慕達一九八九年升岡國際有限公司公司法輪值退任)將自願退任其董事職位並合資格於股東週年大會膺選連任。

董事之服務合約

擬於應屆股東週年大會上膺選連任之董事與本公司訂立不可於一年內不作賠償(法定賠償除外)而終止之服務合約。

DIRECTORS' REPORT 董事局報告書

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

The Company or its subsidiaries have entered into a number of transactions with entities in which the former executive Directors have substantial shareholding. Details of those transactions are set out in the section headed "Connected Transaction" of this annual report.

Save as disclosed above, no contract of significance, to which the Company, any of its controlling entities or its subsidiaries was a party, and in which a Director had a material interest, directly or indirectly, subsisted during or at the end of the year.

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

As at 31 March 2016, the interests and short positions of the Directors or chief executive of the Company in the shares and share options of the Company and its associated corporations (within the meaning of Part XV of the SFO which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

董事於對本公司業務屬重要的交易、安排及合約中的重大權益

本公司或其附屬公司已與前執行董事擁有主要股權的實體訂立一系列交易。該等交易詳情載列於本年度報告「關連交易」章節。

除上文披露者外，於年內或年底概無本公司、其任何控制實體或其附屬公司為定約方且董事直接或間接於其中擁有重大權益之合約。

董事及主要行政人員於本公司或本公司的任何指明企業或任何其他相聯法團之股份、相關股份及債券之權益及／或淡倉

於二零一六年三月三十一日，本公司各董事或主要行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份及購股權中擁有(a)根據證券及期貨條例第XV部第7及8分部之規定須知會本公司及聯交所(包括根據證券及期貨條例之條文持有或被視為持有之權益或淡倉)；或(b)根據證券及期貨條例第352條須記錄於本公司根據該條例而設之登記冊；或(c)根據上市規則之標準守則須知會本公司及聯交所之權益及淡倉如下：

DIRECTORS' REPORT

董事局報告書

(i) Long Position in the Shares

(i) 於股份之長倉

Name of Directors	Long Position/ Short Position	Capacity	Number of Shares held	Approximate percentage of issued share capital in the Company
董事姓名	長倉／淡倉	身份	持股數目	於本公司已發行 股本概約百分比
Executive Director 執行董事				
Wang Jing	Long Position	Interest of controlled corporation	2,171,827,290 (Note)	59.49%
王晶	長倉	於受控制法團之權益	(附註)	
Wang Xing Qiao	Long Position	Beneficial Owner	3,275,000	0.09%
王星喬	長倉	實益擁有人		

Note: These 2,171,827,290 shares are held by Achieve Prosper and wholly and beneficially owned by Hong Kong Shihua, which is in turn wholly and beneficially owned by Liaoning Shihua Property. Mr. Wang Jing is the sole director of and the beneficial owner of 82.8% of the equity interest in Liaoning Shihua Property. By virtue of the SFO, Mr. Wang Jing is deemed to be interested in these 2,171,827,290 shares.

附註：該等2,171,827,290股股份由達榮持有並由香港實華全資且實益擁有，而香港實華由遼寧實華房地產全資且實益擁有。王晶先生為遼寧實華房地產之唯一董事並為其82.8%股權之實益擁有人。根據證券及期貨條例，王晶先生被視為於該等2,171,827,290股股份中擁有權益。

(ii) Directors' interests in the shares of associated corporations

(ii) 董事於相聯法團之股份之權益

Name of associated corporation	Name of Director	Capacity	Long/Short position	Number of ordinary shares in Achieve Prosper	Approximate percentage of issued share capital in Achieve Prosper
相聯法團名稱	董事姓名	身份	長倉／淡倉	於達榮之普通股數目	於達榮已發行股本概約百分比
Achieve Prosper	Wang Jing	Interest of controlled corporation	Long position	1,000,000 (Note)	100%
達榮	王晶	於受控制法團之權益	長倉	(附註)	

DIRECTORS' REPORT

董事局報告書

Save as disclosed above and other than certain nominee Shares in subsidiaries held by Directors in trust for the Company or its subsidiaries, as at the date of this annual report, none of the Company's Directors, chief executive nor their associates had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO), or 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.

MANAGEMENT CONTRACTS

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

MAJOR SUPPLIERS AND CUSTOMERS

The aggregate sales attributable to the Group's largest customer and five largest customers accounted for 14.4% and 51.9% respectively of the Group's total turnover for the year.

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers accounted for 59.7% and 89.6% respectively of the Group's total purchases for the year.

None of the directors, their associates, or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) has any interest in the Group's five largest customers and suppliers.

除上文所披露者及董事為本公司或其附屬公司以信託方式持有附屬公司之若干代理人股份外，於本年報日期，並未有任何本公司董事、主要行政人員或彼等之聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例)之任何股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所(包括根據證券及期貨條例之有關條文，彼等被當作或被視為擁有之權益及淡倉)，或須記錄於根據證券及期貨條例第352條須予存置之登記冊或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

管理合約

年內概無訂立或存在任何有關本公司全部或絕大部分業務管理與行政之合約。

主要供應商與客戶

本集團最大及五大客戶之銷售總額分別佔本集團年內營業總額14.4%及51.9%。

本集團最大及五大供應商之購貨總額分別佔本集團年內購貨總額59.7%及89.6%。

董事、其聯繫人士或任何股東(據董事所知持有本公司5%以上的股本)在本集團五大客戶及供應商中並無持有任何權益。

DIRECTORS' REPORT 董事局報告書

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2016, the following persons, other than the interest disclosed in the section headed "Directors' and chief executives' interests and/or short positions in the shares, underlying shares and debentures of the Company or any specified undertaking of the Company or any other associated corporation", had interest 5% or more in the shares and underlying shares of the Company have notified to the Company and have been recorded in the register of substantial shareholders' interests in shares and short positions required to be kept under Section 336 of Part XV of the SFO:-

Name of Shareholders	Nature of interest	Number of shares and underlying shares	Aggregate percentage of issued share capital as at 31 March 2016
股東名稱／姓名	權益性質	股份及相關股份數目	合共佔二零一六年三月三十一日已發行股本的百分比
Achieve Prosper 達榮	Beneficial owner 實益擁有人	2,171,827,290	59.49%
Hong Kong Shihua 香港實華	Interest of controlled corporation 於受控制法團之權益	2,171,827,290	59.49%
Liaoning Shihua Property 遼寧實華房地產	Interest of controlled corporation 於受控制法團之權益	2,171,827,290	59.49%
Hu Bao Qin 胡寶琴	Spouse Interest 配偶權益	2,171,827,290	59.49%
Lushan Investment Holding Limited	Custodian corporation/Approved lending agent 託管人公司／核准借出代理人	2,917,914,246	79.93%

As at 31 March 2016, Achieve Prosper is wholly and beneficially owned by Hong Kong Shihua, which is in turn wholly and beneficially owned by Liaoning Shihua Property. Mr. Wang Jing is the sole director and the beneficial owner of 82.8% of the equity interest in Liaoning Shihua Property. By virtue of the SFO, Hong Kong Shihua, Liaoning Shihua Property, Mr. Wang Jing and Ms. Hu Bao Qin were deemed to be interest in the said 2,171,827,290 Shares held by Achieve Prosper.

主要股東

於二零一六年三月三十一日，以下人士(除「董事及主要行政人員於本公司或本公司的任何指明企業或任何其他相聯法團之股份、相關股份及債券之權益及／或淡倉」章節所披露者外)持有本公司股份及相關股份5%或以上之權益，並已知會本公司及記錄於本公司按證券及期貨條例第XV部第336條規定存置之主要股東股份權益及淡倉登記冊內：

於二零一六年三月三十一日，達榮由香港實華全資且實益擁有，而香港實華由遼寧實華房地產全資且實益擁有。王晶先生為遼寧實華房地產之唯一董事並為其82.8%股權之實益擁有人。根據證券及期貨條例，香港實華、遼寧實華房地產、王晶先生及胡寶琴女士被視為於達榮持有之所述2,171,827,290股股份中擁有權益。

DIRECTORS' REPORT

董事局報告書

On 30 December 2015, Achieve Prosper transferred the 326,086,956 underlying Shares which are the conversion Shares and are issuable upon the exercise of the Convertible Bonds to Lushan Investment Holding Limited.

On 14 March 2016, Achieve Prosper entered into a share charge with Lushan Investment Holding Limited, pursuant to which Achieve Prosper has pledged 2,171,827,290 Shares in favour of Lushan Investment Holding Limited. In addition, further 420,000,000 Shares held by Achieve Prosper was transferred to Lushan Investment Holding Limited pursuant to the sale and purchase agreement entered by the Achieve Prosper and Lushan Investment Holding Limited (please refer to the announcement of the Company dated on 16 March 2016 for further details).

Save as disclosed above, as at 31 March 2016, the register maintained by the Company pursuant to Section 336 of the SFO recorded no other interests, short positions or long positions in shares of the Company.

CONNECTED TRANSACTION

During the period from 1 April 2015 to 31 March 2016, the Group had the following non-exempted continuing connected transaction within the meaning of Chapter 14A of the Listing Rules:

於二零一五年十二月三十日，達榮已轉讓326,086,956股相關股份(指可換股債券獲行使後可予發行之轉換股份)予Lushan Investment Holding Limited。

於二零一六年三月十四日，達榮已與Lushan Investment Holding Limited訂立股份押記，據此，達榮將2,171,827,290股股份質押予Lushan Investment Holding Limited。此外，根據達榮與Lushan Investment Holding Limited訂立的買賣協議，達榮持有的額外420,000,000股股份已轉讓予Lushan Investment Holding Limited(進一步詳情請參閱本公司日期為二零一六年三月十六日之公告)。

除上文披露者外，於二零一六年三月三十一日，本公司根據證券及期貨條例第336條須予備存之登記冊中，並無記錄其他人士在本公司之股份中擁有任何權益、淡倉或長倉。

關連交易

於二零一五年四月一日至二零一六年三月三十一日期間，本集團擁有以下上市規則第14A章所界定之非豁免持續關連交易：

DIRECTORS' REPORT

董事局報告書

Framework Purchase Agreement

On 30 June 2014, SIH Limited (“Privateco”) and Treasure Green Holdings Limited (a subsidiary of the Company) entered into a framework purchase agreement (“the Framework Purchase Agreement”), pursuant to which the Privateco and its subsidiaries (“Privateco Group”) would sell and the Company and the remaining subsidiaries upon completion of the Group Restructuring and the distribution in specie and the creditors’ scheme becoming effective (“Remaining Group”) would purchase certain electronic products in accordance with the terms of the Framework Purchase Agreement. The relevant members of the Remaining Group and the Privateco Group would from time to time enter into individual agreements in respect of the sale and purchase of the relevant electronic products. The initial term of the Framework Purchase Agreement shall commence from the date of completion of the distribution in specie (i.e. 30 June 2014) up to and including 31 March 2015. For further information, please refer to the announcement of the Company dated 30 June 2014 and the circular of the Company dated 24 May 2014.

Since the expiration of the term of the Framework Purchase Agreement on 1 April 2015, sale and purchase of electronic products have been continuing among the Privateco Group and the Remaining Group on the same terms of the Framework Purchase Agreement during the period from 1 April 2015 to 20 July 2015 and the total actual transaction amount of such transactions was approximately HK\$9.1 million (the “Transactions”).

購買框架協議

於二零一四年六月三十日，SIH Limited（「私人公司」）與Treasure Green Holdings Limited（本公司之附屬公司）訂立一份購買框架協議（「購買框架協議」），據此，私人公司及其附屬公司（「私人公司集團」）將出售及本公司及餘下附屬公司（「餘下集團」）將於集團重組及實物分派完成時及債權人計劃生效時根據購買框架協議之條款購買若干電子產品。餘下集團及私人公司集團之相關成員公司將不時就買賣相關電子產品訂立單獨協議。購買框架協議之初步期限將自實物分派完成日期（即二零一四年六月三十日）起直至二零一五年三月三十一日（包括該日）止。更多詳情，請參閱本公司日期為二零一四年六月三十日之公告及本公司日期為二零一四年五月二十四日之通函。

由於購買框架協議期限已於二零一五年四月一日屆滿，因此於二零一五年四月一日至二零一五年七月二十日期間，私人公司集團與餘下集團間持續進行的電子產品買賣乃按購買框架協議之相同條款進行，有關交易之實際交易總額為約9,100,000港元（「交易」）。

DIRECTORS' REPORT

董事局報告書

The Transactions constituted continuing connected transactions of the Company at the issuer level until 20 July 2015 under Chapter 14A of the Listing Rules by virtue of the Privateco Group being an associate of Mr. Lau Sak Hong, Philip, Mr. Lau Sak Kai, Anthony, Mr. Lau Sak Yuk, Andy and Ms. Lau Chu Lan, Carol (the "Resigned Directors"), each of whom was a director of the Company at the issuer level, and thus a connected person of the Company under the Listing Rules. As the applicable percentage ratios in respect of the transactions during the period from 1 April 2015 to 20 July 2015 are less than 25% and the total consideration is less than HK\$10,000,000, the Transactions are subject to the announcement requirement under Chapter 14A of the Listing Rules but are exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules. The delays in making an announcement constitute non-compliances with Rule 14A.35 of the Listing Rules.

2nd Framework Purchase Agreement

On 16 September 2015, the Privateco and Treasure Green Holdings Limited entered into another framework purchase agreement (the "2nd Framework Purchase Agreement"), pursuant to which the Privateco Group will sell and the Remaining Group will purchase certain electronic products from time to time for a term commencing from 21 July 2015 and ending on 31 March 2018.

於二零一五年七月二十日之前，根據上市規則第14A章，該等交易構成本公司發行人層面之持續關連交易，乃由於私人公司集團為劉錫康先生、劉錫淇先生、劉錫澳先生及劉翠蓮女士（「辭任董事」）（其各自為本公司發行人層面之董事）之聯繫人士，因而為本公司於上市規則項下之關連人士。由於由二零一五年四月一日至二零一五年七月二十日期間交易之適用百分比率低於25%及總代價低於10,000,000港元，故交易須遵守上市規則第14A章項下之公告規定但獲豁免遵守上市規則第14A.76(2)條項下之刊發通函（包括獨立財務意見）及股東批准之規定。延遲刊發公告構成違反上市規則第14A.35條。

第二份購買框架協議

於二零一五年九月十六日，私人公司與Treasure Green Holdings Limited訂立另一份購買框架協議（「第二份購買框架協議」），據此，於二零一五年七月二十一日起至二零一八年三月三十一日止期間私人公司集團將出售及餘下集團將不時購買若干電子產品。

DIRECTORS' REPORT

董事局報告書

The transactions contemplated under the 2nd Framework Purchase Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules by virtue of the Privateco Group being an associate of the Resigned Directors and thus a connected person of the Company at the subsidiary level as at the date of the 2nd Framework Purchase Agreement. Given (1) the Board has approved transactions contemplated under the 2nd Framework Purchase Agreement; and (2) the Directors (including all the Independent Non-Executive Directors) confirmed that the terms of the 2nd Framework Purchase Agreement are fair and reasonable, and that the 2nd Framework Purchase Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the 2nd Framework Purchase Agreement is subject to the announcement requirement under Chapter 14A of the Listing Rules but is exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

On 9 March 2016, the Privateco and Treasure Green Holdings Limited entered into a supplemental agreement (the "Supplemental Agreement") to amend the terms of the 2nd Framework Purchase Agreement. As such, the annual cap of the transactions contemplated under the 2nd Framework Purchase Agreement for the period from 21 July 2015 to 31 March 2016 is increased from HK\$56 million to HK\$57 million.

The annual cap and the actual transactions amount of the transactions contemplated under the 2nd Purchase Framework Agreement (as amended by the Supplemental Agreement) for the year ended 31 March 2016 are set out in the table below. Details of the 2nd Purchase Framework Agreement were disclosed in the announcement of the Company dated 17 September 2015.

由於於第二份購買框架協議日期，私人公司集團為辭任董事的聯繫人士，因而為本公司於附屬公司層面的關連人士，因此第二份購買框架協議項下擬進行之交易構成本公司於上市規則第14A章項下之持續關連交易。鑒於(1)董事局已批准第二份購買框架協議項下擬進行之交易；及(2)董事(包括全體獨立非執行董事)確認第二份購買框架協議屬公平合理，且第二份購買框架協議按一般商業條款訂立並符合本公司及股東的整體利益，因此第二份購買框架協議須遵守上市規則第14A章項下之公告規定但獲豁免遵守上市規則第14A.101條項下刊發通函(包括獨立財務意見)及股東批准之規定。

於二零一六年三月九日，私人公司與Treasure Green Holdings Limited訂立一份補充協議(「補充協議」)，以修訂第二份購買框架協議之條款。因此，第二份購買框架協議項下擬進行交易於二零一五年七月二十一日至二零一六年三月三十一日止期間之年度上限由56,000,000港元增至57,000,000港元。

第二份購買框架協議(經補充協議修訂)項下擬進行之交易就截至二零一六年三月三十一日止年度之年度上限及實際交易金額載於下表。第二份購買框架協議之詳情披露於本公司日期為二零一五年九月十七日之公告。

DIRECTORS' REPORT

董事局報告書

		Annual Cap (For the period from 21 July 2015 Amount to 31 Mar 2016)	
		年度上限 (二零一五年 七月二十一日至 二零一六年 三月三十一日止 期間)	
		金額	金額
		HK\$'000	HK\$'000
		千港元	千港元
Purchase of electronic products from SIH Limited and its subsidiaries (Note)	自SIH Limited及其附屬公司 購買的電子產品(附註)	56,241	57,000

Note: Mr. Lau Sak Hong, Philip is a director of SIH Limited, who is also a director of a subsidiary of the Company.

附註：劉錫康先生為SIH Limited之董事，亦為本公司附屬公司之董事。

The amount of above transactions did not exceed the corresponding annual cap for the period from 21 July 2015 to 31 March 2016 as announced by the Company.

上述交易額並未超過本公司所公佈截至二零一五年七月二十一日至二零一六年三月三十一日期間之相應年度上限。

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged Deloitte Touche Tohmatsu (the "Auditor"), the auditor of the Company, to review the Group's continuing connected transactions entered into by the Company and its subsidiaries for the period from 21 July 2015 to 31 March 2016 in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

根據上市規則第14A.56條，本公司已聘請德勤•關黃陳方會計師行(「核數師」，為本公司之核數師)，以根據香港會計師公會頒佈的香港審核保證委聘準則第3000號「審核或審閱過去財務資料以外之核證委聘」及參考實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，對本集團的持續關連交易(由本公司與其附屬公司於二零一五年七月二十一日至二零一六年三月三十一日期間訂立)進行審閱。

The Auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions during the period from 21 July 2015 to 31 March 2016 disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the Auditors' letter has been provided by the Company to the Stock Exchange. The conclusion contained in such letter is set out below.

核數師已根據上市規則第14A.56條發出無保留意見函件，當中載有其對本集團於上文所披露於二零一五年七月二十一日至二零一六年三月三十一日期間之持續關連交易之發現及結論。本公司已將核數師函件副本送呈聯交所。有關函件所載結論如下。

DIRECTORS' REPORT

董事局報告書

- | | |
|---|--|
| <p>a) nothing has come to their attention that causes them to believe that the disclosed continuing connected transaction has not been approved by the Company's Board;</p> <p>b) nothing has come to their attention that causes them to believe that the transaction was not entered into, in all material respects, in accordance with the relevant agreement governing such transaction; and</p> <p>c) with respect to the aggregate amount of the continuing connected transaction set out above, nothing has come to their attention that causes them to believe that the disclosed continuing connected transaction has exceeded the maximum aggregate annual value disclosed in previous announcement dated 17 September 2015 made by the Company in respect of the disclosed continuing connected transaction.</p> | <p>a) 概無發現任何事宜導致彼等相信所披露持續關連交易並未獲本公司董事局批准；</p> <p>b) 概無發現任何事宜導致彼等相信有關交易於所有重大方面並未按照規管有關交易的相關協議進行；及</p> <p>c) 就上述持續關連交易的合共金額而言，概無發現任何事宜導致彼等相信所披露持續關連交易超出本公司就所披露持續關連交易於二零一五年九月十七日作出的先前公告所披露最高合共年度價值。</p> |
|---|--|

The Independent Non-executive Directors have reviewed the transaction and the aforesaid Auditor's letter and confirmed that the continuing connected transaction has been entered into:

獨立非執行董事已審閱有關交易及上述核數師函件，確認有關持續關連交易乃：

- | | |
|--|--|
| <p>a) in the ordinary and usual course of business of the Group;</p> <p>b) on normal commercial terms; and</p> <p>c) in accordance with the relevant agreement governing such transaction on terms that are fair and reasonable and in the interests of the shareholders as a whole.</p> | <p>a) 於本集團之一般及日常業務過程中進行；</p> <p>b) 按照一般商業條款進行；及</p> <p>c) 根據規管有關交易的相關協議進行，而交易條款屬公平合理，並符合股東之整體利益。</p> |
|--|--|

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company, and within the knowledge of the directors, the Company has maintained a sufficient public float not less than 25% of Company's issued shares as required under the Listing Rules throughout the year ended 31 March 2016.

充足公眾持股量

根據本公司所取得之公開資料及據董事所知悉，本公司於截至二零一六年三月三十一日止年度內一直維持上市規則規定不少於本公司已發行股份25%之充足公眾持股量。

DIRECTORS' REPORT 董事局報告書

PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this Directors' Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company (whether made by the Company or otherwise) or an associated company (if made by the Company).

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received the annual confirmation of independence from each of the independent non-executive Directors as required under Rule 3.13 of the Listing Rules. The Company considered all independent non-executive Directors to be independent.

AUDITOR

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company.

On behalf of the Board

Wang Jing
CHAIRMAN

Hong Kong
29 June 2016

獲准許彌償條文

於財政年度及截至本董事局報告日期止任何時間，概不存在任何以本公司任何董事(不論是否由本公司或以其他方式制定)或聯營公司(倘由本公司制定)為受益人的獲准許彌償條文。

年度之獨立確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立確認書。本公司認為所有獨立非執行董事均為獨立人士。

核數師

有關續聘德勤•關黃陳方會計師行為本公司核數師之決議案將於本公司股東週年大會上提呈。

代表董事局

王晶
主席

香港
二零一六年六月二十九日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Deloitte.

德勤

TO THE SHAREHOLDERS OF
SHIHUA DEVELOPMENT COMPANY LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Shihua Development Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 52 to 166, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

致實華發展有限公司全體股東

(於百慕達註冊成立之有限公司)

本核數師行已完成審核列載於第52至166頁實華發展有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一六年三月三十一日之綜合財務狀況報表，及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他解釋性資料。

董事就綜合財務報表須承擔的責任

貴公司之董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的適用披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實董事認為編製綜合財務報表所必要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

核數師的責任

本行的責任是根據本行的審核對該等綜合財務報表作出意見，並按照百慕達《公司法》第90條僅向整體股東報告我們的意見，除此以外，本行的報告書不作其他用途。本行概不會就本報告書的內容，對任何其他人士負上或承擔任何責任。本行已根據香港會計師公會頒佈的香港審計準則進行審核。該等準則要求本行遵守道德規範，並規劃及執行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行情序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該實體編製綜合財務報表以作出真實而公平的反映相關的內部監控，以設計適當的審核程序，但並非為對實體的內部監控的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

本行相信，本行所獲得的審核憑證能充足和適當地為本行的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the applicable disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

29 June 2016

意見

本行認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴集團於二零一六年三月三十一日的財務狀況及貴集團截至該日止年度的財務狀況及現金流量，並已按照香港《公司條例》的適用披露要求妥善編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零一六年六月二十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

			2016 二零一六年	2015 二零一五年
		NOTES 附註	HK\$'000 千港元	HK\$'000 千港元
Turnover	營業額	5	425,523	381,863
Cost of sales	銷售成本		(322,478)	(322,811)
Gross profit	毛利		103,045	59,052
Other income	其他收入	6	671	12,722
Distribution costs	分銷成本		(42,418)	(30,961)
Administrative expenses	行政費用		(64,141)	(78,655)
Other gain and loss	其他收益及虧損	7	(3,466)	(12,006)
(Decrease) increase in fair value of investment properties	投資物業之公平價值(減少)增加	14	(5,863)	5,550
Finance costs	利息開支	8	(12,781)	(9,014)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	35	10,211	-
Loss arising from the issue of convertible bonds	發行可換股債券產生之虧損		-	(38,536)
Loss on deconsolidation of subsidiaries	不再綜合入賬之附屬公司之虧損	32	-	(15,553)
Loss arising from distribution in specie of shares in a subsidiary	實物分派附屬公司股份產生之虧損	33	-	(138,946)
Share of profits of an associate	應佔聯營公司溢利		247	479
Loss before taxation	除稅前虧損	9	(14,495)	(245,868)
Taxation	稅務	11	(1,504)	(1,263)
Loss for the year	年度虧損		(15,999)	(247,131)
Other comprehensive (expense) income	其他全面(開支)收益			
Items that may be subsequently reclassified to profit or loss:	其後或可重新分類至損益之項目:			
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額		(14,106)	8,135
Release of translation reserve upon disposal of a subsidiary	出售附屬公司時換算儲備之撥回	35	5,247	-
Release of translation reserve upon deconsolidation of subsidiaries	取消附屬公司綜合入賬時換算儲備之撥回	32	-	(3,237)
Release of translation reserve upon distribution in specie of shares in a subsidiary	實物分派附屬公司股份時換算儲備之撥回	33	-	(795)
Other comprehensive (expense) income for the year	年度其他全面(開支)收入		(8,859)	4,103
Total comprehensive expense for the year	年度全面開支總額		(24,858)	(243,028)

**CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME**
綜合損益及其他全面收益表

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

			2016 二零一六年	2015 二零一五年
		NOTE 附註	HK\$'000 千港元	HK\$'000 千港元
(Loss) profit for the year attributable to: 下列人士應佔年度(虧損)溢利:				
Owners of the Company	本公司擁有人		(22,243)	(246,934)
Non-controlling interests	非控股權益		6,244	(197)
			(15,999)	(247,131)
Total comprehensive (expense) income 下列人士應佔年度全面(開支)				
for the year attributable to: 收入總額:				
Owners of the Company	本公司擁有人		(31,132)	(243,649)
Non-controlling interests	非控股權益		6,274	621
			(24,858)	(243,028)
			HK cents 港仙	HK cents 港仙 (Restated) (重列)
Loss per share	每股虧損	13		
– Basic and diluted	– 基本及攤薄		(1.43)	(42.94)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

