



CHINA SANDI HOLDINGS LIMITED

中國三迪控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock code 股份代號：910

2016-2017

Annual Report

年報

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Corporate Information

公司資料

EXECUTIVE DIRECTORS

Mr. Guo Jiadi (*Chairman*)
Ms. Amika Lan E Guo
Mr. Lin Jianbin
(Resigned on 1 July 2016)
Mr. Yan Pingfeng
(Appointed on 15 September 2016)

NON-EXECUTIVE DIRECTORS

Dr. Wong Yun Kuen
(Redesignated on 15 September 2016)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Yee Ping, Michael
Mr. Yu Pak Yan, Peter
Mr. Zheng Jinyun
Mr. Zheng Yurui

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 3309
33/F., West Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

COMPANY SECRETARY

Mr. Chiu Ngam, Chris
(Resigned on 20 February 2017)
Ms. Chan Po Yu
(Appointed on 28 April 2017)

AUDITOR

BDO Limited
25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

執行董事

郭加迪先生 (主席)
Amika Lan E Guo女士
林建濱先生
(於二零一六年七月一日辭任)
嚴平峰先生
(於二零一六年九月十五日獲委任)

非執行董事

黃潤權博士
(於二零一六年九月十五調任)

獨立非執行董事

陳貽平先生
余伯仁先生
鄭金雲先生
鄭玉瑞先生

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

總辦事處及主要營業地點

香港
干諾道中168–200號
信德中心
西座33樓
3309室

公司秘書

趙岩先生
(於二零一七年二月二十日辭任)
陳寶茹女士
(於二零一七年四月二十八日獲委任)

核數師

香港立信德豪會計師事務所有限公司
香港
干諾道中111號
永安中心25樓

PRINCIPAL BANKERS

Bank of China Limited
Bank of China (Hong Kong) Limited
Chiyu Banking Corporation Ltd.
Bank of Communications Co., Ltd.
The Bank of East Asia Limited

PRINCIPAL REGISTRARS AND TRANSFER OFFICE

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH REGISTRARS AND TRANSFER OFFICE

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

STOCK CODE

910

WEBSITE

www.chinasandi.com.hk

主要往來銀行

中國銀行有限公司
中國銀行(香港)有限公司
集友銀行有限公司
交通銀行股份有限公司
東亞銀行有限公司

股份過戶登記總處

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

股份代號

910

網頁

www.chinasandi.com.hk

Chairman's Statement

主席報告書

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors"), I am pleased to present the annual report of China Sandi Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2017.

REVIEW OF THE YEAR

During the year under review, the Group achieved a total revenue of approximately HK\$99.2 million and the loss attributable to equity holders of the Company is approximately HK\$116.5 million. The loss of the Group was mainly attributable to the recognition of a non-cash fair value loss of investments held for trading of approximately HK\$52.4 million and a non-cash fair value loss of an investment property of approximately HK\$81.1 million.

The market environment in 2016 remained complicated and fast-changing. On one hand, the depreciation of the value of Renminbi ("RMB") has brought uncertainties to the operating environment. On the other hand, the supply-side structural reform and economic transformation in China has delivered initial results and started to provide new impetus for economic growth.

Throughout the year, the real estate market in China continued to boom, and the transactions presented a trend of increasing sales price and volume. The Group is optimistic to the residential and commercial property market of China in the long run. During the year, the Group proactively took up opportunities to expand its operating scale for continuous development and lay the foundation for persisted growth.

On 15 December 2016, Fujian Sinco Industrial Co., Ltd. (福建先科實業有限公司) (the "Purchaser"), an indirect wholly-owned subsidiary of the Group, entered into an agreement with Fuzhou Gaojia Real Estate Development Co., Ltd. (the "Vendor") pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell 95% of the equity interests of Fujian Jingdu Land Co., Ltd, the (the "Fujian Company") at an aggregate consideration of RMB455,816,462 (the "Fujian Acquisition"). The Fujian Company owns the commercial and hotel property development project named Fuzhou Sandi Chuangfu Plaza (福州三迪創富廣場) in Fuzhou City, Fujian Province. Upon the completion of the Fujian Acquisition, the Group would strategically procure premium property development project with an aggregate gross floor area ("GFA") of 100,845 square metres in Fujian.

各位股東：

本人謹此代表中國三迪控股有限公司(「本公司」)董事(「董事」)會(「董事會」)，欣然呈報本公司及其附屬公司(統稱「本集團」)截至二零一七年三月三十一日止年度之年報。

全年回顧

於回顧年度內，本集團錄得總收入約99,200,000港元及本公司股東應佔虧損約116,500,000港元，本集團虧損主要由於確認持作買賣投資之非現金公平值虧損約52,400,000港元及投資性物業之非現金公平值虧損約81,100,000港元。

二零一六年市場環境依然複雜，變幻莫測。一方面，人民幣(「人民幣」)貶值為經營環境帶來不確定性。另一方面，中國供應側結構性改革及經濟轉型已取得初步成果，開始為經濟增長帶來新動力。

全年中國物業市場持續高漲，成交量呈現銷售價格及數量上升的趨勢。長遠而言，本集團對中國住宅及商業物業市場樂觀。年內，本集團積極發掘機遇，擴大經營規模，不斷發展，為持續增長奠定基礎。

於二零一六年十二月十五日，福建先科實業有限公司(「買方」)(本集團間接全資附屬公司)與福州高佳房地產開發有限公司(「賣方」)訂立協議，據此，買方同意收購及賣方同意出售福建京都置業有限公司(「福建公司」)95%股權，總代價為人民幣455,816,462元(「福建收購事項」)。福建公司於福建省福州市擁有一名為福州三迪創富廣場之商業及酒店物業開發項目。福建收購事項完成後，本集團將於福建策略性採購總建築面積(「總建築面積」)100,845平方米的優質物業開發項目。

Chairman's Statement

主席報告書

Concurrent with the Fujian Acquisition, the Purchaser and the Vendor entered into another agreement pursuant to which the Purchaser agreed to acquire 95% of the equity interests of Xian Sandi Real Estate Development Co., Ltd. (the "Xian Company") at an aggregate consideration of RMB202,437,651 (the "Xian Acquisition"). The Xian Company owns the residential and commercial property development project named Qujiang Xiangsong Fengdan • Xian Sandi (西安三迪 • 曲江香頌楓丹) in Xian City, Shaanxi Province with a total planned GFA of 158,250 square metres.

The Fujian Acquisition and Xian Acquisition were completed in May 2017 and June 2017 respectively. The Fujian Acquisition and Xian Acquisition allowed the Group to deepen its presence in existing city and expand into new emerging city. The Acquisitions above would enhance the property portfolio of the Group, they can also enhance the financial performance and generate healthy income streams to the Group and in the interests of the Group and the Shareholders as a whole.

PROSPECTUS

Looking ahead, the global business environment is expected to be complex and continue to create challenging operating conditions for business. The PRC economy is expected to continue to deteriorate with a lower gross domestic growth rate. However, the Group is optimistic to the residential and commercial property market of the PRC in the long run. The Group will continue to leverage on its competitive advantage, solidify and further develop its property investment and development business. The Group will continue to seek for opportunities to acquire optimal scale land parcels, property development projects under construction or completed properties for development and investment continuously.

APPRECIATION

On behalf of the Board, I would like to thank our valued customers, suppliers and business associates for their invaluable contributions and support. I also want to express my gratitude to our management team and all staff of the Group for their hard work during the year. Last but not least, I am most grateful to our shareholders for their continuous support and confidence.

Guo Jiadi
Chairman

Hong Kong, 29 June 2017

在進行福建收購事項的同時，買方與賣方訂立另一份協議，據此，買方同意收購西安三迪房地產開發有限公司（「西安公司」）95%股權，總代價為人民幣202,437,651元（「西安收購事項」）。西安公司於陝西省西安市擁有名為西安三迪 • 曲江香頌楓丹之住宅及商業物業開發項目，計劃總建築面積合共158,250平方米。

福建收購事項及西安收購事項分別於二零一七年五月及二零一七年六月完成。福建收購事項及西安收購事項可使本集團深化現有城市之業務，拓展新興城市。上述收購事項將加強本集團之物業組合，亦可改善本集團之財務業績，為本集團創造健康收入來源，並符合本集團及股東之整體利益。

前景

展望未來，全球營商環境預期將紛繁複雜，並繼續為業務創造充滿挑戰之經營狀況。中國經濟預期繼續下滑，國內生產總值增速降低。然而，本集團長遠來看對中國住宅及商業物業市場保持樂觀。本集團將繼續利用其競爭優勢，強化及進一步發展其物業投資及開發業務。本集團將繼續物色收購具有最佳規模地塊、在建物業發展項目或竣工物業作為持續發展及投資之機遇。

致謝

本人謹代表董事會對我們的尊貴客戶、供應商及業務夥伴的寶貴貢獻及支持表達由衷謝意。本人亦感謝本集團的管理團隊及全體員工於本年度的辛勤努力。最後，本人謹此對股東持續支持和信賴深表謝意。

主席
郭加迪

香港，二零一七年六月二十九日

Management Discussion and Analysis

管理層討論及分析

FINANCIAL HIGHLIGHTS

During the year, the total revenue of the Group was approximately HK\$99.2 million (2016: approximately HK\$109.8 million) which was arising from the rental income from the Group's investment property, representing a year on year decrease of approximately 9.6% as rent free period is granted to tenants under the renewal or new rental tenancy. The Group's loss attributable to shareholders for the year ended 31 March 2017 was approximately HK\$116.5 million, representing a basic loss per share of HK4 cents (2016: profit of approximately HK\$161.1 million, representing a basic earnings per share of HK9 cents).

The loss of the Group was mainly attributable to i) the recognition of a non-cash fair value loss of investments held for trading of approximately HK\$52.4 million and as compared to that of, a fair value gain of approximately HK\$75.5 million was recorded in 2016; and (ii) a non-cash fair value loss of an investment property of approximately HK\$81.1 million as compared to a fair value gain on an investment property of approximately HK\$96.7 million was recorded in 2016.

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 March 2017 (2016: HK\$Nil).

BUSINESS REVIEW

The Group is principally engaged in property development and holding of property for investment and rental purpose as well as money lending business. Currently, the Group owns a shopping mall in Fuzhou as an investment property.

The property investment business

The Group is optimistic to the commercial property market of Mainland China in the long run.

The property investment business is mainly operated by Fujian Sinco Industrial Co., Ltd ("Fujian Sinco"), an indirect wholly-owned subsidiary of the Company, which is engaged in development, operation and management of a home improvement plaza (the "Sandi Plaza").

財務摘要

於本年度，本集團之總收益（產生自本集團投資物業之租金收入）為約99,200,000港元（二零一六年：約109,800,000港元），同比減少約9.6%，乃由於就續租或新租賃租約向租戶授予免租期所致。截至二零一七年三月三十一日止年度，本集團股東應佔虧損為約116,500,000港元，即每股基本虧損4港仙（二零一六年：溢利約161,100,000港元，即每股基本盈利9港仙）。

本集團虧損主要由於(i)確認持作買賣投資之非現金公平值虧損約52,400,000港元，而二零一六年則錄得公平值收益約75,500,000港元；及(ii)投資性物業之非現金公平值虧損約81,100,000港元，而二零一六年則錄得投資性物業之公平值收益約96,700,000港元。

股息

董事會不建議就截至二零一七年三月三十一日年度派付任何末期股息（二零一六年：零港元）。

業務回顧

本集團主要從事物業發展及持有用作投資及租賃用途之物業以及放債業務。現時，本集團擁有福州一個購物商場作為一項投資物業。

物業投資業務

本集團對中國內地商用物業市場之長遠表現持樂觀態度。

物業投資業務主要由本公司之間接全資附屬公司福建先科實業有限公司（「福建先科」）營運，該公司從事家居廣場（「三迪家居廣場」）之發展、營運及管理。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

The property investment business (continued)

During the year, the Group recorded the rental income of approximately HK\$44.7 million (2016: HK\$42.7 million) and property management and related fee income of approximately HK\$54.5 million (2016: HK\$67.1 million). The plaza had an occupancy rate of approximately 80.6% which represent an increase in the occupancy rate as compared to last year of approximately 70.9%. The increase in occupancy rate is primarily due to the completion of renovation works on one entire floor of the Sandi Plaza during the year. The construction works of the Fuzhou subway transportation in front of the Sandi Plaza still continued, which continue posted some negative impact to the occupancy rate. Despite there is an increase in occupancy rate, the revenue is decreased by approximately HK\$10.5 million due to the combined effects of i) rent free period is granted to tenants under the renewal or new rental tenancy, and ii) depreciation of RMB currency during the year. Nevertheless, the Board is confident on this property investment business and believes it will continuously bring a positive and stable return to the Group in the future.

The property development business

On 15 December 2016, Fujian Sinco Industrial Co., Ltd. (福建先科實業有限公司) (the "Purchaser"), an indirect wholly-owned subsidiary of the Group, entered into an agreement with Fuzhou Gaojia Real Estate Development Co., Ltd (the "Vendor") pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell 95% of the equity interests of Fujian Jingdu Land Co., Ltd, (the "Fujian Company") at an aggregate consideration of RMB455,816,462 (the "Fujian Acquisition"). Fujian Acquisition was completed on 26 May 2017.

The Fujian Company owns the commercial and hotel property development project named Fuzhou Sandi Chuangfu Plaza (福州三迪創富廣場) (the "Sandi Chuangfu") in Fuzhou City, Fujian Province, comprising two zones, namely Zone A and Zone B. The Group strategically procure premium property development project with an aggregate gross floor area ("GFA") of 100,844.85 square metres in Fujian. Zone A of Sandi Chuangfu mainly comprises of a block of 14-storey commercial/office building plus a basement with a total planned GFA of approximately 30,846.70 square metres and approximately 90 car parking spaces. Zone B of Sandi Chuangfu mainly comprises of three block of 16- to 18-storey hotel buildings plus two basements with a total planned GFA of approximately 69,998.15 square metres.

業務回顧 (續)

物業投資業務 (續)

於本年度，本集團錄得租金收入約44,700,000港元(二零一六年：42,700,000港元)以及物業管理及相關費用收入約54,500,000港元(二零一六年：67,100,000港元)。該廣場佔用率約為80.6%，較去年佔用率約為70.9%有所上升。佔用率上升乃主要由於年內完成三迪家居廣場一整個樓層之翻新工程。三迪家居廣場前面之福州地鐵交通建設工程仍然繼續，並持續對佔用率構成若干不利影響。儘管佔用率有所上升，但收入因i)就續租或新租賃約向租戶授予免租期，及ii)本年度人民幣貶值之綜合影響而減少約10,500,000港元。然而，董事會對此物業投資業務充滿信心，亦相信物業投資業務日後將會繼續為本集團帶來正面穩定回報。

物業發展業務

於二零一六年十二月十五日，福建先科實業有限公司(「買方」)(本集團間接全資附屬公司)與福州高佳房地產開發有限公司(「賣方」)訂立協議，據此，買方同意收購及賣方同意出售福建京都置業有限公司(「福建公司」)95%股權，總代價為人民幣455,816,462元(「福建收購事項」)。福建收購事項於二零一七年五月二十六日完成。

福建公司於中國福建省福州市擁有一名為福州三迪創富廣場(「三迪創富」)之商業及酒店物業開發項目，其包括兩個區，即A區及B區。本集團於福建策略性採購總建築面積(「總建築面積」)100,844.85平方米的優質物業開發項目。三迪創富A區主要有1幢14層商業／辦公大樓加地下室，計劃總建築面積合共約30,846.70平方米，約有90個停車位。三迪創富B區主要有三幢16至18層酒店大樓加兩層地下室，計劃總建築面積合共約69,998.15平方米。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

Concurrent with the Fujian Acquisition, the Purchaser and the Vendor entered into another agreement pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell 95% of the equity interests of Xian Sandi Real Estate Development Co., Ltd (the "Xian Company") at an aggregate consideration of RMB202,437,651 (the "Xian Acquisition"). The Xian Company owns the residential and commercial property development project named Qujiang Xiangsong Fengdan • Xian Sandi (西安三迪•曲江香頌楓丹) in Xian City, Shaanxi Province with a total planned GFA of 158,250 square metres. The development of the Qujiang Xiangsong Fengdan • Xian Sandi is intended to be divided into (i) Zone A of phase 1; (ii) Zone B of phase 1; and (iii) phase 2. Zone A mainly comprises of three blocks of 26- to 33-storey residential buildings and both Zone B of phase 1 and phase 2 were vacant lands.

Xian Acquisition was completed on 16 June 2017.

Other Investments

Our other investments including investing surplus cash from operations in listed equity securities, debts securities and exchangeable bonds in Hong Kong and the PRC. We have invested in listed high yield debts and stocks with growth potentials. We have also invested in exchangeable bonds for interest incomes. The objectives of these investments are to strike a balance between risk and return in order to maximize return to shareholders.

The equity and debt securities have been acquired are principally for short term investment purpose. The Group would closely monitor performances of the mentioned and will seek for disposal opportunities for profit if any. Our principal business still engaged in property development and property investment business and thus we will continue to proactively take up opportunities in real estate market. Therefore, the Group would consider disposing or downsizing the existing listed-equities investment portfolio when the Group has funding needs for expanding the property development business in the future.

業務回顧 (續)

在進行福建收購事項的同時，買方與賣方訂立另一份協議，據此，買方同意收購及賣方同意出售西安三迪房地產開發有限公司（「西安公司」）95%股權，總代價為人民幣202,437,651元（「西安收購事項」）。西安公司於陝西省西安市擁有名為西安三迪•曲江香頌楓丹之住宅及商業物業開發項目，計劃總建築面積合共158,250平方米。西安三迪•曲江香頌楓丹發展擬分為(i)第1期A區；(ii)第1期B區；及(iii)第2期。A區主要有三幢26至33層住宅大樓，而第1期B區及第2期均為空置地塊。

西安收購事項於二零一七年六月十六日完成。

其他投資

我們的其他投資包括來自香港及中國上市股本證券、債務證券及可交換債券營運之投資盈餘現金。我們投資已上市的高回報債券及具增長潛力的股票。我們亦投資可交換債券以收取利息收入。該等投資的目標是在風險和回報之間取得平衡，為股東謀求最佳回報。

收購股本及債務證券主要作短期投資。本集團將密切監察上述投資之表現，並將尋求出售機會以獲利（如有）。我們的主要業務仍為物業發展及物業投資業務，故我們將繼續積極投入房地產市場。因此，當本集團未來擴展物業發展業務出現資金需要，本集團將考慮出售或縮減現有上市股本投資組合。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

Significant events

i) Share Premium Reduction

On 15 April 2016, the Company proposes to effect the share premium reduction (“Share Premium Reduction”) pursuant to the Companies Act. The Board considers that the elimination of the accumulated losses of the Company in full will allow the Company to declare dividends to the shareholders of the Company (“Shareholders”) in the near future. Pursuant to a special resolution passed at the Company’s special general meeting held on 10 May 2016, the Shareholders approved the Share Premium Reduction and on 11 May 2016, the Share Premium Reduction becoming effective and approved by the Bermuda Registrar of Companies. For details, please refer to the circular of the Company dated 15 April 2016 and the announcement of the Company dated 10 May 2016.