At 31 March 2016
於二零一六年三月三十一日

			2016 二零一六年	2015 二零一五年
		NOTES 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	14	208,631	–
Property, plant and equipment	物業、廠房及設備	15	39,140	3,639
Goodwill	商譽	16	17,665	17,665
Interest in an associate	應佔聯營公司權益	18	6,792	6,845
Deferred tax assets	遞延稅項資產	27	18,852	18,258
Long-term prepayments	長期預付款	20	309	746
Deposit paid for investments	已付之投資按金		106,714	–
Deposit paid for investments properties	已付之投資物業按金		12,902	–
Deposit paid for acquisition of a property	收購物業所付之按金		–	76,600
			411,005	123,753
Current assets	流動資產			
Inventories	存貨	19	54,299	75,123
Debtors, deposits and prepayments	應收賬項、按金及預付款項	20	114,559	43,993
Investments held for trading	持作買賣之投資	21	451	453
Amount due from immediate holding company	應收直接控股公司款項	24	6,769	–
Bank balances and cash	銀行結餘及現金	22	249,130	36,718
			425,208	156,287
Current liabilities	流動負債			
Creditors and accrued charges	應付賬項及應計費用	23	73,434	90,741
Amount due to immediate holding company	應付直接控股公司款項	24	182,319	14,871
Amount due to a director	應付董事賬款	24	172	172
Borrowing	借貸	25	11,990	–
			267,915	105,784
Net current assets	流動資產淨值		157,293	50,503
Total assets less current liabilities	總資產減流動負債		568,298	174,256
Non-current liabilities	非流動負債			
Long-term creditors	長期應付賬項	23	15,011	20,081
Convertible bonds	可換股債券	26	64,399	56,875
Borrowing	借貸	25	107,913	–
Deferred tax liabilities	遞延稅項負債	27	2,098	–
			189,421	76,956
Net assets	資產淨值		378,877	97,300

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**
綜合財務狀況報表

At 31 March 2016
於二零一六年三月三十一日

			2016 二零一六年	2015 二零一五年
		NOTE 附註	HK\$'000 千港元	HK\$'000 千港元
Capital and reserves	股本及儲備			
Share capital	股本	28	36,507	243,381
Reserves	儲備		320,629	(161,337)
Equity attributable to owners of the Company	本公司擁有人應佔權益		357,136	82,044
Non-controlling interests	非控股權益		21,741	15,256
Total equity	總權益		378,877	97,300

The consolidated financial statements on pages 52 to 166 were approved and authorised for issue by the Board of Directors on 29 June 2016 and are signed on its behalf by:

第52頁至第166頁所載之綜合財務報表，於二零一六年六月二十九日由董事局核准及授權刊發，並由下列董事代表簽署：

王晶
Wang Jing
CHAIRMAN
主席

王星喬
Wang Xing Qiao
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔											Attributable to non-controlling interests 非控股權益應佔		Sub-total	Total			
		Share capital	Share premium	Merger reserve	Capital reserve	Other property revaluation reserve	Translation reserve	Share option reserve	Convertible bonds reserve	Capital redemption reserve	Contributed surplus	Accumulated losses	Sub-total	Share of net assets of subsidiaries			Share option reserve of a listed subsidiary	Sub-total	Total
HK\$'000	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元		
At 1 April 2014	於二零一四年四月一日	201,343	146,883	37,138	128	52,578	9,627	3,993	-	292,448	-	(422,422)	321,716	14,867	1,543	16,410	338,126		
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	-	7,317	-	-	-	-	-	7,317	818	-	818	8,135		
Release of translation reserve upon deconsolidation of subsidiaries (note 32)	取消附屬公司綜合入賬時換算儲備之撥回(附註32)	-	-	-	-	-	(3,237)	-	-	-	-	-	(3,237)	-	-	-	(3,237)		
Release of translation reserve upon distribution in specie of shares in a subsidiary (note 33)	實物分派附屬公司股份時換算儲備之撥回(附註33)	-	-	-	-	-	(795)	-	-	-	-	-	(795)	-	-	-	(795)		
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	-	-	(246,934)	(246,934)	(197)	-	(197)	(247,131)		
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	-	-	-	-	-	3,285	-	-	-	-	(246,934)	(243,649)	621	-	621	(243,028)		
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東注資	-	-	-	-	-	-	-	-	-	-	-	-	59	-	59	59		
Deemed partial disposal of a subsidiary	被視為出售附屬公司股份權益	-	-	-	16	-	-	-	-	-	-	-	-	(16)	-	(16)	-		
Issue of convertible bonds	發行可換股債券	-	-	-	-	-	-	-	61,480	-	-	-	61,480	-	-	-	61,480		
Issue of shares upon exercise of share options	購股權獲行使時發行股份	2,038	1,088	-	-	-	-	(468)	-	-	-	-	2,658	-	-	-	2,658		
Issue of shares	發行股份	40,000	24,000	-	-	-	-	-	-	-	-	-	64,000	-	-	-	64,000		
Transaction costs incurred in connection with issue of convertible bonds	發行可換股債券產生之交易成本	-	-	-	-	-	-	-	(115)	-	-	-	(115)	-	-	-	(115)		
Transfer of share premium to contributed surplus (note)	股份溢價轉撥至應入盈餘(附註)	-	(147,971)	-	-	-	-	-	-	-	-	-	147,971	-	-	-	-		
Release of reserve upon deconsolidation of subsidiaries	附屬公司停止綜合入賬時儲備之撥回	-	-	-	-	(8,391)	-	-	-	-	-	-	8,391	-	-	-	-		
Release of reserves upon distribution in specie of shares in a subsidiary	實物分派附屬公司股份時儲備之撥回	-	-	(37,138)	-	(44,187)	-	-	-	-	-	-	81,325	-	-	-	-		
Special dividends by way of distribution in specie of shares in a subsidiary (notes 12 and 33)	透過實物分派附屬公司股份之特別股息(附註12及33)	-	-	-	-	-	-	-	-	-	-	(124,062)	(124,062)	-	-	-	(124,062)		
Distribution in specie of share in a subsidiary (note 33)	實物分派附屬公司股份(附註33)	-	-	-	-	-	-	-	-	-	-	-	(2,121)	-	(2,121)	(2,121)			
Recognition of equity-settled share-based payments	確認以權益結算以股份支付之付款	-	-	-	-	-	-	-	-	-	-	-	-	-	303	303	303		
Cancellation and lapse of share options	購股權註銷及失效	-	-	-	-	-	-	(3,525)	-	-	-	-	3,525	-	-	-	-		
At 31 March 2015	於二零一五年三月三十一日	243,381	24,000	-	144	-	12,912	-	61,365	292,448	23,909	(576,115)	82,044	13,410	1,846	15,256	97,300		
At 1 April 2015	於二零一五年四月一日	243,381	24,000	-	144	-	12,912	-	61,365	292,448	23,909	(576,115)	82,044	13,410	1,846	15,256	97,300		
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	-	(14,136)	-	-	-	-	-	(14,136)	30	-	30	(14,106)		
Release of translation reserve upon disposal of a subsidiary	出售附屬公司時換算儲備之撥回	-	-	-	-	-	5,247	-	-	-	-	-	5,247	-	-	-	5,247		
Loss (profit) for the year	本年度虧損(溢利)	-	-	-	-	-	-	-	-	-	-	(22,243)	(22,243)	6,244	-	6,244	(15,999)		
Total comprehensive (expense) income for the year	本年度全面(開支)收益總額	-	-	-	-	-	(8,889)	-	-	-	-	(22,243)	(31,132)	6,274	-	6,274	(24,858)		
Placing of shares (note 28(b))	配售股份(附註28(b))	48,676	11,682	-	-	-	-	-	-	-	-	-	60,358	-	-	-	60,358		
Transaction costs incurred in connection with placing of shares	配售股份產生之交易成本	-	(759)	-	-	-	-	-	-	-	-	-	(759)	-	-	-	(759)		
Deemed partial disposal of a subsidiary	被視為出售附屬公司股份權益	-	-	-	27	-	-	-	-	-	-	-	27	(27)	-	(27)	-		
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東注資	-	-	-	-	-	-	-	-	-	-	-	-	108	-	108	108		
Reduction of share capital upon capital reorganisation (note 28(c))	股本重組時之股本削減(附註28(c))	(284,756)	-	-	-	-	-	-	284,756	-	-	-	-	-	-	-	-		
Issue of shares upon open offer (note 28(d))	公開發售時發行股份(附註28(d))	29,206	221,963	-	-	-	-	-	-	-	-	-	251,169	-	-	-	251,169		
Transaction costs incurred in connection with open offer	公開發售產生之交易成本	-	(4,571)	-	-	-	-	-	-	-	-	-	(4,571)	-	-	-	(4,571)		
Recognition of equity-settled share-based payments	確認以權益結算以股份支付之付款	-	-	-	-	-	-	-	-	-	-	-	-	-	130	130	130		
At 31 March 2016	於二零一六年三月三十一日	36,507	252,315	-	171	-	4,023	-	61,365	577,204	23,909	(598,358)	357,136	19,765	1,976	21,741	378,877		

Note: Pursuant to a special resolution passed in the special general meeting of the Company held on 19 June 2014, an amount of HK\$147,971,000 standing to the credit of share premium has been reduced and transferred to contributed surplus.

附註: 根據本公司於二零一四年六月十九日舉行之股東特別大會上通過之特別決議案, 股份溢價進賬款項147,971,000港元已被削減並撥入應入盈餘。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

	NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Operating activities	營運業務		
Loss before taxation	除稅前虧損	(14,495)	(245,868)
Adjustments for:	調整：		
Finance costs	利息開支	12,781	9,014
Decrease (increase) in fair value of investment properties (增加)	投資物業之公平價值減少 (增加)	5,863	(5,550)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,340	3,583
Allowance for (reversal of allowance for) doubtful debts	呆賬(撥備撥回)撥備	683	(163)
Allowance for obsolete and slow-moving inventories	陳舊及滯銷存貨之撥備	159	3,677
Share-based payments	以股份為基礎之付款	130	303
Decrease in fair value of investments held for trading	持作買賣之投資之公平價值 減少	2	22
Gain on disposal of a subsidiary	出售附屬公司之收益	35	(10,211)
Share of profits of an associate	應佔聯營公司溢利	(247)	(479)
Interest income	利息收入	(54)	(58)
Dividend income from investments held for trading	持作買賣之投資之股息收入	(8)	(4)
Loss on deconsolidation of subsidiaries	附屬公司停止綜合入賬之虧損	32	-
Loss arising from distribution in specie of shares in a subsidiary	實物分派附屬公司股份之 虧損	33	-
Loss arising from the issue of convertible bonds	發行可換股債券產生之虧損	-	38,536
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	118
Release of prepaid lease payments	預付租賃款項撥回	-	90
Operating cash flows before movements in working capital	營運資金變動前之營運現金流	(4,057)	(42,280)
Decrease (increase) in inventories	存貨減少(增加)	20,665	(1,884)
Decrease (increase) in debtors, deposits and prepayments	應收賬項、按金及預付款項 減少(增加)	9,547	(12,752)
(Decrease)increase in creditors and accrued charges	應付賬項及應計費用(減少)增加	(42,766)	9,432
Cash used in operations	營運所用之現金	(16,611)	(47,484)
Dividend received from investments held for trading	持作買賣投資之股息收益	8	4
Taxation in other jurisdictions paid	其他司法區已付稅項	-	(570)
Net cash used in operating activities	經營業務所用之現金淨額	(16,603)	(48,050)

**CONSOLIDATED STATEMENT OF
CASH FLOWS**
綜合現金流量表

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

		NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Investing activities	投資活動			
Net cash inflow from disposal of a subsidiary	出售附屬公司之現金流入淨額	35	5,938	-
Dividend received from an associate	聯營公司之股息收益		300	-
Interest received	已收利息		54	58
Deposit paid for investments	已付之投資按金		(106,714)	-
Acquisition of a subsidiary	收購附屬公司	34	(15,398)	-
Deposit paid for investment properties	已付之投資物業按金		(12,902)	-
Purchase of investment properties	購置投資物業		(11,334)	-
Advance to immediate holding company	直接控股公司墊款		(6,769)	-
Purchase of property, plant and equipment	購置物業、廠房及設備		(1,060)	(467)
Withdrawal of pledged bank deposits	已抵押銀行存款提取		-	1,077
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		-	312
Deposit paid for acquisition of a property	收購一項物業所付之按金		-	(12,600)
Net cash outflow from deconsolidation of subsidiaries	附屬公司停止綜合入賬之現金流出淨額	32	-	(4,224)
Net cash used in investing activities	投資業務所用之現金淨額		(147,885)	(15,844)
Financing activities	融資活動			
Advance from immediate holding company	直接控股公司墊款		200,248	14,871
New borrowings raised	所籌集之新借貸		414,689	-
Proceeds from placing of shares	配售股份所得款項		60,358	-
Proceeds from open offer	公開發售所得款項		51,616	-
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東出資		108	59
Repayment of borrowings	償還借貸		(294,786)	-
Repayment to immediate holding company	償還直接控股公司		(41,523)	-
Interest on bank and other borrowings paid	已付銀行及其他借貸利息		(8,409)	(3,735)
Transaction costs incurred in connection with open offer	公開發售產生之交易成本		(4,571)	-
Transaction costs incurred in connection with placing of shares	配售股份產生之交易成本		(759)	-
Proceeds on issue of convertible bonds	發行可換股債券之所得款項		-	75,000
Short term loans raised	所籌集之短期貸款		-	3,600
Proceeds from issue of shares upon exercise of share options	行使購股權時發行股份所得款項		-	2,658
Net advance from trust receipts and import loans and loans related to bills discounted with recourse	信託收據及進口貸款及有關具追索權貼現票據之墊款淨額		-	819
Advance from a director	董事墊款		-	172
Net cash outflow from distribution in specie of shares in a subsidiary	實物分派附屬公司股份之現金流出淨額	33	-	(17,609)
Repayment to a director	償還董事		-	(1,000)
Transaction costs incurred in connection with the issue of convertible bonds	發行可換股債券產生之交易成本		-	(212)
Net cash from financing activities	融資活動所得之現金淨額		376,971	74,623
Net increase in cash and cash equivalents	現金及現金等值項目之增加淨額		212,483	10,729
Cash and cash equivalents at beginning of the year	年初現金及現金等值項目		36,718	26,077
Effect of exchange difference	匯兌差額之影響		(71)	(88)
Cash and cash equivalents at end of the year, representing bank balances and cash	年終現金及現金等值項目，即銀行結存及現金		249,130	36,718

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2016
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1. GENERAL

The Company is an exempted company incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The immediate holding company of the Company is Achieve Prosper Capital Limited, which was incorporated in Samoa, and the ultimate holding company of the Company is 遼寧實華(集團)房地產開發有限公司, which was established in the People's Republic of China ("PRC"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars which is also the functional currency of the Company.

The principal activity of the Company is investment holding. Its principal subsidiaries are engaged in the design and sale of a wide range of electronic products, operation and management of a hydroelectric power station, property investment and securities trading.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle

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

1. 一般資料

本公司為於百慕達註冊成立之獲豁免有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司之直接控股公司為達榮資本有限公司，於薩摩亞註冊成立，本公司之最終控股公司為遼寧實華(集團)房地產開發有限公司，於中華人民共和國（「中國」）成立。本公司之註冊辦事處地址及主要營業地點於本年報公司資料內披露。

綜合財務報表乃按港元呈列，其亦為本公司之功能貨幣。

本公司之主要業務為投資控股，其主要附屬公司從事設計、銷售範圍廣泛之電子產品、水電站運營及管理以及物業投資及證券買賣之業務。

2. 應用新增及經修訂之香港財務報告準則（「香港財務報告準則」）

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

香港會計準則 第19號(修訂本)	界定利益計劃：僱員供款
香港財務報告準則 (修訂本)	香港財務報告準則二零一零年 至二零一二年週期的 年度改進
香港財務報告準則 (修訂本)	香港財務報告準則二零一一年 至二零一三年週期的 年度改進

於本年度應用上述香港財務報告準則之修訂本，對本集團於本年度及過往年度之財務表現及狀況及／或綜合財務報表所載披露資料並無重大影響。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT’D)

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

HKFRS 9	Financial instruments ¹
HKFRS 15	Revenue from contracts with customers ¹
HKFRS 16	Leases ⁴
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 – 2014 cycle ²
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception ²
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations ²
Amendments to HKFRS 15	Clarification to HKFRS 15 “Revenue from contracts with customers” ¹
Amendments to HKAS 1	Disclosure initiative ²
Amendments to HKAS 7	Disclosure initiative ⁵
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses ⁵
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation ²
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants ²

- ¹ Effective for annual periods beginning on or after 1 January 2018.
- ² Effective for annual periods beginning on or after 1 January 2016.
- ³ Effective for annual periods beginning on or after a date to be determined.

2. 應用新增及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

本集團並無提早採納已頒佈但尚未生效之以下新增及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收益 ¹
香港財務報告準則第16號	租賃 ⁴
香港財務報告準則(修訂本)	香港財務報告準則二零一二年至二零一四年週期的年度改進 ²
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營公司之間之資產銷售或注入 ³
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	投資實體：應用綜合豁免 ²
香港財務報告準則第11號(修訂本)	收購合營業務權益之會計法 ²
香港財務報告準則第15號(修訂本)	香港財務報告準則第15號「來自客戶合約收益」的澄清 ¹
香港會計準則第1號(修訂本)	披露計劃 ²
香港會計準則第7號(修訂本)	披露計劃 ⁵
香港會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產 ⁵
香港會計準則第16號及香港會計準則第38號(修訂本)	澄清折舊及攤銷的可接受方法 ²
香港會計準則第16號及香港會計準則第41號(修訂本)	農業：生產性植物 ²

- ¹ 於二零一八年一月一日或之後開始之年度期間生效。
- ² 於二零一六年一月一日或之後開始之年度期間生效。
- ³ 於待定日期或之後開始之年度期間生效。

NOTES TO THE CONSOLIDATED
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For the year ended 31 March 2016
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2. APPLICATION OF NEW AND REVISED
HONG KONG FINANCIAL REPORTING
STANDARDS (“HKFRSs”) (CONT’D)

- ⁴ Effective for annual periods beginning on or after 1 January 2019.
- ⁵ Effective for annual periods beginning on or after 1 January 2017.

HKFRS 9 “Financial instruments”

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 that are relevant to our Group are described below:

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

The directors of the Company anticipate that the application of HKFRS 9 will affect the impairment of the Group’s financial assets. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed analysis.

2. 應用新增及經修訂之香港財
務報告準則(「香港財務報告
準則」)(續)

- ⁴ 於二零一九年一月一日或之後開始之年度期間生效。
- ⁵ 於二零一七年一月一日或之後開始之年度期間生效。

香港財務報告準則第9號「金融工具」

於二零零九年頒佈的香港財務報告準則第9號引入金融資產分類及計量的新規定。於二零一零年修訂的香港財務報告準則第9號加入金融負債分類及計量及終止確認的規定，並於二零一三年再行修訂，以加入對沖會計處理的新規定。於二零一四年頒佈的香港財務報告準則第9號另一個修訂本主要加入(a)金融資產的減值規定及(b)為若干簡單債務工具引入「按公平價值計入其他全面收入」計量類別，對分類及計量規定作出有限修訂。

香港財務報告準則第9號主要規定載述如下：

- 就金融資產的減值而言，與香港會計準則第39號「金融工具：確認及計量」項下按已發生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及變動計入該等預期信貸虧損，以反映自初步確認以來的信貸風險變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

本公司董事預期，應用香港財務報告準則第9號可能會對本集團金融資產之減值造成影響。然而，本集團於完成詳細審閱前無法合理估計有關影響。

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2. APPLICATION OF NEW AND REVISED
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STANDARDS (“HKFRSs”) (CONT’D)

HKFRS 15 “Revenue from contracts with customers”

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

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

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

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

2. 應用新增及經修訂之香港財
務報告準則(「香港財務報告
準則」)(續)

香港財務報告準則第15號「客戶合約收益」

香港財務報告準則第15號已頒佈，其制定一項單一全面模式供實體用作將自客戶合約所產生之收益入賬。於香港財務報告準則第15號生效後，其將取代現時之收益確認指引，包括香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

香港財務報告準則第15號之核心原則為實體所確認向客戶轉讓承諾貨品或服務描述之收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入五個確認收益之步驟：

- 第一步： 識別與客戶之合約
- 第二步： 識別合約中的履約責任
- 第三步： 釐定交易價格
- 第四步： 將交易價格分攤至合約中之履約責任
- 第五步： 於實體完成履約責任時確認收益

根據香港財務報告準則第15號，實體於完成履約責任時(或就此)確認收益，即於特定履約責任相關之商品或服務之「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況之處理方法加入更明確指引。此外，香港財務報告準則第15號規定作出更詳盡之披露。

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2. APPLICATION OF NEW AND REVISED
HONG KONG FINANCIAL REPORTING
STANDARDS (“HKFRSs”) (CONT’D)

HKFRS 15 “Revenue from contracts with customers”
(CONT’D)

The directors of the Company are in the process of assessing the impact on the application of HKFRS 15. For the moment, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

HKFRS 16 “Leases”

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases”, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

2. 應用新增及經修訂之香港財
務報告準則(「香港財務報告
準則」)(續)

香港財務報告準則第15號「客戶合約收益」
(續)

本公司董事正在估計應用香港財務報告準則第15號之影響。目前，本集團於完成詳細審閱前無法合理估計有關香港財務報告準則第15號之影響。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號於生效日期起將取代香港會計準則第17號「租賃」，引入單一承租人會計處理模式並規定承租人就為期超過12個月的所有租賃確認資產及負債，除非相關資產為低價值資產。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產(表示其有權使用相關租賃資產)及租賃負債(表示其有責任支付租賃款項)。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債的現金還款分類為本金部分及利息部分，於現金流量表中呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可註銷租賃付款，亦包括承租人合理肯定會行使選擇權延續租賃，不行使選擇權而中止租賃的情況下，將於選擇權期間內作出的付款。此會計處理方法與承租人會計法顯著不同，後者適用於根據先前準則香港會計準則第17號分類為經營租賃的租賃。

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**2. APPLICATION OF NEW AND REVISED
HONG KONG FINANCIAL REPORTING
STANDARDS (“HKFRSs”) (CONT’D)**

HKFRS 16 “Leases” (CONT’D)

As set out in note 38, total operating lease commitment of the Group in respect of leased premises as at 31 March 2016 was amounting to HK\$19,314,000. The directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group’s results but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated financial statements as right-of-use assets and lease liabilities. Other than that, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies set out below.

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

**2. 應用新增及經修訂之香港財
務報告準則(「香港財務報告
準則」)(續)**

香港財務報告準則第16號「租賃」(續)

如附註38所載，本集團就於二零一六年三月三十一日之租賃物業之總經營租賃承擔為19,314,000港元。本公司董事預期，較當前會計政策，採納香港財務報告準則第16號不會對本集團之業績造成重大影響，但預期該等租賃承擔之若干部分將須於綜合財務報表確認為使用權資產及租賃負債。除此之外，在本集團於進行詳細審核前無法合理估計有關影響。

本公司董事預期，應用其他新訂及經修訂香港財務報告準則將不會對綜合財務報表產生重大影響。

3. 主要會計政策

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

除若干物業及金融工具按重估金額或公平價值計量(詳情見下文所載會計政策)外，綜合財務報表乃以歷史成本法編製。

歷史成本一般根據貨物交換所得報酬之公平價值而釐定。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

The principal accounting policies are set out below.

3. 主要會計政策(續)

公平價值是指市場參與者之間在計量日進行之有序交易中出售一項資產所收取之價格或轉移一項負債所支付之價格，無論該價格是直接觀察到之結果還是採用其他估值技術作出之估計。在對資產或負債之公平價值作出估計時，本集團考慮市場參與者在計量日為該資產或負債進行定價時會考慮之特徵。在該等綜合財務報表中計量及／或披露的公平價值均在此基準上釐定，惟香港財務報告準則第2號「股份基礎付款」範圍內之股份基礎付款交易、香港會計準則第17號範圍內的租賃交易以及與公平價值類似但並非公平價值的計量（例如香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

此外，就財務報告而言，公平價值計量根據公平價值計量之輸入數據可觀察程度及輸入數據對公平價值計量之整體重要性分類為第一級、第二級及第三級，載述如下：

- 第一級輸入數據為實體於計量日期可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據為就資產或負債直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of consolidation

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

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

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

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

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

3. 主要會計政策(續)

綜合賬目基準

綜合財務報表包括本公司及受其控制之實體及其附屬公司之財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制投資對象。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益報表內。

損益及各項其他全面收益項目歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使這將導致非控股權益出現虧絀結餘。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Basis of consolidation (CONT'D)

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted (i.e. the non-controlling interests share of recognised identifiable net assets at the date of acquisition) and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable HKFRSs).

3. 主要會計政策(續)

綜合賬目基準(續)

附屬公司之財務報表於有需要情況下作出調整，使其會計政策與本集團所採用者一致。

本集團成員公司之間交易所產生的集團內部資產及負債、權益、收入、支出及現金流均在綜合入賬時對銷。

本集團於現有附屬公司之擁有權權益之變動

倘本集團於現有附屬公司之擁有權權益變動並無導致本集團失去對該等附屬公司之控制權，則此權益變動將會以股本交易入賬。本集團之權益及非控股權益之賬面值乃作出調整，以反映彼等於附屬公司之相關權益變動。經調整之非控股權益金額(即於收購日期非控股權益分佔之已確認可識別資產淨值)與已支付或已收取代價之公平價值間之任何差額乃直接於權益確認，並歸屬於本公司擁有人。

當本集團失去一間附屬公司之控制權時，盈虧於損益內確認，並按：(i)已收代價公平價值及任何保留權益公平價值總額及(ii)附屬公司之資產(包括商譽)及負債以及任何非控股權益之先前賬面值之差額計算。所有先前於其他全面收益確認之有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則之規定/許可條文重新分類至損益或轉撥至另一類權益)。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3. 主要會計政策(續)

業務合併

收購業務採用收購法入賬。業務合併所轉撥之代價按公平價值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方原股東產生之負債及本集團於交換被收購方之控制權發行之權益於收購日之公平價值之總額。有關收購之成本通常於產生時確認於損益中。

於收購日期，已收購可識別資產及所承擔的負債按於收購日期的公平價值確認。

商譽是以所轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方權益之公平價值(如有)之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後，所超出之差額計值。倘經過重估後，所收購之可識別資產與所承擔負債於收購日期之淨額高於轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方權益之公平價值(如有)之總和，則差額即時於損益內確認為議價收購收益。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

3. 主要會計政策(續)

商譽

收購業務所產生之商譽乃按成本值減累計減值虧損(如有)列賬，並於綜合財務狀況報表分開呈列。

就減值測試而言，收購所產生商譽分配予預期會受惠於合併協同效益之各相關現金產生單位或現金產生單位組別。

獲分配商譽之現金產生單位會每年或於有跡象顯示有關單位可能出現減值時更頻繁檢測減值。就於報告期間內進行收購所產生商譽而言，獲分配商譽之現金產生單位會於該報告期間結束前進行減值測試。倘現金產生單位之可收回金額少於其賬面值，減值虧損會首先分配至減少該單位獲分配之任何商譽賬面值，繼而以該單位內各資產之賬面值為基準按比例分配至該單位內其他資產。任何商譽減值虧損直接於損益內確認。商譽減值虧損不會於往後期間撥回。

出售有關現金產生單位時，在釐定其出售溢利或虧損時須計入應佔商譽。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 主要會計政策(續)

於聯營公司之投資

聯營公司指本集團對其擁有重大影響力之實體。重大影響力乃有權參與被投資公司之財務及經營政策決定，而非控制或共同控制該等政策。

聯營公司之業績及資產與負債按權益會計法列入此綜合財務報表。就權益會計法而言，聯營公司之財務報表乃採用與同類情況下就類似交易及事件本集團所採用之同一會計政策編製。根據權益法，於聯營公司之投資於綜合財務狀況報表按成本初步確認，並於其後調整以確認本集團應佔聯營公司之損益及其他全面收益。當本集團應佔聯營公司之虧損超出其於該聯營公司之權益(包括實質構成本集團於聯營公司之淨投資其中部份之任何長期權益)，本集團則不再確認其應佔之進一步虧損。本集團只在已引致法定或推定責任或已代表該聯營公司支付款項之情況下，方確認額外虧損。

於聯營公司之投資乃自被投資方成為聯營公司當日起按權益法入賬。收購於聯營公司之投資時，投資成本超出本集團應佔該被投資方之可識別資產及負債之公平價值淨額之任何數額確認為商譽，並計入該投資之賬面值。重新評估後，本集團應佔可識別資產及負債之公平價值淨額超出投資成本之任何差額，即時於收購投資期間在損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

Investments in associates (CONT'D)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate.

The difference between the carrying amount of the associate at the date the equity method was discontinued and any proceeds from disposing of partial interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

3. 主要會計政策(續)

於聯營公司之投資(續)

香港會計準則第39號之規定予以應用，以釐定是否需要就本集團於聯營公司之投資確認任何減值虧損。如有必要，該項投資之全部賬面值(包括商譽)會根據香港會計準則第36號作為單獨資產進行減值測試，方法是比較其可收回金額(即使用價值與公平價值減出售成本之較高者)與其賬面值。任何已確認之減值虧損構成該項投資之賬面值之一部份。倘該項投資之可收回金額其後增加，則根據香港會計準則第36號確認有關減值虧損之任何撥回。

本集團自投資不再為聯營公司當日起終止使用權益法入賬。

終止使用權益法入賬當日的聯營公司賬面值與來自出售聯營公司部分權益的任何所得款項賬面值之間的差額於釐定出售聯營公司收益或虧損時計算在內。此外，本集團按猶如該聯營公司已直接出售相關資產或負債的相同基準，入賬先前就該聯營公司在其他全面收益確認的所有金額。因此，倘該聯營公司先前在其他全面收益中確認的收益或虧損於出售相關資產或負債時將重新分類至損益，則本集團於終止使用權益法入賬時會將收益或虧損由權益重新分類至損益(作為重新分類調整)。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Investments in associates (CONT'D)

When a group entity transacts with an associate of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

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

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

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

3. 主要會計政策(續)

於聯營公司之投資(續)

倘集團實體與本集團之聯營公司進行交易(例如出售或注入資產),僅在聯營公司之權益與本集團無關之情況下,與聯營公司進行交易所產生之溢利及虧損,方會於本集團綜合財務報表中確認。

收入確認

收入按已收或應收代價之公平價值計量,指於日常業務中出售貨品之應收金額,並扣除折扣及銷售相關稅項。

貨品銷售收入於貨品已付運及擁有權已轉移,且以下所有條件均獲達成時確認:

- 本集團已向買方轉讓貨品所有權之重大風險及回報;
- 本集團概無保留所有權相關持續管理或對已售貨品的實際控制權;
- 收益金額能夠可靠計量;
- 交易相關經濟利益可能將流向本集團;及
- 交易產生或將產生的成本能夠可靠計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition (CONT'D)

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

Dividend income from investments is recognised when the Group's right to receive payment has been established.

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

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost or fair value less subsequent accumulated depreciation and accumulated impairment losses, if any.

Advantage has been taken of the transitional relief provided by paragraph 80A of HKAS 16 "Property, plant and equipment" from the requirement to make regular revaluation of the Group's land and buildings which had been carried at revalued amounts prior to 30 September 1995, and accordingly no further revaluation of land and buildings is carried out. Prior to 30 September 1995, the revaluation increase arising on the revaluation of these assets was credited to the other property revaluation reserve. Any future decreases in value of these assets will be dealt with as an expense to the extent that they exceed the balance, if any, on the other property revaluation reserve relating to a previous revaluation of the same asset. On the subsequent sale or retirement of a revalued asset, the corresponding revaluation surplus is transferred to accumulated losses.

3. 主要會計政策(續)

收入確認(續)

金融資產之利息收益於參考未償還本金額後按適用實際利率以時間基準累計。適用實際利率乃於初步確認時透過金融資產預計年期將估計日後收取之現金準確貼現至該項資產賬面淨值之利率。

投資產生之股息收益於本集團收取該款項之權利確立時確認。

本集團用於確認經營租賃產生收益之會計政策載於下文租賃會計政策中。

物業、廠房及設備

物業、廠房及設備(包括用作生產或供應貨品或服務或作行政用途所持有之樓宇)，乃按成本值或公平價值減其後累計折舊及累計減值虧損(如有)於綜合財務狀況報表入賬。

本集團應用香港會計準則第16號「物業、廠房及設備」第80A段之過渡豁免，故毋須按規定定期重估本集團按一九九五年九月三十日前重估金額列賬之土地及樓宇，因而並無進一步重估此等土地及樓宇。於一九九五年九月三十日前，重估此等資產所產生重估增加計入其他物業重估儲備。此等資產價值任何日後減少將列作開支處理，惟以超逾早前重估相同資產有關之其他物業重估儲備結餘(如有)為限。倘其後出售或廢棄重估資產，相關重估盈餘轉撥至累計虧損。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Property, plant and equipment (CONT'D)

The cost or valuation of leasehold properties is depreciated on a straight-line basis after taking into account of the estimated residual value. Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than leasehold properties over their estimated useful lives using the straight-line method or reducing balance method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

3. 主要會計政策(續)

物業、廠房及設備(續)

租賃物業之成本值或估值經計及估計剩餘價值後以直線基準折舊。除租賃物業外，物業、廠房及設備項目之折舊均已確認，以按其估計可用年期以直線式或餘額遞減法撇銷其成本。估計可用年期、剩餘價值及折舊方法於報告期間末進行審閱，而任何估計變動之影響按前瞻基準入賬。

物業、廠房及設備項目於出售或當預期不會藉持續使用該項資產而產生未來經濟利益時終止確認。出售或棄用物業、廠房及設備項目所產生任何收益或虧損乃按該項資產出售所得款項與賬面值間之差額於損益內確認。

投資物業

投資物業乃持作賺取租金及／或資本增值之物業。

投資物業初步按包括任何直接應計開支之成本計量。初步確認後，投資物業以其公平價值計量。投資物業公平價值變動產生之損益於產生期間計入損益內。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Investment properties (CONT'D)

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

Property under construction or development for future use as an investment property is classified as investment property under construction. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or development is completed, in which time any difference between the fair value and the carrying amount will be recognised in profit or loss in that period.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

3. 主要會計政策(續)

投資物業(續)

投資物業乃持作賺取租金及／或資本增值之物業，包括為該等用途而在建之物業。投資物業初步按包括交易成本之成本計量。初步確認後，投資物業以公平價值計量。本集團根據經營租約持作賺取租金或資本增值用途之全部物業權益入賬列為投資物業並使用公平價值模式計量。投資物業公平價值變動產生之收益及虧損於產生期間計入損益內。

在建投資物業產生之建造成本已資本化作為在建投資物業賬面值的一部分。

在建或開發以供日後用作投資物業之物業乃歸類為在建投資物業。倘公平價值無法可靠釐定，則在建投資物業將按成本計量，直至公平價值可釐定或開發完工為止，期間公平價值與賬面值之任何差額將於有關期間於損益內確認。

投資物業於出售或當投資物業永久棄置或預期不會自出售獲取任何日後經濟利益時終止確認。終止確認有關資產產生之任何收益或虧損按該資產出售所得款項淨額與賬面值間之差額，於終止確認有關項目之期間計入損益內。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into financial assets at FVTPL and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策(續)

金融工具

當集團實體成為工具合約條文之一方，金融資產及金融負債於綜合財務狀況報表內確認。

金融資產及金融負債初步按公平價值計算。收購或發行金融資產及金融負債(按公平價值計入損益之金融資產及金融負債除外)直接應佔之交易成本乃視乎情況於首次確認時加入金融資產或金融負債之公平價值，或從金融資產或金融負債之公平價值扣除。收購按公平價值計入損益之金融資產或金融負債直接相關成本即時於損益確認。

金融資產

本集團之金融資產分為按公平價值計入損益之金融資產、貸款及應收款項。分類視乎金融資產之性質及目的而定，並於初步確認時釐定。所有以一般方式購入或出售之金融資產均按買賣日期確認及終止確認。以一般方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

Financial instruments (CONT'D)

Financial assets (CONT'D)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Financial assets at FVTPL

Financial assets at FVTPL has two subcategories including financial assets held for trading and those designated at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

實際利率法

實際利率法乃計算金融資產之攤銷成本及按相關期間攤分利息收益之方法。實際利率為透過金融資產的估計可使用年期(或適當時按較短期間)將估計未來現金收入(包括所有已付或已收取構成整體實際利率之費用、交易成本及其他溢價或折讓)準確貼現至初步確認時之賬面淨值之利率。

債務工具之收入乃按實際利率基準確認。

按公平價值計入損益之金融資產

按公平價值計入損益之金融資產分兩類，包括持作買賣之金融資產及於初步確認時指定按公平價值計入損益列賬者。

以下金融資產分類為持作買賣：

- 其主要是為於短期內出售而購入；或
- 其屬於本集團一併管理的已識別金融工具組合的一部份，以及有近期短期獲利之實際模式；或
- 其為衍生工具但並非指定為及有效之對沖工具。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Financial instruments (CONT'D)

Financial assets (CONT'D)

Financial assets at FVTPL (CONT'D)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend earned on the financial assets.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

按公平價值計入損益之金融資產(續)

金融資產(持作買賣之金融資產除外)可於初步確認後指定按公平價值計入損益，惟：

- 有關指定可消除或大幅減少可能出現之計量或確認歧異；或
- 金融資產構成一組金融資產或金融負債或兩者之一部份，並根據本集團之既定風險管理或投資策略，按公平價值基準管理及評估其表現，而內部分類資料則按該基準提供；或
- 其構成包含一個或多個嵌入式衍生工具之合約之一部份，且香港會計準則第39號准許整份合併合約(資產或負債)指定為按公平價值計入損益。

按公平價值計入損益之金融資產按公平價值計量，而因重新計量而產生之公平價值變動則於產生期間直接在損益確認。於損益確認之收益或虧損淨額不包括金融資產所賺取之任何股息。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (CONT'D)

Financial assets (CONT'D)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including debtors, deposits, amount due from immediate holding company and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為並無於活躍市場報價具有固定或待付之非衍生金融資產。於初步確認後，貸款及應收款項(包括應收賬項、按金、應收直接控股公司之款項以及銀行結存及現金)以實際利率法按攤銷成本減任何已識別減值虧損入賬(見下文有關金融資產減值虧損之會計政策)。

金融資產減值

金融資產(除按公平價值計入損益之金融資產外)於報告期間末被評估是否有減值跡象。倘有客觀證據顯示，金融資產之估計未來現金流量因於初步確認該金融資產後發生的一項或多項事件而受到影響時，則金融資產被視為出現減值。

減值的客觀證據可包括：

- 發行人或對手方出現重大財務困難；或
- 違反合約，如欠繳或拖欠利息及本金付款；或
- 借貸人很可能宣告破產或進行財務重組。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

Financial instruments (CONT'D)

Financial assets (CONT'D)

Impairment of financial assets (CONT'D)

For certain categories of financial asset, such as trade debtors, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period ranging from 30 days to 90 days and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss is recognised as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就若干類別的金融資產(如應收貿易賬項)而言,評估為不會個別出現減值之資產其後會再匯集一併作減值評估。應收款項組合減值之客觀證據包括本集團之過往收款經驗,組合內延遲還款至超逾平均信貸期(介乎30日至90日)之次數增加,以及與應收款項逾期有關之全國或地方經濟狀況明顯改變。

就按攤銷成本列賬之金融資產而言,減值虧損金額按資產賬面值與按金融資產之原實際利率貼現計算其估計未來現金流量現值之間的差額確認。

就按成本入賬之金融資產而言,減值虧損金額按資產賬面值與估計未來現金流量現值(按同類金融資產目前之市場回報率貼現)兩者之差額計量。該等減值虧損其後將不會撥回。

與所有金融資產有關的減值虧損會直接於金融資產賬面值中作出扣減,惟應收貿易賬項之賬面值會透過撥備賬作出扣減。撥備賬之賬面值變動於損益內確認。當應收貿易賬項被視為不可收回時,將於撥備賬內撇銷。過往已撇銷的款項如其後收回,將計入損益內。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Financial instruments (CONT'D)

Financial assets (CONT'D)

Impairment of financial assets (CONT'D)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group entities after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就按攤銷成本計量的金融資產而言，如在其後期間減值虧損金額減少，而有關減少在客觀上與確認減值虧損後發生的事件有關，則先前已確認的減值虧損將透過損益予以撥回，惟該資產在撥回減值當日的賬面值不得超過如無確認減值的攤銷成本。

金融負債及股本工具

由集團實體發行之金融負債及股本工具，按所訂立合約安排性質及金融負債與股本工具之定義分類為金融負債或權益。

股本工具

股本工具是顯示在扣除其所有負債後集團實體資產之剩餘權益之任何合約。由本公司發行之股本工具按已收所得款項扣除直接發行成本確認。

購回本公司本身之股本工具直接於權益確認及扣除。概無就購買、銷售、發行或註銷本公司本身之股本工具於損益確認盈虧。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Financial instruments (CONT'D)

Financial liabilities and equity instruments (CONT'D)

Distribution in specie

Non-cash assets distributed to the owners of the Company are measured at fair value. The difference between the fair value and the carrying amount of the assets distributed is recognised in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including creditors, amount due to immediate holding company, amount due to a director, borrowing and convertible bonds are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

實物分派

派發予本公司擁有人之非現金資產按公平價值計量。公平價值與已派發資產賬面值之差額於損益確認。

實際利率法

實際利率法乃計算金融負債之攤銷成本及於相關期間分攤利息開支之方法。實際利率指將估計未來現金付款(包括所有已付或已收構成整體實際利率之費用、交易成本及其他溢價或折讓)按金融負債之預期可使用年期或較短期間(如適用)準確貼現至初步確認時之賬面淨值之利率。

利息開支乃按實際利率法確認。

金融負債

金融負債包括應付賬項、應付直接控股公司款項、應付董事款項、借貸及可換股債券，其後採用實際利率法按攤銷成本計量。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

Financial instruments (CONT'D)

Convertible bonds

Convertible bonds issued by the Company that contain both the liability and conversion option components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bonds into equity, is included in equity (convertible bonds reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds reserve until the embedded option is exercised (in which case the balance stated in convertible bonds reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible bonds reserve will be released to the accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

3. 主要會計政策(續)

金融工具(續)

可換股債券

本公司所發行包含負債及換股權部分之可換股債券於首次確認時乃根據合約安排的內容以及金融負債及股本工具的定義分別歸類為其各自之項目。將透過以固定金額之現金或其他金融資產換取固定數目之本公司自有股本工具而結算之換股權分類為股本工具。

於初步確認時，負債部分之公平價值乃按類似不可轉換債務之現行市場利率釐定。發行可換股債券之所得款項總額與轉往負債部分之公平價值之差額(即可使持有人將債券兌換為股權之換股權)乃計入股本(可換股債券儲備)。

於其後期間，可換股債券之負債部分乃採用實際利率法按攤銷成本列賬。股本權益部分，即可將負債部分兌換為本公司普通股之購股權將保留於可換股債券儲備，直至嵌入式購股權獲行使為止，在此情況下，可換股債券儲備所述之結餘將轉移至股份溢價。倘購股權於到期日尚未獲行使，可換股債券儲備所述之結餘將撥至累計虧損。購股權兌換或到期時將不會於損益內確認任何盈虧。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

Financial instruments (CONT'D)

Convertible bonds (CONT'D)

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

Derecognition

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

3. 主要會計政策(續)

金融工具(續)

可換股債券(續)

發行可換股債券之有關交易成本按所得款項總額分配比例分配至負債及股本權益部分。股本權益部分之有關交易成本直接於權益中扣除。負債部分之有關交易成本計入負債部分之賬面值，並以實際利率法於可換股債券期間內攤銷。

終止確認

本集團只有在資產現金流之契約權益失效時或將金融資產及資產擁有權之絕大部份風險及回報轉移至其他實體時，方終止確認一項金融資產。倘本集團既沒有轉移也沒有保留擁有權之絕大部份風險及回報，並且繼續控制被轉移資產時，本集團繼續確認該資產，惟以其繼續涉及之程度為限，並確認相關負債。倘本集團保留一項已轉移金融資產之擁有權之絕大部份風險及回報，本集團繼續確認該金融資產，亦會就已收所得款項確認抵押借貸。

於全面終止確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收益確認及於權益累計之累計損益總和間之差額，於損益確認。

當且僅當本集團之責任獲履行、取消或屆滿時，本集團終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價間之差額，於損益確認。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately or expensed on a straight-line basis over the vesting period if the share options is not vested immediately, with a corresponding increase in equity (share option reserve).

When the share options are exercised, the amount previously recognised in the share option reserve will be transferred to share capital and then share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to accumulated profits/losses.

Share options granted to advisors

Share options issued in exchange for services are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses, with a corresponding increase in equity (share option reserve), when the counterparties render services, unless the services qualify for recognition as assets.

Exchange for an asset

Shares issued in exchange for an asset are measured at fair value of the asset obtained. The asset obtained is recognised as an asset of the Group at its fair value.

3. 主要會計政策(續)

股份付款交易

以權益結算之股份付款交易

授予僱員之購股權

所獲服務公平價值乃參考購股權於授出當日之公平價值釐定，當所授出購股權獲即時歸屬時於授出當日全數支銷，或當購股權未獲即時歸屬時則按歸屬期以直線法支銷，並於權益(購股權儲備)作出相應增加。

購股權獲行使時，先前於購股權儲備確認之金額將轉撥至股本及股份溢價。當購股權於歸屬日期後被沒收或於屆滿日仍未獲行使，則先前於購股權儲備確認之金額將轉撥至累計溢利/虧損。

授予顧問之購股權

就換取服務而發行之購股權按所獲提供服務之公平價值計量，除非有關公平價值無法可靠地計量，在此情況下，所獲提供服務參考授出之購股權公平價值計量。當對手方提供服務時，除非所獲提供服務合資格確認為資產，否則該等服務之公平價值確認為開支，而權益(購股權儲備)亦會相應增加。

交換資產

為交換資產發行之股份按取得資產之公平價值計量。取得資產按其公平價值確認為本集團資產。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

3. 主要會計政策(續)

研究及開發支出

研究活動之支出於產生期間確認為開支。

倘及僅倘以下所有事項均獲證實，則會確認開發活動(或自內部項目開發階段)所產生之內部產生無形資產：

- 完成該無形資產以使其能夠使用或出售在技術上具有可行性；
- 具有完成該無形資產並使用或出售之意圖；
- 有能力使用或出售該無形資產；
- 該無形資產將如何產生潛在未來經濟利益；
- 有足夠的技術、財務和其他資源支持，以完成該無形資產的開發，並使用或出售該無形資產；及
- 於開發階段該無形資產應佔之支出能夠可靠計量。

就內部產生之無形資產初步確認之金額指由該無形資產首次符合上述確認條件當日起產生之開支總額。當內部產生之無形資產未能確認，則開發支出會於產生期間從損益中扣除。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Research and development expenditure (CONT'D)

The resultant asset is amortised on a straight-line basis over its useful life and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

Inventories

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

Impairment (other than goodwill)

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)

研究及開發支出(續)

最終之資產乃按可使用年期以直線法攤銷，並按成本值減其後累計攤銷及任何累計減值虧損列賬。

存貨

存貨乃按成本值及可變現淨值兩者之較低值入賬。成本值以加權平均法計算。可變現淨值乃存貨之估計售價扣除一切估計完成成本及銷售所需費用後所得之淨額。

商譽以外之減值

於報告期間末，本集團會審閱其資產之賬面值，以釐定是否存在任何跡象顯示該等資產出現減值虧損。倘存在任何有關跡象，則會估計資產之可收回金額，以釐定減值虧損(如有)之程度。

可收回金額為公平價值減銷售成本與使用價值二者之較高者。於評估使用價值時，估計未來現金流量會採用反映現時市場對貨幣時間價值及資產(尚未調整其估計未來現金流量)特定風險之評值之除稅前貼現率，貼現至其現值。

倘資產產生單位可收回金額估計低於其賬面值，該項資產產生單位之賬面值會減至其可收回金額，減值虧損會即時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

Impairment (other than goodwill) (CONT'D)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as an income immediately.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 主要會計政策(續)

商譽以外之減值(續)

倘減值虧損其後撥回，資產賬面值會增至經修訂估計可收回金額，惟所增加賬面值不得超逾假設過往年度並無就資產或現金產生單位確認減值虧損原應釐定之賬面值，減值虧損撥回會即時確認為收入。

稅項

所得稅開支指當期應付稅項及遞延稅項之總和。

當期應付稅項按年內應課稅溢利計算。由於應課稅溢利並不包括其他年度之應課稅收入或可扣減開支，亦不包括毋須課稅或不得扣減之項目，故此應課稅溢利有別於綜合損益及其他全面收益表所呈報之「除稅前溢利」。本集團即期稅項負債按報告期間末已頒佈或大致上已頒佈之稅率計算。

遞延稅項按綜合財務報表所列資產及負債賬面值與計算應課稅溢利時所用相關稅基兩者之暫時差額確認。遞延稅項負債一般就一切應課稅暫時差額確認入賬，而遞延稅項資產則一般就一切可扣減暫時差額於可能有應課稅溢利對銷可用之可扣減暫時差額時確認入賬。倘暫時差額因並不影響應課稅溢利或會計溢利之交易(業務合併除外)之其他資產及負債之商譽或初步確認而產生，則不會確認該等資產及負債。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Taxation (CONT'D)

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

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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

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

3. 主要會計政策(續)

稅項(續)

遞延稅項負債就與於附屬公司及聯營公司之投資相關之應課稅暫時差額而予以確認，惟在本集團可控制暫時差額之撥回以及暫時差額不可能於可預見將來撥回的情況下則除外。與該等投資相關之可扣減暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利以動用暫時差額之得益及預計於可見未來撥回時確認。

遞延稅項資產之賬面值於報告期間末檢討，當應課稅溢利不足以收回所有或部份資產時將予調低。

遞延稅項資產及負債按預期於清償負債或變現資產之期間適用之稅率計量，並以截至報告期間末前已頒佈或大致上已頒佈之稅率（及稅法）為基準。

遞延稅項負債及資產之計量反映本集團預期於報告期間末收回或結算其資產及負債賬面值之方式所帶來之稅務結果。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

Taxation (CONT'D)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment property", the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of Group whose business objective is to consume substantively all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 "Income taxes" (i.e. based on the expected manner as to how the properties will be recovered).

Leases

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

3. 主要會計政策(續)

稅項(續)

即期及遞延稅項於損益確認，除非其與於其他全面收益或直接於權益確認之項目相關，在該情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益確認。倘因業務合併之初步會計處理而產生即期稅項或遞延稅項，有關稅務影響將計入業務合併之會計處理中。

為計量按照香港會計準則第40號「投資物業」以公平價值模式計量之投資物業之遞延稅項負債及遞延稅項資產，該等物業之賬面值假設可透過出售收回，除非此項假設被駁回。倘投資物業應折舊，並以本集團一個商業模式持有，而此模式並非透過出售形式而是旨在於一段時間內使用該投資物業所包含之絕大部份經濟利益，則有關假設會被駁回。倘有關假設被駁回，則該等投資物業之遞延稅項負債及遞延稅項資產根據香港會計準則第12號「所得稅」所載之上述一般準則（即根據物業收回之預計方式）計量。

租約

凡租約條款將資產擁有權之絕大部份風險及回報轉予承租人之租約，均分類為融資租約。所有其他租約均分類作經營租約。

本集團作為出租人

經營租約租金收益以直線法於相關租期在損益確認。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Leases (CONT'D)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Leasehold land and building

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

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

3. 主要會計政策(續)

租約(續)

本集團作為承租人

經營租約付款以直線基準於租期確認為開支。

租賃土地及樓宇

倘租約包括土地及樓宇部份，本集團根據屬於每一部份所擁有權之絕大部份風險及回報是否已轉移至本集團之評估而分別將每部份分類為融資租約或經營租約，除非兩部份均明確為經營租約，在此情況下，整份租約被分類為經營租約。特別是，最低租賃款項（包括任何一次性預付款），乃按於租約訂立時租約之土地部份及樓宇部份之租賃權益之相對公平價值之比例在土地及樓宇部份間分配。

倘能可靠地分配租賃款項，則列為經營租約之租賃土地權益將於綜合財務狀況報表中列為「預付租賃款項」，並按租期以直線法攤銷，惟根據公平價值模式被分類及入賬列為投資物業之權益則除外。在租賃款項不能在土地及樓宇部份之間作可靠分配之情況下，整份租約一般被分類為融資租約，並入賬列為物業、廠房及設備，除非兩部份均明確為經營租約，在此情況下，整份租約被分類為經營租約。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 主要會計政策(續)

借貸成本

因收購、建造或生產需較長時間籌備方可用作擬定用途之合資格資產直接產生之借貸成本，計入該等資產之成本中，直至該等資產已大致可供用作擬定用途或銷售為止。

於特定借貸撥作合資格資產開支前所作臨時投資賺取之投資收益，自合資格撥充資本之借貸成本中扣除。

所有其他借貸成本於產生期間在損益中確認。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易，按交易日期當時匯率以其功能貨幣(即該實體經營所在主要經濟環境之貨幣)記錄。於報告期間末，以外幣列值之貨幣項目按該日當時匯率重新換算。以外幣過往成本計算之非貨幣項目不會重新換算。

結算貨幣項目及換算貨幣項目所產生匯兌差額，於產生期間在損益確認。

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**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)**

Foreign currencies (CONT'D)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Retirement benefits costs

Payments to defined contribution retirement benefit plans are charged as expenses when employees have rendered service entitling them to the contributions.