(ii) Provision of financial assistance

Given the extremely low interest rates in Hong Kong and the PRC, the Company considers that placing its general working capital and the unutilised net proceeds raised from the rights issue in bank deposits with banks may not be beneficial to the Group. The Company has been looking for alternatives to placing the unutilised net proceeds in bank deposits. During the year, with reference to announcements of the Company dated 3 May 2016, 16 June 2016, 22 August 2016, 9 November 2016 and 10 November 2016, the Group found three independent third parties (“Borrowers”) who are companies established under the laws of the PRC and willing to pay a higher interest rate for loan. Loan agreements were entered by Fujian Sinco, the indirectly wholly-owned subsidiary of the Company with the Borrowers. All the loan granted are unsecured in principal amount ranged between RMB140 million and RMB145 million; at a fixed interest rate of 5% per annum; and with term ranged from six-months to fifteen-months at initiate date of borrowings. Borrowers shall repay the principal amount of the loan together with all accrued interests at maturity. Details of the financial assistance are set out in announcements of the Company dated 3 May 2016, 16 June 2016, 22 August 2016, 9 November 2016 and 10 November 2016. Summary of the financial assistance are as follows:

業務回顧 (續)

重大事項

i) 削減股份溢價

於二零一六年四月十五日，本公司建議根據公司法進行削減股份溢價（「削減股份溢價」）。董事會認為，悉數抵銷本公司之累計虧損將令本公司能夠在不久將來向本公司股東（「股東」）宣派股息。根據於二零一六年五月十日舉行之本公司股東特別大會上通過之一項特別決議案，股東批准削減股份溢價，及於二零一六年五月十一日，削減股份溢價已生效及獲百慕達公司註冊處批准。詳情請參閱本公司日期為二零一六年四月十五日之通函及本公司日期為二零一六年五月十日之公告。

(ii) 提供財務資助

鑒於香港及中國之極低利率，本公司認為將其一般營運資金及供股之尚未動用所得款項淨額存放於銀行存款可能不符合本集團的利益。本公司一直尋求將尚未動用所得款項淨額存放於銀行存款以外之替代方式。年內，經參閱本公司日期為二零一六年五月三日、二零一六年六月十六日、二零一六年八月二十二日、二零一六年十一月九日及二零一六年十一月十日之公告，本集團發現三名獨立第三方（「借方」），其為根據中國法律成立之公司，願意為貸款支付較高利率。本公司間接全資附屬公司福建先科與借方訂立貸款協議。所有授出之貸款為無抵押，本金金額由人民幣140,000,000元至人民幣145,000,000元；按固定年利率5%計息；自借貸初始日期起為期六個月至十五個月。借方須於到期時償還貸款之本金額連同全部應計利息。財務資助之詳情載於本公司日期為二零一六年五月三日、二零一六年六月十六日、二零一六年八月二十二日、二零一六年十一月九日及二零一六年十一月十日之公告。財政資助之概要如下：

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

Significant events (continued)

(ii) Provision of financial assistance (continued)

業務回顧 (續)

重大事項 (續)

(ii) 提供財務資助 (續)

Date of agreement	Name of borrower	Principal loan amount	Interest rate per annum	Term	As at 31 March 2017 Drawn down amount
協議日期	借方名稱	貸款本金金額	年利率	期限	於二零一七年三月三十一日提取金額
3 May 2016	Jianyan Lide Trading Company Limited* ("Jianyang Lide")	RMB145 million (equivalent to approximately HK\$174 million)	5%	6 months (On 9 November 2016, extended for another 9 months from the maturity date (Note (i)))	RMB90 million (Note (i))
二零一六年五月三日	建陽立德貿易有限公司 (「建陽立德」)	人民幣145,000,000元 (相當於約174,000,000港元)		六個月 (於二零一六年十一月九日，自到期日延期九個月 (附註(i)))	人民幣90,000,000元 (附註(i))
16 June 2016	Fujian Minzerui Company Limited* ("Fujian Minzerui")	RMB140 million (equivalent to approximately HK\$164.7 million)	5%	6 months	– (Note (ii))
二零一六年六月十六日	福建閩澤瑞貿易有限公司 (「福建閩澤瑞」)	人民幣140,000,000元 (相當於約164,700,000港元)		六個月	– (附註(ii))
22 August 2016	Putian Sanfeng Footwear Company Limited* ("Putian Sanfeng")	RMB140 million (equivalent to approximately HK\$162 million)	5%	9 months	RMB140 million (Note (iii))
二零一六年八月二十二日	莆田三豐鞋業有限公司 (「莆田三豐」)	人民幣140,000,000元 (相當於約162,000,000港元)		九個月	人民幣140,000,000元 (附註(iii))

* For identification purpose only

* 僅供識別

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

Significant events (continued)

(ii) Provision of financial assistance (continued)

Note:

- (i) On 9 November 2016, Fujian Sinco and Jianyang Lide entered into a supplemental agreement, pursuant to which Fujian Sinco and Jianyang Lide agreed that the maturity date of the loan shall be extended for another 9 months from the maturity date and other terms of the loan agreement remain unchanged. During the year ended 31 March 2017, Jianyang Lide has partially repaid the principal amount of the loan together with the accrued interests as at the date of the partial settlement. After the partial repayment, the outstanding principal amount of the loan was RMB90,000,000 on 31 March 2017. Jianyang Lide further repaid the principal amount of the loan and accrued interest at RMB45,000,000 in June 2017.
- (ii) The principal amount of the loan together with the accrued interest at maturity were fully repaid by Fujian Minzerui during the year ended 31 March 2017.
- (iii) The principal amount of the loan together with the accrued interest at maturity were fully repaid by Putain Sanfeng in May 2017.

(iii) Issue of unlisted warrants of the Company

On 21 December 2015, the Company and Chance Talent Management Limited (“Chance Talent”) entered into the warrants subscription agreement (the “Warrants Subscription Agreement”), pursuant to which the Company has conditionally agreed to issue to Chance Talent, and Chance Talent has conditionally agreed to subscribe for the warrants of the Company (the “Warrants”). Subsequently pursuant to a special resolution passed at the Company’s special general meeting held on 10 May 2016, the Shareholders approved the Warrants Subscription Agreement. On 23 May 2016, the Board of the Company announced that all the conditions precedent set out in the Warrants Subscription Agreement have been fulfilled and the issue of unlisted warrants has been completed in accordance with the terms and conditions of the Warrants Subscription Agreement. The Company issued

業務回顧 (續)

重大事項 (續)

(ii) 提供財務資助 (續)

附註：

- (i) 於二零一六年十一月九日，福建先科與建陽立德訂立補充協議，據此福建先科與建陽立德同意貸款到期日自到期日起延期九個月，而貸款協議之其他條款維持不變。截至二零一七年三月三十一日止年度，建陽立德已償還部分貸款本金連同部分還款當日應計利息。部分還款後，於二零一七年三月三十一日尚未償還貸款本金為人民幣90,000,000元。建陽立德於二零一七年六月進一步償還貸款本金及應計利息人民幣45,000,000元。
- (ii) 截至二零一七年三月三十一日止年度，貸款本金連同到期應計利息由福建閩澤瑞全數償還。
- (iii) 貸款本金連同到期應計利息於二零一七年五月由莆田三豐全數償還。

(iii) 發行本公司非上市認股權證

於二零一五年十二月二十一日，本公司與Chance Talent Management Limited (「Chance Talent」) 訂立認股權證認購協議 (「認股權證認購協議」)，據此本公司有條件同意向Chance Talent發行及Chance Talent有條件同意認購本公司認股權證 (「認股權證」)。根據於二零一六年五月十日舉行之本公司股東特別大會上通過之一項特別決議案，股東批准認股權證認購協議。於二零一六年五月二十三日，本公司董事會宣佈，認股權證認購協議所載之所有先決條件已獲達成，而發行非上市認股權證已根據認股權證認購協議之條款及條件完成。本公司按總認購價0.01港元

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

Significant events (continued)

(iii) Issue of unlisted warrants of the Company (continued)

the Warrants at a total subscription price of HK\$0.01 to Chance Talent, entitling Chance Talent to subscribe for in aggregate up to a maximum amount of HK\$75,000,000 worth of warrant shares at the exercise price of HK\$0.24 per warrant share (the "Warrant Share") on or before 27 December 2017, or, if the Company requests for extension and Chance Talent agrees to such request, on or before 24 December 2018. Upon full exercise of the subscription rights attaching to the Warrants, a total of 312,500,000 Warrant Shares will be allotted and issued to the Warrantholder.

On 24 January 2017, Chance Talent and Kong LingLing, an independent third party of the Group entered into the warrant purchase agreement, pursuant to which the Chance Talent intends to sell and Kong Lingling intends to purchase the Warrants at a consideration of approximately HK\$4.7 million. The sale and purchase of the Warrants completed on 24 January 2017.

Assuming the full exercise of the subscription rights attaching to the Warrants at the exercise price of HK\$0.24 per Warrant Share, it is expected that gross proceeds of approximately HK\$75,000,000 will be raised. The net proceeds of approximately HK\$75,000,000 (subject to reduction) will be used for general working capital of the Group, capital expenditures and future investments of the Group. No Warrants were exercised during the year ended 31 March 2017. For details, please refer to the announcements of the Company dated 21 December 2015, 10 May 2016, 23 May 2016 and the circular of the Company dated 15 April 2016 respectively.

業務回顧 (續)

重大事項 (續)

(iii) 發行本公司非上市認股權證 (續)

發行認股權證予Chance Talent，授權Chance Talent於二零一七年十二月二十七日或之前（或如本公司要求延期及Chance Talent同意該等要求，則於二零一八年十二月二十四日或之前）按行使價每股認股權證股份（「認股權證股份」）0.24港元認購最多總值75,000,000港元之認股權證股份。完全行使認股權證附帶之認購權後，合共312,500,000股認股權證股份將獲配發及發行予認股權證持有人。

於二零一七年一月二十四日，Chance Talent與本集團獨立第三方孔玲玲訂立認股權證購買協議，據此Chance Talent擬出售，及孔玲玲擬購買認股權證，代價約為4,700,000港元。認股權證之買賣已於二零一七年一月二十四日完成。

假設認股權證附帶之認購權按行使價每股認股權證股份0.24港元全數行使，預期籌集所得款項總額約為75,000,000港元。所得款項淨額約75,000,000港元（可予減少）將用作本集團之一般營運資金、資本開支及本集團未來投資。截至二零一七年三月三十一日止年度，概無認股權證獲行使。詳情分別參閱本公司日期為二零一五年十二月二十一日、二零一六年五月十日、二零一六年五月二十三日之公告以及本公司日期為二零一六年四月十五日之通函。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

Significant events (continued)

(iv) Placing of 159,996,000 new Shares under general mandate

A placing agreement dated 23 August 2016 was entered into between the Company and a placing agent in respect of the placing of up to 160,000,000 ordinary shares of the Company (the Share(s)) at the placing price of HK\$0.24 per placing share (“Shares Placing”) with net proceeds of approximately HK\$37.4 million which the Company intends to apply the net proceeds to be used for general working capital of the Group. On 8 September 2016, the placing of new Shares under general mandate is completed with a total of 159,996,000 Shares have been placed, raising net proceeds of approximately HK\$37.4 million (“Placing Proceeds”). Further details of the Share Placing are set out in the announcements of the Company dated 23 August 2016 and 8 September 2016.

Subsequently, as the Group has funding needs to finance the Fujian Acquisition, the Group shall apply all the Placing Proceeds to satisfy the cash component of the Fujian Acquisition. Further details of the Fujian Acquisition are set out in the announcements of the Company dated 15 December 2016 and circular dated 16 March 2017.

(v) Investment in coal bed methane project via subscription of exchangeable bonds in Sundo Gas Limited

A letter of intent dated 24 August 2015 (“Letter of Intent”) was entered into among the Company as purchaser, the Shannan Tianyuan Investment Centre as first vendor and Shannan Shengyuan Investment Centre as second vendor (collectively, the “Vendors”) in respect of the proposed acquisition of a part of or the entire equity interests in Jiangsu Guosheng Hengtai Energy Development Co., Ltd (“Jiangsu Guosheng”) (“Proposed Acquisition”). Jiangsu Guosheng is principally engaged in the business of exploration and production of coalbed methane and provision of related technical services and consultation services. On 29 December 2015, the Company has paid an earnest deposit in the sum of HK\$133,300,000 (“Earnest Deposit”), being the Hong Kong dollars equivalent of RMB110,000,000, to the Vendors pursuant to the Letter of Intent.

業務回顧 (續)

重大事項 (續)

(iv) 根據一般授權配售159,996,000股新股份

本公司與配售代理就按配售價每股配售股份0.24港元配售最多160,000,000股本公司普通股(「股份」)(「股份配售」)訂立日期為二零一六年八月二十三日之配售協議，所得款項淨額約37,400,000港元。本公司擬將所得款項淨額用作本集團一般營運資金。於二零一六年九月八日，根據一般授權配售新股份已完成，已配售合共159,996,000股股份，籌集所得款項淨額約為37,400,000港元(「配售所得款項」)。股份配售之進一步詳情載於本公司日期為二零一六年八月二十三日及二零一六年九月八日之公告。

隨後，由於本集團有集資需要以撥付福建收購事項，本集團動用全數配售所得款項以支付福建代價之現金部分。福建收購事項之進一步詳情載於本公司日期為二零一六年十二月十五日之公告及日期為二零一七年三月十六日之通函。

(v) 透過自Sundo Gas Limited認購可交換債券以投資煤層氣項目

本公司(作為買方)、山南天源投資中心(作為第一賣方)及山南盛源投資中心(作為第二賣方)(統稱「賣方」)就有關建議收購江蘇國盛恒泰能源發展有限公司(「江蘇國盛」)之部份或全部股權(「建議收購事項」)於二零一五年八月二十四日訂立意向書(「意向書」)。江蘇國盛主要從事勘探及生產煤層氣以及提供相關技術服務與諮詢服務。於二零一五年十二月二十九日，本公司根據意向書已向賣方支付誠意金合共133,300,000港元(「誠意金」)，相當於人民幣110,000,000元。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

Significant events (continued)

(v) Investment in coal bed methane project via subscription of exchangeable bonds in Sundo Gas Limited (continued)

On 19 February, 2016 the Company as subscriber, Sundo Gas Limited (“Sundo Gas”) as issuer and Mr. Zhong Changming entered into a subscription agreement (“Subscription Agreement”), the Company has conditionally agreed to subscribe the redeemable exchangeable bonds in the aggregate principal amount of HK\$133,300,000 with 20% interest rate per annum (“Exchangeable Bonds”) from Sundo Gas. The Exchangeable Bonds can exchange for in aggregate up to a maximum of 123,934 shares in UC Energy upon the occurrence of an initial public offering and listing of and permission to deal in shares of UC Energy on the Stock Exchange of Hong Kong Limited or such other internationally recognized investment exchange of the same or higher international standing at the exchange price of approximately US\$138.76 per share in the capital of UC Energy, representing 18.5% of the issued ordinary Shares of UC Energy at the Subscription Agreement date.

UC Energy is an exempt company incorporated in the Cayman Islands which is the sole shareholder of UC Energy Technology Limited, a company incorporated in Hong Kong which in turn holds 100% equity interests in United Coal Bed Methane (Nanjing) Development Company Limited* (聯合煤層氣(南京)發展有限公司), a wholly-foreign owned enterprise established under the laws of the PRC (collectively referred to as the “UC Group”). The UC Group is principally engaged in investment holding and through the variable interest entity structure established for the purpose of controlling the Dong Bao Neng Investment (Beijing) Ltd. (the “Dong Bao Neng”)* (東寶能投資(北京)有限公司) and the subsidiary of Dong Bao Neng (collectively referred to as the “Dong Bao Neng Group”). Dong Bao Neng Group are principally engaged in the business of exploration and production of coalbed methane in the PRC. Dong Bao Neng Group owns the Zhangzhi Block covers an area of 82.1km² and is located on the south eastern margin of the Qinshui Basin in Zhangzhi City, Shanxi Province, the PRC (the “Zhangzhi Coalbed Methane Project”).

* For identification purposes only

業務回顧 (續)

重大事項 (續)

(v) 透過自Sundo Gas Limited認購可交換債券以投資煤層氣項目 (續)

於二零一六年二月十九日，本公司（作為認購人）、Sundo Gas Limited（「Sundo Gas」，作為發行人）及鐘長鳴先生訂立一份認購協議（「認購協議」），本公司已有條件同意自Sundo Gas認購本金總額133,300,000港元年利率20%之可贖回可交換債券（「可交換債券」）。在UC Energy股份首次公開發售及可在香港聯合交易所有限公司（或其他國際認可投資交易所，具有相同或更高國際地位）上市及買賣後，可交換債券合共可交換最多123,934股UC Energy股份，交易價為UC Energy資本每股約138.76美元，相當於UC Energy於認購協議日期已發行普通股之18.5%。

UC Energy為於開曼群島註冊成立的獲豁免公司，為UC Energy Technology Limited的唯一股東。UC Energy Technology Limited為於香港註冊成立之公司，持有聯合煤層氣（南京）發展有限公司（根據中國法律成立的外商獨資企業）之100%股權（統稱「UC集團」）。UC集團主要從事投資控股及為透過控制文件控制東寶能投資（北京）有限公司（「東寶能」）及東寶能附屬公司而設立的可變權益實體結構（統稱「東寶能集團」）。東寶能集團主要於中國從事勘探及生產煤層甲烷業務。東寶能集團擁有長子區塊，涵蓋82.1平方公里區域，位於中國山西省長子市沁水盆地的東南邊緣（「長子煤層氣項目」）。

* 僅供識別

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

Significant events (continued)

(v) Investment in coal bed methane project via subscription of exchangeable bonds in Sundo Gas Limited (continued)

The Company has decided not to proceed with the Proposed Acquisition and the Vendors and the Company mutually agreed to terminate the Letter of Intent. As a result of the termination of the Letter of Intent, the Vendors shall refund the Earnest Deposit in full to the Company. The Company applied the refund of the Earnest Deposit to subscribe the Exchangeable Bonds. Pursuant to the Subscription Agreement, the long stop date for fulfilment of the conditions precedent to the Subscription Agreement is 30 April 2016 (the "Long Stop Date") (or such later date as may be agreed by the Company and Sundo Gas in writing). As certain conditions precedent could not be satisfied on or before the Long Stop Date, the Company, Mr. Zhong Changming and Sundo Gas entered into a supplement agreement to extend the Long Stop Date to 31 October 2016. On 13 October 2016, all the conditions of the Subscription Agreement have been fulfilled pursuant to the terms and conditions therein except the condition relating to a legal opinion issued by the Company's PRC counsel which has been waived by the Company as a condition precedent to Completion. The parties to the Subscription Agreement have agreed that Sundo Gas and Mr. Zhong shall continue to procure the satisfaction of the said condition as soon as possible after and notwithstanding Completion. Completion of the Subscription Agreement took place. Accordingly, the Exchangeable Bonds in the aggregate principal amount of HK\$133,300,000 have been issued to the Company.

During the year ended 31 March 2017, the Zhangzhi Coalbed Methane Project is still at the development stage and no commercial production has been commenced yet.

Further details are set out in the announcements of the Company dated 24 August 2015, 29 December 2015, 19 February 2016, 14 June 2016 and 13 October 2016. Details of the Exchangeable Bonds are set out in the section headed "Operating Results and Financial Review" below and note 20 to the consolidated financial statements.