3. 主要會計政策(續)

外幣(續)

就呈報綜合財務報表而言，本集團於海外業務之資產及負債，按報告期間末當時匯率換算為本集團呈報貨幣(即港元)，而有關收支按年內平均匯率換算，除非期內匯率大幅波動，於此情況下，則採用交易日期當日匯率。所產生匯兌差額(如有)於其他全面收益確認，並於非控股權益應佔(如適用)匯兌儲備項下之權益累計。

退休福利成本

對定額供款退休福利計劃作出之供款於僱員提供服務後符合領取有關供款資格時列作支出。

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**4. CRITICAL ACCOUNTING JUDGEMENT
AND KEY SOURCE OF ESTIMATION
UNCERTAINTY**

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations, that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

**4. 重要會計判斷及估計不確定因
素之主要來源**

在應用附註3所述之本集團會計政策之過程中，本公司董事須就無法即時從其他途徑獲取的資產及負債之賬面值作出判斷、估計及假設。有關估計及相關假設乃基於過往經驗及其他被視為相關之因素作出。實際結果可能不同於該等估計。

該等估計及相關假設按持續基準進行檢討。如修訂該等會計估計只影響修訂期間，則該等估計在該期間確認，如有關修訂影響現時及未來期間，則在修訂期間及未來期間確認。

應用會計政策時之重大判斷

除涉及估計之判斷以外，以下為本公司董事於應用本集團之會計政策時已作出且對綜合財務報表中確認之金額產生最重要影響之重大判斷。

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**4. CRITICAL ACCOUNTING JUDGEMENT
AND KEY SOURCE OF ESTIMATION
UNCERTAINTY (CONT'D)**

**Critical judgement in applying accounting policies
(CONT'D)**

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of investment properties on the basis that the Group is subject to enterprise income tax. The carrying amount of deferred taxation liabilities on investment properties at 31 March 2016 was HK\$2,098,000 (2015: nil).

**4. 重要會計判斷及估計不確定因
素之主要來源(續)**

應用會計政策時之重大判斷(續)

於投資物業之遞延稅項

計算以公平價值模型計量的投資物業產生之遞延稅項而言，本公司董事已審閱本集團之投資物業組合，總結為本集團之該等物業之並非以通過時間之推移而非通過銷售消耗該投資物業所含絕大部分經濟利益為目標之商業模式持有。因此，於計算本集團於投資物業之遞延稅項時，本公司董事釐定，使用公平價值模型計量之投資物業賬面值乃全部透過出售予以收回之假設並沒有被推翻。因此，本集團按本集團須繳納企業所得稅之基準就投資物業之公平價值變動確認遞延稅項。於二零一六年三月三十一日，投資物業產生之遞延稅項負債之賬面值為2,098,000港元(二零一五年：零)。

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4. CRITICAL ACCOUNTING JUDGEMENT
AND KEY SOURCE OF ESTIMATION
UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, are discussed below.

Allowances for inventories

The management of the Group reviews the physical conditions and saleability of inventories at the end of the reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods and consumables primarily based on the latest invoice prices and current market conditions. As at 31 March 2016, the carrying amount of inventories is HK\$54,299,000 (2015: HK\$75,123,000), net of accumulated allowance for obsolete and slow-moving inventories of HK\$243,000 (2015: HK\$84,000).

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual cash flows are less than expected, a material impairment loss may arise. As at 31 March 2016, the carrying amount of goodwill is HK\$17,665,000 (2015: HK\$17,665,000), net of accumulated impairment loss of HK\$8,111,000 (2015: HK\$8,111,000). Details of the recoverable amount calculation are disclosed in note 16.

4. 重要會計判斷及估計不確定因
素之主要來源(續)

估計不確定因素之主要來源

有關日後之主要假設及於報告期末估計不確定因素之其他主要來源(存在對下一個財政年度的資產賬面值作出重大調整的重大風險)如下。

存貨撥備

本集團管理層於報告期末審閱存貨之實質情況及可銷售性，並就不再適合生產用途之已識別陳舊及滯銷存貨項目作出撥備。管理層主要以最新發票價格及現行市況為基礎估計該等製成品及消費品之可變現淨值。於二零一六年三月三十一日，存貨之賬面值為54,299,000港元(二零一五年：75,123,000港元)，已扣除陳舊及滯銷存貨累計撥備243,000港元(二零一五年：84,000港元)。

商譽減值

釐定商譽是否出現減值，須估計獲分配商譽之現金產生單位的使用價值。使用價值計算法規定本集團須估計現金產生單位預期所產生未來現金流量及適當貼現率，以計算現值。當實際現金流量少於預期，或會產生重大減值虧損。於二零一六年三月三十一日，商譽賬面值為17,665,000港元(二零一五年：17,665,000港元)，已扣除累計減值虧損8,111,000港元(二零一五年：8,111,000港元)。有關可收回金額計算法之詳情於附註16披露。

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4. CRITICAL ACCOUNTING JUDGEMENT
AND KEY SOURCE OF ESTIMATION
UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (CONT'D)

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment, in accordance with the relevant accounting policies. The recoverable amounts of property, plant and equipment have been determined based on value in use calculations. These calculations and valuations require the use of judgment and estimates on future operating cash flows and discount rates adopted. Where the actual cash flows are different from the original estimate, a material change in the amount of impairment may arise. As at 31 March 2016, the carrying amount of property, plant and equipment is HK\$39,140,000 (2015: HK\$3,639,000), net of accumulated impairment loss of HK\$109,000 (2015: HK\$109,000).

Income taxes

As at 31 March 2016, no deferred tax asset was recognised in the Group's consolidated statement of financial position in relation to the estimated unused tax losses of HK\$251,634,000 (2015: HK\$254,262,000) and fair value change of an investment property under construction of HK\$14,255,000 (2015: nil) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are more or less than expected, a material recognition or reversal of deferred tax asset may arise, which would be recognised in profit or loss in the period in which such a recognition or reversal takes place.

4. 重要會計判斷及估計不確定因
素之主要來源(續)

估計不確定因素之主要來源(續)

物業、廠房及設備減值

本集團每年根據相關會計政策評估物業、廠房及設備有否出現任何減值跡象。物業、廠房及設備之可收回金額按照使用價值計算法釐定。該等計算及估值須對未來營運現金流量及所採用之貼現率作出判斷及估計。倘實際現金流量有別於原先估計，則減值數額或會產生重大變動。於二零一六年三月三十一日，物業、廠房及設備之賬面值為39,140,000港元(二零一五年：3,639,000港元)，已扣除累計減值虧損109,000港元(二零一五年：109,000港元)。

所得稅

於二零一六年三月三十一日，由於無法預見未來溢利來源，並無於本集團綜合財務狀況表就估計未動用稅項虧損251,634,000港元(二零一五年：254,262,000港元)及在建投資物業之公平價值變動14,255,000港元(二零一五年：零)確認遞延稅項資產。遞延稅項資產之可變現能力主要取決於日後會否產生充裕未來溢利或應課稅暫時差額。當所產生實際未來應課稅溢利多於或少於預期，則可能產生重大之遞延稅項資產確認或撥回，並會於確認或撥回之期間於損益確認。

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**4. CRITICAL ACCOUNTING JUDGEMENT
AND KEY SOURCE OF ESTIMATION
UNCERTAINTY (CONT'D)**

Key sources of estimation uncertainty (CONT'D)

Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. The directors of the Company have a designated team to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of the Group's investment properties at 31 March 2016, the Group used market-observable data to the extent it is available. Where Level 1 inputs were not available, the Group engaged third party qualified valuers to perform the valuation of the Group's investment properties. At the end of each reporting period, the management of the Group worked closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Group first considered and adopted Level 2 inputs where inputs could be derived observable quoted prices in the active market. When Level 2 inputs were not available, the Group adopted valuation techniques that include Level 3 inputs. Where there was a material change in the fair value of the assets, the causes of the fluctuations would be reported to directors. Any changes in the price per square metre in reference with recent transactions would affect the fair value of the investment properties of the Group. Information about the valuation techniques and inputs used in determining the fair value of the Group's investment properties are disclosed in note 14.

**4. 重要會計判斷及估計不確定因
素之主要來源(續)**

估計不確定因素之主要來源(續)

公平價值計量及估值程序

就財務報告而言，本集團若干資產以公平價值計量。本公司董事已委派團隊為公平價值計量釐定合適估值方法及輸入數據。

估計本集團投資物業於二零一六年三月三十一日的公平價值時，本集團使用可獲得的市場可觀察數據。倘並無第一級輸入數據，本集團委聘第三方合資格估值師對本集團投資物業進行估值。於各報告期間末，本集團管理層與合資格外部估值師密切合作，確定第二級及第三級公平價值計量的適當估值技術及輸入數據。如可從活躍市場可觀察報價得出輸入數據，則本集團會先考慮及採用第二級輸入數據。如無第二級輸入數據，則本集團會採用含第三級輸入數據的估值技術。倘資產公平價值發生重大變動，會向董事報告波動原因。參照近期交易之每平方米價格的任何變動將影響本集團投資物業的公平價值。有關釐定本集團投資物業公平價值所用估值技術及輸入數據的資料於附註14披露。

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5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered by each operating division.

The Group's operating divisions are as follows:

- (1) Design and sale of electronic products (representing consumer electronic audio and video equipment, karaoke equipment and accessories) (note a)
- (2) Operation and management of a hydroelectric power station (note b)
- (3) Properties investment
- (4) Securities trading

Notes:

- (a) During the year ended 31 March 2015, the Group had ceased the operation of its manufacture of electronic products after the deconsolidation of subsidiaries (see note 32) and the distribution in specie of shares in a subsidiary (see note 33).
- (b) On 31 March 2016, the Group commenced the operation and management of a hydroelectric power station after acquisition of a subsidiary (see note 34). This operating division has no contribution to the Group's revenue and results for the year ended 31 March 2016.

5. 分類資料

分類資料針對各經營分部所交付貨品之種類，乃向本公司執行董事（即主要經營決策者）報告，以供其分配資源及評估分類業績之用。

本集團之經營分類如下：

- (1) 電子產品（即消費電子影音設備、卡拉OK設備及配件）設計及銷售（附註a）
- (2) 水電站運營管理（附註b）
- (3) 物業投資
- (4) 證券買賣

附註：

- (a) 於截至二零一五年三月三十一日止年度，經處理不再綜合入賬之附屬公司（見附註32）及實物分派附屬公司股份（見附註33）後，本集團已經停止其電子產品製造業務。
- (b) 於二零一六年三月三十一日，本集團收購一間附屬公司後（見附註34）開始運營管理水電站。截至二零一六年三月三十一日止年度，此項業務劃分並未對本集團營業收入及業務作出貢獻。

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5. SEGMENT INFORMATION (CONT'D)

Segment revenue and results

An analysis of the Group's revenue, which represents sales of goods, and results by reportable and operating segments is as follows:

		Design and sale of electronic products 電子產品 設計及銷售 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Securities trading 證券買賣 HK\$'000 千港元	Consolidated 合計 HK\$'000 千港元
Year ended 31 March 2016	截至二零一六年 三月三十一日止年度				
TURNOVER	營業額	425,523	-	-	425,523
SEGMENT RESULTS	分類業績	(2,683)	4,348	6	1,671
Interest income	利息收入				54
Unallocated expenses	未分配開支				(3,686)
Share of profits of an associate	應佔聯營公司溢利				247
Finance costs	利息開支				(12,781)
Loss before taxation	除稅前虧損				(14,495)

5. 分類資料

分類收入及業績

按本集團可申報及經營分類之收入(即銷售貨品)及業績分析如下:

		Design, manufacture and sale of electronic products 電子產品設計、 製造及銷售 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Securities trading 證券買賣 HK\$'000 千港元	Consolidated 合計 HK\$'000 千港元
Year ended 31 March 2015	截至二零一五年 三月三十一日止年度				
TURNOVER	營業額	381,863	-	-	381,863
SEGMENT RESULTS	分類業績	(54,192)	16,868	(18)	(37,342)
Interest income	利息收入				58
Unallocated expenses	未分配開支				(7,014)
Share of profits of an associate	應佔聯營公司溢利				479
Loss arising from the issue of convertible bonds	發行可換股債券產生 之虧損				(38,536)
Loss on deconsolidation of subsidiaries	附屬公司停止綜合 入賬之虧損				(15,553)
Loss arising from distribution in specie of shares in a subsidiary	實物分派附屬公司股份 產生之虧損				(138,946)
Finance costs	利息開支				(9,014)
Loss before taxation	除稅前虧損				(245,868)

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5. SEGMENT INFORMATION (CONT'D)

Segment revenue and results (CONT'D)

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies described in note 3. Segment results represent the results from each operating segment without allocation of central administration costs incurred by head office, share of results of an associate, interest income, loss arising from the issue of convertible bonds, loss on deconsolidation of subsidiaries, loss arising from distribution in specie of shares in a subsidiary and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

An analysis of the Group's assets and liabilities by reportable and operating segments is as follows:

5. 分類資料(續)

分類收入及業績(續)

可申報經營分類之會計政策與附註3所述之本集團之會計政策相同。分類業績指各經營分類之業績，當中並未分配總辦事處產生之中央行政成本、應佔聯營公司業績、利息收益、發行可換股債券產生之虧損、附屬公司停止綜合入賬之虧損、實物分派附屬公司股份產生之虧損及財務開支。此乃向主要經營決策者呈報以供其分配資源及評估表現之計量標準。

分類資產及負債

按本集團可申報經營分類之資產及負債分析如下：

		Design and sale of electronic products 電子產品 設計及銷售 HK\$'000 千港元	Operation and management of a hydroelectric power station 水電站 運營管理 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Securities trading 證券買賣 HK\$'000 千港元	Consolidated 合計 HK\$'000 千港元
At 31 March 2016	於二零一六年 三月三十一日					
ASSETS	資產					
Segment assets	分類資產	108,440	35,781	303,284	451	447,956
Unallocated corporate assets	未分配公司資產					388,257
Consolidated total assets	合計總資產					836,213
LIABILITIES	負債					
Segment liabilities	分類負債	68,061	20,384	-	-	88,445
Unallocated corporate liabilities	未分配公司負債					368,891
Consolidated total liabilities	合計總負債					457,336

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5. SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities (CONT'D)

5. 分類資料(續)

分類資產及負債(續)

		Design, manufacture and sale of electronic products 電子產品設計、 製造及銷售	Properties investment 物業投資	Securities trading 證券買賣	Consolidated 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 March 2015	於二零一五年 三月三十一日				
ASSETS	資產				
Segment assets	分類資產	141,166	76,600	453	218,219
Unallocated corporate assets	未分配公司資產				61,821
Consolidated total assets	合計總資產				280,040
LIABILITIES	負債				
Segment liabilities	分類負債	110,822	-	-	110,822
Unallocated corporate liabilities	未分配公司負債				71,918
Consolidated total liabilities	合計總負債				182,740

Unallocated corporate assets mainly represent interest in an associate, deferred tax assets, deposit paid for investments, amount due from immediate holding company and bank balances and cash.

未分配公司資產主要指應佔聯營公司權益、遞延稅項資產、已付投資按金、應收直接控股公司款項及銀行結存及現金。

Unallocated corporate liabilities mainly represent amount due to immediate holding company, amount due to a director, deferred tax liabilities, borrowing and convertible bonds.

未分配公司負債主要指應付直接控股公司款項、應付董事款項、遞延稅項負債、借貸及可換股債券。

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5. SEGMENT INFORMATION (CONT'D)

Other segment information

5. 分類資料(續)

其他分類資料

		Design and sale of electronic products 電子產品 設計及銷售 HK\$'000 千港元	Operation and management of a hydroelectric power station 水電站的 營運及管理 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Securities trading 證券買賣 HK\$'000 千港元	Consolidated 合計 HK\$'000 千港元
Amounts included in the measurement of segment results or segment assets:	納入分類業績或分類資產計量之款項：					
Year ended 31 March 2016	截至二零一六年三月三十一日止年度					
Additions of property, plant and equipment	增購物業、廠房及設備	1,060	-	-	-	1,060
Additions of property, plant and equipment arising from acquisition of a subsidiary	因收購一間附屬公司所添置的物業、廠房及設備	-	35,781	-	-	35,781
Additions of investment properties	添置投資物業	-	-	222,762	-	222,762
Decrease in fair value of investment properties	投資物業之公平價值減少	-	-	(5,863)	-	(5,863)
Allowance for doubtful debts	呆賬撥備	683	-	-	-	683
Decrease in fair value of investments held for trading	持作買賣投資之公平價值減少	-	-	-	2	2
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,340	-	-	-	1,340
Allowance for obsolete and slow-moving inventories	陳舊及滯銷存貨之撥備	159	-	-	-	159

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5. SEGMENT INFORMATION (CONT'D)

Other segment information (CONT'D)

5. 分類資料(續)

其他分類資料(續)

	Design, manufacture and sale of electronic products 電子產品設計、 製造及銷售	Properties investment 物業投資	Securities trading 證券買賣	Consolidated 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Amounts included in the measurement of segment results or segment assets:	納入分類業績或分類資產計量之款項：			
Year ended 31 March 2015	截至二零一五年三月三十一日止年度			
Additions of property, plant and equipment	添置物業、廠房及設備	467	–	467
Increase in fair value of investment properties	投資物業之公平價值增加	–	5,550	5,550
Reversal of allowance for doubtful debts	壞賬準備撥回	163	–	163
Decrease in fair value of investments held for trading	持作買賣之投資之公平價值減少	–	–	22
Release of prepaid lease payments	預付租賃費用回撥	90	–	90
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	3,583	–	3,583
Allowance for obsolete and slow-moving inventories	陳舊及滯銷存貨撥備	3,677	–	3,677

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5. SEGMENT INFORMATION (CONT'D)

Other segment information (CONT'D)

Amounts regularly provided to the chief operating decision maker but not included in the measurement of segment results or segment assets:

Interest in an associate	於聯營公司權益
Share of profits of an associate	應佔聯營公司溢利
Finance costs	利息開支

Geographical segments

The Group's operations are located in North America, Europe, Hong Kong (place of domicile), PRC and other countries.

The Group's revenue from external customers (based on location of customers) and information about its non-current assets by geographical location of the assets are detailed below:

5. 分類資料(續)

其他分類資料(續)

定期呈報予主要經營決策者但未納入分類業績或分類資產計量之款項如下：

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Interest in an associate	於聯營公司權益	6,792	6,845
Share of profits of an associate	應佔聯營公司溢利	247	479
Finance costs	利息開支	(12,781)	(9,014)

地區分類

本集團之業務分佈於北美、歐洲、香港(居住地點)、中國及其他國家。

本集團來自外部客戶之收入(按客戶所在地區)及有關其非流動資產資料(按資產所在地區)之詳情如下：

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5. SEGMENT INFORMATION (CONT'D)

Geographical segments (CONT'D)

		Revenue from external customers 來自外部客戶之收入		Non-current assets (note) 非流動資產(附註)	
		Year ended 31 March 截至三月三十一日止年度			
		2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
United States of America	美國	356,446	313,525	3,527	4,385
Hong Kong	香港	–	20,231	24,458	24,510
Canada	加拿大	47,087	33,038	–	–
Europe	歐洲	18,016	12,329	–	–
PRC	中國	–	–	364,168	76,600
Other countries	其他國家	3,974	2,740	–	–
		425,523	381,863	392,153	105,495

Note: Non-current assets excluded deferred tax assets.

附註：非流動資產不包括遞延稅項資產。

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

有關主要客戶之資料

有關年度佔本集團收入總額10%以上之客戶收入載列如下：

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Customer A ¹	客戶A ¹	57,526	40,446
Customer B ¹	客戶B ¹	61,448	不適用 ²
Customer C ¹	客戶C ¹	不適用 ²	60,778

1 Revenue from design and sales of electronic products.

1 來自設計及銷售電子產品之收入。

2 The corresponding revenue did not contribute over 10% of the total sales of the Group for the relevant years.

2 有關收入佔本集團於相關年度銷售總額的佔比不超過10%。

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6. OTHER INCOME

6. 其他收入

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other income mainly includes:	其他收入主要包括：		
Dividend income from listed equity securities	上市股本證券之股息收入	8	4
Interest income	利息收入	54	58
Rental income (note)	租金收入(附註)	-	11,566

Note: For the year ended 31 March 2015, outgoings of HK\$113,000 were incurred resulting in net rental income of HK\$11,453,000 (2016: nil).

附註：於二零一五年三月三十一日止年度，租金收入淨額11,453,000港元產生支出113,000港元(二零一六年：零)。

7. OTHER GAIN AND LOSS

7. 其他收益及虧損

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other (loss) gain comprise:	其他(虧損)收益包括：		
Exchange loss, net	匯兌虧損，淨額	(2,781)	(12,029)
(Allowance for) reversal of allowance for doubtful debts	呆賬(撥備)撥回	(683)	163
Decrease in fair value of investments held for trading	持作買賣之投資之公平價值減少	(2)	(22)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	(118)
		(3,466)	(12,006)

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8. FINANCE COSTS

8. 利息開支

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest expenses on:	利息開支：		
– borrowings	– 借貸	5,660	2,786
– convertible bonds	– 可換股債券	9,774	5,865
– note payable	– 應付票據	499	363
Less: Amount capitalised to investment properties under construction	減：在建投資物業資本化款項	(3,152)	–
		12,781	9,014

9. LOSS BEFORE TAXATION

9. 除稅前虧損

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss before taxation has been arrived at after charging:	除稅前虧損之計算已扣除：		
Allowance for obsolete and slow-moving inventories (included in cost of sales)	陳舊及滯銷存貨之撥備 (計入銷售成本內)	159	3,677
Auditors' remuneration	核數師酬金	2,786	3,562
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,340	3,583
Minimum lease payments under operating leases in respect of rented premises	根據已承租物業經營租約 支付之最低租金	5,236	5,982
Release of prepaid lease payments	預付租賃款項撥回	–	90
Research and development costs (note (a))	研究及開發成本(附註(a))	–	3,149
Staff costs including directors' remuneration (note (b))	員工成本·包括董事酬金(附註(b))	26,210	43,123

Notes:

附註：

- (a) For the year ended 31 March 2015, the research and development costs included staff costs of HK\$1,370,000 (2016: nil).
- (b) The staff costs included retirement benefits scheme contributions of HK\$494,000 (2015: HK\$1,670,000) and share-based payments of HK\$130,000 (2015: HK\$303,000).

- (a) 截至二零一五年三月三十一日止年度，研究及開發成本(包括員工成本)為1,370,000港元(二零一六年：零)。
- (b) 員工成本(包括退休福利計劃供款)為494,000港元(二零一五年：1,670,000港元)及以股份支付之付款130,000港元(二零一五年：303,000港元)。

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10. DIRECTORS', CHIEF EXECUTIVES' AND
EMPLOYEES' EMOLUMENTS

Directors and chief executive

Details of emoluments paid by the Group to each of the directors and the chief executive are as follows:

For the year ended 31 March 2016

		Fees	Salaries and other short term employee benefits	Retirement benefits scheme contributions	Total emoluments
		袍金	薪金及其他 短期僱員福利	退休福利 計劃供款	酬金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive directors:	執行董事：				
Wang Jing	王晶	-	-	-	-
Wang Xing Qiao	王星喬	-	-	-	-
Chen Wan Jin	陳萬金	-	-	-	-
Zhao Shuang	趙爽	-	-	-	-
Non-executive director:	非執行董事：				
Li Jun	李軍	-	-	-	-
Independent non-executive directors:	獨立非執行董事：				
Yang Xin Hua	楊新華	-	300	-	300
Wang Ping	王平	-	300	-	300
Cheng Tai Kwan, Sunny	鄭大鈞	-	300	-	300
		-	900	-	900

10. 董事、主要行政人員及僱員
酬金

董事及主要行政人員

本集團已付各董事及主要行政人員之酬金詳情如下：

截至二零一六年三月三十一日止年度

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**10. DIRECTORS', CHIEF EXECUTIVES' AND
EMPLOYEES' EMOLUMENTS (CONT'D)**

Directors and chief executive (CONT'D)

For the year ended 31 March 2015

		Salaries and other short term employee benefits 薪金及其他 短期僱員福利	Retirement benefits scheme contributions 退休福利計劃供款	Total emoluments 酬金總額
	Fees 袍金 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive directors:	執行董事：			
Wang Jing (note a)	王晶(附註a)	-	-	-
Wang Xing Qiao (note a)	王星喬(附註a)	-	-	-
Chen Wan Jin (note a)	陳萬金(附註a)	-	-	-
Zhao Shuang (note a)	趙爽(附註a)	-	-	-
Lau Sak Hong, Philip (note b)	劉錫康(附註b)	-	2,076	2,076
Lau Sak Kai, Anthony (note b)	劉錫淇(附註b)	-	210	220
Lau Sak Yuk, Andy (note b)	劉錫澳(附註b)	-	210	220
Lau Chu Lan, Carol (note b)	劉翠蓮(附註b)	-	309	309
Non-executive directors:	非執行董事：			
Li Jun (note a)	李軍(附註a)	-	-	-
Hon Sheung Tin, Peter (note b)	韓相田(附註b)	-	-	-
Independent non-executive directors:	獨立非執行董事：			
Yang Xin Hua (note a)	楊新華(附註a)	-	209	209
Wang Ping (note a)	王平(附註a)	-	209	209
Cheng Tai Kwan, Sunny (note a)	鄭大鈞(附註a)	-	209	209
Chan Chak Chung (note b)	陳澤仲(附註b)	-	-	-
Chuck Winston Calptor (note b)	卓育賢(附註b)	-	-	-
Tang Yee Man (note a)	鄧意民(附註a)	-	-	-
		-	3,432	3,452

Notes:

(a) These directors were appointed on 21 July 2014.

(b) These directors resigned on 21 July 2014.

No performance related incentive payments were paid to the directors of the Company for both years.

**10. 董事、主要行政人員及僱員
酬金(續)**

董事及主要行政人員(續)

截至二零一五年三月三十一日止年度

		Salaries and other short term employee benefits 薪金及其他 短期僱員福利	Retirement benefits scheme contributions 退休福利計劃供款	Total emoluments 酬金總額
	Fees 袍金 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive directors:	執行董事：			
Wang Jing (note a)	王晶(附註a)	-	-	-
Wang Xing Qiao (note a)	王星喬(附註a)	-	-	-
Chen Wan Jin (note a)	陳萬金(附註a)	-	-	-
Zhao Shuang (note a)	趙爽(附註a)	-	-	-
Lau Sak Hong, Philip (note b)	劉錫康(附註b)	-	2,076	2,076
Lau Sak Kai, Anthony (note b)	劉錫淇(附註b)	-	210	220
Lau Sak Yuk, Andy (note b)	劉錫澳(附註b)	-	210	220
Lau Chu Lan, Carol (note b)	劉翠蓮(附註b)	-	309	309
Non-executive directors:	非執行董事：			
Li Jun (note a)	李軍(附註a)	-	-	-
Hon Sheung Tin, Peter (note b)	韓相田(附註b)	-	-	-
Independent non-executive directors:	獨立非執行董事：			
Yang Xin Hua (note a)	楊新華(附註a)	-	209	209
Wang Ping (note a)	王平(附註a)	-	209	209
Cheng Tai Kwan, Sunny (note a)	鄭大鈞(附註a)	-	209	209
Chan Chak Chung (note b)	陳澤仲(附註b)	-	-	-
Chuck Winston Calptor (note b)	卓育賢(附註b)	-	-	-
Tang Yee Man (note a)	鄧意民(附註a)	-	-	-
		-	3,432	3,452

附註：

(a) 該等董事於二零一四年七月二十一日獲委任。

(b) 該等董事於二零一四年七月二十一日辭任。

概無於該兩個年度向本公司董事支付任何績效獎勵付款。

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**10. DIRECTORS', CHIEF EXECUTIVES' AND
EMPLOYEES' EMOLUMENTS (CONT'D)**

Directors and chief executive (CONT'D)

Mr. Lau Sak Hong, Philip was the chief executive of the Company during the year ended 31 March 2015 up to the date of his resignation (i.e. 21 July 2014). Mr. Wang Xing Qiao was appointed as the chief executive of the Company on the same date. Their emoluments disclosed above included those for services rendered by them as the chief executive.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The emoluments of the non-executive directors shown above were mainly for their services as directors of the Company or its subsidiaries. The emoluments of the independent non-executive directors shown above were mainly for their services as directors of the Company.

Neither the chief executive nor any of the directors waived any emoluments in both years.

Employees

The five highest paid individuals of the Group included three (2015: three) directors, details of whose remuneration are set out above. The emoluments of the remaining two (2015: two) highest paid employees are as follows:

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other short term employee benefits	薪金及其他短期僱員福利	2,498	603
Retirement benefits scheme contributions	退休福利計劃供款	15	29
		2,513	632

**10. 董事、主要行政人員及僱員
酬金(續)**

董事及主要行政人員(續)

截至二零一五年三月三十一日止年度及截至辭任日期(即二零一四年七月二十一日), 劉錫康先生為本公司之主要行政人員。王星喬先生於同日獲委任為本公司主要行政人員。彼等於上文所披露之酬金包括其作為主要行政人員提供服務所享有者。

上述所列執行董事薪酬主要為彼等管理本公司及本集團事務所提供服務之酬金。上述所列非執行董事薪酬主要為彼等作為本公司或其附屬公司董事提供服務的酬金。上述所列獨立非執行董事薪酬主要為彼等作為本公司董事所提供服務的酬金。

於兩個年度內, 概無主要行政人員或董事放棄酬金。

僱員

本集團五名最高薪酬之人士包括三名(二零一五年: 三名)董事, 有關彼等酬金之詳情已於上文披露。其餘兩名(二零一五年: 兩名)最高薪酬僱員之酬金如下:

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10. DIRECTORS', CHIEF EXECUTIVES' AND
EMPLOYEES' EMOLUMENTS (CONT'D)

Employees (CONT'D)

Emoluments of these employees were within the following bands:

		Number of employees 僱員人數	
		2016 二零一六年	2015 二零一五年
Nil – HK\$1,000,000	零至1,000,000港元	1	2
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元	1	–

11. TAXATION

The charge comprises:

Current year

Taxation in other jurisdictions

Deferred taxation (note 27)

支出包括：

本年度

其他司法權區之稅項

遞延稅項(附註：27)

2016 二零一六年	2015 二零一五年
HK\$'000 千港元	HK\$'000 千港元
–	570
1,504	693
1,504	1,263

Hong Kong Profits Tax is calculated at 16.5% (2015: 16.5%) of the estimated assessable profit for the year. No provision for Hong Kong Profits Tax has been made in the financial statements as the Group has no assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2015: 25%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

10. 董事、主要行政人員及僱員
酬金(續)

僱員(續)

此等僱員酬金之金額範圍如下：

11. 稅項

香港利得稅以本年度之估計應課稅溢利按稅率16.5% (二零一五年：16.5%)計算。由於本集團於兩個年度在香港並無產生任何應課稅溢利，故並無於財務報表就香港利得稅計提撥備。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司之稅率為25%(二零一五年：25%)。

於其他司法權區產生之稅項乃按各相關司法權區之現行稅率計算。

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11. TAXATION (CONT'D)

Taxation for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 稅項(續)

本年度稅項可與綜合損益及其他全面收益表之除稅前虧損對賬如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(14,495)	(245,868)
Tax credit at the domestic income tax rate of 16.5% (2015: 16.5%)	按本地所得稅稅率16.5% (二零一五年：16.5%)計算之稅項抵免	(2,392)	(40,568)
Tax effect of share of results of an associate	應佔聯營公司業績之稅務影響	(41)	(79)
Tax effect of expenses not deductible for taxation purposes	不可扣稅費用之稅務影響	7,681	34,404
Tax effect of income not taxable for taxation purposes	毋須課稅收益之稅務影響	(1,881)	(925)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司不同稅率之影響	1,133	829
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	1,936	10,918
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(3,876)	(4,140)
Tax effect of tax losses previously not recognised	先前未確認稅項虧損之稅務影響	(841)	-
Others	其他	(215)	824
Taxation for the year	本年度稅項	1,504	1,263

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12. DIVIDENDS

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Dividends recognised as distribution during the year:	本年度確認為分配之股息：		
Special dividends by way of distribution in specie of shares in a subsidiary	透過實物分派附屬公司股份之特別股息	-	124,062

On 26 June 2014, the Company made a distribution in specie of shares in a subsidiary, SIH Limited ("SIH"), to the shareholders of the Company, 2,033,808,485 shares in SIH were distributed to the shareholders whose names appeared on the register of members of the Company on the same date. Details of the assets and liabilities distributed are set out in note 33.

Other than the special dividends, the directors of the Company have determined that no dividends will be paid or proposed in respect of the year ended 31 March 2016 (2015: nil).

12. 股息

於二零一四年六月二十六日，本公司向本公司股東實物分派附屬公司SIH Limited (「SIH」)之股份，2,033,808,485股SIH股份分派予於同日名列本公司股東名冊之股東。資產及負債分派詳情載於附註33。

截至二零一六年三月三十一日止年度，除特別分派外，本公司董事議決將不派發或不建議分派股息(二零一五年：無)。

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	為計算每股基本及攤薄虧損之本公司擁有人應佔虧損	(22,243)	(246,934)

13. 每股虧損

每股基本及攤薄虧損乃根據以下數據計算：

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13. LOSS PER SHARE (CONT'D)

13. 每股虧損(續)

	Number of shares	
	股份數目	
	2016	2015
	二零一六年	二零一五年 (Restated)
		(重列)
Weighted average number of shares for the purpose of basic and diluted loss per share	1,554,130,401	575,012,690
為計算每股基本及攤薄虧損之加權平均股份數目		

For the year ended 31 March 2016 and 2015, the calculation of diluted loss per share does not assume the exercise of the conversion of the Company's outstanding convertible bonds as it would result in a decrease in the loss per share.

The weighted average number of shares for the purpose of basic and diluted loss per share for the year ended 31 March 2015 has been restated to reflect a consolidation of shares on 13 January 2016 on the basis of four shares being consolidated into one share.

截至二零一六年及二零一五年三月三十一日止年度，計算每股攤薄虧損時乃假設並無轉換本公司尚未轉換可換股債券，因為有關行使將導致每股虧損減少。

用於計算截至二零一五年三月三十一日止年度之每股基本及攤薄虧損的股份加權平均數已予重列以反映於二零一六年一月十三日按每四股股份合併為一股之基準進行之股份合併。

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14. INVESTMENT PROPERTIES

14. 投資物業

		Completed investment properties	Investment properties under construction	Total
		已完成 投資物業 HK\$'000 千港元	在建 投資物業 HK\$'000 千港元	合計 HK\$'000 千港元
FAIR VALUE	公平價值			
At 1 April 2014	於二零一四年四月一日	254,825	–	254,825
Increase in fair value	公平價值增加	5,550	–	5,550
Deconsolidation of subsidiaries (note 32)	取消附屬公司 綜合入賬(附註32)	(27,075)	–	(27,075)
Distribution in specie of shares in a subsidiary (note 33)	實物分派附屬公司 股份(附註33)	(233,300)	–	(233,300)
At 31 March 2015	於二零一五年三月三十一日	–	–	–
Additions	添置	–	222,762	222,762
Decrease in fair value	公平價值減少	–	(5,863)	(5,863)
Exchange realignment	匯率調整	–	(8,268)	(8,268)
At 31 March 2016	於二零一六年三月三十一日	–	208,631	208,631

At 31 March 2016, the investment properties under construction are situated in the PRC.

於二零一六年三月三十一日，在建投資物業位於中國。

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes were measured using the fair value model and are classified and accounted for as investment properties.

本集團根據經營租約持作賺取租金或資本增值用途之全部物業權益均以公平價值模式計量，並分類及入賬列作投資物業。

The fair values of the Group's investment properties had been arrived at on the basis of valuations carried out by Asset Appraisal Limited, an independent qualified professional valuer not connected of the Group. The valuations were arrived at by reference to recent market prices for similar properties in similar locations and conditions.

本集團投資物業之公平價值乃根據與本集團並無關連之獨立合資格專業估值師中誠達資產評估顧問有限公司進行估值計算所得。該估值乃參考類似地點及條件之同類物業的近期市價後達致。

In estimating the fair value of the properties, the highest and best use of the properties was their current use.

於估計物業之公平價值時，有關物業之最高及最佳用途即為其當前用途。

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14. INVESTMENT PROPERTIES (CONT'D)

The following table gives information about how the fair values of the investment properties were determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements were categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements was observable.

Investment properties held by
the Group in the consolidated
statement of financial position
本集團於綜合財務狀況報表
持有之投資物業

At 31 March 2016

於二零一六年三月三十一日

Commercial properties under
construction in Liaoning

位於遼寧之在建商業物業

Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
公平價值等級	估值技術及主要輸入數據	重大不可觀察輸入數據

Level 3	Direct comparison method with price per square metre
第三級	每平方米之價格之直接比較法

14. 投資物業(續)

下表提供投資物業公平價值釐定方法(特別是所用估值技術及輸入數據)之資料, 以及根據公平價值計量之輸入數據的可觀察程度而將公平價值計量分類歸入公平價值等級(第一至三級)之資料。

Sensitivity

敏感度

Price per square metre using market direct comparable and taking into account of location and other individual factors, such as road, frontage, size of property etc., which is ranged from RMB24,000 to RMB9,600 per square metre.
採用市場直接可資比較之每平方米價格, 並就位置及其他個別因素, 如道路、臨街地界、物業大小等作出調整, 每平方米介乎人民幣24,000元至人民幣9,600元。

A significant increase in the price per square metre used would result in significant increase in the fair value measurement of the investment property, and vice versa.
每平方米價格之重大增長會導致投資物業之公平價值計量之重大增長, 反之亦然。

There were no transfers into or out of Level 3 during both years.

兩個年度內概無轉入或轉出第三級。

The resulting decrease in fair value of the investment properties of HK\$5,863,000 (2015: increase in fair value of HK\$5,550,000) for the year ended 31 March 2016 has been recognised in profit or loss.

截至二零一六年三月三十一日止年度, 投資物業之公平價值減少5,863,000港元(二零一五年: 公平價值增加5,550,000港元)已於損益中確認。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings	Leasehold properties	Computer equipment	Furniture, fixtures and equipment 傢私、裝置及設備	Motor vehicles	Plant and machinery	Total
		樓宇 HK\$'000 千港元	租賃物業 HK\$'000 千港元	電腦設備 HK\$'000 千港元	及設備 HK\$'000 千港元	汽車 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	總計 HK\$'000 千港元
COST OR VALUATION	成本值或估值							
At 1 April 2014	於二零一四年四月一日	-	78,859	26,554	102,497	8,964	459,573	676,447
Additions	添置	-	-	21	-	-	446	467
Disposals	出售	-	-	-	-	-	(9,744)	(9,744)
Deconsolidation of subsidiaries (note 32)	附屬公司停止綜合入賬 (附註32)	-	(61,068)	(14,221)	(77,849)	(5,325)	(312,198)	(470,661)
Distribution in specie of shares in a subsidiary (note 33)	實物分派附屬公司股份 (附註33)	-	(17,791)	(10,158)	(21,182)	(3,639)	(118,952)	(171,722)
At 31 March 2015	於二零一五年三月三十一日	-	-	2,196	3,466	-	19,125	24,787
Additions	添置	-	-	-	-	-	1,060	1,060
Acquisition of a subsidiary (note 34)	出售一間附屬公司 (附註34)	28,489	-	-	-	-	7,292	35,781
At 31 March 2016	於二零一六年三月三十一日	28,489	-	2,196	3,466	-	27,477	61,628
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1 April 2014	於二零一四年四月一日	-	15,444	24,084	96,209	7,963	454,960	598,660
Provided for the year	本年度撥備	-	944	297	1,067	88	1,187	3,583
Eliminated on disposals	出售時撇銷	-	-	-	-	-	(9,314)	(9,314)
Eliminated on deconsolidation of subsidiaries (note 32)	附屬公司停止綜合入賬之 撇銷(附註32)	-	(10,515)	(12,945)	(74,413)	(5,077)	(311,149)	(414,099)
Eliminated on distribution in specie of shares in a subsidiary (note 33)	實物分派附屬公司股份之 撇銷(附註33)	-	(5,873)	(9,273)	(20,252)	(2,974)	(119,310)	(157,682)
At 31 March 2015	於二零一五年三月三十一日	-	-	2,163	2,611	-	16,374	21,148
Provided for the year	本年度撥備	-	-	11	171	-	1,158	1,340
At 31 March 2016	於二零一六年三月三十一日	-	-	2,174	2,782	-	17,532	22,488
CARRYING VALUES	賬面值							
At 31 March 2016	於二零一六年三月三十一日	28,489	-	22	684	-	9,945	39,140
At 31 March 2015	於二零一五年三月三十一日	-	-	33	855	-	2,751	3,639

At 31 March 2016, the buildings are situated in the PRC. 於二零一六年三月三十一日，該樓宇坐落於中國。

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**15. PROPERTY, PLANT AND EQUIPMENT
(CONT'D)**

The cost or valuation of leasehold properties in Hong Kong, which included prepaid lease payments, was depreciated over forty years on a straight-line basis and after taking into account of the estimated residual value. The cost of buildings situated on leasehold land outside Hong Kong was amortised over a period of fifty years or, where shorter, the remaining term of the leases on a straight-line basis and after taking into account of the estimated residual value.

Depreciation is provided to write off the cost of other items of property, plant and equipment, other than leasehold properties, over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method or reducing balance method, at the following rates per annum:

Buildings	2%
Computer equipment	25%
Furniture, fixtures and equipment	10 – 25%
Motor vehicles	20 – 25%
Plant and machinery	5 – 30%

16. GOODWILL

		HK\$'000 千港元
COST	成本值	
At 1 April 2014, 31 March 2015 and 31 March 2016	於二零一四年四月一日、二零一五年三月三十一日 及二零一六年三月三十一日	25,776
IMPAIRMENT	減值	
At 1 April 2014, 31 March 2015 and 31 March 2016	於二零一四年四月一日、二零一五年三月三十一日 及二零一六年三月三十一日	8,111
CARRYING VALUE	賬面值	
At 31 March 2016 and 31 March 2015	於二零一六年三月三十一日及二零一五年三月三十一日	17,665

Particulars regarding impairment testing on goodwill are disclosed in note 17.

15. 物業、廠房及設備(續)

包括預付租賃款項之香港租賃物業之成本值或估值經計及估計剩餘價值後以直線基準按40年計算折舊。位於香港以外地區之租賃土地之樓宇之成本經計及估計剩餘價值後以直線基準按50年或(如屬較短年期)租約剩餘年期計算攤銷。

其他物業、廠房及設備項目(租賃物業除外)於其估計可用年期及經考慮其估計剩餘價值後按直線法或結餘遞減法計算折舊以撇銷其成本，所用年率如下：

樓宇	2%
電腦設備	25%
傢俬、裝置及設備	10 – 25%
汽車	20 – 25%
廠房及機器	5 – 30%

16. 商譽

商譽之減值測試詳情於附註17披露。

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17. IMPAIRMENT TESTING ON GOODWILL

For the purposes of impairment testing, goodwill of carrying value amounting to HK\$17,665,000 (2015: HK\$17,665,000) as set out in note 16 has been allocated to a cash-generating unit ("CGU") in the design and sale of electronic products segment operating in the United States of America.

The recoverable amount of the relevant CGU has been determined on the basis of value in use calculation. The key assumptions for the value in use calculation are those regarding the discount rates, growth rates and expected changes to revenue and direct costs during the budgeted period. The management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. Changes in revenue and direct costs are based on past practices and expectations of future changes in the market.

During the year, the Group performed impairment review for goodwill based on cash flow forecasts of the CGU derived from the most recent financial budget for the next five years approved by the management and cash flows beyond the five-year period are extrapolated using 0% (2015: 0%) growth rate. The rate used to discount the forecast cash flows is approximately 10% (2015: 10%). During the year ended 31 March 2016, as the recoverable amount of the CGU exceeds the carrying value of the CGU, no impairment loss is recognised.

17. 商譽之減值測試

就減值測試而言，附註16所載賬面值為17,665,000港元(二零一五年：17,665,000港元)之商譽已被分配至一個現金產生單位(「現金產生單位」)，即於美國從事設計及銷售電子產品業務之分類。

相關現金產生單位的可收回金額乃按使用價值計算法釐定。使用價值計算法所作出主要假設為關於貼現率、增長率以及預算期內收入和直接成本之預計變動。管理層採用除稅前利率估計貼現率，該利率反映市場現時對貨幣時間價值以及現金產生單位特有風險的評估。收入及直接成本之變動根據過往慣例及對市場未來變動的期望作出估計。

於本年度，本集團根據管理層批准之未來五年最新財務預算所產生之現金產生單位之現金流量預測審閱商譽減值，以及按0% (二零一五年：0%)增長率推算五年後之現金流量。用於計算預測現金流量之貼現率約為10% (二零一五年：10%)。於截至二零一六年三月三十一日止年度，由於現金產生單位之可收回金額超過現金產生單位之賬面值，故未確認減值虧損。

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18. INTEREST IN AN ASSOCIATE

18. 於聯營公司之權益

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost of investments in an associate, unlisted	於聯營公司之投資成本，非上市	6,510	6,510
Share of post-acquisition results, net of dividend received	應佔收購後業績，扣除已收股息	282	335
		6,792	6,845

Details of the Group's associate are as follows:

本集團之聯營公司詳情如下：

Name of associate 聯營公司名稱	Form of business structure 業務結構形式	Place of registration/ operations 註冊／營業地點	Nominal value of registered capital 註冊資本面值	Attributable equity interest to the Group 本集團應佔股本權益		Principal activities 主要業務
				2016 二零一六年	2015 二零一五年	
Interforce Limited ("Interforce") 賢邦有限公司(「賢邦」)	Limited liability company 有限責任公司	Hong Kong 香港	HK\$500,000 500,000港元	30%	30%	Trading in electronic products 買賣電子產品

The associate is indirectly held by the Company through its wholly-owned subsidiary.

聯營公司由本公司透過其全資附屬公司間接持有。

Included in the cost of investments in an associate is goodwill of HK\$3,779,000 (2015: HK\$3,779,000) arising on acquisition of an associate in prior year.

於聯營公司之投資成本包括過往年度收購聯營公司所產生之商譽3,779,000港元(二零一五年：3,779,000港元)。

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18. INTEREST IN AN ASSOCIATE (CONT'D)

Summarised financial information of the Group's associate

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's management accounts prepared in accordance with HKFRSs.

The Group's associate is accounted for using the equity method in these consolidated financial statements.

Interforce

Current assets	流動資產	14,267	15,107
Non-current assets	非流動資產	1,625	1,737
Current liabilities	流動負債	(5,849)	(6,624)
Revenue	收入	120,375	135,838
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	823	1,596

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net assets of Interforce attributable to owners	擁有人應佔賢邦資產淨值	10,043	10,220
Proportion of the Group's ownership interest in Interforce	本集團於賢邦之擁有權權益比例	30%	30%
Goodwill	商譽	3,779	3,779
Carrying amount of the Group's interest in Interforce	本集團於賢邦之權益之賬面值	6,792	6,845

18. 於聯營公司之權益(續)

本集團聯營公司之財務資料概要

有關本集團聯營公司之財務資料概列如下。以下財務資料概要指呈列於根據香港財務報告準則編製的聯營公司管理賬目之款項。

於該等綜合財務報表，本集團之聯營公司乃採納權益法入賬。

賢邦

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	14,267	15,107
Non-current assets	1,625	1,737
Current liabilities	(5,849)	(6,624)
Revenue	120,375	135,838
Profit and total comprehensive income for the year	823	1,596

以上財務資料概要與於綜合財務報表已確認應佔聯營公司權益之賬面值的對賬如下：

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19. INVENTORIES

19. 存貨

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Finished goods	製成品	54,299	75,123

The cost of inventories recognised as an expense in the consolidated statement of profit or loss and other comprehensive income during the year amounted to HK\$322,478,000 (2015: HK\$322,811,000).

於本年度，於綜合損益及其他全面收益表確認為支出之存貨成本達322,478,000港元（二零一五年：322,811,000港元）。

20. DEBTORS, DEPOSITS AND
PREPAYMENTS

20. 應收賬項、按金及預付款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade debtors	應收貿易賬項	17,273	30,562
Deposits with securities brokers	證券經紀之按金	32	47
Consideration receivable from disposal of a subsidiary	出售一間附屬公司的對價應收款	81,534	-
Prepayments and other receivables	預付款項及其他應收款項	16,029	14,130
		114,868	44,739
Analysed for reporting purposes as:	就申報目的分析為：		
Current assets	流動資產	114,559	43,993
Non-current assets	非流動資產	309	746
		114,868	44,739

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**20. DEBTORS, DEPOSITS AND
PREPAYMENTS (CONT'D)**

The aged analysis of trade debtors net of allowance for doubtful debts presented based on the invoice dates at the end of the reporting period, which approximate the respective recognition dates, is as follows:

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
Over 90 days	超過90日

The Group allows an average credit period ranging from 30 days to 90 days to its trade customers. Before accepting any new customers, the management will internally assess the credit quality of the potential customer and define appropriate credit limits. Management closely monitors the credit quality of trade and other receivables and considers the trade and other receivables that are neither past due nor impaired to be of a good quality.

Included in the Group's trade debtors are debtors with aggregate carrying amount of HK\$3,824,000 (2015: HK\$12,325,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The directors of the Company determined that these receivables are either due from customers of good credit quality with no history of default or covered by credit insurance. The Group does not hold any collateral over these balances.

**20. 應收賬項、按金及預付款項
(續)**

於報告期間末(與各自確認日期相符)按發票日期呈列之應收貿易賬項(扣除呆賬撥備)之賬齡分析如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0 – 30 days	0至30日	9,863	11,938
31 – 60 days	31至60日	1,459	6,486
61 – 90 days	61至90日	5,951	5,633
Over 90 days	超過90日	–	6,505
		17,273	30,562

本集團給予其貿易客戶之平均信貸期介乎30日至90日。於接納任何新客戶前，管理層將內部評估潛在客戶之信貸質素及訂立適當之信貸限額。管理層密切監察貿易及其他應收款項之信貸質素，並認為未逾期亦未減值之貿易及其他應收款項之質素良好。

本集團之應收貿易賬項包括賬面總值為3,824,000港元(二零一五年: 12,325,000港元)之應收賬項。有關賬項於報告日期已逾期，但本集團並未作出減值虧損撥備。本公司董事確定此等應收款項為應收信貸質素良好且無拖欠記錄之客戶之款項或受信貸保險保障。本集團並無就此等結餘持有任何抵押品。

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20. DEBTORS, DEPOSITS AND
PREPAYMENTS (CONT'D)

The aged analysis of trade debtors which are past due but not impaired is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Overdue 31 – 60 days	逾期31至60日	2,301	4,440
Overdue 61 – 90 days	逾期61至90日	1,523	1,459
Overdue over 90 days	逾期超過90日	–	6,426
		3,824	12,325

Based on the experience of the management and repayment record of the customers, trade receivables which are past due but not impaired and not associated with litigations are generally recoverable.

Movements in the allowance for doubtful debts

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At beginning of the year	年初	9,233	36,818
Impairment losses (reversal of impairment losses) recognised	已確認之減值虧損(減值虧損撥回)	683	(163)
Amount written off	撇銷金額	(1,408)	(319)
Deconsolidation of subsidiaries	附屬公司停止綜合入賬	–	(25,161)
Distribution in specie of shares in a subsidiary	實物分派附屬公司股份	–	(1,942)
At end of the year	年末	8,508	9,233

Included in the allowance for doubtful debts are individually impaired trade and other debtors with an aggregated balance of HK\$8,508,000 (2015: HK\$9,233,000) which have either been placed under liquidation or in financial difficulties.

20. 應收賬項、按金及預付款項
(續)

已逾期但未減值之應收貿易賬項之賬齡分析如下：

根據管理層之經驗及客戶之還款記錄，已逾期但未減值且未牽涉訴訟之貿易應收款項一般可收回。

呆賬撥備變動

呆賬撥備包括個別已減值之貿易及其他應收款項，總結餘為8,508,000港元(二零一五年：9,233,000港元)，有關欠款人正在進行清盤或面臨財政困難。

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21. INVESTMENTS HELD FOR TRADING

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Listed securities	上市證券		
Equity securities listed in Hong Kong	於香港上市之股本證券	211	171
Equity securities listed outside Hong Kong	於香港境外上市之股本證券	240	282
		451	453

21. 持作買賣之投資

22. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and bank deposits which carry interest at an average rate of 0.01% (2015: 0.01%) per annum.

22. 銀行結存及現金

銀行結存及現金包括本集團所持現金，以及按平均年利率0.01厘計息(二零一五年：0.01厘)之銀行存款。

23. CREDITORS AND ACCRUED CHARGES

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade creditors	應付貿易賬項	5,855	22,407
Note payable and accrued interest	應付票據及應計利息	5,932	8,943
Royalty and withholding tax payable	應付專利費及預扣稅	944	944
Consideration payable for acquisition of subsidiary	應付收購附屬公司代價	20,383	-
Other creditors and accrued expenses	其他應付賬項及應計開支	55,331	78,528
		88,445	110,822
Analysed for reporting purposes as:	就申報目的分析為：		
Current liabilities	流動負債	73,434	90,741
Non-current liabilities	非流動負債	15,011	20,081
		88,445	110,822

23. 應付賬項及應計費用

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**23. CREDITORS AND ACCRUED CHARGES
(CONT'D)**

Note payable with the principal amount of US\$697,000 (equivalent to HK\$5,434,000) (2015: US\$1,100,000 (equivalent to HK\$8,580,000)) is unsecured and carries interest at 6% (2015: 6%) per annum. This note shall be payable in consecutive equal quarterly instalments of principal and interest in the amount of US\$150,000 (equivalent to HK\$1,170,000) up to 30 September 2016. At 31 March 2016, HK\$5,932,000 and nil (2015: HK\$3,873,000 and HK\$5,070,000) are classified as current and non-current liabilities, respectively.

Included in other creditors is an amount of HK\$15,011,000 (2015: HK\$15,011,000) which is unsecured, interest-free and repayable upon expiry of revolving credit facility granted to a subsidiary of the Company in July 2017. Accordingly, the amount is classified as a non-current liability.

The aged analysis of trade creditors presented based on the invoice dates at the end of the reporting period is as follows:

0 – 30 days	逾期0至30日
31 – 60 days	逾期31至60日
61 – 90 days	逾期61至90日
Over 90 days	逾期超過90日

The average credit period on purchases of goods is 90 days.