業務回顧 (續)

重大事項 (續)

(v) 透過自Sundo Gas Limited認購可交換債券以投資煤層氣項目 (續)

本公司已決定不進行建議收購事項，而賣方及本公司相互協定終止意向書。由於意向書終止，賣方須將誠意金悉數退回本公司。本公司將所退回的誠意金用於認購可交換債券。根據認購協議，達成認購協議先決條件之最後截止日期為二零一六年四月三十日（「最後截止日期」）（或本公司與Sundo Gas可能書面協定之有關較後日期）。由於若干先決條件不能於最後截止日期或之前達成，本公司、鐘長鳴先生及Sundo Gas訂立一份補充協議以延長最後截止日期至二零一六年十月三十一日。於二零一六年十月十三日，認購協議之所有條件已根據有關條款及條件獲悉數達成，惟有關由本公司之中國律師發出法律意見之條件已由本公司豁免為完成之先決條件。認購協議各訂約方已協定，Sundo Gas及鐘先生將於完成後及儘管完成後儘快促使達成所述條件。認購協議完成。因此，總本金額為133,300,000港元的可交換債券已發行予本公司。

截至二零一七年三月三十一日止年度，長子煤層氣項目仍處於開發階段，尚未開始商業生產。

進一步詳情載於本公司日期為二零一五年八月二十四日、二零一五年十二月二十九日、二零一六年二月十九日、二零一六年六月十四日及二零一六年十月十三日之公告。可交換債券之詳情載於下文「營運業績及財務回顧」一節及綜合財務報表附註20。

Management Discussion and Analysis

管理層討論及分析

PROSPECTS

The Directors expect that the property investment business will increase the income stream of the Group, bring stable earning to the Group, increase the return on equity and bring a long term benefit to the Group. The Group is optimistic to the residential and commercial property market of Mainland China in the long run and is seeking for opportunities to acquire optimal scale land parcels, property development projects under construction or completed properties for development and investment continuously. The Group is actively to seek fresh investment opportunities as soon as possible in order to generate return for the Shareholders.

OPERATING RESULTS AND FINANCIAL REVIEW

Revenue

The sales for the year represents the rental income and property management and related fee income in amount aggregate to approximately HK\$99.2 million (2016: HK\$109.8 million), representing a decrease of approximately 9.6% compared with last year. Reason for the decrease due to the combined effects of (i) rent free period is granted to tenants under the renewal or new rental tenancy, and (ii) depreciation of RMB currency during the year.

Other net gains and losses

Other net gains and losses for the year ended 31 March 2017 represents fair value loss on investments held for trading (equity and debt securities listed in Hong Kong) amounting to approximately HK\$52.4 million (2016: fair value gain on investments held for trading amounted to approximately HK\$75.5 million).

Change in fair value of an investment property

The change in the fair value of an investment property arising from a home improvement plaza situated in Fuzhou, the PRC. A fair value loss of an investment property of approximately HK\$81.1 million was recognised during the year ended 31 March 2017. (2016: fair value gain on investment property of approximately HK\$96.7 million).

展望

董事預期物業投資業務將可增加本集團之收入來源，為本集團帶來穩定盈利，提升本集團之股本回報及為本集團帶來長遠利益。本集團長遠來看對中國內地住宅及商業物業市場保持樂觀，並且正在物色收購具有最佳規模地塊、在建物業發展項目或竣工物業作為持續發展及投資之機遇。本集團正積極盡快尋求新投資機會以為股東爭取回報。

營運業績及財務回顧

收益

本年度銷售額指租金收入及物業管理及相關費用收入總計約99,200,000港元（二零一六年：109,800,000港元），較去年減少約9.6%。減少乃由於年內(i)向續約或新租賃租約之租戶授予免租期，及(ii)人民幣貶值之綜合影響所致。

其他收益及虧損淨額

截至二零一七年三月三十一日止年度之其他收益及虧損淨額為持作買賣投資（即香港上市股本及債務證券）之公平值虧損約52,400,000港元（二零一六年：持作買賣投資之公平值收益約75,500,000港元）。

一項投資物業之公平值變動

投資物業之公平值變動由位於中國福州之家居廣場所產生。截至二零一七年三月三十一日止年度確認投資性物業之公平值虧損約81,100,000港元。（二零一六年：投資性物業之公平值收益約96,700,000港元）。

Management Discussion and Analysis

管理層討論及分析

OPERATING RESULTS AND FINANCIAL REVIEW (continued)

Other operating expenses

The Group's other operating expenses for the year ended 31 March 2017 in the amount of approximately HK\$50.5 million (2016: HK\$34.7 million) mainly included various administrative and selling expenses. The reason for the increase in other operating expenses was mainly due to the recognition of the foreign exchange losses on translation of RMB/HK\$ denominated intragroup balances of approximately HK\$11.5 million (2016: HK\$Nil). Intra-group balances denominated in foreign currencies at the reporting date are re-measured to the functional currency at the exchange rate at that date. Foreign currency differences arising on re-measurement are recognised in the consolidated statement of profit or loss.

Finance costs

Finance costs for the year ended 31 March 2017 amounted to approximately HK\$89.7 million (2016: HK\$64.4 million) mainly represents interest expenses on bank loan and interest on bonds and notes payable. The increase in finance costs mainly due to (i) increase in average bank borrowings during the year; and (ii) increase in interest on notes payable as the notes payable were issued in December 2015, full year interest expenses were accounted for during the year while only four months interest expenses was recognised during the year ended 31 March 2016.

Income tax credit/(expense)

Income tax credit for the year ended 31 March 2017 amounted to approximately HK\$10.3 million (2016: income tax expense of approximately HK\$35.7 million). The change in income tax mainly represents the corresponding deferred tax expense recognised on the decrease in fair value of the investment property during the year.

Investments held for trading

Equity securities listed in Hong Kong, at fair value
Debt securities listed in Hong Kong, at fair value

香港上市股本證券，按公平值
香港上市債務證券，按公平值

164,087

216,489

營運業績及財務回顧 (續)

其他經營開支

本集團於截至二零一七年三月三十一日止年度之其他經營開支約為50,500,000港元(二零一六年: 34,700,000港元)，主要包括多項行政及銷售開支。其他經營開支增加主要由於確認以人民幣/港元計值之集團內公司間結餘匯兌虧損約11,500,000港元(二零一六年: 零港元)。於報告日期以外幣計值之集團內公司間結餘按該日匯率重新計入功能貨幣。重新計量產生之外幣差額在綜合損益表中確認。

融資成本

截至二零一七年三月三十一日止年度之融資成本為約89,700,000港元(二零一六年: 64,400,000港元)，主要指銀行貸款之利息開支以及應付債券及票據之利息。融資成本增加主要由於(i)年內平均銀行借貸增加;及(ii)應付票據之利息支出因二零一五年十二月發行應付票據而增加，全年利息支出於年內入賬，而截至二零一六年三月三十一日止年度僅確認四個月利息支出。

所得稅抵免/(開支)

截至二零一七年三月三十一日止年度之所得稅抵免約為10,300,000港元(二零一六年: 所得稅開支約35,700,000港元)。所得稅變動主要為年內就投資物業公平值減少確認相應遞延稅項開支所致。

持作買賣投資

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
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164,087

216,489

Management Discussion and Analysis

管理層討論及分析

The above equity and debt securities are classified as Investments held for trading as they have been acquired principally for the purpose of selling in the near term.

The carrying amount of the investments held for trading are equal to its fair values, which have been determined by reference to the quoted market bid prices available on the Stock Exchange. During the year ended 31 March 2017, the Group has recorded unrealised fair value loss on investments held for trading of approximately HK\$52.4 million (2016: unrealised fair value gain of approximately HK\$75.5 million).

As at 31 March 2017, the investments held for trading represented an investment portfolio comprising 7 equity securities (2016: 7) listed in Hong Kong and 1 debt securities (2016: 1) listed in Hong Kong. All of them are securities listed on the Main Board of the Stock Exchange. There were no acquisitions or disposals of the investments held for trading for the year ended 31 March 2017.

The Group's investments held for trading were represented as follows:

上述股本及債務證券分類為持作買賣投資，原因為其收購目的主要為於短期內出售。

持作買賣投資之賬面值等於其公平值，其參考聯交所報市場報價。截至二零一七年三月三十一日止年度，本集團錄得持作買賣投資未變現公平值虧損約52,400,000港元（二零一六年：未變現公平值收益約75,500,000港元）。

於二零一七年三月三十一日，持作買賣投資為投資組合，包括7項香港上市股本證券（二零一六年：7項）及1項香港上市債務證券（二零一六年：1項）。其全部均為聯交所主板上市證券。截至二零一七年三月三十一日止年度，概無收購或出售持作買賣投資。

本集團持作買賣投資情況如下：

Company Name/ (Stock Code) 公司名稱／(股份代號)	Percentage of shareholdings at 31 March 2017	Carrying amount at 31 March 2016	Unrealised fair value (loss)/gain for the year ended 31 March 2017 截至 二零一七年 三月三十一日 止年度之 未變現公平值 (虧損)/收益	Dividend income for the year ended 31 March 2017 截至 二零一七年 三月三十一日 止年度之 股息收入	Fair value at 31 March 2017	Percentage of total investments held for trading at 31 March 2017	Percentage of total assets of the Group at 31 March 2017
	%	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	%	%
Debt Securities 13.75% Notes in Redco Properties Group Limited (5783) (note a)	3.20%	32,164	1,260	4,259	33,424	20.4%	0.8%
Equity Securities King Financial Group Limited (1031) (note b)	0.29%	143,179	(45,010)	776	98,169	59.8%	2.2%
Sincere Watch (Hong Kong) Limited (444) (note c)	0.58%	14,500	(9,019)	-	5,481	3.3%	0.1%
Others		26,646	367	123	27,013	16.5%	0.6%
		216,489	(52,402)	5,158	164,087	100.0%	3.7%

Management Discussion and Analysis

管理層討論及分析

Notes

- (a) Redco Properties Group Limited is principally engaged in the property development business in the PRC.
- (b) Kingston Financial Group Limited (“Kingston Financial”) is principally engaged in the provision of a wide range of financial services which include securities brokerage, underwriting and placements, margin and initial public offering financing, corporate finance advisory services, futures brokerage and asset management services. Kingston Financial also provides gaming and hospitality services in Macau.
- (c) Sincere Watch (Hong Kong) Limited is principally engaged in distribution of branded luxury watches, timepieces and accessories in Hong Kong, Macau, Taiwan and the PRC, dining business and property investment.

附註

- (a) 力高地產集團有限公司主要從事中國物業開發業務。
- (b) 金利豐金融集團有限公司(「金利豐金融」)主要業務為提供全面金融服務，包括證券經紀、包銷及配售、保證金及首次公開發售融資、企業財務顧問服務、期貨經紀及資產管理服務。金利豐金融亦在澳門提供博彩及酒店服務。
- (c) Sincere Watch (Hong Kong) Limited主要於香港、澳門、台灣及中國從事華貴品牌手錶、時計及配件之分銷業務、飲食業務以及物業投資。

Management Discussion and Analysis

管理層討論及分析

Deposit for subscription of Exchangeable Bonds/ Financial assets at fair value through profit or loss

Deposit for subscription of Exchangeable Bonds/Financial assets at fair value through profit or loss were represented as follows:

認購可交換債券之按金／按公平值計入損益之財務資產

認購可交換債券之按金／按公平值計入損益之財務資產情況如下：

	Carrying amount at 31 March 2016	Unrealised value gain for the year ended 31 March 2017	Interest income for the year ended 31 March 2017	Fair value at 31 March 2017	Percentage of total assets of the Group at 31 March 2017
	截至二零一六年三月三十一日之賬面值 HK\$'000 千港元	截至二零一七年三月三十一日止年度之未變現公平值收益 HK\$'000 千港元	截至二零一七年三月三十一日止年度之利息收入 HK\$'000 千港元	於二零一七年三月三十一日之公平值 HK\$'000 千港元	於二零一七年三月三十一日之本集團總資產百分比 %
Deposit for subscription of exchangeable bonds (note i)	131,031	-	14,282	-	-
Financial Assets at Fair Value through Profit or Loss (note ii)	-	9,477	12,378	142,777	3.2%

Notes

(i) As at 31 March 2016, HK\$131.3 million represented the deposit for subscription of Exchangeable Bonds as the precedent condition attached to the Subscription Agreement were not satisfied.

(ii) The subscription of Exchangeable Bonds was completed on 13 October 2016 and the Exchangeable Bonds has been issued to the Company accordingly. Therefore, the Deposit for subscription of Exchangeable Bonds was being reclassified to Financial Assets at Fair Value through Profit or Loss during the year ended 31 March 2017. The maturity date of Exchangeable Bonds is 29 October 2017.

附註

(i) 於二零一六年三月三十一日，131,301,000港元為認購可交換債券之按金，因認購協議之先決條件尚未達成。

(ii) 認購可交換債券於二零一六年十月十三日完成，可交換債券已相應發行予本公司。因此，截至二零一七年三月三十一日止年度，認購可交換債券之按金重列為按公平值計入損益之財務資產。可交換債券到期日為二零一七年十月二十九日。

Details of the Exchangeable Bonds are set out in the section headed "Business Review – Significant events (v) Investments in coal bed methane project via subscription of exchangeable bonds in Sundo Gas Limited" and note 20 to the consolidated financial statements.

可交換債券之詳情載於「業務回顧—重大事項(v)透過自Sundo Gas Limited認購可交換債券以投資煤層氣項目」及綜合財務報表附註20。

Management Discussion and Analysis

管理層討論及分析

OPERATING RESULTS AND FINANCIAL REVIEW *(continued)*

As at 31 March 2017, the subscription of redeemable exchangeable bonds of principal amount of HK\$133.3 million is recognised under the current assets. As at 31 March 2017, the fair value of the exchangeable bond was determined by an independent professional valuer engaged by the Group and a fair value gain from exchangeable bond of approximately HK\$9.5 million is recognised in the consolidated statement of profit or loss during the year ended 31 March 2017 (2016: HK\$Nil).

During the year ended 31 March 2017, the Group recognised interest income from deposit for subscription of exchangeable bonds of approximately HK\$14.3 million (2016: of approximately HK\$6.7 million) and interest income from financial assets at fair value through profit or loss of approximately HK\$12.4 million (2016: HK\$Nil). For details, please refer to the note 8 to the consolidated financial statements.

Bonds and notes payable

On 24 July 2015, the Company issued a 4-year 7% unlisted coupon bonds with principal amount of HK\$11 million (the "7% Coupon Bonds") to certain independent third parties. The 7% Coupon Bonds are denominated in HK\$ and interest is payable semi-annually. The effective interest of the 7% Coupon Bonds is 12.08%. During year ended 31 March 2017, there is no early redemption of the 7% Coupon Bonds neither by the Company nor the 7% Coupon Bonds holders. For details, please refer to announcements of the Company dated 28 April 2015 and 22 July 2015.

On 21 December 2015, the Company issued notes with principal amount of HK\$150 million with 10% interest per annum (the "Notes") to an independent third party. The Notes are denominated in HK\$ and issued at par. Interest is payable semi-annually. On 18 January 2017, the Company had early redeemed all the Notes in accordance with the notes subscription agreement. A loss of early redemption of Notes amounted to approximately HK\$5,025,000 was recognised during the year ended 31 March 2017.

營運業績及財務回顧 (續)

於二零一七年三月三十一日，認購本金133,300,000港元之可贖回可交換債券於流動資產確認。於二零一七年三月三十一日，可交換債券的公平值由本集團委聘的獨立專業估值師釐定，及可交換債券公平值收益約9,500,000港元於截至二零一七年三月三十一日止年度綜合損益表中確認（二零一六年：零港元）。

截至二零一七年三月三十一日止年度，本集團確認認購可交換債券之按金的利息收入約14,300,000港元（二零一六年：約6,700,000港元），按公平值計入損益之財務資產的利息收入約12,400,000元（二零一六年：零港元）。詳情請參閱綜合財務報表附註8。

應付債券及票據

於二零一五年七月二十四日，本公司向若干獨立第三方發行4年期票息7厘非上市本金11,000,000港元之債券（「票息7厘債券」）。票息7厘債券以港元計值及利息每半年派息一次。票息7厘債券實際利率為12.08%。截至二零一七年三月三十一日止年度，本公司或票息7厘債券持有人並無提前贖回票息7厘債券。詳情請參閱本公司日期為二零一五年四月二十八日及二零一五年七月二十二日之公告。

於二零一五年十二月二十一日，本公司向一名獨立第三方發行本金150,000,000港元年利率10%之票據（「票據」）。票據以港元計值及以面值發行。利息每半年派息一次。於二零一七年一月十八日，本公司已根據票據認購協議提早贖回所有票據。截至二零一七年三月三十一日止年度，提早贖回票據之虧損約為5,025,000港元。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2017, the Group had bank borrowings of approximately HK\$795.2 million denominated in RMB (31 March 2016: approximately HK\$595.5 million denominated in RMB) and other debts comprising bonds and notes payable in total amount to approximately HK\$9.9 million (31 March 2016: HK\$147.4 million). As at 31 March 2017 and 2016, all bank borrowings were obtained on secured basis. The Group will try to obtain future financing, and whenever possible and appropriate, raise fund via equity funding activities in order to further reduce the financing cost.

As at 31 March 2017, the Group had cash and cash equivalents of approximately HK\$24.7 million (31 March 2016: approximately HK\$387.2 million) which were mainly denominated in HK\$ and RMB. To manage liquidity risk, the management monitors forecasts of the Group's liability position and cash and cash equivalent position on the basis of expected cash flow. The Group expects to fund the future cash flow needs through internally generated cash flows from operations.

As at 31 March 2017, the gearing ratio for the Group was approximately 21.3% (31 March 2016: 4.5%), calculated based on the net debts (comprising bank borrowings and bonds and notes payable less cash and cash equivalent and investments held for trading) of approximately HK\$616.3 million (31 March 2016: HK\$139.3 million) over the total equity of approximately HK\$2,892.9 million (31 March 2016: HK\$3,126.2 million). The debt ratio was approximately 34.7% (31 March 2016: approximately 32.7%), calculated as total liabilities over total assets of the Group.

The Group's current available liquidity resources are sufficient to meet its capital commitments. As at 31 March 2017, the Group's net current assets amounted to approximately HK\$524.3 million (31 March 2016: HK\$364.7 million). The Group's current ratio, being percentage of its current assets and its current liabilities, amounted to 522.6% (31 March 2016: 227.6%)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

流動資金及財務資源

於二零一七年三月三十一日，本集團之銀行借貸約795,200,000港元，以人民幣計值（二零一六年三月三十一日：約595,500,000港元，以人民幣計值），及其他債務包括應付債券及票據總額約為9,900,000港元（二零一六年三月三十一日：147,400,000港元）。於二零一七年及二零一六年三月三十一日，所有銀行借貸以有抵押形式取得。本集團將嘗試獲得未來融資，並盡可能於適當時透過股本集資活動籌集資金，以進一步降低融資成本。

於二零一七年三月三十一日，本集團有現金及現金等值約24,700,000港元（二零一六年三月三十一日：約387,200,000港元），其主要以港元及人民幣計值。為管理流動性風險，管理層以預期現金流量為基礎，監察本集團負債狀況以及現金及現金等值狀況之預測。本集團預期透過業務內部產生之現金流量作為未來現金流量需要之資金。

於二零一七年三月三十一日，本集團按淨債務（包括銀行借貸以及應付債券及票據減現金及現金等值和持作買賣投資）約616,300,000港元（二零一六年三月三十一日：139,300,000港元）對權益總額約2,892,900,000港元（二零一六年三月三十一日：3,126,200,000港元）計算之負債與資產比率約為21.3%（二零一六年三月三十一日：4.5%）。按本集團負債總額對資產總額計算，負債比率約為34.7%（二零一六年三月三十一日：約32.7%）。

本集團現時可動用之流動資金足以應付資本承擔所需。於二零一七年三月三十一日，本集團之流動資產淨值約為524,300,000港元（二零一六年三月三十一日：364,700,000港元）。本集團之流動比率（即流動資產與流動負債之百分比）為522.6%（二零一六年三月三十一日：227.6%）。

為維持或調整資本架構，本集團可能會調整支付予股東之股息金額，發行新股份或出售資產以降低債務。

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CAPITAL STRUCTURE

The capital structure of the Group and fund raising activities during the year ended 31 March 2017 are summarised as follows:

(i) Share Capital

Pursuant to a placing agreement dated 23 August 2016, the Company had issued 159,996,000 new ordinary shares at a placing price of HK\$0.24 per share on 8 September 2016. The net proceeds from the placing, after deducting the related placing commission, professional fees and all related expenses, is approximately HK\$37,389,000 ("Placing Proceeds"), out of which approximately HK\$1,600,000 and HK\$35,789,000 were recorded in share capital and share premium respectively. Further details of the Share Placing are set out in the announcements of the Company dated 23 August 2016 and 8 September 2016.

On 19 September 2016, the Company received written notice issued by the holders of the convertible preference share ("CPS") for a full conversion of the CPS at the conversion price of HK\$1.69 per share. On 28 September 2016, the Company issued 713,017,750 new ordinary shares with par value of HK\$0.01. Approximately HK\$7,130,000 and HK\$276,728,000 were recorded in share capital and share premium respectively after the conversion of CPS. As at 31 March 2017, there is no outstanding of CPS. (31 March 2016: 713,017,750 shares of CPS). Further details of the conversion of CPS are set out in the announcement of the Company dated 19 September 2016 and 28 September 2016.

資本架構

截至二零一七年三月三十一日止年度，本集團之資本架構及集資活動總結如下：

(i) 股本

根據日期為二零一六年八月二十三日之配售協議，本公司已於二零一六年九月八日按配售價每股0.24港元發行159,996,000股新普通股。配售事項之所得款項淨額（經扣除相關配售佣金、專業費用及一切相關開支）約為37,389,000港元（「配售所得款項」），其中股本及股份溢價分別錄得約1,600,000港元及35,789,000港元。股份配售事項之進一步詳情載於本公司日期為二零一六年八月二十三日及二零一六年九月八日之公告。

於二零一六年九月十九日，本公司收到由可換股優先股（「可換股優先股」）持有人發出之書面通知，全數轉換可換股優先股，換股價為每股1.69港元。於二零一六年九月二十八日，本公司發行713,017,750股每股面值0.01港元之新普通股。於轉換可換股優先股後，股本及股份溢價分別錄得約7,130,000港元及276,728,000港元。於二零一七年三月三十一日，概無尚未轉換之可換股優先股（二零一六年三月三十一日：713,017,750股可換股優先股）。轉換可換股優先股之進一步詳情載於本公司日期為二零一六年九月十九日及二零一六年九月二十八日之公告。

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CAPITAL STRUCTURE (continued)

(ii) Bank Borrowings

As at 31 March 2017, the bank loans include loan principal amounts of HK\$795,201,000 which bears interest at 5.88% per annum is repayable by instalments up to 31 December 2025 (2016: loan principal amounts of approximately HK\$129,495,000 and HK\$497,597,000 which bore interest at 6.18% and 6.78% per annum respectively were repayable by instalments up to 26 September 2020 and 29 April 2021 respectively.)

At 31 March 2017 and 2016, the bank borrowings were secured by the Group's investment property with carrying amount of approximately HK\$3,551.7 million (2016: HK\$3,860.9 million); rental proceeds over the investment property (2016: HK\$Nil); a corporate guarantee for the bank borrowings with principal amount of approximately HK\$795.2 million (2016: HK\$Nil) executed by the Company; and personal guarantees for the bank borrowings with principal amount of approximately HK\$795.2 million (2016: HK\$129.5 million) executed by Mr. Guo Jiadi, a director of the Company, and Ms. Shen Bizhen, the spouse of Mr. Guo Jiadi (2016: Mr. Guo Jiadi) in which the guarantee is to fulfilled covenant of bank facilities if the subsidiary has breached the covenants of bank facilities.

(iii) Bonds payable

As at 31 March 2017 and 2016, the Company had a 4-year 7% coupon bonds with principal amount to HK\$11 million (the "7% Coupon Bonds") to certain independent third parties. The 7% Coupon Bonds are denominated in HK\$. Interest is payable semiannually and the principal will be repaid when the 7% Coupon Bonds fall due on 23 July 2019. There is no early redemption of the 7% Coupon Bonds neither by the Company nor the 7% Coupon Bonds holders during the year ended 31 March 2017.

(iv) Notes payable

As at 31 March 2016, the Company had a 2-year 10% notes payable with an aggregated principal amount of HK\$150 million (the "Notes"). On 18 January 2017, the Company had early redeemed all the Notes in accordance with the notes subscription agreement. A loss of early redemption of Notes amounted to approximately HK\$5,025,000 was recognised during the year ended 31 March 2017.

資本架構 (續)

(ii) 銀行借貸

於二零一七年三月三十一日，銀行貸款包括貸款本金約795,201,000港元，按年利率5.88%計息，須分期還款至二零二五年十二月三十一日（二零一六年：貸款本金約129,495,000港元及497,597,000港元，分別按年利率6.18%及6.78%計息，並分別須分期還款至二零二零年九月二十六日及二零二一年四月二十九日）。

於二零一七年及二零一六年三月三十一日，銀行借貸以本集團賬面值約3,551,700,000港元（二零一六年：3,860,900,000港元）之投資物業作抵押；投資物業租金（二零一六年：零港元）作抵押；本公司就本金額為約795,200,000港元（二零一六年：零港元）之銀行借貸提供企業擔保；以及本公司董事郭加迪先生與郭加迪先生配偶沈碧珍女士（二零一六年：郭加迪先生）就本金額為約795,200,000港元（二零一六年：129,500,000港元）之銀行借貸提供個人擔保，保證於附屬公司違反銀行融資契約時履行有關銀行融資契約。

(iii) 應付債券

於二零一七年及二零一六年三月三十一日，本公司向若干獨立第三方發行4年期票息7厘本金11,000,000港元之債券（「票息7厘債券」）。票息7厘債券以港元計值。利息每半年派息一次，及本金將於二零一九年七月二十三日票息7厘債券到期時償還。截至二零一七年三月三十一日止年度，本公司或票息7厘債券持有人並無提前贖回票息7厘債券。

(iv) 應付票據

於二零一六年三月三十一日，本公司已發行本金總額150,000,000港元之兩年期10%應付票據（「票據」）。於二零一七年一月十八日，本公司已根據票據認購協議提早贖回所有票據。截至二零一七年三月三十一日止年度，提早贖回票據之虧損約為5,025,000港元。

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 15 December 2016, Fujian Sinco, an indirect wholly-owned subsidiary of the Group, entered into an agreement with Fuzhou Gaojia Real Estate Development Co., Ltd (the “Fuzhou Gaojia”) pursuant to which Fujian Sinco agreed to acquire and the Fuzhou Gaojia agreed to sell 95% of the equity interests of Fujian Jingdu Land Co., Ltd, the (the “Fujian Company”) at an aggregate consideration of RMB455,816,462 (the “Fujian Acquisition”).

Concurrent with the Fujian Acquisition, Fujian Sinco and Fuzhou Gaojia entered into another agreement pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell 95% of the equity interests of Xian Sandi Real Estate Development Co., Ltd (the “Xian Company”) at an aggregate consideration of RMB202,437,651 (the “Xian Acquisition”).

The Directors are reasonably optimistic about the prospects of such investment in view of the prospects of the property market in the Mainland China as set forth in the section headed “Business Review –” in this report. For more details of Fujian acquisition and Xian Acquisition, please refer to the related announcement of the Company dated 15 December 2016 and the circular dated 16 March 2017.

Save as disclosed in this report, there were no other material acquisitions or disposals of subsidiaries, associates and joint ventures during the year, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of this report.

重大收購及出售附屬公司、聯營公司及合營企業以及重大投資或資本資產的未來計劃

於二零一六年十二月十五日，福建先科（本集團間接全資附屬公司）與福州高佳房地產開發有限公司（「福州高佳」）訂立協議，據此，福建先科同意收購及福州高佳同意出售福建京都置業有限公司（「福建公司」）95%股權，總代價為人民幣455,816,462元（「福建收購事項」）。

在進行福建收購事項的同時，福建先科與福州高佳訂立另一份協議，據此，買方同意收購及賣方同意出售西安三迪房地產開發有限公司（「西安公司」）95%股權，總代價為人民幣202,437,651元（「西安收購事項」）。

如本報告「業務回顧」一節所述，鑑於中國內地房地產市場的前景，董事對此類投資的前景相當樂觀。有關福建收購事項及西安收購事項的詳情，請參閱本公司日期為二零一六年十二月十五日之相關公告及二零一七年三月十六日之通函。

除本報告內披露者外，本年度並無其他重大收購或出售附屬公司、聯營公司及合營企業，於本報告日期亦無董事會授權其他重大投資或增加資本資產的任何計劃。

Management Discussion and Analysis

管理層討論及分析

USE OF NET PROCEEDS FROM THE EQUITY FUND RAISING ACTIVITIES

The use of the net proceeds from the equity fund raising activities during the year ended 31 March 2017 are summarised as follows:

(a) Rights issue of 1,648,924,892 new Shares under special mandate

The rights issue was completed on 3 February 2016 and net proceeds of approximately HK\$323 million were raised from the right issue ("Rights Issue Proceeds"). As disclosed in the Circular of the Company dated 13 January 2016, in relation to, among other things, the proposed use of the Rights Issue Proceeds was for (i) approximately 70% or HK\$226.1 million thereof for acquiring State owned land use right(s) and financing potential residential or commercial properties property development project(s) in Shanghai ("Property Development & Investments"); (ii) approximately 20% or HK\$64.6 million for repayment of the debts of the Group principally consisted of bank loans; and (iii) approximately 10% or HK\$32.3 million for the general working capital of the Group.

Pending utilization of the net proceeds previously allocated to Property Development & Investments, rather than depositing the funds into bank accounts at very low interest rates, the Company considered that it would be in the best interest of the Group without materially impairing its financial capabilities to utilise such funds by providing financial assistance to persons who are willing to pay reasonable interest to the Group. As disclosed in the announcement of the Company dated 22 August 2016, the Company changed the use of such part of the Rights Issue Proceeds as provision financial assistance to earn interest income subject to a maximum amount of approximately HK\$162 million.

As the Group has funding needs to finance the Fujian Acquisition, the Group shall apply part of the Rights Issue Proceeds to satisfy the cash component of the Fujian Acquisition. Further details of the Fujian Acquisition are set out in the announcements of the Company dated 15 December 2016 and circular dated 16 March 2017.

股本集資活動所得款項淨額之用途

截至二零一七年三月三十一日止年度之股本集資活動所得款項淨額用途概述如下：

(a) 根據特別授權1,648,924,892股新股份之供股

供股於二零一六年二月三日完成及自供股籌集所得款項淨額約323,000,000港元（「供股所得款項」）。如本公司日期為二零一六年一月十三日之通函所披露，內容有關（其中包括）供股所得款項擬定用途為(i)約70%或226,100,000港元收購國有土地使用權及為上海潛在住宅或商用物業之物業發展項目撥資（「物業發展及投資」）；(ii)約20%或64,600,000港元用作償還本集團債務（主要包括銀行貸款）；及(iii)約10%或32,300,000港元用作本集團一般營運資金。

擬動用先前分配予物業發展及投資之所得款項淨額，而並非將款項存放於極低利率之銀行賬戶，本公司認為，在並無嚴重損害本集團財務能力之情況下，動用該等資金向願意為本集團支付合理利益之人士提供財務資助乃符合本集團之最佳利益。如本公司日期為二零一六年八月二十二日之公告所披露，本公司將此部分供股所得款項之用途變更為提供財務資助以賺取利息收入，最高金額約為162,000,000港元。

由於本集團有集資需要以撥付福建收購事項，本集團須動用部分供股所得款項以支付福建代價之現金部分。福建收購事項之進一步詳情載於本公司日期為二零一六年十二月十五日之公告及日期為二零一七年三月十六日之通函。

Management Discussion and Analysis

管理層討論及分析

USE OF NET PROCEEDS FROM THE EQUITY FUND RAISING ACTIVITIES *(continued)*

(a) Rights issue of 1,648,924,892 new Shares under special mandate *(continued)*

As at 31 March 2017, approximately HK\$64.6 million of the Rights Issue Proceeds had been utilised to repay bank loans; approximately HK\$32.3 million had been utilised as general working capital of the Group; and approximately HK\$162 million had been utilised as provision financial assistance to earn interest income and the remaining HK\$64.1 million has been utilised to satisfy part of the cash consideration of Fujian Acquisition.

(b) Placing of 159,996,000 new Shares under general mandate

The Shares Placing was completed on 8 September 2016, raising Placing Proceeds of approximately HK\$37.4 million. As disclosed in the announcement of the Company dated 8 September 2016, the proposed use of the Placing Proceeds was for the general working capital of the Group.

On 15 December 2016, the Group has entered into a sale and purchase agreement with Fujian Gaojia Real Estate Development Co., Ltd. pursuant to which the Group conditionally agreed to acquire 95% equity interests of Fujian Jingdu Land Co., Ltd. at an aggregate consideration of RMB455,816,462 ("Fujian Acquisition"). As the Group has funding needs to finance the acquisition, the Group changed the use of Placing Proceeds to satisfy the cash component of the Fujian Acquisition.

As at 31 March 2017, all Placing Proceeds has been utilised to satisfy part of the cash consideration of Fujian Acquisition. Further details of the Fujian Acquisition are set out in the announcements of the Company dated 15 December 2016 and circular dated 16 March 2017.

股本集資活動所得款項淨額之用途 *(續)*

(a) 根據特別授權1,648,924,892股新股份之供股 *(續)*

於二零一七年三月三十一日，供股所得款項約64,600,000港元已動用以償還銀行貸款；約32,300,000港元已動用作本集團一般營運資金；及約162,000,000港元已動用提供財務資助以賺取利息收入及餘下64,100,000港元已動用以支付福建收購事項之現金代價。

(b) 根據一般授權配售159,996,000股新股份

股份配售乃於二零一六年九月八日完成，配售所得款項約37,400,000港元。如本公司日期為二零一六年九月八日之公告所披露，配售所得款項擬用作本集團之一般營運資金。

於二零一六年十二月十五日，本集團與福州高佳房地產開發有限公司訂立買賣協議，據此，本集團有條件同意收購福建京都置業有限公司95%股權，總代價為人民幣455,816,462元（「福建收購事項」）。由於本集團有集資需要以撥付收購事項，本集團已更改配售所得款項用途，以支付福建收購事項之現金部分。

於二零一七年三月三十一日，所有配售所得款項已用於支付福建收購事項之部分現金代價。福建收購事項之進一步詳情載於本公司日期為二零一六年十二月十五日之公告及日期為二零一七年三月十六日之通函。

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管理層討論及分析

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the following events took place:

Subsequent to the end of the reporting period, the Fujian Acquisition and Xian Acquisition were completed on 26 May 2017 and 16 June 2017 respectively.

Upon completion, Fujian Company and Xian Company would become subsidiaries of the Group. Prior to the completion of acquisitions, Fujian Company and Xian Company and the Company were under common control of Mr. Guo Jiadi, the controlling shareholder of the Company.

CHARGE ON THE GROUP'S ASSETS

As at 31 March 2017, an investment property with respective fair value of approximately HK\$3,551.7 million (31 March 2016: approximately HK\$3,860.9 million) was pledged to secure a subsidiary's bank loan.

CONTINGENT LIABILITIES

As at 31 March 2017 and 2016, the Group did not have any material contingent liabilities.

CAPITAL COMMITMENTS

As at 31 March 2017, the Group has capital commitments in respect of construction in progress amounted to approximately HK\$270,616,000 (2016: approximately HK\$10,000).

報告期後之重大事項

報告期末後發生下列事項：

於報告期末後，福建收購事項及西安收購事項分別於二零一七年五月二十六日及二零一七年六月十六日完成。

完成後，福建公司及西安公司成為本集團的附屬公司。收購完成前，福建公司及西安公司以及本公司受本公司控股股東郭加迪先生共同控制。

本集團資產抵押

於二零一七年三月三十一日，各自公平值約3,551,700,000港元（二零一六年三月三十一日：約3,860,900,000港元）之投資物業已抵押作為一家附屬公司所獲銀行貸款之擔保。

或然負債

於二零一七年及二零一六年三月三十一日，本集團並無任何重大或然負債。

資本承擔

於二零一七年三月三十一日，本集團在建工程之資本承擔約為270,616,000港元（二零一六年：約10,000港元）。

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FOREIGN EXCHANGE EXPOSURE

The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC and Hong Kong denominated in RMB and HK\$ respectively. The functional currency of the Company and certain of its subsidiaries which operate in Hong Kong as investment holding companies or companies providing corporate services to other group entities is HK\$. The functional currency of the Company's principal operating subsidiaries in the PRC is RMB. The RMB is not freely convertible into other foreign currencies and conversion of the RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. As at 31 March 2017, the Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate. As at 31 March 2017, the Group had no investment in any financial derivatives, foreign exchange contracts, interest or currency swaps, hedging or other financial arrangements for hedging purposes to reduce any currency risk nor made any over-the-counter contingent forward transactions.

EMPLOYEES

As at 31 March 2017, the Group employed a total of approximately 20 employees (2016: 21) of which 17 employees (2016: 18) were hired in the PRC and 3 (2016: 3) employees in Hong Kong. Total remuneration paid to the employees for the year ended 31 March 2017 amounted to approximately HK\$8.5 million (2016: HK\$9.8 million). In addition to competitive remuneration package offered to the employees, other benefits included contributions to mandatory provident fund, as well as group medical and accident insurance. Ongoing training sessions were also conducted to enhance the competitiveness of the Group's human assets. The Company also maintains a share option scheme, pursuant to which share options may be granted to the Directors, executives and employees of the Company to provide them with incentives in the growth of the Group.