23. 應付賬項及應計費用(續)

本金額為697,000美元(相等於5,434,000港元)(二零一五年:1,100,000美元(相等於8,580,000港元))之應付票據無擔保且按年利率6厘(二零一五年:6厘)計息。該票據應於二零一六年九月三十日之前按季度分期等額支付本金額及利息共計150,000美元(相等於1,170,000港元)。於二零一六年三月三十一日,5,932,000港元及零港元(二零一五年:3,873,000港元和5,070,000港元)分別分類為流動及非流動負債。

計入其他應付賬項之15,011,000港元(二零一五年:15,011,000港元)之款項為無擔保、免息且應於二零一七年七月授予本公司一家附屬公司之循環信貸融資到期前償還。因此,該項款項被分類為非流動負債。

於報告期間末按發票日期呈列之應付貿易賬項之賬齡分析如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0 – 30 days	逾期0至30日	5,154	8,451
31 – 60 days	逾期31至60日	9	1,990
61 – 90 days	逾期61至90日	153	2,554
Over 90 days	逾期超過90日	539	9,412
		5,855	22,407

採購貨品之平均信貸期為90日。

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**24. AMOUNTS DUE FROM (TO)
IMMEDIATE HOLDING COMPANY AND
A DIRECTOR**

The amounts are interest-free, unsecured and repayable on demand.

**24. 應收(付)直接控股公司和
董事之款項**

應付款項為免息、無抵押及按要求償還。

25. BORROWING

25. 借貸

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other borrowing, secured	其他已擔保借貸	119,903	-

The borrowing is repayable as follows:

借貸償還如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年之內	11,990	-
More than one year but not exceeding two years	超過一年但不超過兩年	23,981	-
More than two year but not exceeding five years	超過兩年但不超過五年	83,932	-
		119,903	-
Less: Amount due within one year shown under current liabilities	減：須於一年內償還的流動負債	(11,990)	-
Amount due after one year	須於一年後償還的款項	107,913	-

As at 31 March 2016, the Group's borrowing is fixed-rate borrowing and bears interest at 8.5% per annum (2015: nil). The borrowing is secured by investment properties under construction of HK\$188,967,000 (2015: nil) (see note 39).

於二零一六年三月三十一日，本集團之借貸為固定利率貸款且按年利率8.5厘(二零一五年：零)計息。該等借貸乃以在建投資物業188,967,000港元作為擔保(二零一五年：零)(見附註39)。

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26. CONVERTIBLE BONDS

On 30 July 2014, the Company issued 3% coupon convertible bonds (the "Bonds") at a principal amount of HK\$75,000,000 maturing on 30 July 2017 to the immediate holding company of the Company. The Bonds are denominated in Hong Kong dollars and the Company agrees to guarantee payment of all sums payable in relation to the Bonds. Interest of 3% per annum will be paid half-annually up until the settlement date.

The Bonds are convertible, at the option of the bond holder, into ordinary shares of HK\$0.01 each of the Company at a conversion price of HK\$0.23 (after adjustment for capital reorganisation detailed in note 28(c)) (2015: HK\$0.172 (before adjustment for capital reorganisation detailed in note 28(c))) per share, subject to anti-dilutive adjustments, at any time on or after 30 July 2014 up to and including the maturity date. Unless previously redeemed, converted or purchased and cancelled, the outstanding Bonds will be redeemed by the Company at 100% of its principal amount on the maturity date.

At initial recognition, the Bonds are split into an equity component of HK\$61,480,000 and a liability component of HK\$52,056,000. The liability component is determined based on the present value of the estimated future cash flows discounted at an effective interest rate of 16.21% per annum, being the average yield of similar financial instruments with similar credit rating and structure but without the call conversion option, which incorporated appropriate adjustments to reflect possible impact of country factors, firm specific risk and liquidity risk.

26. 可換股債券

於二零一四年七月三十日，本公司向本公司之直接控股公司發行本金額為75,000,000港元於二零一七年七月三十日到期之3厘票息可換股債券(「債券」)。債券以港元計值且本公司同意就債券之一切應付款項的支付作出擔保。按年利率3厘計算之利息將每半年支付一次，直至結算日期止。

於二零一四年七月三十日當日或之後直至到期日(包括當日)之任何時間，債券持有人可選擇按換股價每股0.23港元(經資本重組調整後的價格，詳情見附註28(c))(二零一五年：0.172港元(資本重組調整前之價格之詳見附註28(c))將債券轉換為本公司每股面值0.01港元之普通股，可進行攤薄調整。除非提早贖回、轉換或購買及註銷，否則本公司將於到期日按其本金額的100%贖回尚未轉換之債券。

於初步確認時，債券拆細為權益部分61,480,000港元及負債部分52,056,000港元。負債部分乃根據按實際年利率16.21%(即具類似信貸評級及架構但並無附帶認購轉換權之類似金融工具之平均收益率，其已計入適當調整以反映國家因素、公司具體風險及流動性風險之可能影響)貼現估計未來現金流量之現值而釐定。

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26. CONVERTIBLE BONDS (CONT'D)

The equity component is presented as convertible bonds reserve in equity, whereas the liability component is classified under non-current liabilities at 31 March 2016 and 2015.

The movement of the liability component of the Bonds for the current year is set out below:

		HK\$'000 千港元
Liability component at date of issue	於發行日期之負債部分	52,056
Transaction costs attributable to the liability component of the Bonds	債券之負債部分應佔交易成本	(97)
		51,959
Imputed interest expense for the year	年內估算利息開支	5,865
Coupon interest paid	已付票息	(949)
At 31 March 2015	於二零一五年三月三十一日	56,875
Imputed interest expense for the year	年內估算利息開支	9,774
Coupon interest paid	已付票息	(2,250)
At 31 March 2016	於二零一六年三月三十一日	64,399

None of the Bonds has been converted into ordinary shares of the Company during both years.

26. 可換股債券(續)

於二零一六年及二零一五年三月三十一日，權益部分作為可換股債券儲備於權益內呈列，而負債部分則分類至非流動負債項下。

於本年度債券之負債部分之變動載列如下：

於兩個年度內概無債券轉換為本公司普通股。

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27. DEFERRED TAXATION

The followings are the major deferred tax (liabilities) assets recognised and movements thereon during the current and prior years:

27. 遞延稅項

本年度及過往年度已確認主要遞延稅項(負債)資產及其變動如下:

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Revaluation of properties 重估物業 HK\$'000 千港元	Others 其他 HK\$'000 千港元 (Note) (附註)	Total 總額 HK\$'000 千港元
At 1 April 2014	於二零一四年四月一日	1,665	16,460	(4,514)	345	13,956
(Charge) credit to profit or loss	(扣自)計入損益	(724)	-	-	31	(693)
Deconsolidation of subsidiaries (note 32)	附屬公司停止綜合入賬(附註32)	19	(19)	4,514	-	4,514
Distribution in specie of shares in a subsidiary (note 33)	實物分派附屬公司股份(附註33)	730	(83)	-	(166)	481
At 31 March 2015	於二零一五年三月三十一日	1,690	16,358	-	210	18,258
Credit (charge) to profit or loss	(扣自)計入損益	(37)	841	(2,098)	(210)	(1,504)
At 31 March 2016	於二零一六年三月三十一日	1,653	17,199	(2,098)	-	16,754

Note: Others mainly represented temporary difference arising from unrealised profits on inventories.

附註: 其他主要指存貨之未變現溢利所產生之暫時差額。

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27. DEFERRED TAXATION (CONT'D)

For the purposes of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

Deferred tax assets	遞延稅項資產
Deferred tax liabilities	遞延稅項負債

At the end of the reporting period, the Group has unused tax losses of HK\$322,157,000 (2015: HK\$323,682,000) and the Group has not recognised deferred tax asset in respect of tax losses of HK\$251,634,000 (2015: HK\$254,262,000) and fair value change of an investment property under construction of HK\$14,255,000 (2015: nil) due to the unpredictability of future profit streams. Included in the unused tax losses are losses of HK\$100,209,000 (2015: HK\$114,950,000) that will expire in 2030 and losses of HK\$164,162,000 (2015: HK\$159,499,000) that will expire within 20 years, other tax losses may be carried forward indefinitely.

27. 遞延稅項(續)

就於綜合財務狀況報表呈列而言，若干遞延稅項資產及負債已對銷。用作財務報告用途之遞延稅項結餘分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	18,852	18,258
Deferred tax liabilities	遞延稅項負債	(2,098)	-
		16,754	18,258

於報告期間末，本集團之未動用稅項虧損為322,157,000港元(二零一五年：323,682,000港元)。由於未能預計未來溢利來源，本集團並無就稅項虧損251,634,000港元(二零一五年：254,262,000港元)及在建投資物業之公平價值變動14,255,000港元(二零一五年：零)確認遞延稅項資產。未使用稅項虧損包括100,209,000港元(二零一五年：114,950,000港元)將於二零三零年到期且虧損164,162,000港元(二零一五年：159,499,000港元)將於二十年內到期之虧損，其他稅項虧損可無限期結轉。

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28. SHARE CAPITAL

28. 股本

			Nominal value per share 每股正常價值 HK\$ 港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
		Notes 附註			
Authorised:	法定股本：				
At 1 April 2014 and 31 March 2015	於二零一四年四月一日及 二零一五年三月三十一日		0.10	5,000,000,000	500,000
Consolidation of shares	股份代價	c(i)		(3,750,000,000)	-
			0.40	1,250,000,000	500,000
Reduction of share capital	股本削減	c(iii)		-	(487,500)
At 31 March 2016	於二零一六年三月三十一日		0.01	1,250,000,000	12,500
Issued and fully paid:	已發行及繳足股本：				
At 1 April 2014	於二零一四年四月一日		0.10	2,013,430,751	201,343
Issue of shares upon exercise of share options	因行使購股權而發行股份		0.10	20,377,734	2,038
Issue of shares	發行股份	(a)	0.10	400,000,000	40,000
At 31 March 2015	於二零一五年三月三十一日		0.10	2,433,808,485	243,381
Placing of shares	配售股份	(b)	0.10	486,760,000	48,676
				2,920,568,485	292,057
Consolidation of shares	股份代價	c(i)		(2,190,426,364)	-
			0.40	730,142,121	292,057
Reduction of share capital	股本削減	c(ii)		-	(284,756)
			0.01	730,142,121	7,301
Issue of shares upon open offer	於公開發售時發行股份	(d)	0.01	2,920,568,484	29,206
At 31 March 2016	於二零一六年三月三十一日		0.01	3,650,710,605	36,507

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28. SHARE CAPITAL (CONT'D)

Notes:

- (a) In February 2015, the Company issued 400,000,000 shares of HK\$0.1 each at HK\$0.16 per share as part of the deposit paid for acquisition of a property.
- (b) On 30 July 2015, the Company issued 486,760,000 ordinary shares of HK\$0.1 each at HK\$0.124 per share by way of placing.
- (c) As detailed in the Company's circular dated 27 November 2015, the Company proposed to effect (i) a share consolidation pursuant to which every four issued and unissued then existing shares of HK\$0.10 each were consolidated into one consolidated share of HK\$0.40 each; (ii) the reduction of the nominal value of each issued consolidated share from HK\$0.40 to HK\$0.01 by cancelling HK\$0.39 paid up share capital for each consolidated share; (iii) the reduction of the par value of all shares in the authorised share capital of the Company from HK\$0.40 each to HK\$0.01 each, resulting in the reduction of the authorised share capital from HK\$500,000,000 divided into 1,250,000,000 consolidated shares of par value of HK\$0.40 each to HK\$12,500,000 divided into 1,250,000,000 shares of par value HK\$0.01 each; and (iv) the transfer of the credit arising from the capital reduction to the capital redemption reserve of the Company. A special resolution was passed by the shareholders at the special general meeting of the Company held on 13 January 2016.
- (d) On 23 February 2016, the Company allotted 2,920,568,484 ordinary shares of HK\$0.01 each at a subscription price of HK\$0.086 per offer share on the basis of four offer shares for every share.

All shares issued rank pari passu in all respects with the then existing shares.

28. 股本(續)

附註：

- (a) 於二零一五年二月，本公司按每股0.16港元發行400,000,000股每股0.1港元的股份，作為就收購物業已支付按金的一部分。
- (b) 於二零一五年七月三十日，本公司通過配售按每股0.124港元發行486,760,000股每股0.1港元之普通股。
- (c) 如本公司日期為二零一五年十一月二十七日之通函所詳述，本公司擬進行(i)股份合併，據此，每四股當時現有每股0.10港元之已發行及未發行股份合併為一股每股0.40港元的合併股份；(ii)透過註銷每股合併股份繳足股本0.39港元將每股已發行合併股份的面值由0.40港元削減至0.01港元；(iii)本公司法定股本中所有股份的面值由每股0.40港元削減至每股0.01港元，令法定股本由500,000,000港元(拆分為1,250,000,000股每股面值0.40港元的合併股份)削減至12,500,000港元(拆分為1,250,000,000股每股面值0.01港元的股份)；及(iv)將減少股本產生的信貸轉至本公司的資本贖回儲備。股東已於本公司於二零一六年一月十三日召開的股東特別大會上通過一項特別決議案。
- (d) 於二零一六年二月二十三日，本公司按每四股發售股份獲發一股股份之基準按每股發售股份0.086港元之認購價配發2,920,568,484股每股0.01港元之普通股。

所有已發行股份於各方面均與當時之現有股份享有同等地位。

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29. SHARE OPTION SCHEMES

Share option scheme of the Company

The Company had a share option scheme (the "Scheme") which was approved and adopted at the special general meeting of the Company held on 15 January 2008 for a period of 10 years. The primary purpose was to recognise the contribution of participants and to recruit and retain high calibre employees and attract human resources that are valuable to the Group. Eligible participants of the Scheme included any full time employees (including directors, whether executive or non-executive and whether independent or not), suppliers, consultants, agents and advisors of the Group.

The maximum number of share options which might be issued upon exercise of all options to be granted under the Scheme must not, in aggregate, exceed 10% of the shares in issue at the date of passing the relevant ordinary resolution at the general meeting while overall limit for all outstanding options granted and yet to be exercised must not exceed 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the option granted to each participant in any 12 month period up to the date of the grant would not exceed 1% of the shares in issue unless certain conditions are fulfilled.

The period within which the shares must be taken up under an option was any period as determined by the Board, which would not be more than 10 years from the date on which the option was granted. The option might be exercised by the grantee at any time during the option period.

The subscription price of the share options was determined by the Board, but would be no less than the highest of (i) the closing price of the shares on the offer date; (ii) the average of the closing price of shares on the 5 trading days immediately preceding the offer date; or (iii) the nominal value of the shares on the offer date.

29. 購股權計劃

本公司之購股權計劃

本公司於二零零八年一月十五日舉行之股東特別大會上批准及採納為期十年之購股權計劃(「計劃」)。主要目的在於認可參與者之貢獻、招攬及挽留優秀僱員及吸引對本集團具有重要價值之人力資源。計劃之合資格參與者包括本集團之任何全職僱員(包括董事，不論執行或非執行及不論獨立或非獨立)、供應商、諮詢人、代理及顧問。

根據計劃所授出之所有購股權獲行使而可能發行之最高股權總數，不得超過於相關普通決議案於股東大會上獲通過當日已發行股份之10%，而已授出及有待行使之全部未行使購股權所涉及股份總數，不得超過不時已發行股份之30%。

截至購股權授出之日止12個月內，各參與人行使獲授購股權而發行及將予發行之股份總數不可超逾當時已發行股份之1%，惟達致若干條件除外。

根據購股權接納股份之期限由董事局決定，惟不可於授出日起計超過十年。承授人可於購股權期限內任何時間行使購股權。

購股權之認購價由董事局決定，惟有關價格將不低於以下最高者：(i)要約日期股份之收市價；(ii)緊接要約日期前五個交易日股份平均收市價；或(iii)股份於要約日期之面值。

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29. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of the Company (CONT'D)

The offer of a grant of share options could be accepted within 28 days from the date of offer. The consideration for the grant was HK\$1 and it would in no circumstance be refundable.

The movements of the share options granted to employees and advisors of the Group pursuant to the Scheme were as follows:

Date of grant 授出日期	Notes 附註	Exercise price 行使價 HK\$ 港元	Number of share options 購股權數目				Outstanding at end of the year
			Outstanding at beginning of the year 年初尚未行使	Exercised during the year 年內已行使	Cancelled during the year 年內已註銷	Lapsed during the year 年內已失效	
For the year ended 31 March 2015 截至二零一五年三月三十一日止年度							
Employees: 僱員:							
28 January 2008	二零零八年一月二十八日	(a) 0.2053	732,311	(177,734)	(376,843)	(177,734)	-
31 August 2010	二零一零年八月三十一日	(a) 0.1880	5,000,000	(5,000,000)	-	-	-
25 October 2012	二零一二年十月二十五日	(b) 0.1000	9,000,000	(9,000,000)	-	-	-
			14,732,311	(14,177,734)	(376,843)	(177,734)	-
Advisors: 顧問:							
23 January 2008	二零零八年一月二十三日	(a) 0.2228	701,580	-	(701,580)	-	-
12 August 2010	二零一零年八月十二日	(a) 0.1880	300,000	(300,000)	-	-	-
26 February 2013	二零一三年二月二十六日	(b) 0.1230	2,000,000	(2,000,000)	-	-	-
6 March 2013	二零一三年三月六日	(b) 0.1320	1,600,000	(1,600,000)	-	-	-
4 October 2013	二零一三年十月四日	(b) 0.1150	1,500,000	(1,500,000)	-	-	-
21 October 2013	二零一三年十月二十一日	(b) 0.1200	800,000	(800,000)	-	-	-
			6,901,580	(6,200,000)	(701,580)	-	-
			21,633,891	(20,377,734)	(1,078,423)	(177,734)	-
Exercisable at end of the year 年終可行使							-
Weighted average exercise price (HK\$) 加權平均行使價(港元)			0.1354	0.1305	0.2167	0.2053	-

29. 購股權計劃(續)

本公司之購股權計劃(續)

授出購股權之要約可自要約日期起計28日內接納。授出購股權之代價為1港元，該金額在任何情況下將不可退還。

根據計劃已向本集團僱員及顧問授出之購股權之變動情況如下：

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29. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of the Company (CONT'D)

Notes:

- (a) These share options were granted for an exercise period of ten years from the date of grant of the share options and vested immediately.
- (b) These share options were granted for an exercise period of five years from the date of grant of the share options and vested immediately.

No share options have been granted to the directors and employees of the Company pursuant to the Scheme for both years.

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 51.39% (2015: 51.48%) owned subsidiary of the Company

SMC's share option scheme was approved by SMC's shareholders at the special meeting held on 6 September 2001 (the "SMC Scheme"). The SMC Scheme was developed to provide a means whereby the directors and selected employees, officers, consultants, and advisors of SMC may be granted incentive or non-qualified stock options to purchase common stock of SMC. The SMC Scheme authorises an aggregate of 1,950,000 shares of SMC's common stock and a maximum of 450,000 shares to any one individual in any one fiscal year.

29. 購股權計劃(續)

本公司之購股權計劃(續)

附註：

- (a) 該等購股權由購股權授出日期起十年內行使並即時歸屬。
- (b) 該等購股權由購股權授出日期起五年內行使並即時歸屬。

於兩個年度內，本公司並無根據計劃授予本公司董事及僱員任何購股權。

本公司持有51.39% (二零一五年：51.48%) 權益之附屬公司聲藝有限公司(「聲藝」)之購股權計劃

聲藝購股權計劃已於二零零一年九月六日舉行之股東特別大會上獲聲藝股東批准(「聲藝計劃」)。聲藝計劃乃給予聲藝董事及經挑選僱員、高級人員、諮詢人及顧問鼓勵或無條件認購權以認購聲藝普通股之方法。聲藝計劃授權合共1,950,000股聲藝普通股，而每名人士於各財政年度可獲授最高450,000股股份。

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29. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 51.39% (2015: 51.48%) owned subsidiary of the Company (CONT'D)

The maximum number of shares issued and to be issued upon exercise of the options granted to each participant in any 12 month period up to the date of the grant will be 300,000 shares.

The period within which the shares must be taken up under an option is any period as determined by the Board of SMC, which will not be more than 10 years (or 5 years in the case of a holder with 10% or more of the common stock) from the date on which the option is granted. Each option vested in one year from the date of grant.

The subscription price of the share options is determined by SMC's Stock Option Committee, which consists of two or more directors chosen by the Board of SMC. The subscription price of the share options will be no less than the closing price of SMC's shares on the offer date (or, if granted to a holder of 10% or more of the common stock, the subscription price will be no less than 110% of the closing price of SMC's shares on the offer date).

29. 購股權計劃(續)

本公司持有**51.39%**(二零一五年:**51.48%**)權益之附屬公司聲藝有限公司(「聲藝」)之購股權計劃(續)

截至購股權授出之日止12個月內，各參與人行使所授購股權而發行及將予發行之最高股份數目將為300,000股。

根據購股權接納股份之期限由聲藝董事局決定，惟不可於購股權授出日起計超過10年(或倘為持有普通股10%或以上之持有人，則為5年)。各份購股權於授予當日起一年內歸屬。

購股權之認購價由聲藝之認購權委員會決定，委員會由聲藝董事局所挑選之兩名或以上董事組成。購股權之認購價將不低於聲藝股份於要約日期之收市價(或倘授予持有普通股10%或以上之持有人，認購價則將不低於聲藝股份於要約日期收市價之110%)。

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29. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 51.39% (2015: 51.48%) owned subsidiary of the Company (CONT'D)

The movements of the share options granted to directors of the Company and employees of the Group pursuant to the SMC Scheme were as follows:

29. 購股權計劃(續)

本公司持有51.39% (二零一五年: 51.48%) 權益之附屬公司聲藝有限公司 (「聲藝」) 之購股權計劃(續)

根據聲藝計劃向本公司董事及本集團之僱員所授出購股權之變動載列如下:

Date of grant 授出日期	Exercise price 行使價 US\$ 美元	Number of share options 購股權數目					
		Outstanding at beginning of the year 年初尚未行使	Granted during the year 年內已授出	Exercised during the year 年內已行使	Lapsed during the year 年內已失效	Outstanding at end of the year 年終尚未行使	
For the year ended 31 March 2016	截至二零一六年三月三十一日止年度						
9 May 2005	二零零五年五月九日	0.60	34,000	-	-	(34,000)	-
31 March 2006	二零零六年三月三十一日	0.32	60,000	-	(20,000)	(40,000)	-
10 April 2006	二零零六年四月十日	0.33	42,000	-	-	-	42,000
31 March 2007	二零零七年三月三十一日	0.93	60,000	-	-	-	60,000
31 March 2008	二零零八年三月三十一日	0.45	120,000	-	-	-	120,000
31 March 2009	二零零九年三月三十一日	0.11	120,000	-	-	-	120,000
31 March 2010	二零一零年三月三十一日	0.03	60,000	-	-	-	60,000
29 October 2010	二零一零年十月二十九日	0.06	520,000	-	-	-	520,000
31 March 2011	二零一一年三月三十一日	0.04	60,000	-	-	-	60,000
31 March 2012	二零一二年三月三十一日	0.12	60,000	-	-	-	60,000
31 March 2013	二零一三年三月三十一日	0.18	60,000	-	-	-	60,000
1 July 2013	二零一三年七月一日	0.21	580,000	-	-	-	580,000
31 March 2014	二零一四年三月三十一日	0.16	60,000	-	-	-	60,000
31 March 2015	二零一五年三月三十一日	0.17	60,000	-	-	-	60,000
1 July 2015	二零一五年七月一日	0.17	-	25,000	-	-	25,000
31 March 2016	二零一六年三月三十一日	0.24	-	145,000	-	-	145,000
			1,896,000	170,000	(20,000)	(74,000)	1,972,000
Exercisable at end of the year	年終可行使						1,802,000
Weighted average exercise price (US\$)	加權平均行使價(美元)		0.20	0.23	0.32	0.45	0.19
Holders of the share options are analysed as follows:	購股權持有人分析如下:						
Directors	董事		80,000	-	-	-	80,000
Employees	僱員		1,816,000	170,000	(20,000)	(74,000)	1,892,000
			1,896,000	170,000	(20,000)	(74,000)	1,972,000

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29. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 51.39% (2015: 51.48%) owned subsidiary of the Company (CONT'D)

29. 購股權計劃(續)

本公司持有51.39% (二零一五年: 51.48%) 權益之附屬公司聲藝有限公司 (「聲藝」) 之購股權計劃(續)

Date of grant 授出日期	Exercise price 行使價 US\$ 美元	Number of share options 購股權數目			Outstanding at end of the year 年終尚未行使	
		Outstanding at beginning of the year 年初尚未行使	Granted during the year 年內已授出	Lapsed during the year 年內已失效		
For the year ended 31 March 2015	截至二零一五年三月三十一日止年度					
29 November 2004	二零零四年十一月二十九日	0.75	40,000	(40,000)	-	
1 December 2004	二零零四年十二月一日	0.77	20,000	(20,000)	-	
9 May 2005	二零零五年五月九日	0.60	34,000	-	34,000	
31 March 2006	二零零六年三月三十一日	0.32	60,000	-	60,000	
10 April 2006	二零零六年四月十日	0.33	42,000	-	42,000	
31 March 2007	二零零七年三月三十一日	0.93	60,000	-	60,000	
31 March 2008	二零零八年三月三十一日	0.45	120,000	-	120,000	
31 March 2009	二零零九年三月三十一日	0.11	120,000	-	120,000	
31 March 2010	二零一零年三月三十一日	0.03	60,000	-	60,000	
29 October 2010	二零一零年十月二十九日	0.06	520,000	-	520,000	
31 March 2011	二零一一年三月三十一日	0.04	60,000	-	60,000	
31 March 2012	二零一二年三月三十一日	0.12	60,000	-	60,000	
31 March 2013	二零一三年三月三十一日	0.18	60,000	-	60,000	
1 July 2013	二零一三年七月一日	0.21	580,000	-	580,000	
31 March 2014	二零一四年三月三十一日	0.16	60,000	-	60,000	
31 March 2015	二零一五年三月三十一日	0.17	-	60,000	60,000	
			1,896,000	60,000	(60,000)	1,896,000
Exercisable at end of the year	年終可行使					1,896,000
Weighted average exercise price (US\$)	加權平均行使價(美元)	0.22	0.17	0.77	0.20	
Holder of the share options are analysed as follows:	購股權持有人分析如下:					
Directors	董事	80,000	-	-	80,000	
Employees	僱員	1,816,000	60,000	(60,000)	1,816,000	
		1,896,000	60,000	(60,000)	1,896,000	

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29. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 51.39% (2015: 51.48%) owned subsidiary of the Company (CONT'D)

The above options were granted for an exercise period of nine years from the date on which the options are vested.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes pricing model.