外匯風險

本集團承受交易貨幣風險。該等風險來自分別以人民幣及港幣計值之中國及香港業務運作。本公司及其在香港經營的若干附屬公司（為投資控股公司或向其他集團實體提供企業服務之公司）之功能貨幣為港元。本公司在中國的主要經營附屬公司之功能貨幣為人民幣。人民幣不能自由兌換為其他外幣，而人民幣與外幣之兌換受中國政府頒布之外匯管制規則及規例限制。於二零一七年三月三十一日，本集團並無有關其外幣資產及負債之外匯對沖政策。本集團將密切監察其外匯風險，並將於適當時候考慮就重大外匯風險使用對沖工具。於二零一七年三月三十一日，本集團並無投資於任何金融衍生工具、外匯合約、利率或貨幣掉期，對沖或其他財務安排作對沖用途以減少任何貨幣風險，及並無進行任何場外遠期交易。

僱員

於二零一七年三月三十一日，本集團合共聘用約20名（二零一六年：21名）僱員，其中於中國聘用17名僱員（二零一六年：18名）及3名僱員（二零一六年：3名）駐守香港。截至二零一七年三月三十一日止年度，向僱員支付之薪酬總額約8,500,000港元（二零一六年：9,800,000港元）。除向僱員提供具競爭力之薪酬組合外，本集團提供之其他福利包括強制性公積金供款以及團體醫療及意外保險。本集團亦提供持續培訓課程，以提升本集團人才之競爭力。本公司亦設有購股權計劃，據此，董事、本公司行政人員及僱員可獲授購股權，以激勵彼等對本集團發展作出貢獻。

Management Discussion and Analysis

管理層討論及分析

PROPERTY VALUATION

Property valuation on the Group's investment property located in the PRC as at 31 March 2017 had been carried out by an independent qualified professional valuer, Chung Hin Appraisal Limited. The property valuation was used in preparing 2016/2017 annual results. The valuation was based on direct capitalisation approach by making reference to comparable market information as available in the relevant markets. The Group's investment property was valued at approximately HK\$3,551.7 million as at 31 March 2017 (31 March 2016: approximately HK\$3,860.9 million) a decrease in fair value of approximately HK\$81.1 million (2016: an increase in fair value of approximately HK\$96.7 million) was recognised in the consolidated statement of profit or loss for the year ended 31 March 2017.

物業估值

於二零一七年三月三十一日本集團於中國之投資物業已由獨立合資格專業估值師中衍評值有限公司進行物業估值。物業估值已用於編製二零一六年／一七年年業績。相關估值基於直接資本法，經參考相關市場可用之可資比較市場資料。於二零一七年三月三十一日本集團投資物業之估值為約3,551,700,000港元（二零一六年三月三十一日：約3,860,900,000港元），於截至二零一七年三月三十一日止年度之綜合損益表內已確認公平值減少約81,100,000港元（二零一六年：公平值增加約96,700,000港元）。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE

During the year ended 31 March 2017 and up to the date of this report, the Company has complied with the code provisions (“Code Provisions”) set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) except for the deviations from the Code Provision A.2.1, A.2.7, A.6.7 and the Rule 3.28 of the Listing Rules. The Board is committed to complying with the CG Code to the extent that the Directors consider it to be practical and applicable to the Company.

The corporate governance principles of the Company emphasis an effective Board, sound internal control, appropriate independence policy, transparency and accountability to the shareholders of the Company. The Board will continue to monitor and revise the Company's corporate governance policies in order to ensure that such policies may meet the general rules and standards required by the Listing Rules. The Board believes that sound and reasonable corporate governance practices are essential for sustainable growth of the Group and for safeguarding the interests and the Group's assets. The Company had complied with the CG Code throughout the period except for the following deviations:

Code Provision A.2.1

The roles of the chairman and the chief executive officer should be segregated and not be exercised by the same individual. The chairman is responsible for the corporate strategic planning and formulation of corporate policies for the Group, while the chief executive officer is responsible for overseeing day-to-day management of the Group's business.

Mr. Guo Jiadi currently serves as the chairman of the Board (the “Chairman”). No individual was appointed as the chief executive officer of the Company (the “CEO”) since the re-designation of the ex-chief executive officer. The day-to-day management of the Group's business is monitored by the executive Directors and senior management. Given the size and that the Company's and the Group's current business operations and administration have been stable, the Board is justified that the current structure is able to effectively discharge the duties of both positions. However, going forward, the Board will review from time to time the need to separate the roles of the Chairman and the CEO if the situation warrants it.

企業管治

截至二零一七年三月三十一日止年度及截至本報告日期止，本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）之守則條文（「守則條文」），惟偏離守則條文第A.2.1、A.2.7、A.6.7條及上市規則第3.28條之情況除外。董事會致力在董事認為切實可行及適合本公司之情況下遵守企業管治守則。

本公司之企業管治原則強調有效之董事會、健全之內部監控、合適之獨立政策、透明度及向本公司股東問責。董事會將持續監察及修訂本公司之企業管治政策，確保該等政策符合上市規則之一般規則及準則規定。董事會相信，奏效及合理之企業管治常規對本集團之可持續增長攸關重要，同時可保障權益及本集團資產。除以下偏離情況外，本公司於期內一直遵守企業管治守則：

守則條文第A.2.1條

主席及行政總裁之角色須分開且不應由同一人擔任。主席須負責本集團之企業策略規劃及制定公司政策，而行政總裁須負責監督本集團業務日常管理。

郭加迪先生目前擔任董事會主席（「主席」）。自重新調任前行政總裁以來，概無個別人士獲委任為本公司行政總裁（「行政總裁」），執行董事及高級管理層監察本集團業務之日常管理。鑑於規模及本公司與本集團目前業務運作及行政已經穩定，董事會認為目前架構能有效履行兩個職位之職責。然而，展望將來，董事會將不時檢討，如情況需要則分開主席及行政總裁之角色。

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CORPORATE GOVERNANCE *(continued)*

Code Provision A.2.7

Code Provision A.2.7 of the CG Code stipulates that the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present.

During the year ended 31 March 2017, Mr. Guo Jiadi, the Chairman did not held any meeting with the non-executive Directors (including independent non-executive Directors) without the executive Directors present. The Company will request the Chairman to hold a meeting with all non-executive Directors without the present of executive Directors in order to comply with the code provision A.2.7 of the CG Code.

Code Provision A.6.7

Code provision A.6.7 of the CG Code stipulates that independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of the shareholders of the Company ("Shareholders").

Mr. Zheng Jinyun and Mr. Zheng Yurui, the independent non-executive Directors, were unable to attend the special general meeting and the annual general meeting of the Company held on 10 May 2016 and 25 August 2016 respectively as they had other important business engagement. The Company will request all the independent non-executive Directors to attend all future general meetings in order to comply with the code provision A.6.7 of the CG Code.

Rule 3.28

According to Rule 8.17 of the Listing Rules, the Company must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. Mr. Chiu Ngam, Chris has been resigned from the post as company secretary of the Company with effect from 20 February 2017. On 28 April 2017, Ms. Chan Po Yu has been appointed as the company secretary to fill the vacancy in the office of company secretary occasioned by the resignation of Mr. Chiu Ngam, Chris. Save that for the period from 20 February 2017 to 27 April 2017, the Company did not comply with the requirement under Rule 3.28 of the Listing Rules and, hence, the relevant code provisions in respect of company secretary.

企業管治 (續)

守則條文第A.2.7條

企業管治守則之守則條文第A.2.7條規定，主席應至少每年與非執行董事（包括獨立非執行董事）舉行一次無執行董事列席之會議。

截至二零一七年三月三十一日止年度，主席郭加迪先生並無與非執行董事（包括獨立非執行董事）舉行任何無執行董事列席之會議。本公司將要求主席與全體非執行董事舉行無執行董事列席之會議，以遵守企業管治守則之守則條文第A.2.7條。

守則條文第A.6.7條

企業管治守則之守則條文第A.6.7條規定，獨立非執行董事及其他非執行董事應出席股東大會並對本公司股東（「股東」）之意見有公正了解。

獨立非執行董事鄭金雲先生及鄭玉瑞先生因處理其他重要事務而未能出席本公司於二零一六年五月十日舉行之股東特別大會及於二零一六年八月二十五日舉行之股東週年大會。本公司將要求所有獨立非執行董事出席所有未來股東會議，以遵守企業管治守則之守則條文第A.6.7條。

上市規則第3.28條

根據上市規則第8.17條，本公司須委任公司秘書以符合上市規則第3.28條。趙岩先生自二零一七年二月二十日起辭任本公司公司秘書職務。於二零一七年四月二十八日，陳寶茹女士已獲委任為公司秘書，以填補趙岩先生辭任後之公司秘書空缺。自二零一七年二月二十日至二零一七年四月二十七日期間，本公司並無遵守上市規則第3.28條之規定，亦不符合有關公司秘書之相關守則條文。

RESPONSIBILITIES OF THE BOARD

The Board's primary responsibilities include the formulation of long-term corporate strategies, policy decisions and overseeing the management of the Group's operations. In addition, the Board evaluates the performance of the Group and assesses the achievement of targets periodically set by the Board. In carrying out its duties and projects, the Board delegates certain specific considerations to designated board committees and management task forces. The daily management, administration and operations of the Company are delegated to the CEO, executive Directors and senior management and divisional heads. The delegated functions and work tasks are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers. All Directors have full and timely access to all relevant information in discharging their duties, and in appropriate circumstances are normally granted rights to seek independent professional advices at the Company's expense.

COMPOSITION OF THE BOARD

The composition of the Board reflects the necessary balance of skills and experience for effective leadership and independence in decision making. As at the date of this report, the Board comprises 8 Directors, whose biographical details and their relationships are set out in the "Biographical Details of the Directors of the Company" on pages 61 to 67 of the Report of the Directors. There are 3 executive Directors, namely Mr. Guo Jiadi, Ms. Amika Lan E Guo and Mr. Yan Pingfeng; a non-executive Director, Dr. Wong Yun Kuen and 4 independent non-executive Directors, namely Mr. Chan Yee Ping, Michael, Mr. Yu Pak Yan, Peter, Mr. Zheng Jinyun and Mr. Zheng Yurui. The Company has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of a sufficient number of independent non-executive Directors and at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise throughout the year ended 31 March 2017. The Company has received annual confirmations from all independent non-executive Directors that they did not have any businesses or financial interests with the Group and were independent in accordance with Rule 3.13 of the Listing Rules.

董事會之職責

董事會之主要職責為制定長遠企業策略、決定政策及監督本集團之業務管理。此外，董事會會評估本集團之表現及評核能否達到董事會定期設定之目標。於履行職責及落實項目時，董事會將若干具體考慮事宜交由指定之董事委員會及管理小組負責。本公司之日常管理、行政及運作由行政總裁、執行董事及高級管理層以及各部門主管負責。董事會定期檢討所分派之職務及工作。上述高級職員於訂立任何重大交易前，必須事先獲董事會批准。全體董事均可適時獲完整之所有相關資料以履行其職責，並且一般有權於適當情況下徵詢獨立專業意見，費用由本公司承擔。

董事會之組成

董事會之組成反映有效領導及作出獨立決策所需技能及經驗之均衡配合。於本報告日期，董事會由八名董事組成，彼等之履歷及關係已載於董事會報告書第61至67頁「本公司董事之個人簡歷」。目前有三名執行董事，分別為郭加迪先生、Amika Lan E Guo女士及嚴平峰先生；一名非執行董事黃潤權博士；以及四名獨立非執行董事，分別為陳貽平先生、余伯仁先生、鄭金雲先生及鄭玉瑞先生。本公司於截至二零一七年三月三十一日止年度一直遵守上市規則第3.10(1)及3.10(2)條有關委任足夠數目之獨立非執行董事及最少其中一名獨立非執行董事須具備適當專業資格或會計或相關財務管理專業知識之規定。本公司已接獲全體獨立非執行董事根據上市規則第3.13條發出之年度確認書，表示彼等並無於本集團擁有任何業務或財務權益，並屬獨立人士。

Corporate Governance Report

企業管治報告

APPOINTMENT AND SUCCESSION PLANNING OF DIRECTORS

The Board as a whole is responsible for reviewing its composition, developing and formulating the relevant procedures for the nomination and appointment of Directors; and monitoring their succession. The Board's established policies include procedures for the appointment of Directors nominated by the Company's shareholders. The existing Bye-laws of the Company empower the Board to appoint any person as Director either as an additional member or to fill a casual vacancy.

The term of office for each of the executive Directors and the independent non-executive Directors is 3 years. The existing Bye-laws of the Company provide that at each annual general meeting, one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement at least once every 3 years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retire may fill the vacated office. In addition, all Directors appointed to fill a casual vacancy or as an additional Director shall retire in the next annual general meeting but eligible for re-election.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as the code of conduct in respect of the securities dealing by the Directors. The Company has made specific enquiry of all Directors in respect of the securities dealing by the Directors and all Directors have confirmed that they have complied with the Model Code throughout the year ended 31 March 2017.

BOARD COMMITTEE

The Company has established 3 Board committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, each of which is delegated with specific roles and responsibilities by the Board. All the Board committees follow the same principles and procedures as those of the Board. The Board receives the minutes of each committee on a regular basis, including their decision and recommendations.

董事委任及接任計劃

全體董事會須負責審閱其組成、設立及制定有關提名及委任董事之程序以及監控接任情況。董事會已制定之政策包括委任本公司股東所提名董事之程序。本公司現行公司細則授權董事會可委任任何人士出任董事，作為新增成員或填補臨時空缺。

各執行董事及獨立非執行董事之任期為三年。本公司現行公司細則規定，於每屆股東週年大會上，當時三分之一之在任董事，或倘人數並非三或三之倍數，則最接近且不少於三分之一之董事須輪值退任，並規定每名董事須至少每三年輪值退任一次。退任董事有資格重選連任。本公司可在董事退任之股東大會上填補空缺職位。此外，所有因填補臨時空缺而獲委任之董事或獲委任為新增成員之董事須於下屆股東週年大會上退任，惟符合資格重選連任。

董事進行證券交易之標準守則

本公司已就董事買賣證券採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為行為守則。本公司已就董事買賣證券向全體董事作出具體查詢，全體董事確定彼等於截至二零一七年三月三十一日止整個年度一直遵守標準守則。

董事委員會

董事會轄下設有審核委員會、提名委員會及薪酬委員會三個委員會，各由董事會授以特定之角色和職責。所有董事委員會須遵守之原則及程序均與董事會相同。董事會定期收到各委員會之會議記錄，包括其決策及建議。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Company has established an Audit Committee. The Audit Committee of the Company presently comprises the following independent non-executive Directors:

Mr. Chan Yee Ping, Michael (*Chairman*)
Dr. Wong Yun Kuen (*Note i*)
Mr. Yu Pak Yan, Peter
Mr. Zheng Yurui (*Note ii*)

Note (i)

Dr. Wong Yun Kuen (“Dr. Wong”) has been re-designated from independent non-executive Director to non-executive director of the Company on 15 September 2016. Following his re-designation, Dr. Wong ceased to be the chairman of the Nomination committee and a member of the Remuneration committee and Audit committee of the Company.

Note (ii)

Following the re-designation of Dr. Wong, Mr. Zheng Yurui, an independent non-executive Director, has been appointed as the chairman of Nomination Committee and a member of the Remuneration Committee and Audit Committee on 15 September 2016.

The Chairman of the Audit Committee possesses the appropriate professional qualification or accounting or related financial management expertise and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules. None of the members of the Audit Committee is a former partner of the Company’s existing external auditors. The primary responsibilities of the Audit Committee include the followings:

- (a) To review the Company’s financial information including annual report and half-yearly report and the appropriateness of any significant financial reporting judgments contained therein;
- (b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors; and
- (c) To review the adequacy and effectiveness of the Company’s financial reporting system, internal control system and risk management system and associated procedures. Further information is disclosed in the section titled “Risk Management and Internal Controls” below.

審核委員會

本公司已成立審核委員會。本公司審核委員會現時由以下獨立非執行董事組成：

陳貽平先生 (*主席*)
黃潤權博士 (*附註i*)
余伯仁先生
鄭玉瑞先生 (*附註ii*)

附註(i)

黃潤權博士(「黃博士」)已由獨立非執行董事調任為非執行董事，自二零一六年九月十五日起生效。黃博士調任後，不再擔任本公司提名委員會主席以及審核委員會及薪酬委員會之成員。

附註(ii)

黃博士調任後，獨立非執行董事鄭玉瑞先生已於二零一六年九月十五日獲委任為本公司提名委員會主席以及薪酬委員會及審核委員會之成員。

審核委員會主席具備適當專業資格或會計或相關財務管理專業知識，而審核委員會成員則符合上市規則第3.21條之規定。概無審核委員會成員為本公司現任外聘核數師之前任合夥人。審核委員會之主要職責包括以下各項：

- (a) 審閱本公司財務資料，包括年報及半年報告，以及當中所載任何重大財務申報判斷是否恰當；
- (b) 參考核數師之工作表現、彼等之收費及委聘條款而檢討與外聘核數師之關係，以及就委聘、續聘及罷免外聘核數師向董事會提供推薦意見；及
- (c) 檢討本公司財務申報制度、內部監控制度、風險管理制度及相關程序是否足夠和有效。進一步資料披露於下文「風險管理及內部監控」一節。

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AUDIT COMMITTEE (continued)

The Company's results for the year ended 31 March 2017 and interim results for the six months ended 30 September 2016 have been reviewed by the Audit Committee before the submission to the Board.

During the year ended 31 March 2017, two meetings had been held by the Audit Committee. Attendance of each member at the Audit Committee meeting is set out in the table under the section headed "Meeting Attendance" of this report.

Summary of work

During the year, the Audit Committee reviewed the interim and annual results with the external auditors and its duties in accordance with the Audit Committee's written terms of reference.

The terms of reference of the Audit Committee are available for inspection on the Company's website and the Stock Exchange's website.

Auditors' Remuneration

The Audit Committee has reviewed the remuneration paid/payable to Messrs. BDO Limited, the external auditor of the Company, for the following services provided for the year ended 31 March 2017.

Nature of services	服務性質	Remuneration Paid/Payable 已付/應付酬金 HK\$'000 千港元
Audit services	審核服務	585
Non-audit services (note)	非審核服務 (附註)	1,240
		<hr/> 1,825

Note: Non-audit services provided by BDO Limited for the year ended 31 March 2017 included agreed-upon procedures report on the Group's interim results and reporting accountants' services in relation to the acquisitions of the PRC companies involving in property development project in the PRC.

The Audit Committee has expressed its views to the Board that the level of fees paid/payable to the Company's external auditor is reasonable. There has been no major disagreement between the external auditor and the management of the Company for the year ended 31 March 2017.

審核委員會 (續)

審核委員會已於提交董事會前審閱本公司截至二零一七年三月三十一日止年度之業績及截至二零一六年九月三十日止六個月之中期業績。

截至二零一七年三月三十一日止年度，審核委員會曾舉行兩次會議。各成員於審核委員會會議之出席情況已載於本報告「會議出席情況」一節之列表。

工作概要

於本年度，審核委員會已根據審核委員會之書面職權範圍聯同外聘核數師審閱中期及年度業績以及履行其職責。

審核委員會之職權範圍可於本公司網站及聯交所網站查閱。

核數師酬金

審核委員會已審閱本公司就本公司外聘核數師香港立信德豪會計師事務所有限公司於截至二零一七年三月三十一日止年度提供以下服務而已付/應付之酬金。

附註：由香港立信德豪會計師事務所有限公司提供截至二零一七年三月三十一日止年度之非審核服務包括對本集團中期業績及有關涉及中國房地產開發項目之中國公司收購事項之申報會計師之專業服務之協定程序報告。

審核委員會已向董事會反映意見，表示已付/應付本公司外聘核數師之費用水平屬合理。外聘核數師與本公司管理層於截至二零一七年三月三十一日止年度並無任何主要意見分歧。

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NOMINATION COMMITTEE

The Company has established a Nomination Committee. The existing Nomination Committee comprises the following independent non-executive Directors:

Dr. Wong Yun Kuen (*Note i*)
Mr. Zheng Yurui (*Note ii*) (*Chairman*)
Mr. Chan Yee Ping, Michael
Mr. Yu Pak Yan, Peter

Note (i)

Dr. Wong Yun Kuen (“Dr. Wong”) has been re-designated from independent non-executive Director to non-executive director of the Company on 15 September 2016. Following his re-designation, Dr. Wong ceased to be the chairman of the Nomination committee and a member of the Remuneration committee and Audit committee of the Company.

Note (ii)

Following the re-designation of Dr. Wong, Mr. Zheng Yurui, an independent non-executive Director, has been appointed as the chairman of Nomination Committee and a member of the Remuneration Committee and Audit Committee on 15 September 2016.

The Nomination Committee is responsible for all matters relating to the appointment of Directors either to fill a casual vacancy or as an addition to the existing Board. Any Director appointed to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next annual general meeting and shall be eligible for re-election at such meeting. Every Director shall be subject to retirement by rotation at least once every 3 years and shall be eligible for re-election in accordance with the Bye-laws of the Company.

The Nomination Committee is responsible for identifying suitable qualified candidates and making recommendations to the Board for consideration. The process of selecting and recommending candidates for directorship includes the consideration of referrals and the engagement of external recruitment professionals. The selection criteria is based mainly on the assessment of their professional qualifications and experience relevant to the Company’s businesses.

The Nomination Committee held two meetings during the year ended 31 March 2017. Attendance of each member at the Nomination Committee meeting is set out in the table under the section headed “Meeting Attendance” of this report. Attendance of each member at the Nomination Committee meeting is set out in the table under the section headed “Meeting Attendance” of this report.

提名委員會

本公司已成立提名委員會。提名委員會現時由以下獨立非執行董事組成：

黃潤權博士 (*附註i*)
鄭玉瑞先生 (*附註ii*) (*主席*)
陳貽平先生
余伯仁先生

附註(i)

黃潤權博士(「黃博士」)已由獨立非執行董事調任為非執行董事，自二零一六年九月十五日起生效。黃博士調任後，不再擔任本公司提名委員會主席以及審核委員會及薪酬委員會之成員。

附註(ii)

黃博士調任後，獨立非執行董事鄭玉瑞先生已於二零一六年九月十五日獲委任為本公司提名委員會主席以及薪酬委員會及審核委員會之成員。

提名委員會負責一切有關為填補臨時空缺或增加現有董事會名額而委任董事之事宜。任何為填補臨時空缺或增加現有董事會名額而獲委任董事之任期僅直至下屆股東週年大會為止，屆時將有資格於會上重選連任。根據本公司之公司細則，每名董事均須至少每三年輪值退任一次，並有資格重選連任。

提名委員會須負責物色具備合適資格之人選並向董事會提出建議以供考慮。甄選及推薦董事人選之程序包括考慮獲引薦人士及聘請外界招聘專業人士。甄選條件主要視乎彼等與本公司業務有關之專業資格及經驗評估而定。

截至二零一七年三月三十一日止年度，提名委員會曾舉行兩次會議。各成員於提名委員會會議之出席情況已載於本報告「會議出席情況」一節之列表。

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Summary of work

During the year, the Nomination Committee discussed and made recommendation to the Board on the re-election of retiring Directors in accordance with the Nomination Committee's written terms of reference.

The terms of reference of the Nomination Committee are available for inspection on the Company's website and the Stock Exchange's website.

Summary of Board Diversity Policy, including measurable objective, monitoring and review of the Policy

The board diversity policy (the "Policy") aims to set out the approach to achieve diversity on the Company's Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board.

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition has been disclosed in the Report of the Directors.

Monitoring and review

The Nomination Committee has monitored the implementation of the Policy and there is no derivation from this Policy for the year ended 31 March 2017. The Nomination Committee will keep on review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

工作概要

於本年度，提名委員會已根據提名委員會之書面職權範圍討論重選退任董事並且向董事會提出建議。

提名委員會之職權範圍可於本公司網站及聯交所網站查閱。

董事會成員多元化政策之概要，包括可計量之目標、監察及檢討政策

董事會成員多元化政策（「政策」）旨在載列本公司達致董事會成員多元化而採取之方針。本公司明白並深信董事會成員多元化對提升本公司表現素質裨益良多。

為達致可持續均衡發展，本公司視董事會成員日益多元化為支持其達致策略目標及維持可持續發展之關鍵元素。本公司在設計董事會成員組成時，會從多方面考慮董事會成員多元化組合。董事會之所有委任均以用人唯才為原則，並以客觀條件考慮候選人，從而充分顧及董事會成員多元化之裨益。

可計量目標

甄選候選人將基於一系列多元化因素考慮，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能知識以及服務年期。本公司將根據獲甄選之候選人為董事會帶來之裨益及貢獻作出最終決定。董事會之組成已於董事會報告書內披露。

監察及檢討

提名委員會已監察政策之實施，而截至二零一七年三月三十一日止年度並無任何偏離本政策的情況。提名委員會將繼續於適當時候檢討本政策，確保本政策行之有效。提名委員會將討論任何或需作出之修訂，並向董事會提出修訂建議，由董事會考慮及審批。

Corporate Governance Report

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REMUNERATION COMMITTEE

The Company has established a Remuneration Committee. The Remuneration Committee comprises the following independent non-executive Directors:

Mr. Yu Pak Yan, Peter (*Chairman*)
Mr. Chan Yee Ping, Michael
Dr. Wong Yun Kuen (*Note i*)
Mr. Zheng Yurui (*Note ii*)

Note (i)

Dr. Wong Yun Kuen (“Dr. Wong”) has been re-designated from independent non-executive Director to non-executive director of the Company on 15 September 2016. Following his re-designation, Dr. Wong ceased to be the chairman of the Nomination committee and a member of the Remuneration committee and Audit committee of the Company.

Note (ii)

Following the re-designation of Dr. Wong, Mr. Zheng Yurui, an independent non-executive Director, has been appointed as the chairman of Nomination Committee and a member of the Remuneration Committee and Audit Committee on 15 September 2016.

The principal responsibilities of the Remuneration Committee include making recommendation on the policy and structure for the remuneration of Directors and senior management of the Company, the establishment of a formal and transparent procedure for developing such policy, and the review of specific remuneration packages of all executive Directors and senior management of the Company by reference to corporate goals and objective resolved by the Board from time to time. The Remuneration Committee will review and make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

The principal elements of the executive Directors’ remuneration package include basic salary, benefits in kind, discretionary bonus, retirement benefits and participation in the share option scheme adopted by the shareholders of the Company in November 2011. The remuneration packages of the executive Directors will be proposed by the Chairman of the Group annually for the review by the Remuneration Committee based on the following factors:

- (a) the executive Director’s responsibilities and contribution;
- (b) the executive Director’s individual performance; and
- (c) performance of the business unit(s) headed by the executive Director.

薪酬委員會

本公司已成立薪酬委員會。薪酬委員會現時由以下獨立非執行董事組成：

余伯仁先生 (主席)
陳貽平先生
黃潤權博士 (附註i)
鄭玉瑞先生 (附註ii)

附註(i)

黃潤權博士(「黃博士」)已由獨立非執行董事調任為非執行董事，自二零一六年九月十五日起生效。黃博士調任後，不再擔任本公司提名委員會主席以及審核委員會及薪酬委員會之成員。

附註(ii)

黃博士調任後，獨立非執行董事鄭玉瑞先生已於二零一六年九月十五日獲委任為本公司提名委員會主席以及薪酬委員會及審核委員會之成員。

薪酬委員會之主要職責包括就董事及本公司高級管理層之薪酬政策及架構提供推薦意見、就訂立薪酬政策制定正式及具透明度之程序，以及參考董事會不時提出之企業目標及目的而檢討全體執行董事及本公司高級管理層之具體薪酬組合。薪酬委員會將檢討個別執行董事及高級管理層之薪酬組合，並向董事會提呈推薦建議。

執行董事之薪酬組合主要包括基本薪金、實物利益、酌情花紅、退休福利及參與本公司股東分別於二零一一年十一月採納之購股權計劃。執行董事之薪酬組合由本集團主席每年提出，並由薪酬委員會根據下列因素作出檢討：

- (a) 執行董事之職責及貢獻；
- (b) 執行董事之個人表現；及
- (c) 執行董事所領導業務單位之表現。

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REMUNERATION COMMITTEE (continued)

The independent non-executive Directors' remuneration includes Directors' fee and participation in the share option scheme, and subject to annual assessment and recommendation by the Remuneration Committee. The term of appointment of the independent non-executive Directors is three years. Other detailed terms of appointment have been disclosed in the Report of the Directors and the consolidated financial statements. The Board's authority to fix Directors' remuneration was granted by the Company's shareholders at the annual general meeting.

The Remuneration Committee held three meetings during the year ended 31 March 2017. Attendance of each member at the Remuneration Committee meeting is set out in the table under the section headed "Meeting Attendance" of this report.

Summary of work

During the year, the Remuneration Committee reviewed the existing remuneration policy and structure of the Company and the remuneration packages of the Directors; and made recommendations to the Board on the remuneration of the executive Director and number of share options to be granted to the executive Directors and management of the Group in accordance with the Remuneration Committee's written terms of reference.

The term of reference of the Remuneration Committee are available for inspection on the Company's website and the Stock Exchange's website.

Details of the remuneration of each Director for the year ended 31 March 2017 are set out in the note 16 to the consolidated financial statements.

MEETING ATTENDANCE

The Board meets at least four times each year and as business need arises. The Company's memorandum of association and the Articles provide for participation at meetings via telephone and other electronic means. The Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors.

During the year ended 31 March 2017, 17 board meetings had been held for reviewing business performance, considering and approving the overall strategies and policies of the Company, and other business matters. Attendance of each member at the board meetings, board committee meetings and general meetings of the Company, on a named basis, during the year ended 31 March 2017 is set out in the table below.

薪酬委員會 (續)

獨立非執行董事之薪酬包括董事袍金及參與購股權計劃，並須由薪酬委員會每年評估及提出建議。獨立非執行董事之任期為三年。有關任期之其他詳情於董事會報告書及綜合財務報表披露。本公司股東於股東週年大會上授權董事會釐定董事酬金。

截至二零一七年三月三十一日止年度，薪酬委員會曾舉行三次會議。各成員於薪酬委員會會議之出席情況已載於本報告「會議出席情況」一節之列表。

工作概要

於本年度，薪酬委員會已根據薪酬委員會之書面職權範圍審視董事本公司現有薪酬政策及架構之薪酬組合；以及就執行董事之薪酬及向本集團執行董事及管理層授予之購股權數目向董事會提出建議。

薪酬委員會之職權範圍可於本公司網站及聯交所網站查閱。

各董事於截至二零一七年三月三十一日止年度之薪酬詳情載於綜合財務報表附註16。

會議出席情況

董事會每年最少舉行四次會議，並因應業務需要而舉行會議。本公司之組織章程大綱及細則容許透過電話及其他電子方式參與會議。董事可完全取得有關本集團之資料，並在董事認為有需要時在任何時候取得獨立專業意見。

截至二零一七年三月三十一日止年度，本公司曾舉行17次董事會會議，以審議業務表現以及考慮及批准本公司之整體策略及政策，以及處理其他事務。各成員於截至二零一七年三月三十一日止年度出席本公司董事會會議、董事委員會會議及股東大會之情況按具名基準載於下表。

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MEETING ATTENDANCE (continued)

會議出席情況 (續)

		Number of meetings attended/ Number of meetings held during the Directors' tenure of office 出席會議次數／董事於任期內舉行的會議次數				
Directors	董事	Board Meetings 董事會會議	Remuneration Committee Meetings 薪酬委員會會議	Nomination Committee Meetings 提名委員會會議	Audit Committee Meetings 審核委員會會議	General Meetings 股東大會
Mr. Guo Jiadi	郭加迪先生	17/17	N/A 不適用	N/A 不適用	N/A 不適用	0/2
Ms. Amika Lan E Guo	Amika Lan E Guo 女士	17/17	N/A 不適用	N/A 不適用	N/A 不適用	1/2
Mr. Lin Jianbin (Note i)	林建濱先生 (附註i)	4/17	N/A 不適用	N/A 不適用	N/A 不適用	1/2
Mr. Yan Pingfeng (Note ii)	嚴平峰先生 (附註ii)	9/17	N/A 不適用	N/A 不適用	N/A 不適用	0/2
Dr. Wong Yun Kuen (Note iii)	黃潤權博士 (附註iii)	17/17	2/3	2/2	1/2	2/2
Mr. Yu Pak Yan, Peter	余伯仁先生	17/17	3/3	2/2	2/2	2/2
Mr. Chan Yee Ping, Michael	陳貽平先生	17/17	3/3	2/2	2/2	2/2
Mr. Zheng Jinyun	鄭金雲先生	17/17	N/A 不適用	N/A 不適用	N/A 不適用	0/2
Mr. Zheng Yurui (Note iv)	鄭玉瑞先生 (附註iv)	17/17	1/3	0/2	1/2	0/2

Note i:

Mr. Lin Jianbin resigned as an executive-director of the Company with effect from 1 July 2016.

附註i:

林建濱先生已辭任本公司執行董事，自二零一六年七月一日起生效。

Note ii:

Mr. Yan Pingfeng has been appointed as an executive director of the Company with effect from 15 September 2016.

附註ii:

嚴平峰先生已獲委任為本公司執行董事，自二零一六年九月十五日起生效。

Note iii:

Dr. Wong Yun Kuen has been re-designated from independent non-executive Director to non-executive director of the Company with effect from 15 September 2016. Following his re-designation, Dr. Wong ceased to be the Chairman of the nomination committee and a member of the remuneration committee and audit committee of the Company.

附註iii:

黃潤權博士已由獨立非執行董事調任為非執行董事，自二零一六年九月十五日起生效。黃博士調任後，不再擔任本公司提名委員會主席以及審核委員會及薪酬委員會之成員。

Note iv:

Following the re-designation of Dr. Wong, Mr. Zheng Yurui, an independent non-executive director has been appointed as the chairman of nomination committee and a member of the remuneration committee and audit committee on 15 September 2016.

附註iv:

黃博士調任後，獨立非執行董事鄭玉瑞先生已於二零一六年九月十五日獲委任為本公司提名委員會主席以及薪酬委員會及審核委員會之成員。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out in the terms of reference equivalent to code provision D.3.1 of the CG Code. During the year, the policies of the corporate governance of the Company were reviewed by the Board.

DIRECTORS' AND OFFICERS' LIABILITIES

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

ACCOUNTABILITY AND AUDIT

The Board acknowledges its responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group. The Board is not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis. The Board also acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to the regulators as well as to information required to be disclosed pursuant to statutory requirements.

The above statements, which should be read in conjunction with the independent auditor's report set out from pages 90 to 96 of this annual report, are made with a view to distinguishing for Shareholders how the responsibilities of the Directors differ from those of the auditor in relation to the Group's consolidated financial statements. Having made appropriate enquiries and examined major areas which could give rise to significant financial exposures, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Group's consolidated financial statements for the year ended 31 March 2017, the Directors considered the Group has applied appropriate accounting policies consistently, made judgments and estimates that are prudent and reasonable in accordance with applicable accounting standards. The interim and annual results and reports were published within the time limits as required under the Listing Rules after the end of the relevant periods to provide stakeholders with transparent and timely financial information.

企業管治職能

董事會負責履行根據企業管治守則之守則條文第D.3.1條制定之職權範圍所載企業管治職務。於本年度，董事會已檢討本公司之企業管治政策。

董事及高級職員之責任

本公司已安排適當保險，為董事及高級職員在公司事務中可能產生之責任提供保障，並已遵守企業管治守則。投保範圍會每年進行檢討。

問責及審核

董事會確認須負責為每一財政年度編製能真實及公平地反映本集團業務狀況之財務報表。董事會並不知悉任何可能會對本公司持續經營能力造成重大疑慮之事件或情況之重大不確定因素。因此，董事會已按持續經營基準編製本公司之財務報表。董事會亦確認，其有責任在本公司年報、中期報告、其他股價敏感公佈、上市規則規定之其他財務披露及向監管者提交之報告以及根據法定要求披露之資料中，提供平衡、清晰及易於理解之評估。

以上聲明應與本年報第90至96頁所載之獨立核數師報告書一併閱讀，旨在讓股東分辨董事與核數師各自就本集團之綜合財務報表所承擔責任之區別。經作出適當查詢及檢查可能導致重大財務風險之主要範疇後，董事有理由預期，本公司具備充裕資源在可見將來繼續經營。因此，董事於編製本集團截至二零一七年三月三十一日止年度之綜合財務報表時繼續採取持續經營基準，且董事認為本集團已貫徹應用合適之會計政策，並根據適用之會計準則作出審慎合理之判斷及估計。中期及全年業績及報告乃於有關期間完結後按照上市規則之規定時限內刊發，藉以向利益相關者提供具透明度及適時之財務資料。

Corporate Governance Report

企業管治報告

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

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

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors will be arranged at the expenses of the Company where necessary. From 1 April 2016 to the year ended 31 March 2017, each of the Directors has participated in continuous professional development by attending seminars and/or studying materials relevant to Director's duties and responsibility. Their training records have been provided to the Company.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems. The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions.

The Group has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions.

董事之持續專業發展

每名獲委任之新董事將於其首次獲委任時接受正式、全面及切合個人情況之入職須知，以確保彼適當瞭解本公司業務及營運，並明瞭上市規則及相關法定規定項下董事須承擔之責任及義務。

董事持續獲提供有關法定及監管制度以及營商環境發展之最新資料，以便彼等履行職責。本公司將於有需要時為董事安排持續簡介及專業發展，費用由本公司承擔。自二零一六年四月一日起至截至二零一七年三月三十一日止年度，各董事已透過出席研討會及／或研究有關董事職務與職責之資料而參與持續專業發展，並向本公司提供其培訓記錄。

風險管理及內部監控

董事會確認其有關風險管理及內部監控制度以及檢討其有效性之責任。該等系統乃旨在管理而非消除未能達成業務目標之風險，且只能就不會出現重大失實陳述或損失作出合理而非絕對之保證。

董事會全權負責評估及釐定達成本公司策略目標所願意承擔的風險性質及程度，並建立及維持適當及有效的風險管理及內部監控系統。

審核委員會協助董事會帶領管理層及監管彼等對風險管理及內部監控系統之設計、實施及監察。本公司已制定及採納多個風險管理程序及指引，該等程序及指引授予主要業務程序及辦公職能界定實施權限。

本集團已制定及採納多個風險管理程序及指引，該等程序及指引授予主要業務程序及辦公職能界定實施權限。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS *(continued)*

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

During the year ended 31 March 2017, the Group engaged a consultant for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. Key issues in relation to the accounting practices and all material controls are examined and the consultant provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 March 2017, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

With reference to the Internal Audit Manual of the Group, the Group's internal audit function has been established to provide risk-based and objective assurance, advice and insight to the Board through the Audit Committee. The risk management and internal control systems are reviewed and assessed on an on-going basis by the Audit Committee and the executive Directors, and will be further reviewed and assessed at least once each year by the Board. These systems were considered effective and adequate.

The Board has implemented procedures and internal controls for handling and dissemination of inside information. Since shares of the Company listed on the Main Board of the Stock Exchange, the Company has adopted a policy which aims to set out guidelines to the Group's directors, officers and all relevant employees to ensure inside information of the Company is to be disseminated to the public in equal and timely manner in accordance with the Securities and Futures Ordinance and the Listing Rules.