Fair value of share options and assumptions:

Grant date		31.3.2015	1.7.2015	31.3.2016
授出日期		二零一五年 三月三十一日	二零一五年 七月一日	二零一六年 三月三十一日
Fair value at measurement date (US\$)	於計量日期之 公平價值(美元)	0.13	0.11	0.24
Share price (US\$)	股價(美元)	0.17	0.17	0.32
Exercise price (US\$)	行使價(美元)	0.17	0.17	0.24
Expected volatility	預計波幅	142.8%	107.61%	119.8%
Expected option life (years)	預計購股權期限(年)	3	3	3
Expected dividend yield	預期股息率	0%	0%	0%
Risk-free interest rate	無風險利率	0.26%	0.26%	0.59%

Expected volatility was determined by using the historical volatility of the SMC's share price over the previous one year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations. Changes in the subjective input assumptions could materially affect the fair value estimate.

The Group recognised total expense of HK\$130,000 (2015: HK\$303,000) for the year in relation to share options granted by SMC.

29. 購股權計劃(續)

本公司持有51.39% (二零一五年: 51.48%) 權益之附屬公司聲藝有限公司 (「聲藝」) 之購股權計劃(續)

以上購股權由購股權歸屬日期起九年內行使。

就所授出購股權而取得之服務之公平價值乃參考所授出購股權之公平價值計量。所取得服務之公平價值之估計乃按柏力克-舒爾斯定價模式計量。

購股權之公平價值及假設：

	31.3.2015	1.7.2015	31.3.2016
	二零一五年 三月三十一日	二零一五年 七月一日	二零一六年 三月三十一日
Fair value at measurement date (US\$)	0.13	0.11	0.24
Share price (US\$)	0.17	0.17	0.32
Exercise price (US\$)	0.17	0.17	0.24
Expected volatility	142.8%	107.61%	119.8%
Expected option life (years)	3	3	3
Expected dividend yield	0%	0%	0%
Risk-free interest rate	0.26%	0.26%	0.59%

預計波幅乃採用聲藝股價於過去一年之歷史波幅釐定。上述模式所用預期期限乃按管理層之最佳估計就不能轉讓之影響、行使限制及行為考慮因素予以調整。主觀輸入假設之變動可能會對公平價值之估計構成重大影響。

本集團於年內就聲藝授出之購股權確認之開支總額為130,000港元(二零一五年: 303,000港元)。

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30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the amount due to immediate holding company, borrowing and convertible bonds disclosed in notes 24, 25 and 26, respectively net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

31. FINANCIAL INSTRUMENTS

Categories of financial instruments

Financial assets

Investments held for trading

Loans and receivables

(including cash and cash equivalents)

Financial liabilities

Other financial liabilities

at amortised cost

金融資產

持作買賣之投資

貸款及應收款項

(包括現金及現金等值項目)

金融負債

按攤銷成本列賬之其他金融負債

30. 資本風險管理

本集團之資本管理旨在透過在債務與權益間作出最佳平衡，確保本集團之實體可持續經營之餘，亦為股東締造最大回報。本集團整體策略與去年相同。

本集團之資本架構包括負債淨額(包括附註24、25及26分別披露之應付直接控股公司之款項借貸、銀行透支及可換股債券，扣除現金及現金等值項目)及本公司擁有人應佔權益(包括已發行股本及儲備)。

本公司董事定期檢討資本架構。檢討之一部份為董事考慮資本成本及各類資本所附帶之風險。本集團會通過發行新股份、購回股份、發行新債務或贖回現有債務等方式，平衡整體資本架構。

31. 金融工具

金融工具的類別

		31.3.2016 二零一六年 三月三十一日 HK\$'000 千港元	31.3.2015 二零一五年 三月三十一日 HK\$'000 千港元
Financial assets	金融資產		
Investments held for trading	持作買賣之投資	451	453
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值項目)	366,943	77,693
Financial liabilities	金融負債		
Other financial liabilities at amortised cost	按攤銷成本列賬之其他金融負債	437,853	166,836

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31. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies

The Group's major financial instruments include debtors and deposits, investments held for trading, bank balances and cash, creditors, amount due from/to immediate holding company, amount due to a director, borrowing and convertible bonds. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Several subsidiaries of the Company have foreign currency denominated monetary assets and liabilities, which expose the Group to foreign currency risk.

The carrying amounts of the group entities' foreign currency denominated monetary assets and monetary liabilities (mainly represented by debtors, bank balances and creditors) at the end of the reporting period are as follows:

		2016		2015	
		二零一六年		二零一五年	
		Assets	Liabilities	Assets	Liabilities
		資產	負債	資產	負債
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong dollars	港元	17	2,356	-	34,403
Renminbi	人民幣	-	-	-	27
United States dollars	美元	47	-	3,540	-

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

31. 金融工具(續)

財務風險管理目標及政策

本集團主要金融工具包括應收賬項及按金、持作買賣之投資、銀行結存及現金、應付賬項、應收／應付中間控股公司款項、應付董事款項、借貸及可換股債券。此等金融工具詳情於相關附註披露。與該等金融工具相關之風險及減低風險之政策載於下文。管理層管理及監察該等風險，確保及時有效推行適當措施。

貨幣風險

本公司多家附屬公司之貨幣資產及負債以外幣列值，致使本集團須承擔外幣風險。

集團實體以外幣計值之貨幣資產及貨幣負債（主要指應收賬項、銀行結存及應付賬項）於報告期間末之賬面值如下：

本集團目前並無採取外幣對沖政策。然而，管理層會監控外匯風險，於有需要時將考慮對沖重大外幣風險。

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31. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (CONT'D)

Currency risk (CONT'D)

Sensitivity analysis

The group entities are mainly exposed to foreign currency risk from Hong Kong dollars, Renminbi and United States dollars. Under the pegged exchange rate system, the financial impact on exchange difference between Hong Kong dollars and United States dollars will be immaterial and therefore no sensitivity analysis has been prepared.

The following table details the group entities' sensitivity to a 5% increase and decrease in Hong Kong dollars and Renminbi against each group entity's functional currency (including Hong Kong dollars and Renminbi). 5% is the sensitivity rate used in management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive/negative number below indicates a decrease/an increase in loss for the year where Hong Kong dollars and Renminbi strengthen 5% against each group entity's functional currency. For a 5% weakening of Hong Kong dollars and Renminbi against each group entity's functional currency, there would be an equal and opposite impact on the loss for the year.

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Hong Kong dollars	港元	(98)	(1,436)
Renminbi	人民幣	-	(1)

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

31. 金融工具(續)

財務風險管理目標及政策(續)

貨幣風險(續)

敏感度分析

集團實體主要承擔之外幣風險來自港元、人民幣及美元。根據掛鈎匯率機制，港元與美元匯兌差異之財務影響極微，因此並無編製敏感度分析。

下表詳細說明集團實體對港元及人民幣兌各集團實體之功能貨幣(包括港元及人民幣)之匯率上調及下調5%之敏感度。5%乃為管理層對外匯匯率合理可能變動的評估所採用的敏感度比率。敏感度分析僅包括以外幣計值的未結付貨幣項目，並因外匯匯率變動5%對其於年終的換算作出調整。以下正值/負值價值表明港元及人民幣兌各集團實體功能貨幣升值5%時年內虧損之減少值/增加值。當港元及人民幣兌各集團實體功能貨幣貶值5%，則會對年內虧損構成等值相反影響。

管理層認為，年結日之風險並無反映年內之風險，故敏感度分析不代表固有外匯風險。

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31. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (CONT'D)

Interest rate risk

The Group was exposed to fair value interest rate risk in relation to note payable (note 23), borrowing (note 25) and convertible bonds (note 26). The management continuously monitors interest rate exposure.

Price risk

The Group's held-for-trading investments are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price risk at the end of the reporting period.

If the prices of the respective financial instruments had been 5% higher/lower, loss for the year ended 31 March 2016 would decrease/increase by HK\$23,000 (2015: HK\$23,000) as a result of the changes in held-for-trading investments.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the year end exposure does not reflect the exposure during the year.

31. 金融工具(續)

財務風險管理目標及政策(續)

利率風險

本集團面臨應付票據(附註23)、借款(附註25)及可換股債券(附註26)涉及之公平價值利率風險。管理層會持續監測利率風險。

價格風險

本集團之持作買賣之投資於報告期間末按公平價值計量。因此，本集團須承擔價格風險。管理層透過維持不同風險之投資組合管理有關風險。

敏感度分析

以下敏感度分析乃根據於報告期間末所承受之價格風險而釐定。

倘有關金融工具之價格增加/減少5%，則截至二零一六年三月三十一日止年度之虧損會減少/增加23,000港元(二零一五年：23,000港元)，此乃由於持作買賣之投資之公平價值變動所致。

管理層認為，年結日之風險並無反映年內之風險，故敏感度分析不代表固有價格風險。

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31. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (CONT'D)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and other receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in North America. The trade debtors located in North America accounted for 55% (2015: 29%) of the Group's total trade debtors as at 31 March 2016. The Group also has concentration of credit risk by customers as 43% (2015: 23%) and 68% (2015: 67%) of the total trade debtors was due from the Group's largest customer and the five largest customers, respectively. In the opinion of the directors, all five largest customers are customers with good reputation and creditability.

31. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險

倘對手方於報告期末未能履行有關各類已確認金融資產之責任，則本集團之信貸風險最多為於綜合財務狀況報表所示資產賬面值。

為減低信貸風險，管理層委派專責隊伍釐定信貸額、批核信貸及其他監管程序，確保跟進收回逾期債務。此外，本集團於報告期間未審閱個別貿易債務及其他應收款項之可收回金額，確保就不可收回金額作出足夠減值虧損。因此，本公司董事認為，已大幅減低本集團信貸風險。

本集團按地區劃分之信貸風險集中在北美洲。於二零一六年三月三十一日，位於北美洲之應收貿易賬項佔本集團應收貿易賬項總額55%（二零一五年：29%）。由於本集團之應收貿易賬項總額中之43%（二零一五年：23%）及68%（二零一五年：67%）分別來自本集團最大客戶及五大客戶，因此本集團亦承擔客戶信貸集中風險。董事認為，五大客戶全部為聲譽及信貸良好之客戶。

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31. FINANCIAL INSTRUMENTS (CONT'D)

**Financial risk management objectives and policies
(CONT'D)**

Credit risk (CONT'D)

The Group has concentration of credit risk in respect of the amount due from immediate holding company. In order to minimise the credit risk, the management has reviewed the recoverable amounts of the advances to immediate holding company regularly at the end of each reporting period to ensure that adequate impairment losses are made for irrevocable. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

The Group also has concentration of credit risk in relation to consideration receivable from disposal of a subsidiary. The Group has policies in place to ensure the counterparty is financially viable and with an appropriate credit history. The Group considers that the counterparty is of strong financial position. In this regard, the Group considers that the credit risk is low.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowing.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

31. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險(續)

本集團就應收直接控股公司款項面臨信貸集中風險。為盡量降低信貸風險，管理層會於各報告期末定期檢討向直接控股公司作出墊款之可收回性，以確保就不可收回部分作出足夠之減值虧損。就此而言，本集團董事認為將極大程度上降低本集團的信貸風險。

本集團亦就出售一間附屬公司之應收代價面臨信貸集中風險。本集團已制定政策確保對手方在財政上具有存續性且具備適當之信貸記錄。本集團認為對手方之財務狀況強勁。因此，本集團認為信貸風險較低。

由於對手方乃國際信貸評級機構授予高信貸評級之銀行，因此，流動資金信貸風險有限。

流動資金風險

就管理流動資金風險而言，本集團監管及將現金及現金等價物維持在管理層認為可為本集團之營運提供足夠資金的水平，並會盡量降低現金流量波動之風險。管理層會監管借貸之使用情況。

下表載有本集團金融負債之剩餘合約年期詳情。有關列表乃根據於本集團可能被要求付款之最早日期之金融負債未貼現現金流量編製。下表載有利息及本金現金流量。

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31. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies
(CONT'D)

Liquidity risk (CONT'D)

Liquidity and interest risk tables

31. 金融工具(續)

財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利息風險表

		Effective interest rate	Repayable			Total undiscounted cash flows	Carrying amounts
			on demand or within 1 year	1 - 2 years	2 - 5 years		
		實際利率 %	按要求及 少於1年 HK\$'000 千港元	1 - 2年 HK\$'000 千港元	2 - 5年 HK\$'000 千港元	未貼現現金 流量總額 HK\$'000 千港元	賬面值 HK\$'000 千港元
2016	二零一六年						
Creditors and other payables	應付賬項及其他應付款項	-	50,117	15,011	-	65,128	65,128
Amount due to immediate holding company	應付直接控股公司款項	-	182,319	-	-	182,319	182,319
Amount due to a director	應付董事款項	-	172	-	-	172	172
Note payable	應付票據	6.0%	6,094	-	-	6,094	5,932
Convertible bonds	可換股債券	16.2%	2,256	76,119	-	78,375	64,399
Borrowing	借貸	8.5%	22,325	33,514	89,424	145,263	119,903
			263,283	124,644	89,424	477,351	437,853
2015	二零一五年						
Creditors and other payables	應付賬項及其他應付款項	-	70,964	-	15,011	85,975	85,975
Amount due to immediate holding company	應付直接控股公司款項	-	14,871	-	-	14,871	14,871
Amount due to a director	應付董事款項	-	172	-	-	172	172
Note payable	應付票據	6.0%	4,680	4,833	-	9,513	8,943
Convertible bonds	可換股債券	16.2%	2,256	2,256	76,113	80,625	56,875
			92,943	7,089	91,124	191,156	166,836

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31. FINANCIAL INSTRUMENTS (CONT'D)

Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair values as at 31 March 2016 於二零一六年 三月三十一日 之公平價值	Fair values as at 31 March 2015 於二零一五年 三月三十一日 之公平價值	Fair value hierarchy	Valuation technique(s) and key inputs	Relationship of unobservable input(s)	unobservable inputs to fair value 不可觀察輸入 數據與公平價 值之關係
金融資產			公平 價值等級	估值技術及 主要輸入數據	重大不可 觀察輸入數據	
Non-derivative financial assets classified as investments held for trading in the consolidated statement of financial position	Listed equity securities in Hong Kong – HK\$211,000	Listed equity securities in Hong Kong – HK\$171,000	Level 1	Quoted bid prices in active market	N/A	N/A
於綜合財務狀況報表內歸類為持作 買賣投資之非衍生金融資產	於香港上市之股本證券 – 211,000港元	於香港上市之股本證券 – 171,000港元	第一級	活躍市場 所報買入價	不適用	不適用
	Listed equity securities outside Hong Kong – HK\$240,000	Listed equity securities outside Hong Kong – HK\$282,000				
	於香港境外上市之股本證券 – 240,000港元	於香港境外上市之股本證券 – 282,000港元				

There were no transfers between Level 1, 2 and 3 fair value measurements in both years.

31. 金融工具(續)

金融工具之公平價值計量

本附註提供有關本集團各種金融資產之公平價值釐定方法之資料。

根據經常性基準按公平價值計量之本集團金融資產之公平價值

本集團之部分金融資產於各報告期間末按公平價值計量。下表提供有關該等金融資產之公平價值釐定方法(尤其是所用之估值技術及輸入數據)之資料。

於兩個年度內，公平價值計量的第一級、第二級與第三級之間並無任何轉移。

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32. DECONSOLIDATION OF SUBSIDIARIES

In March 2015, the Company completed the transfer of entire interests in Dual Success Holdings Limited (“Dual Success”) and its subsidiaries to a holding company deployed by the administrators for realisation for the benefit of the creditors of the Company.

The net assets of Dual Success and its subsidiaries were as follows:

32. 附屬公司停止綜合入賬

於二零一五年三月，本公司已完成轉讓 Dual Success Holdings Limited (「Dual Success」) 及其附屬公司之全部權益予管理人就變現本公司債權人之利益而部署之控股公司。

Dual Success及其附屬公司之資產淨值詳情如下：

		HK\$'000 千港元
Analysis of assets and liabilities over which control was lost:	失去控制權之資產及負債分析：	
Investment properties	投資物業	27,075
Property, plant and equipment	物業、廠房及設備	56,562
Prepaid lease payments	預付租賃款項	3,321
Available-for-sale investments	可供出售投資	9,400
Debtors, deposits and prepayments	應收賬項、按金及預付款項	2,663
Bank balances and cash	銀行結存及現金	4,224
Creditors and accrued charges	應付賬項及應計費用	(559,007)
Amount due to a shareholder	應付股東款項	(11,000)
Deferred tax liabilities	遞延稅項負債	(4,514)
Taxation payable	應付稅項	(1,046)
Net liabilities transferred	轉讓之負債淨值	(472,322)
Loss on deconsolidation of Dual Success and its subsidiaries:	Dual Success及其附屬公司停止綜合入賬之虧損：	
Net liabilities transferred	所轉讓負債淨額	472,322
Assignment of intercompany receivables from Dual Success and its subsidiaries	Dual Success及其附屬公司就公司間應收款項之分配	(451,422)
Waiver of intercompany receivables by Dual Success and its subsidiaries	Dual Success及其附屬公司放棄公司間應收款項	24,081
Reinstatement of the balances among the Group and Dual Success and its subsidiaries	重置本集團與Dual Success及其附屬公司之結餘	(63,771)
Release of translation reserve	換算儲備撥回	3,237
		(15,553)
Net cash outflow from deconsolidation of subsidiaries	附屬公司停止綜合入賬之現金流出淨額	
Bank balances and cash	銀行結存及現金	(4,224)

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**33. DISTRIBUTION IN SPECIE OF SHARES
IN A SUBSIDIARY**

On 26 June 2014, the Company made a distribution in specie of shares in a subsidiary, SIH to the shareholders of the Company, 2,033,808,485 shares in SIH were distributed to the shareholders whose names appeared on the register of members of the Company on the same date.

The net assets of SIH and its subsidiaries were as follows:

33. 實物分派附屬公司股份

於二零一四年六月二十六日，本公司就附屬公司SIH之股份向其股東作出實物分派。SIH中的2,033,808,485股股份分派予同日名列本公司股東名冊之股東。

SIH及其附屬公司之資產淨值詳情如下：

		HK\$'000 千港元
Analysis of assets and liabilities over which control was lost:	失去控制權之資產及負債分析：	
Investment properties	投資物業	233,300
Property, plant and equipment	物業、廠房及設備	14,040
Inventories	存貨	3,926
Debtors, deposits and prepayments	應收賬項、按金及預付款項	123,693
Bank balances and cash	銀行結存及現金	17,609
Creditors and accrued charges	應付賬項及應計費用	(139,072)
Deferred tax liabilities	遞延稅項負債	(481)
Taxation payable	應付稅項	(34)
Borrowings	借貸	(73,224)
Net assets transferred	轉讓之資產淨值	179,757
Loss arising from distribution in specie of shares in a subsidiary:	實物分派附屬公司股份產生之虧損：	
Fair value of shares in a subsidiary	附屬公司股份之公平價值	124,062
Net assets transferred	轉讓之資產淨值	(179,757)
Reinstatement of the balances among the Group and SIH and its subsidiaries	重置本集團與SIH及其附屬公司之結餘	(86,167)
Non-controlling interests	非控股權益	2,121
Release of translation reserve	換算儲備撥回	795
		(138,946)
Net cash outflow from distribution in specie of shares in a subsidiary	實物分派附屬公司股份所得之現金流出淨額	
Bank balances and cash	銀行結存及現金	(17,609)

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34. ACQUISITION OF A SUBSIDIARY

On 31 March 2016, the Group acquired the entire equity interest in 本溪市威寧水力發電有限公司 (“Benxi Weining”) from an independent third party for a cash consideration of RMB30,000,000 (equivalent to HK\$35,860,000). Benxi Weining is currently engaged in operation and management of a hydroelectric power station in the PRC. The transaction has been accounted for using the acquisition method. The acquisition is part of the on-going expansion strategy of the Group with the aim of diversifying its operations and broadening its source of revenue.

34. 收購一間附屬公司

於二零一六年三月三十一日，本集團以現金代價人民幣30,000,000元(相等於35,860,000港元)向一名獨立第三方收購本溪市威寧水力發電有限公司(「本溪威寧」)之全部股權。目前本溪威寧於中國從事水電站之營運及管理。此項交易已按收購會計法入賬。收購事項屬本集團現時擴展策略之一，配合實現多元化經營及拓寬收入來源之目標。

		HK\$'000 千港元
Fair value of identifiable assets acquired at the date of obtaining control was as follows:	於實質性控制之日所收購可識別資產的公平價值計量如下：	
Property, plant and equipment	物業、廠房及設備	35,781
Bank balances and cash	銀行結存及現金	79
		35,860
Consideration transferred, satisfied by cash	以現金支付的已轉讓代價	15,477
Deferred consideration included in other payables in current liabilities	遞延代價包括計入流動負債內的其他應付款項	20,383
		35,860
Analysis of net outflow of cash and cash equivalents in respect of acquisition of Benxi Weining:	收購本溪威寧的現金及現金等價物流出淨額分析：	
Cash consideration paid	已付現金代價	(15,477)
Bank balances and cash acquired	已收購銀行結餘及現金	79
		(15,398)

During the year ended 31 March 2016, the acquisition of Benxi Weining has no contribution to the Group's revenue or loss in the consolidated financial statements.

截至二零一六年三月三十一日止年度，收購本溪威寧對本集團綜合財務報表之損益或虧損並無貢獻。

Had the acquisition been completed on 1 April 2015, the Group's revenue for the year would have been HK\$425,922,000, and loss for the year would have been HK\$14,211,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2015, nor is it intended to be a projection of future results.

倘收購已於二零一五年四月一日完成，本集團年內之收益將為425,922,000港元，而年內虧損將為14,211,000港元。備考資料僅供說明用途，並非本集團在收購於二零一五年四月一日已完成之情況下實際會取得的經營收入及業績之指示，亦非未來業績之預測。

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35. DISPOSAL OF A SUBSIDIARY

On 6 March 2016, the Group disposed of its entire equity interest in its subsidiary, Shi Hua Development Holdings Limited, to an independent third party at a cash consideration of RMB73,000,000 (equivalent to HK\$86,813,000).

35. 出售一間附屬公司

於二零一六年三月六日，本集團以現金代價人民幣73,000,000元(相等於86,813,000港元)出售其附屬公司實華發展控股有限公司之全部股權予一名獨立第三方。

		HK\$'000 千港元
<hr/>		
Consideration received:	已收代價：	
Cash received	已收現金	5,946
Deferred consideration included in other receivable in current assets	計入流動資產之其他 應收款項之遞延代價	80,867
		<hr/> 86,813
<hr/>		
Analysis of assets and liabilities over which control has lost:	已失去控制權的資產及負債分析：	
Deposit paid for acquisition of a property	收購物業已支付之按金	71,353
Bank balances and cash	銀行結存及現金	8
Other payables	其他應付款項	(6)
		<hr/> 71,355
<hr/>		
Gain of disposal of a subsidiary:	出售一間附屬公司之收益：	
Consideration received and receivable	所收取及應收取的代價	86,813
Net asset derecognised	取消確認之資產淨值	(71,355)
Release of translation reserve	換算儲備撥回	(5,247)
		<hr/> 10,211
<hr/>		
Net cash inflow arising on the disposal:	出售事項所產生之現金流入淨額：	
Cash consideration received	已收現金代價	5,946
Bank balances and cash disposed of	出售之銀行結餘及現金	(8)
		<hr/> 5,938
<hr/>		

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36. NON-CASH TRANSACTION

In August 2015, the Group acquired an investment property under construction from its ultimate holding company at a total consideration of HK\$208,276,000 by way of promissory note. In March 2016, the promissory note of HK\$199,553,000 was settled by open offer of 2,320,388,398 shares at HK\$0.086 per share and the remaining balance of HK\$8,723,000 was settled through current account with immediate holding company (2015: nil).

37. CAPITAL COMMITMENTS

36. 非現金交易

於二零一五年八月，本集團以承兌票據之方式以總代價208,276,000港元從其最終控股公司收購一項在建投資物業。於二零一六年三月，199,553,000港元的承兌票據透過公開發售2,320,388,398股每股0.086港元的股份結算，餘下結餘8,723,000港元(二零一五年：零)透過直接控股公司之經常賬結算。

37. 資本承擔

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Capital expenditure in respect of acquisition and construction of properties contracted for but not provided in the consolidated financial statements	就購置及興建物業已簽約但未在綜合財務報表撥備之資本開支	5,084	264,976

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38. OPERATING LEASE COMMITMENTS

As lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	4,484	4,419
In the second to fifth years inclusive	第二至第五年(首尾兩年包括在內)	14,830	16,654
Over five years	超過五年	-	1,704
		19,314	22,777

Operating lease payments represent rentals payable by the Group for its office and warehouses. Leases are negotiated for terms ranging from one to five years (2015: from one to six years) and rentals are fixed over the lease terms.

39. PLEDGE OF ASSETS

At the end of the reporting period, the Group pledged the following assets to secure the general credit facilities granted to the Group and the margin accounts with securities brokers:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Investment properties under construction	在建投資物業	188,967	-
Deposits with securities brokers as included in debtors, deposits and prepayments	包括於應收賬項、按金及預付款項中之證券經紀之按金	32	47
Investments held for trading	持作買賣之投資	74	73

38. 經營租約承擔

作為承租人

於報告期間末，本集團根據不可撤銷之已承租物業經營租約須於下列期間支付之未來最低租金承擔如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	4,484	4,419
In the second to fifth years inclusive	14,830	16,654
Over five years	-	1,704
	19,314	22,777

經營租約付款指本集團之辦公室及倉庫之應付租金。租約經磋商後釐定為一至五年(二零一五年：一至六年)不等，而租金於租約期內是固定的。

39. 資產抵押

於報告期末，本集團已抵押以下資產，以擔保本集團獲授的一般信貸融資及證券經紀的保證金賬戶：

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40. RETIREMENT BENEFITS SCHEME

The Group principally operates defined contribution retirement schemes for all qualifying employees, including directors. The assets of the schemes are held separately from those of the Group in funds under the control of independent trustees.

The Group participates in the Mandatory Provident Fund Scheme implemented by the Hong Kong Government for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group in funds under the control of trustee. The Group contributes 5% of relevant payroll costs to the scheme, subject to a maximum amount of HK\$1,500 per month for each employee.

The employees employed in the PRC subsidiaries are members of the state-managed retirement benefits schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the required contributions under the schemes.

40. 退休福利計劃

本集團主要為所有合資格僱員(包括董事)設立定額供款退休計劃。該等計劃之資產與本集團之資產分開持有，並由獨立受託人以基金形式管理。

本集團為香港全體合資格僱員參與香港政府推行之強積金計劃。強積金計劃之資產與本集團之資產分開持有，由受託人以基金形式管理。本集團向計劃作出之供款為有關薪俸成本之5%，每位員工每月供款上限為1,500港元。

受僱於中國附屬公司之僱員是中國政府管理之國營退休福利計劃之成員。該等中國附屬公司須按基本工資若干百分比向退休福利計劃基金供款。本集團對有關退休福利計劃之責任只限於按該等計劃所規定供款額作出供款。

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41. RELATED PARTY TRANSACTIONS

The Group entered into the following related party transactions.