風險管理及內部監控 (續)

所有分部／部門定期進行內部監控評估，以識別對本集團業務及各方面造成潛在影響的風險，包括主要營運及財務程序、監管合規及資料安全。本公司每年進行自我評估，以確認各分部／部門均已妥為遵守監控政策。

截至二零一七年三月三十一日止年度，本公司已委任一名顧問對風險管理及內部監控系統之充足性及有效性進行獨立審閱。有關會計慣例及所有重大監控之主要事宜已進行檢查，並且顧問已向審核委員會提供其調查結果及有關改進的推薦意見。

截至二零一七年三月三十一日止年度，董事會在審核委員會以及管理層報告及內部審核調查結果的協助下檢討風險管理及內部監控系統，包括財務、營運及合規監控，並認為該等系統有效且充足。年度審閱亦覆蓋財務申報及內部審核職能以及員工資格、經驗及相關資源。

參照本集團內部審核手冊，本集團內部審計職能已建立，透過審核委員會向董事會提供基於風險及客觀的保證、意見及見解。審核委員會及執行董事持續檢討及評估風險管理及內部監控系統，董事會更會每年至少進行一次檢討與評估。該等系統被視為有效及充足。

董事會已實行處理及發佈內幕消息的程序及內部監控措施。自本公司股份於聯交所主板上市以來，本公司已採納旨在載列對本集團董事、高級人員以及所有相關僱員之指引之政策，以確保根據證券及期貨條例及上市規則公平及適時地向公眾發佈本公司之內幕消息。

Corporate Governance Report

企業管治報告

COMPANY SECRETARY

The Company Secretary, is responsible to the Board for ensuring that the Board procedures are followed and the Board activities are efficiently and effectively conducted. He is also responsible for ensuring that the Board is fully appraised of the relevant legislative, regulatory and corporate governance developments relating to the Group and facilitating the induction and professional development of Directors.

Mr. Chiu Ngam, Chris (“Mr. Chiu”) resigned as the Company Secretary with effect from 20 February 2017. On 28 April 2017, Ms. Chan Po Yu has been appointed as the Company Secretary.

During the year under review, Mr. Chiu has attended relevant professional seminars to update his skills and knowledge. He met the training requirement set out in Rule 3.29 of the Listing Rules.

SHAREHOLDERS’ RIGHTS

(I) How Shareholders Can Convene A Special General Meeting And Putting Forward Proposals at Shareholders’ Meeting

The Directors may, whenever they think fit, convene a special general meeting, and special general meetings shall also be convened on requisition, as provided by the Companies Act, and, if default, may be convened by the requisitionists. On the requisition of members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, the Directors forthwith proceed duly to convene a special general meeting of the Company. If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

公司秘書

公司秘書對董事會負責，以確保董事會程序獲遵循及董事會活動有效率及有效地進行。彼亦負責確保董事會全面評估與本集團有關之相關法律、監管及企業管治發展以及促進董事就職及專業發展。

趙岩先生（「趙先生」）已辭任公司秘書，自二零一七年二月二十日起生效。於二零一七年四月二十八日，陳寶茹女士已獲委任為公司秘書。

於回顧年度，趙先生已出席相關專業研討會，以增進其技能及知識。彼已遵守上市規則第3.29條所載之培訓規定。

股東權利

(I) 股東如何召開股東特別大會及於股東大會提呈議案

董事可於其認為合適之時候召開股東特別大會，而股東特別大會亦可應公司法所規定之請求書召開，如無應該請求書召開股東特別大會，則可由請求人召開股東特別大會。於遞交請求書當日持有本公司截至遞交當日止之本公司實收資本（有權在本公司股東大會上表決）不少於十分之一之本公司股東遞交請求書之情況下，董事應立刻召開本公司股東特別大會。如董事於遞交請求書當日起計二十一內仍未召開大會，該等請求人或代表全體請求人一半以上總投票權之任何請求人可以自行召開大會，惟任何大會不得於上述日期起計超過三個月後舉行。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS (continued)

(II) Procedures by which enquiries may be put to the Board

Enquiries of shareholders can be sent to the Company either by email at info@chinasandi.com.hk or by post to the Company's Hong Kong head office at Unit 3309, 33/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. Shareholders can also make enquiries with the Board directly at the general meetings.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company recognises the importance of the communication with shareholders. In order to maintain and further enhance the investors' relationship with the Company's shareholders, the Company established various channels of communication with its shareholders:

- (1) The annual general meeting provides a platform for shareholders to exchange views with the Board. The members of the Board and external auditors will attend the meeting. The Group encourages all shareholders to attend and raise any comment on the performance of the Group. The Board welcomes to exchange views with its shareholders at the meeting.
- (2) The Company has regularly met with financial analysts, fund managers and potential investors during year ended 31 March 2017, in order to enhance the understanding the Group's operations and developments.
- (3) Information relating to the Company's financial information is provided through publications of annual/interim reports, announcements, circulars and press release.
- (4) The Company has established a corporate website which provides regularly updated Company financial information and other corporate information.

股東權利 (續)

(II) 向董事會提出查詢之程序

股東可透過電郵至info@chinasandi.com.hk或郵寄至本公司香港總辦事處(地址為香港干諾道中168-200號信德中心西座33樓3309室),向本公司作出查詢。股東亦可於股東大會上直接向董事會作出查詢。

投資者關係及與股東溝通

本公司深明與股東溝通之重要性。為維繫並加強與本公司股東之投資者關係,本公司已設立多個與股東溝通之渠道:

- (1) 股東週年大會為股東與董事會交流意見之平台。董事會成員與外聘核數師將出席大會。本集團鼓勵全體股東出席並就本集團之表現提出意見。董事會歡迎股東於大會上交流意見。
- (2) 截至二零一七年三月三十一日止年度,本公司定期與財務分析員、基金經理及準投資者會面,以加強彼等對本集團業務及發展之認識。
- (3) 本公司透過刊發年度/中期報告、公告、通函及新聞稿提供有關本公司財務資料之資訊。
- (4) 本公司已設立公司網頁,定期提供本公司財務資料及其他公司資料之最新資訊。

Corporate Governance Report

企業管治報告

CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2017, there was no change in the Company's constitutional documents.

章程文件

截至二零一七年三月三十一日止年度，本公司之章程文件並無任何變動。

Environmental, Social and Governance Report

環境、社會及管治報告

INTRODUCTION

This is the “Environmental, Social and Governance Report” issued by China Sandi Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”). This report mainly introduces the Company’s policies and measures regarding environmental, social and governance (“ESG”) issues and is meant to strengthen communication and engagement with internal and external stakeholders.

The Board of Directors of the Company assumes full responsibility for the Company’s ESG strategy and ESG reporting and is responsible for assessing and determining the Company’s ESG risks and ensuring that the Company has an appropriate and effective ESG risk management and internal control system in place. The Board of Directors and its individual members affirm that this report contains no false or misleading statements or material omissions and that they are jointly and severally responsible for the truthfulness, accuracy, and integrity of its content.

This report aims to provide a balanced representation of the Company’s ESG performance and covers the operations of the Group. The Company’s ESG report is an annual report and this report is for the period from 1 April 2016 to 31 March 2017.

This report is prepared in accordance with the requirements of the HKEx Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(A) ENVIRONMENT

During the year ended 31 March 2017, the Group is principally engaged in property development and holding of property for investment and rental purpose as well as money lending business. The Group owns a shopping mall in Fuzhou as an investment property. Though our operating activities do not generate any emissions or wastes that would severely pollute the environment, we are committed to build an environmentally-friendly corporation that pays close attention to conserving natural resources. We are aware that we do not directly control most of the environmental impacts occur in our operations but we seek to improve environmental awareness of our employees and our business partners in the supply chain.

緒言

本「環境、社會及管治報告」乃由中國三迪控股有限公司（「本公司」，連同其附屬公司，「本集團」）發出。本報告主要介紹本公司有關環境、社會及管治（「環境、社會及管治」）事宜的政策及措施，旨在加強與內部和外部持份者的溝通及交流。

本公司董事會對本公司的環境、社會及管治策略及環境、社會及管治報告承擔全部責任，其亦負責評估及釐定本公司的環境、社會及管治風險，確保本公司設立適當及有效的環境、社會及管治風險管理及內部監控制度。董事會及其各成員確認，本報告並無載有虛假或具誤導成分的陳述或重大遺漏，且彼等就其內容的真實性、準確性及完整性共同及個別承擔責任。

本報告旨在平衡反映本公司的環境、社會及管治績效，並涵蓋本集團的業務。本公司的環境、社會及管治報告為年度報告且本報告的期間為二零一六年四月一日至二零一七年三月三十一日。

本報告乃根據香港聯合交易所有限公司證券上市規則附錄27所載的香港聯交所環境、社會及管治報告指引規定而編製。

(A) 環境

截至二零一七年三月三十一日止年度，本集團主要從事物業發展及持有用作投資及租賃用途之物業以及放債業務。本集團擁有福州一個購物商場作為一項投資物業。儘管我們的經營活動不會產生嚴重污染環境的排放物或廢棄物，但我們致力成為一間密切留意節約天然資源的環保型公司。儘管我們並不直接控制大部分會對環境做成影響的業務環節，但我們將持續促使我們在供應鏈內的僱員與合作夥伴提升環保意識。

Environmental, Social and Governance Report

環境、社會及管治報告

(A) ENVIRONMENT *(continued)*

A1: Emissions

The Group is a non-production company and the emissions from its business activities only involve greenhouse gas emissions from the consumption of electricity. Greenhouse gas emissions from energy consumption and employee travels account for the major part of the Company's total emissions. We implement a low-carbon policy and encourage our employees to conserve energy where practicable, including shutting or minimizing the use of air conditioning and lighting during non-office hours. For the year ended 31 March 2017, the Company has complied with all applicable environmental laws and regulations, and was not subject to any fine, penalty, investigation or prosecution for non-compliance with the relevant laws and regulations relating to emissions.

A2: Use of Resources

The Group strives to minimise its environmental impact by saving electricity and water, and encouraging recycle of office supplies and other materials. It helps save both money and natural resources. For waste that cannot be avoided, we strive to reuse and recycle the relevant supplies and materials as much as possible.

The Group has also implemented the following measures to foster a culture of resources conservation awareness:

- The Group encourages paperless working procedures through intranet and use videoconference system to replace avoidable business trips and increase communication efficiency;
- The Group is dedicated to minimize use of papers by encouraging double side printing;
- We maintain our air-conditioners in the office and shopping mall regularly for better performance and an average indoor temperature of 25°C in order to minimize electricity usage;
- We maintain optimal use of escalators in the shopping mall;

(A) 環境 (續)

A1：排放物

本集團為非生產型企業且其業務活動產生的排放物僅包括用電產生的溫室氣體排放。能源消耗及僱員出差產生的溫室氣體排放佔本公司總排放物的主要部分。我們實施低碳政策並鼓勵員工在實際可行情況下節約能源，包括在非辦公時段關閉或盡量減少使用空調及照明。於截至二零一七年三月三十一日止年度，本公司已遵守所有適用環境法律及法規，並無因違反與排放物有關的法律及法規而遭受任何罰款、處罰、調查或起訴。

A2：資源使用

本集團致力通過節約用電及用水盡量減少對環境的影響，鼓勵回收辦公用品及其他材料，有助節約成本及天然資源。對於無法避免的廢棄物，我們盡可能重用及回收有關用品及材料。

本集團亦已實施以下措施，培養節約資源的意識及文化：

- 本集團透過使用內聯網提倡無紙化工作流程，並使用視頻會議系統，盡量避免商務差旅，並提高溝通效率；
- 本集團透過鼓勵雙面影印，致力減少用紙；
- 我們定期維護辦公室及購物商場空調系統以保持良好性能，並維持室內氣溫在攝氏25度左右以減少用電；
- 我們維持優化利用購物商場內的電梯；

Environmental, Social and Governance Report

環境、社會及管治報告

(A) ENVIRONMENT *(continued)*

A2: Use of Resources *(continued)*

- The Group encourages to switch using energy-saving lightings in the office and shopping mall and implement lighting control with the help of timers;
- The Group's copiers would turn off automatically after a designated time interval when not in use;
- We adopt policy for smart-use of the Group's vehicles;

A3: The Environment and Natural Resources

Save as disclosed in sections A2 and A3 above, the Group's operating activities have no significant impact on the environment and natural resources.

(B) SOCIAL

B1: Employment

As of 31 March 2017, the Group had 20 employees. Human resources are one of the greatest assets of the Group and the Group regards the personal development of its employees as highly important.

The Group offers competitive remuneration packages to its employees and has also adopted share option schemes to recognize and reward the contribution of the employees to the growth and development of the Group. The Company's compensation system is strictly in compliance with the Labour Contract Law, the Labour Law and other relevant laws and regulations, with all statutory social security contributions being paid in full and on time. The Company also adjusts employee salaries from time to time according to their performance and skills and in the light of the general compensation level in the industry to ensure that its compensation system is both competitive and fair. The Company ensures that all employees are entitled to paid annual leave, marriage leave, maternity leave and other statutory leaves and holidays in accordance with the law and safeguards employees' basic rights. Other fringe benefits include comprehensive medical, life and travel insurance coverage as well as educational and training sponsorship. Red pocket money, gift coupons and cash bonus are distributed to staff in festivals.

(A) 環境 (續)

A2：資源使用 (續)

- 本集團鼓勵辦公室及購物商場更換節能照明設備，並以定時器控制照明設備；
- 本集團的影印機在閒置時限過後自動關機；
- 我們採納政策以有效使用本集團車輛。

A3：環境及天然資源

除上文第A2及A3節所披露者外，本集團的經營活動對環境及天然資源並無重大影響。

(B) 社會

B1：僱傭

截至二零一七年三月三十一日，本集團有20名僱員。人力資源是本集團最大的資產之一，本集團高度重視員工的個人發展。

本集團向僱員提供具競爭力的薪酬待遇，並採納購股權計劃以表彰及獎勵對本集團發展及成長作出貢獻的僱員。本集團的薪酬系統嚴格遵守勞動合同法、勞動法以及其他有關法律及法規，並按時繳足所有法定社會保障供款。本公司亦根據僱員表現及技能以及因應業內普遍薪酬水準，不時調整僱員薪金，以確保其薪酬系統具競爭力及公平性。本公司確保全體僱員均有權享有法律規定的有薪年假、婚假、產假及其他法定休假以及假期並保障僱員的基本權利。其他附帶福利包括綜合醫療、人壽及旅遊保險以及教育與培訓資助。利是、禮品券及現金獎勵於節日分派予員工。

Environmental, Social and Governance Report

環境、社會及管治報告

(B) SOCIAL (continued)

B1: Employment (continued)

Balance of life and work

Employees are encouraged to have a good balance among work, health and social activities which has been supported by adopting a five-day work per week.

Equal opportunities

It is always the policy of the Group to promote equal opportunities in recruitment, internal transfer and promotion. The Group also hosts various lunch at which the colleagues can interact socially and enjoy the fellowship.

B2: Health and Safety

The Group is committed to providing safe and healthy work environments for its employees. The Company prohibits smoking in offices and the premises of the Group to eliminate all safety hazards. For the year ended 31 March 2017, the Company experienced no employee on duty casualty or any other serious accident and has been in compliance with the applicable laws and regulations relating to its employees' health and safety.

Safe working environment

Risk assessments of workstations, equipment and tools for all users are performed on a regular basis. Upgrades and maintenance are performed in line with the pace of technology advancement and the needs and demands of colleagues. To ensure hygienic working conditions, cleaning of air-conditioning systems and disinfection treatment of carpets are carried out at regular intervals.

(B) 社會 (續)

B1：僱傭 (續)

平衡生活與工作

我們透過採納每週工作五天，鼓勵僱員在工作、健康及社交活動之間取得良好平衡。

平等機會

本集團的既定政策為在招聘、內部調職及晉升方面促進平等機會。本集團亦舉辦各類午餐活動，讓同事社交互動，共聚聯誼。

B2：健康與安全

本集團致力為僱員提供安全及健康的工作環境。本公司嚴禁於本集團辦公室及其他場所內吸煙，以杜絕一切安全隱患。截至二零一七年三月三十一日止年度，本公司並無出現任何僱員意外傷亡或任何其他嚴重事故，且一直遵守有關其僱員健康與安全的適用法律及法規。

安全工作環境

我們定期對所有用戶的工作場所、設備及工具進行風險評估，亦進行升級及維護以追上技術發展的步伐及同事的需要和要求。為了確保衛生的工作環境，我們定期清潔空調系統及對地毯進行消毒。

Environmental, Social and Governance Report

環境、社會及管治報告

(B) SOCIAL *(continued)*

B3: Staff Development and Training

The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills. The Group's policy is to support employees who attend job related training courses or professional seminars through sponsoring. The training programs cover areas such as accounting and tax updates, managerial and leadership skills, workplace ethics and training of other areas relevant to the industry and employees' profession. We aim to foster teamwork cohesion and help equip our employees with new skills for the changing business environment in which the Group competes and new challenges.

B4: Labour Standards

The Group strictly prohibits child labour or forced labour for any position. No one aged below 16 is employed by the Group. There was no case of violation of laws and regulations relating to child or forced labour for the year ended 31 March 2017.

B5: Supply Chain Management

The Group believes that its development is closely related to suppliers, and that the quality of its products, services and reputation are greatly influenced by the approaches of cooperation with suppliers. The Group tends to maintain long term relationship with its suppliers for ensuring stable supply of materials for refurbishment. We also require our suppliers to improving their sustainability performance and acting responsibly to adhere to our environmental protection policies.

The Group reviews its suppliers' environmental, and health and safety performance, among other metrics, regularly, and inspects premises of the suppliers to ensure they are complied with the environmental and occupational health and safety management requirements.

(B) 社會 (續)

B3：員工發展及培訓

本集團致力以清晰的職業發展路向激勵其僱員，並為彼等提供提升技術水準的機會。本集團的政策是通過資助支持參與職業培訓課程或專業研討會的僱員。培訓項目涵蓋最新的會計及稅務知識、管理及領導技能、職業道德以及與行業及僱員專業相關的其他領域培訓等。我們旨在凝聚團隊精神並提升僱員的工作能力以面對本集團多變的營商環境及新挑戰。

B4：勞工準則

本集團嚴禁任何職務僱用童工或強制勞工。本集團並無僱用任何16歲以下人士。截至二零一七年三月三十一日止年度，並無違反有關童工或強制勞工的法律法規。

B5：供應鏈管理

本集團相信，其發展與供應商密切相關，其與供應商的合作方式亦對其產品、服務及聲譽的質素有極大影響。本集團傾向與其供應商維持長期合作關係，以確保翻新材料供應穩定。我們亦要求供應商提高其可持續發展績效，負責任地遵守我們的環保政策。

本集團定期審查（其中包括）其供應商於環境、健康與安全方面的表現，並對供應商的廠房進行檢查，以確保其符合環境及職業健康與安全管理的規定。

Environmental, Social and Governance Report

環境、社會及管治報告

(B) SOCIAL (continued)

B6: Product Responsibility

It is essential that we ensure that the shopping mall is safe. This helps fulfill our responsibilities to the public, enhances our competitive position in the marketplace, and retains the confidence of our customers. Whenever the Group signed the construction contract with constructors for refurbishment of the Shopping mall, it stipulated that project quality should be subject to existing national rules and criteria on inspection & acceptance in relation to refurbishment projects. Constructors should carry out refurbishment pursuant to national regulations, industrial standards. In addition, supervisors should conduct overall inspections and checks according to laws and regulations as well as the Group's authorization.