- (a) During the year ended 31 March 2016, the Company paid coupon interest of HK\$2,250,000 (2015: HK\$949,000) to the immediate holding company of the Company.
- (b) During the year ended 31 March 2016, the Group purchased an investment property under construction at a consideration of HK\$208,276,000 from 遼寧實華(集團)房地產開發有限公司, the ultimate holding company of the Company, by way of promissory note of the same amount (2015: nil).
- (c) As at 31 March 2016, Mr. Wang Jing, a director of the Company, and his wife have provided personal guarantees to a bank in respect of the Group's borrowing as at 31 March 2016 (2015: nil).
- (d) As at 31 March 2016, ultimate holding company of the Company has provided corporate guarantee to a bank in respect of the Group's borrowing as at 31 March 2016 (2015: nil).
- (e) Details of the remuneration of key management personnel, who are the directors, during the year are set out in note 10. Key management personnel are deemed to be the members of the Board of Directors of the Company which has responsibility for planning, directing and controlling the activities of the Group.

41. 關連人士交易

本集團訂立以下關連人士交易。

- (a) 於截至二零一六年三月三十一日止年度，本公司已向本公司之直接控股公司支付票面利息2,250,000港元(二零一五年：949,000港元)。
- (b) 於截至二零一六年三月三十一日止年度，本集團以相同金額(二零一五年：零)的承兌票據從遼寧實華(集團)房地產開發有限公司(本公司的最終控股公司)以208,276,000港元購置一項在建投資物業。
- (c) 於二零一六年三月三十一日，本公司一名董事王晶先生及其妻子就本集團於二零一六年三月三十一日的借貸向銀行提供個人擔保(二零一五年：零)。
- (d) 於二零一六年三月三十一日，本公司最終控股公司就本集團於二零一六年三月三十一日的借貸向銀行提供企業擔保(二零一五年：零)。
- (e) 有關主要管理層人員(均為董事)的薪酬詳情載於附註10。主要管理人員被認為是本公司的董事局成員，須負責規劃、指導及控制本集團業務。

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**42. FINANCIAL INFORMATION OF THE
COMPANY**

The financial information of the Company as at 31 March 2016 and 2015 is as follows:

42. 本公司財務資料

本公司於二零一六年及二零一五年三月三十一日之財務資料載列如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	–	–
Amounts due from subsidiaries	應收附屬公司款項	248,813	–
		248,813	–
Current assets	流動資產		
Deposits and prepayments	按金及預付款項	243	193
Amounts due from subsidiaries	應收附屬公司款項	134,530	136,725
Bank balances and cash	銀行結存及現金	206,784	–
		341,557	136,918
Current liabilities	流動負債		
Accrued charges	應計費用	3,115	3,295
Amounts due to subsidiaries	應付附屬公司款項	161	53
Amount due to a director	應付董事款項	140	140
Amount due to immediate holding company	應付直接控股公司款項	176,687	2,370
		180,103	5,858
Net current assets	流動資產淨值	161,454	131,060
Total assets less current liabilities	資產總額減流動負債	410,267	131,060
Non-current liabilities	非流動負債		
Convertible bonds	可換股債券	64,399	56,875
Net assets	資產淨值	345,868	74,185
Capital and reserves	股本及儲備		
Share capital	股本	36,507	243,381
Reserves (note)	儲備(附註)	309,361	(169,196)
Total equity	總權益	345,868	74,185

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**42. FINANCIAL INFORMATION OF THE
COMPANY (CONT'D)**

Note:

42. 本公司財務資料(續)

附註：

		Share premium	Share option reserve	Convertible bonds reserve	Capital redemption reserve	Contributed surplus	Accumulated losses	Total
		股份溢價	購股權 儲備	可換股 債券儲備	贖回儲備 資本	繳入盈餘	累計虧損	總計
		HK\$'000	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	千港元
As 1 April 2014	於二零一四年四月一日	146,883	3,993	-	292,448	75,263	(416,641)	101,946
Loss and other comprehensive expense for the year	本年度虧損及其他全面開支	-	-	-	-	-	(233,065)	(233,065)
Issue of convertible bonds	發行可換股債券	-	-	61,480	-	-	-	61,480
Issue of shares upon exercise of share options	購股權獲行使時發行股份	1,088	(468)	-	-	-	-	620
Issue of shares	發行股份	24,000	-	-	-	-	-	24,000
Transaction costs incurred in connection with issue of convertible bonds	可換股債券發行產生之交易成本	-	-	(115)	-	-	-	(115)
Transfer of share premium to contribution surplus	股份溢價轉撥至繳入盈餘	(147,971)	-	-	-	147,971	-	-
Special dividend by way of distribution in specie of share in a subsidiary	以實物分派附屬公司股份之方式 分派之特別股息	-	-	-	-	(124,062)	-	(124,062)
Cancellation and lapse of share options	購股權取消及失效	-	(3,525)	-	-	-	3,525	-
At 31 March 2015	於二零一五年三月三十一日	24,000	-	61,365	292,448	99,172	(646,181)	(169,196)
Loss and other comprehensive expense for the year	本年度虧損及其他全面開支	-	-	-	-	-	(34,514)	(34,514)
Placing of shares	配發股份	11,682	-	-	-	-	-	11,682
Transactions costs incurred in connection with placing of shares	配發股份產生之交易成本	(759)	-	-	-	-	-	(759)
Reduction of share capital upon capital reorganisation	於資本重組之股本減少	-	-	-	284,756	-	-	284,756
Issue of shares upon open offer	公開發售後發行股份	221,963	-	-	-	-	-	221,963
Transaction costs incurred in connection with open offer	就公開發售產生之交易成本	(4,571)	-	-	-	-	-	(4,571)
At 31 March 2016	於二零一六年三月三十一日	252,315	-	61,365	577,204	99,172	(680,695)	309,361

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43. PRINCIPAL SUBSIDIARIES

General information of subsidiaries

Details of the Company's principal subsidiaries are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊/營業地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本/註冊資本面值	Attributable equity interest 本集團應佔股本權益		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
Cosmo Communications Corporation ("Cosmo") Cosmo Communications Corporation (「Cosmo」)	United States of America/ Canada 美國/加拿大	US\$1,571,000 1,571,000美元	93.8%	93.8%	Trading in electrical appliances and investment holding 電器產品貿易及投資控股
Harvest Way Holdings Limited Harvest Way Holdings Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	100%	100%	Investment holding 投資控股
Master Light Enterprises Limited 智輝企業有限公司	Hong Kong 香港	HK\$2 2港元	100%	100%	Investment holding 投資控股
Starlight Electronics USA Inc. Starlight Electronics USA Inc.	United States of America 美國	US\$10,000 10,000美元	100%	100%	Trading in electronic products 電器產品貿易
Starlight Marketing Limited 升岡市場推廣有限公司	Hong Kong 香港	HK\$2 2港元	100%	100%	Securities trading and trading in electronic products 證券買賣及電子產品貿易
Starlite Consumer Electronics (USA) Inc. Starlite Consumer Electronics (USA) Inc.	United States of America 美國	US\$20 20美元	100%	100%	Trading in electronic products 電器產品貿易

43. 主要附屬公司

附屬公司之一般資料

本公司之主要附屬公司詳情如下：

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43. PRINCIPAL SUBSIDIARIES (CONT'D)

General information of subsidiaries (CONT'D)

43. 主要附屬公司(續)

附屬公司之一般資料(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊/營業地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本/ 註冊資本面值	Attributable equity interest to the Group 本集團應佔 股本權益		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
The Singing Machine Company, Inc. ("SMC")**	United States of America	US\$380,706	51.39%	51.48%	Trading in consumer karaoke audio equipment and electronic products
The Singing Machine Company, Inc. (「聲藝」)**	美國	380,706美元	51.39%	51.48%	消費卡拉OK音響設備及 電子產品貿易
本溪同盛遠實業有限公司	PRC*	RMB20,000,000	100%	100%	Properties investment
本溪同盛遠實業有限公司	中國*	人民幣20,000,000元	100%	100%	物業投資
本溪尊赫實業有限公司	PRC*	RMB20,000,000	100%	100%	Properties investment
本溪尊赫實業有限公司	中國*	人民幣20,000,000元	100%	100%	物業投資
Benxi Weining	PRC*	RMB500,000	100%	N/A	Operation and management of a hydroelectric power station
本溪威寧	中國*	人民幣500,000	100%	不適用	水電站運營及管理
* These subsidiaries were PRC wholly foreign owned enterprises.					* 該等附屬公司為中國外商獨資企業。
** The common stock of SMC is quoted on the Over-the-Counter Bulletin Board in the United States of America.					** 聲藝之普通股在美國場外交易議價板報價。

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43. PRINCIPAL SUBSIDIARIES (CONT'D)

General information of subsidiaries (CONT'D)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results of the year or constitute a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Other than Harvest Way Holdings Limited and Seasonal Bliss Limited which are held directly by the Company, all other subsidiaries are held indirectly by the Company. None of the subsidiaries had any loan capital outstanding at the end of the year or at any time during the year.

Information about the composition of the Group at the end of the reporting period is as follows:

43. 主要附屬公司(續)

附屬公司之一般資料(續)

董事認為上表所列本公司附屬公司均對本年度之業績有重要的影響，或構成本集團資產淨值主要部份。董事認為如提供其他附屬公司之詳情，將令資料過於冗長。

除Harvest Way Holdings Limited及Seasonal Bliss Limited為本公司直接持有外，所有其他附屬公司均為本公司間接持有。於本年底或本年度內任何時間，均無附屬公司有任何未償還貸款資本。

於報告期間末，有關本集團組成的資料如下：

Principal activity 主要業務	Place of incorporation and operations 註冊成立及營業地點	Number of wholly-owned subsidiaries As at 31 March 全資附屬公司數目 於三月三十一日	
		2016 二零一六年	2015 二零一五年
Trading in electronic products 電子產品貿易	United States of America 美國	2	2
Securities trading and trading in electronic products 證券買賣及電子產品交易	Hong Kong 香港	1	1
Properties investment 物業投資	PRC 中國	2	2
Operation and management of a hydroelectric power generation 水電站之運營及管理	PRC 中國	1	–
		6	5

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43. PRINCIPAL SUBSIDIARIES (CONT'D)

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Principal activity 主要業務	Place of incorporation and operations 註冊成立及營業地點	Number of non-wholly-owned subsidiaries As at 31 March 非全資附屬公司數目 於三月三十一日	
		2016 二零一六年	2015 二零一五年
Trading in consumer karaoke audio and equipment and electronic products 消費卡拉OK音響及設備及電子產品貿易	United States of America/Macau/British Virgin Islands 美國/澳門/英屬維爾京群島	5	5
Trading in electrical appliances 電器產品貿易	United States of America/Canada/Hong Kong 美國/加拿大/香港	4	4
		9	9

Other subsidiaries not disclosed above are either investment holding companies or inactive during both years.

43. 主要附屬公司(續)

擁有重大非控股權益非全資擁有附屬公司之詳情

下表載列本集團擁有重大非控股權益非全資擁有附屬公司之詳情：

上文未予披露的其他附屬公司為投資控股公司或於兩個年度內並無開展業務的公司。

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43. PRINCIPAL SUBSIDIARIES (CONT'D)

Details of non-wholly owned subsidiaries that have material non-controlling interests (CONT'D)

The table below provides details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		As at 31 March	Year ended 31 March	Year ended 31 March	As at 31 March		
附屬公司名稱	註冊成立地點及主要營業地點	非控股權益持有的所有權益及投票權比例	於三月三十一日	分配至非控股權益的溢利(虧損)	截至三月三十一日止年度	累計非控股權益	於三月三十一日
		2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
				HK\$'000	HK\$'000	HK\$'000	HK\$'000
				千港元	千港元	千港元	千港元
SMC and its subsidiaries (note a) 聲藝及其附屬公司(附註a)	United States of America/Macau/ British Virgin Islands 美國/澳門/英屬維爾京群島	48.61%	48.52%	6,516	791	25,096	18,369
Cosmo and its subsidiaries (note b) Cosmo及其附屬公司(附註b)	United States of America/Canada/ Hong Kong 美國/加拿大/香港	6.20%	6.20%	(272)	(999)	(3,355)	(3,113)
Other subsidiary with immaterial non-controlling interests 其他擁有非控股權益個別非重大附屬公司	Hong Kong 香港	-	-	-	11	-	-
						21,741	15,256

Notes:

- (a) The subsidiaries of SMC are all wholly-owned during both years.
- (b) The subsidiaries of Cosmo are all wholly-owned during both years.

附註：

- (a) 於兩個年度內，聲藝的附屬公司均為全資擁有。
- (b) 於兩個年度內，Cosmo的附屬公司均為全資擁有。

43. 主要附屬公司(續)

擁有重大非控股權益非全資擁有附屬公司之詳情(續)

下表載列本集團擁有重大非控股權益非全資擁有附屬公司之詳情：

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43. PRINCIPAL SUBSIDIARIES (CONT'D)

Details of non-wholly owned subsidiaries that have material non-controlling interests (CONT'D)

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before elimination of intragroup transactions.

SMC and its subsidiaries

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產	22,314	22,369
Current assets	流動資產	60,889	83,462
Current liabilities	流動負債	(39,105)	(75,215)
Equity	權益	44,098	30,616
Revenue	收入	381,081	306,605
Other income and expenses	其他收益及開支	(367,794)	(305,277)
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	13,287	1,328
Net cash inflow (outflow) from operating activities	經營活動現金流入(流出)淨額	19,906	(8,780)
Net cash (outflow) inflow from investing activities	投資活動現金(流出)流入淨額	(1,059)	799
Net cash outflow from financing activities	融資活動現金流出淨額	(3,245)	(1,674)
Net increase (decrease) in cash and cash equivalents	現金及現金等值項目增加(減少)淨額	15,602	(9,655)

43. 主要附屬公司(續)

擁有重大非控股權益非全資擁有附屬公司之詳情(續)

下文載列本集團擁有重大非控股權益附屬公司之財務資料概要。下文載列的財務資料概要指對銷集團間交易之前之金額。

聲藝及其附屬公司

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	22,314	22,369
Current assets	60,889	83,462
Current liabilities	(39,105)	(75,215)
Equity	44,098	30,616
Revenue	381,081	306,605
Other income and expenses	(367,794)	(305,277)
Profit and total comprehensive income for the year	13,287	1,328
Net cash inflow (outflow) from operating activities	19,906	(8,780)
Net cash (outflow) inflow from investing activities	(1,059)	799
Net cash outflow from financing activities	(3,245)	(1,674)
Net increase (decrease) in cash and cash equivalents	15,602	(9,655)

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43. PRINCIPAL SUBSIDIARIES (CONT'D)

Details of non-wholly owned subsidiaries that have
material non-controlling interests (CONT'D)

Cosmo and its subsidiaries

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產	64	64
Current assets	流動資產	29,729	28,688
Current liabilities	流動負債	(90,036)	(85,090)
Deficiency in equity	權益虧絀	(60,243)	(56,338)
Revenue	收入	47,087	46,395
Other income and expenses	其他收益及開支	(51,468)	(62,510)
Loss for the year	本年度虧損	(4,381)	(16,115)
Other comprehensive income for the year	本年度其他全面收益	477	13,191
Loss and total comprehensive expense for the year	本年度虧損及全面開支總額	(3,904)	(2,924)
Net cash inflow (outflow) from operating activities	經營活動現金流入(流出)淨額	815	(488)
Net increase (decrease) in cash and cash equivalents	現金及現金等值項目增加(減少)淨額	815	(488)

43. 主要附屬公司(續)

擁有重大非控股權益非全資擁有附屬公司之
詳情(續)

Cosmo及其附屬公司

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

		Year ended 31 March 截至三月三十一日止年度				
		2012	2013	2014	2015	2016
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		千港元	千港元	千港元	千港元	千港元
RESULTS	業績					
Turnover	營業額	631,830	515,408	366,953	381,863	425,523
Loss before taxation	除稅前虧損	(183,085)	(65,776)	(199,046)	(245,868)	(14,495)
Taxation	稅項	(10,434)	7,389	9,682	(1,263)	(1,504)
Loss for the year	本年度虧損	(193,519)	(58,387)	(189,364)	(247,131)	(15,999)
Attributable to:	下列人士應佔：					
Owners of the Company	本公司擁有人	(194,862)	(69,829)	(193,036)	(246,934)	(22,243)
Non-controlling interests	非控股權益	1,343	11,442	3,672	(197)	6,244
		(193,519)	(58,387)	(189,364)	(247,131)	(15,999)

		At 31 March 於三月三十一日				
		2012	2013	2014	2015	2016
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		千港元	千港元	千港元	千港元	千港元
ASSETS AND LIABILITIES	資產與負債					
Total assets	資產總額	834,188	685,728	530,375	280,040	836,213
Total liabilities	負債總額	316,356	201,004	192,249	182,740	457,336
		517,832	484,724	338,126	97,300	378,877
Equity attributable to owners of the Company	本公司擁有人 應佔權益	517,543	472,893	321,716	82,044	357,136
Non-controlling interests	非控股權益	289	11,831	16,410	15,256	21,741
		517,832	484,724	338,126	97,300	378,877

DEFINITIONS

釋義

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

於本年報內，除文義另有所指外，下列詞彙具有以下涵義：

<p>“Achieve Prosper”</p>	<p>Achieve Prosper Capital Limited, a company incorporated in Samoa with limited liability on 21 November 2013 and is wholly and beneficially owned by Hong Kong Shihua</p>	<p>「達榮」</p>	<p>指 達榮資本有限公司，於二零一三年十一月二十一日在薩摩亞註冊成立之有限公司，並由香港實華全資實益擁有</p>
<p>“Bye-Laws”</p>	<p>the bye-laws of the Company</p>	<p>「公司細則」</p>	<p>指 本公司之公司細則</p>
<p>“Board”</p>	<p>board of Directors</p>	<p>「董事局」</p>	<p>指 董事局</p>
<p>“Capital Reduction”</p>	<p>the reduction of the Company’s issued share capital whereby: (i) the cancelled fractional Consolidated Share in the issued share capital of the Company resulting from the Share Consolidation; and (ii) the nominal value of all the issued Consolidated Shares reduced from HK\$0.40 each to HK\$0.01 each and the issued share capital of the Company reduced to the extent of HK\$0.39 per Consolidated Share in issue and details of which are set out in the circular of the Company dated 27 November 2015</p>	<p>「股本削減」</p>	<p>指 將本公司已發行股本進行削減，藉此：(i)本公司因股份合併已發行股本中的已註銷零碎合併股份；及(ii)所有已發行合併面值由每股0.40港元削減至每股0.01港元及本公司已發行股本削減至已發行每股合併股份0.39港元，詳情載於本公司日期為二零一五年十一月二十七日之通函</p>
<p>“Capital Reorganisation”</p>	<p>the capital reorganisation of the Company which came effect from 13 January 2016 and details of which are set out in the circular of the Company dated 27 November 2015</p>	<p>「股本重組」</p>	<p>指 本公司之股本重組，自二零一六年一月十三日起生效，詳情載於本公司日期為二零一五年十一月二十七日之通函</p>
<p>“Change in Board Lot Size”</p>	<p>the change in board lot size of the Shares for trading on the Stock Exchange from 10,000 Shares to 20,000 Adjusted Share which came effect from 13 January 2016 and details of which are set out in the circular of the Company dated 27 November 2015</p>	<p>「更改每手股份買賣單位」</p>	<p>指 將於聯交所交易的股份每手股份買賣單位由10,000股股份更改為20,000股經調整股份，自二零一六年一月十三日起生效，詳情載於本公司日期為二零一五年十一月二十七日之通函</p>

DEFINITIONS

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“Companies Act”	the Companies Act 1981 of Bermuda	「公司法」	指 百慕達一九八一年公司法
“Company”	Shihua Development Company Limited (實華發展有限公司), a company incorporated in Bermuda whose Shares are listed on the Stock Exchange	「本公司」	指 實華發展有限公司，於百慕達註冊成立之有限責任公司，其股份於聯交所上市
“Consolidated Share(s)”	means ordinary share(s) of HK\$0.40 each in the issued share capital of the Company immediately upon the Share Consolidation becoming effective	「合併股份」	指 緊隨股份合併生效後，本公司已發行股本中每股面值0.40港元之普通股
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules	「控股股東」	指 具有上市規則所賦予之涵義
“Convertible Bonds”	3% convertible bonds due 2017 in the principal amount of HK\$75,000,000 issued by the Company to Achieve Prosper on 30 July 2014 and was transferred from Achieve Prosper to Lushan Investment Holding Limited on 30 December 2015 as more particularly described in the circular of the Company dated 24 May 2014 and 27 November 2015, the prospectus of the Company dated 27 January 2016 and the announcements of the Company dated 30 July 2014 and 16 March 2016	「可換股債券」	指 本公司於二零一四年七月三十日向達榮發行之本金額75,000,000港元於二零一七年到期之3厘可換股債券，已於二零一五年十二月三十日由達榮轉讓予Lushan Investment Holding Limited，更多詳情載於本公司日期為二零一四年五月二十四日及二零一五年十一月二十七日之通函、本公司日期為二零一六年一月二十七日之招股章程以及本公司日期為二零一四年七月三十日及二零一六年三月十六日之公告
“CB Subscription”	the subscription of the Convertible Bonds by the Achieve Prosper pursuant to the CB Subscription Agreement which was entered into between the Company and Achieve Prosper on 30 January 2014 in relation to the subscription of the Convertible Bonds. The details of the CB Subscription is set out in the circular of the Company dated 24 May 2014 and the announcements of the Company dated 29 May 2014 and 30 July 2014	「可換股債券認購事項」	指 達榮根據本公司與其於二零一四年一月三十日就認購可換股債券訂立的可換股債券認購協議認購可換股債券。可換股債券認購事項詳情載於本公司日期為二零一四年五月二十四日之通函及本公司日期為二零一四年五月二十九日及二零一四年七月三十日之公告

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“Creditors’ Scheme”	a scheme of arrangement between the Company and its creditors pursuant to Section 99 of the Companies Act 1981 of Bermuda and Section 670 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong). The Creditors’ Scheme was became effective on 27 February 2015 and the interest in the Scheme Subsidiaries was transferred to the Creditors’ Scheme upon it became effective. The details of the Creditors’ Scheme is set out in the circular of the Company dated 24 May 2014 and the announcements of the Company dated 19 June 2014, 28 July 2014, 15 October 2014, 6 November 2014 and 10 March 2015	「債權人計劃」	指 本公司及其債權人根據百慕達一九八一年公司法第99條及香港法例第622章公司條例第670條訂立的安排計劃。債權人計劃於二零一五年二月二十七日生效及計劃附屬公司之權益已於其生效後轉移至債權人計劃。債權人計劃詳情載於本公司日期為二零一四年五月二十四日之通函及本公司日期為二零一四年六月十九日、二零一四年七月二十八日、二零一四年十月十五日、二零一四年十一月六日及二零一五年三月十日之公告
“Director(s)”	the director(s) of the Company	「董事」	指 本公司董事
“Group”	the Company and its subsidiaries	「本集團」	指 本公司及其附屬公司
“Group Restructuring”	the group restructuring of the Group, details of which are set out in the circular of the Company dated 24 May 2014	「集團重建」	指 本集團之集團重建，詳情載於本公司日期為二零一四年五月二十四日之通函
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong	「港元」	指 港元，香港法定貨幣
“Hong Kong Shihua”	Hong Kong Shihua Holdings Limited, a company incorporated in Hong Kong with limited liability on 12 December 2013, the entire issued share capital which is legally and beneficially owner by Liaoning Shihua Property	「香港實華」	指 香港實華控股有限公司，於二零一三年十二月十二日在香港註冊成立之有限公司，其全部已發行股本由遼寧實華房地產合法及實益擁有

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“Liaoning Shihua Property”	遼寧實華(集團)房地產開發有限公司 (Liaoning Shihua (Group) Property Development Company Limited*), a company established in the PRC on 12 January 1998 with limited liability which is controlled as to 82.8% of its equity interest by Mr. Wang Jing, the Chairman of the Board and an executive Director, 16.0% by Ms. Wang Yi Qiao (Mr. Wang Jing’s daughter) and 1.2% by Ms. Hu Bao Qin (Mr. Wang Jing’s spouse)	「遼寧實華房地產」	指 遼寧實華(集團)房地產開發有限公司，於一九九八年一月十二日在中國成立之有限公司，由董事局主席兼執行董事王晶先生控制其82.8%股權、由王藝橋女士(王晶先生之女兒)控制其16.0%股權及由胡寶琴女士(王晶先生之配偶)控制其1.2%股權
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange	「上市規則」	指 聯交所證券上市規則
“Model Code”	the Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules	「標準守則」	指 上市規則附錄十所載上市發行人董事進行證券交易之標準守則
“Offer Share(s)”	2,920,568,484 Adjusted Shares to be allotted and issued pursuant to Open Offer	「發售股份」	指 根據公開發售將配發及發行之2,920,568,484股經調整股份
“Open Offer”	the proposed issue of Offer Shares on the basis of four (4) Offer Shares for every one (1) Adjusted Share held on the Record Date to Qualifying Shareholders pursuant to the terms and conditions of the Prospectus Documents and the Underwriting Agreement	「公開發售」	指 根據章程文件及包銷協議之條款及條件向合資格股東建議發行發售股份，基準為於記錄日期每持有一(1)股經調整股份獲發四(4)股發售股份
“PRC”	the People’s Republic of China, which for the purpose of this report, shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China	「中國」	指 中華人民共和國，就本報告而言，不包括香港、台灣及中華人民共和國澳門特別行政區

* For identification purpose only

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“Promissory Note”	the promissory note dated 3 August 2015 issued by the Company to Achieve Prosper for a principal amount of HK\$208,276,000 (without interest and payable by the Company on demand when the Company has generated, obtained and/or raised fund for not less than HK\$200 million), the particulars of which are further described in the circular of the Company dated 29 April 2015	「承兌票據」	指 本公司於二零一五年八月三日向達榮發行之本金額為208,276,000港元之承兌票據(不計息及在本公司已產生、取得及/或籌集不少於200,000,000港元資金時按要求償還),詳情於本公司日期為二零一五年四月二十九日之通函進一步載述
“RMB”	Renminbi, the lawful currency of the PRC	「人民幣」	指 人民幣,中國法定貨幣
“Set Off”	the setting off of the amount due under the Promissory Note, as more particularly described in the circular of the Company dated 27 November 2015 and the prospectus of the Company dated 27 January 2016	「抵銷」	指 抵銷承兌票據項下到期之款項,更多詳情載於本公司日期為二零一五年十一月二十七日之通函及本公司日期為二零一六年一月二十七日之招股章程
“SFO”	Securities & Futures Ordinance (Chapter. 571 of the Laws of Hong Kong), as amended from time to time	「證券及期貨條例」	指 香港法例第571章證券及期貨條例,經不時修訂
“Shareholder(s)”	shareholder(s) of the Company	「股東」	指 本公司股東
“Share(s)” or “Adjusted Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company upon completion of the Capital Reorganisation	「股份」或「經調整股份」	指 於股本重組完成後本公司股本中每股面值0.01港元之普通股
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	指 香港聯合交易所有限公司
“%”	per cent.	「%」	指 百分比
“sq.m.”	square meter	「平方米」	指 平方米



實華發展
SHIHUA DEVELOPMENT