B7: Anti-corruption

We highly value honesty and integrity. We give each employee clear guidelines in staff handbook on prevention of corruption. Employees of the Group may never offer, give, or accept gifts of cash (or cash equivalents) in any business relationship because these could be considered an illegal bribe or kickback. Gifts and hospitality from business partners to members of employees' family, to those with whom the employee has a close personal relationship, are considered to be given to that employee as well.

Meanwhile, the Company has established the Group's audit and inspection policy to monitor, investigate and handle all types of internal behavior that breach laws, regulations and discipline, such behaviour including bribery, fraud, abuse of power for personal gain and other power abuse, or dereliction of duty that causes considerable damage to the Company's reputation and economy. In addition, the Company has set up a channel for internal and external reporting, in order to collect the information on various suspected behaviour of malpractice.

For the year ended 31 March 2017, the Company did not find any significant risks relating to corruption and was not subject to any confirmed corruption cases involving the Company or any corruption investigation or prosecution against the Company or any of its employees.

(B) 社會 (續)

B6：產品責任

我們必須確保購物商場是安全的。這有助於履行我們對公眾的責任，提高我們於市場上的競爭地位，並讓客戶保持信心。當本集團與建築商簽訂施工合同以翻新購物商場時，規定項目質素應符合有關翻新項目檢驗驗收的現有國家規則及標準。建築商應按照國家規定及行業標準進行翻新。另外，主管應根據法律法規及本集團授權進行全面視察及檢查。

B7：反貪污

我們非常重視誠實守信。我們的員工手冊就防止貪污為每位僱員提供明確的指引。本集團僱員於任何業務關係中不得提供、給予或接受現金（或現金等價物）餽贈，其可能會被視為非法賄賂或回佣。商業夥伴向僱員家屬或與僱員存在緊密關係的人士贈送禮品及進行招待會被視為相當於向該僱員贈送禮品及進行招待。

同時，本公司已建立本集團的審核及調查政策，以監察、調查及處理所有違反法律、法規及紀律的內部行為，包括賄賂、欺詐、濫用權力謀取個人利益及其他濫用權力，或對本公司聲譽及經濟造成重大損失的瀆職等。另外，本公司已建立內部和外部報告渠道，以收集各種疑似不當行為的資料。

截至二零一七年三月三十一日止年度，本公司並無發現任何與貪污有關的重大風險，且本公司並無涉及任何已確認貪污案件或向本公司或其任何僱員進行任何貪污調查或起訴。

Environmental, Social and Governance Report

環境、社會及管治報告

(B) SOCIAL *(continued)*

B8: Community investment

The Group cares about the community and encourages its employees to participate in charity events to help people in need. The Group is committed to make a positive contribution to the communities in which it operates. The Group supports a barrier-free environment in the community. The shopping malls of the Group situated in Fuzhou provide barrier-free access and facilities for people in need including persons with disabilities such as the provision of automatic doors opening device for the exit doors and premise with disabled toilets.

(B) 社會 (續)

B8：社區投資

本集團關懷社區，並鼓勵其僱員參與慈善活動，幫助有需要人士。本集團積極貢獻其業務所在社區，支持社區無障礙環境。本集團位於福州的購物商場為有需要人士（包括殘疾人士）提供無障礙通道和設施，如出入口自動門及殘疾人士洗手間等。

Report of the Directors

董事會報告書

The board (the “Board”) of directors (the “Directors”) herein submit their report together with the audited consolidated financial statements of the Group for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 41 to the consolidated financial statements.

SEGMENTAL INFORMATION

An analysis of the performance of the Group’s by operating segments for the year ended 31 March 2017 is set out in note 9 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2017 and the financial performance of the Company and the Group at that date are set out in the consolidated financial statements on pages 97 to 200.

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

BUSINESS REVIEW AND COMMENTARY

Financial Results

The financial results and business review of the Group for the year ended 31 March 2017 are set out in the annual report and particular on the section headed “Management Discussion and Analysis” from pages 6 to 30.

Environmental measure and performance

The Group is committed to contributing to the sustainability of the environment and maintaining a high standard of corporate social governance essential for creating a framework for motivating staff, and contributes to the community in which we conduct our businesses and creating a sustainable return to the Group.

The environmental, social and governance review of the Group for the year ended 31 March 2017 are set out in the annual report under the section headed “Environmental, Social and Governance Report” from pages 48 to 54.

董事（「董事」）會（「董事會」）謹此提呈其報告連同本集團截至二零一七年三月三十一日止年度之經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股，其主要附屬公司之主要業務詳情載於綜合財務報表附註41。

分部資料

截至二零一七年三月三十一日止年度，本集團經營分部之表現分析載於綜合財務報表附註9。

業績及分派

本集團截至二零一七年三月三十一日止年度之業績以及本公司及本集團於該日之財務表現載於第97至200頁之綜合財務報表。

董事會議決不建議就截至二零一七年三月三十一日止年度派付任何股息。

業務回顧及評論

財務業績

本集團截至二零一七年三月三十一日止年度之財務業績及業務回顧載於年報及第6至30頁「管理層討論及分析」個別一節。

環境措施及表現

本集團致力促進環境可持續性及維持高標準企業社會治理，其乃建立激勵員工框架所必需的，並在我們開展業務之社區作出貢獻及為本集團創造可持續回報。

本集團截至二零一七年三月三十一日止年度之環境、社會及管治回顧載於年報第48至54頁「環境、社會及管治報告」一節。

Report of the Directors

董事會報告書

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year, there was no material breach of or non-compliance with the applicable of relevant laws and regulations by the Group.

RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers and customers to meet its immediate and long-term goals. We enjoy good relationships with suppliers and customers with mutual trust. Accordingly, our management have kept good communications, promptly exchanged ideas and shares business update with them when appropriate. During the year ended 31 March 2017, there were no material and significant dispute between the Group and its suppliers and/or customers.

Employees are the valuable assets of the Group. The Group strives to motivate its employees with a clear career path and improvement of their skills by encouraging them to take part in external training courses, professional seminars and examinations and support them by sponsoring. The Group put efforts into providing staff with a harmonious, positive and inspiring working environment. The Group always adheres to its people-oriented concept, values and maintains their employees' legitimate rights and interests.

By providing employees with a good working environment and competitive trainings, employees' productivities and their performances are greatly improved.

遵循相關法律及法規

就董事會及管理層所知，本集團已在所有重大方面遵守對本集團之業務及經營有重大影響之相關法律及法規。年內，本集團概無嚴重違反或不遵守相關適用法律及法規。

與供應商、客戶及其他持份者之關係

本集團理解與其供應商及客戶維持良好關係以達致其即時及長期目標之重要性。我們與供應商及客戶有互相信任之良好關係。因此，我們的管理層與彼等一直保持良好溝通、及時交換意見及於適當時分享業務最新資料。截至二零一七年三月三十一日止年度，本集團與其供應商及／或客戶之間並無重大及顯著糾紛。

僱員乃本集團之寶貴資產。本集團致力透過清晰職業發展途徑及透過鼓勵僱員參加外部培訓課程、專業講座及考試，及贊助，支持僱員改進自身技能，以激勵僱員。本集團致力為僱員提供和諧、積極及激勵的工作環境。本集團始終堅持以人為本的理念，重視及維護其僱員之合法權益。

透過為僱員提供良好工作環境及有競爭力的培訓，僱員之生產力及其表現均大大改善。

Report of the Directors

董事會報告書

KEY RISKS AND UNCERTAINTIES

The Group's financial conditions, results of operations, businesses prospects would be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses which including business risk, policy and market risk, operational risk and financial management risk.

Business Risk

Performance of our Group's core business will be affected by various factors, including but not limited to economic conditions such as performance of property markets in regions, which would not be mitigated even with careful and prudent investment strategy and strict procedure.

Policy and Market Risk

As a key economic pillars industry for the PRC's development, the property sector is more susceptible to the impact of macro-economic and industrial policies. Our Group's performance may be adversely affected by changes of the political, social and economic conditions in the PRC if we are unable to respond to the ever-changing market condition in a timely manner.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risk basically rests with every function at divisional and departmental levels. Key functions in our Group are guided by their standard operating procedures, limit of authority and reporting framework. Our management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

Financial management risk

The main financial management risk and the Group's financial management measures are shown in note 7 to the consolidated financial statements.

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

主要風險及不確定因素

本集團財務狀況、經營業績及業務前景均可能會受到與本集團業務直接或間接有關之若干風險及不確定因素所影響，其中包括業務風險、政策及市場、營運風險及財務管理風險。

業務風險

本集團核心業務之表現將受到各種因素影響，包括但不限於經濟狀況，如區域物業市場表現，其風險即使有小心謹慎之投資策略及嚴謹程序亦難以緩解。

政策及市場風險

作為中國發展的重要經濟支柱產業，房地產行業更易受宏觀經濟及行業政策的影響。倘我們不能及時回應不斷變化的市場狀況，本集團的業績可能受到中國政治、社會及經濟狀況變動的不利影響。

營運風險

營運風險指因內部程序、人員及制度不足或缺失，或因外部事件導致之損失風險。管理營運風險之責任基本上由各分部及部門的各個職能崗位肩負。本集團之主要職能崗位經由本身之標準營運程序、權限及匯報框架作出指引。管理層將會定期識別及評估主要之營運風險，以便採取適當風險應對。

財務管理風險

主要財務管理風險及本集團財務管理措施載於綜合財務報表附註7。

除於上述提及者外，亦可能存在其他本集團未知之風險及不確定因素，或目前未必屬於重大但日後可能變成重大之其他風險及不確定因素。

Report of the Directors

董事會報告書

SUMMARY OF FINANCIAL INFORMATION

A summary of the consolidated results and of the assets, liabilities and non-controlling interest of the Group for the last five financial years is set out below. The amounts for the year ended 31 March 2017 are those set out in the accompanying consolidated financial statements on pages 97 to 200. The amounts for the year ended 31 March 2016 and before are extracted from previously published audited consolidated financial statements of the Group as appropriate.

Results

		業績				
		Year ended 31 March				
		截至三月三十一日止年度				
		2017	2016	2015	2014	2013
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		千港元	千港元	千港元	千港元	千港元
REVENUE	收益	99,244	109,750	132,964	130,838	118,674
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔本年度 (虧損)/溢利	(116,467)	161,076	(266,506)	(439,261)	155,614

Assets, liabilities and non-controlling interest

		資產、負債及非控股權益				
		As at 31 March				
		於三月三十一日				
		2017	2016	2015	2014	2013
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		千港元	千港元	千港元	千港元	千港元
NON-CURRENT ASSETS	非流動資產	3,779,748	3,995,367	3,990,495	4,313,501	6,047,537
CURRENT ASSETS	流動資產	648,380	650,666	314,956	704,686	320,091
TOTAL ASSETS	總資產	4,428,128	4,646,033	4,305,451	5,018,187	6,367,628
CURRENT LIABILITIES	流動負債	124,066	285,931	228,043	140,318	578,137
NON-CURRENT LIABILITIES	非流動負債	1,411,137	1,233,908	1,356,919	1,863,974	1,720,390
TOTAL LIABILITIES	總負債	1,535,203	1,519,839	1,584,962	2,004,292	2,298,527
NON-CONTROLLING INTEREST	非控股權益	23,209	28,676	27,673	26,470	66
NET ASSETS	資產淨值	2,892,925	3,126,194	2,720,489	3,013,895	4,069,101

Report of the Directors

董事會報告書

PRINCIPAL PROPERTY

Details of the principal property held for investment purposes are set out in note 19 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 March 2017 are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital during the year ended 31 March 2017 and subsequent thereto are set out in note 26 to the consolidated financial statements.

Details of movements in the Company's share options during the year ended 31 March 2017 are set out in note 28 to the consolidated financial statements.

BONDS AND NOTES PAYABLE

Details of movements in the Company's bonds and notes payable during the year ended 31 March 2017 are set out in the note 33 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the year ended 31 March 2017 are set out in the consolidated statement of changes in equity on pages 100 of this annual report and in note 42 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution amounted to approximately HK\$1,344,195,000 as at 31 March 2017 (31 March 2016: approximately HK\$1,463,469,000).

Under the Companies Act 1981 of Bermuda (as amended), the balances in a company's contributed surplus and share premium accounts are available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus and share premium if:

- (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the assets of the Company would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

主要物業

持作投資之主要物業詳情載於綜合財務報表附註19。

物業、廠房及設備

本集團物業、廠房及設備截至二零一七年三月三十一日止年度之變動詳情載於綜合財務報表附註18。

股本及購股權

本公司股本於截至二零一七年三月三十一日止年度及其後之變動詳情載於綜合財務報表附註26。

本公司購股權於截至二零一七年三月三十一日止年度之變動詳情載於綜合財務報表附註28。

應付債券及票據

本公司應付債券及票據截至二零一七年三月三十一日止年度之變動詳情載於綜合財務報表附註33。

儲備

本集團及本公司截至二零一七年三月三十一日止年度之儲備變動詳情分別載於本年報第100頁之綜合權益變動表及綜合財務報表附註42。

可供分派儲備

本公司於二零一七年三月三十一日之可供分派儲備約為1,344,195,000港元(二零一六年三月三十一日:約1,463,469,000港元)。

根據百慕達一九八一年公司法(經修訂),公司實繳盈餘及股份溢價賬之結餘可供分派。然而,倘若出現下列情況,則本公司不可從實繳盈餘及股份溢價中撥款宣派或派付股息或作分派:

- (a) 本公司目前或於派付後將無法支付到期負債;或
- (b) 本公司資產之可變現價值會因此少於其負債以及其已發行股本及股份溢價賬之總和。

Report of the Directors

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

During the year, less than 10% and 30% of the Group's sale were attributable to the Group's largest customer and five largest customers respectively.

In addition, during the year, less than 30% of the Group's purchases were attributable to the Group's five largest suppliers.

None of the Directors, any of their close associates or any substantial shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers during the year.

CHARITABLE CONTRIBUTIONS

During the year ended 31 March 2017, the Group did not made charitable contributions.

DIRECTORS

The Directors during the year and up to the date of this report are as follows:

EXECUTIVE DIRECTORS

Mr. Guo Jiadi (*Chairman*)

Ms. Amika Lan E Guo

Mr. Lin Jianbin (*Resigned on 1 July 2016*)

Mr. Yan Pingfeng (*Appointed on 15 September 2016*)

NON-EXECUTIVE DIRECTORS

Dr. Wong Yun Kuen (*Redesignated on 15 September 2016*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Yee Ping, Michael

Mr. Yu Pak Yan, Peter

Mr. Zheng Jinyun

Mr. Zheng Yurui

In accordance with the Bye-laws 111(A) and 111(B) of the Bye-laws of the Company, Mr. Guo Jiadi, Ms. Amika Lan E Guo, Dr. Wong Yun Kuen shall retire from office by rotation and being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company (the "AGM").

主要客戶及供應商

年內，本集團最大及五大客戶分別佔本集團銷售額不足10%及30%。

年內，本集團五大供應商佔本集團採購額不足30%。

本公司董事、彼等任何緊密聯繫人士或任何主要股東（據董事所深知，擁有本公司已發行股本5%以上者）年內概無於本集團五大客戶及供應商中擁有任何實益權益。

慈善捐款

於截至二零一七年三月三十一日止年度，本集團並無作出慈善捐款。

董事

年內及截至本報告日期之董事如下：

執行董事

郭加迪先生（主席）

Amika Lan E Guo女士

林建濱先生

（於二零一六年七月一日辭任）

嚴平峰先生

（於二零一六年九月十五日獲委任）

非執行董事

黃潤權博士

（於二零一六年九月十五日調任）

獨立非執行董事

陳貽平先生

余伯仁先生

鄭金雲先生

鄭玉瑞先生

根據本公司之公司細則第111(A)及111(B)條規定，郭加迪先生、Amika Lan E Guo女士及黃潤權博士須於本公司應屆股東週年大會（「股東週年大會」）輪值退任，及彼等符合資格並願意重選連任。

Report of the Directors

董事會報告書

DIRECTORS (continued)

In accordance with the Bye-laws 115 of the Bye-laws of the Company, Mr. Yan Pingfeng, being the newly appointed Director, shall retire from office by rotation and being eligible, will offer himself for re-election at the AGM.

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY

Executive Directors

Mr. Guo Jiadi (“Mr. Guo”), aged 58, is a merchant and was appointed as the Chairman and an executive Director of the Company with effect from 12 December 2014. Mr. Guo is also a director of certain subsidiaries of the Company, incorporated in Hong Kong and the British Virgin Islands (the “BVI”) respectively engaged in investment holding and also a director and legal representative of two operating subsidiaries of the Company in the PRC. Mr. Guo is also an ultimate beneficial owner of a substantial shareholder of the Company.

Mr. Guo started his business in international trading and, in 22 years, diversified into businesses including footwear manufacturing, chemical technology, mining, real estate development and hotel investment with presence throughout Europe, the United States, Hong Kong, Shanghai, Fujian, Shaanxi and Jilin. Mr. Guo has over 27 years of experience in trading business and over 17 years of experience in property development.

Mr. Guo entered into the property market in the PRC by establishing Fuzhou Gaojia Real Estate Development Co., Ltd. (“Fuzhou Gaojia”) and has since acted as its chairman. Fuzhou Gaojia has obtained 中華人民共和國房地產開發企業資質證書(壹級) (Qualification Certificate (Class 1) for Real Estate Development Enterprise in the PRC*) from 中華人民共和國住房和城鄉建設部 (Department of Housing and Urban and Rural Development of the PRC*). Fuzhou Gaojia has completed certain real estate projects in Fuzhou and Putian.

Mr. Guo is the father of Ms. Amika Lan E Guo, who is an executive Director of the Company. Apart from the aforesaid, Mr. Guo does not have any other relationship with any Director, senior management, substantial or controlling shareholder(s) of the Company.

* For identification purposes only
* 僅供識別

董事 (續)

根據本公司之公司細則第115條規定，新委任董事嚴平峰先生須於股東週年大會輪值退任，及彼符合資格並願意重選連任。

本公司董事之個人簡歷

執行董事

郭加迪先生 (「郭先生」)，58歲，為一名商人，自二零一四年十二月十二日起獲委任為本公司主席兼執行董事。郭先生亦為本公司於香港及英屬處女群島 (「英屬處女群島」) 註冊成立並從事投資控股之若干附屬公司之董事，同時亦為本公司兩家中國營運附屬公司之董事兼法定代表。郭先生亦為本公司主要股東之最終實益擁有人。

郭先生以國際貿易為事業起步點，於二十二年間多元化發展至造鞋、化工科技、採礦、房地產開發以及酒店投資等，業務遍及歐洲、美國、香港、上海、福建、陝西及吉林。郭先生不單於貿易業務方面具備逾27年經驗，亦擁有逾17年物業發展經驗。

郭先生涉足中華人民共和國物業市場，成立福州高佳房地產開發有限公司 (「福州高佳」)，並一直擔任其主席。福州高佳已從中華人民共和國住房和城鄉建設部取得中華人民共和國房地產開發企業資質證書 (壹級)。福州高佳已完成若干位於福州及莆田之房地產項目。

郭先生為本公司執行董事Amika Lan E Guo女士之父親。除上文所述外，郭先生與本公司任何董事、高級管理層、主要或控股股東概無任何關係。

Report of the Directors

董事會報告書

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY *(continued)*

Executive Directors *(continued)*

Ms. Amika Lan E Guo (“Ms. Guo”), aged 31, was appointed as an executive Director of the Company with effect from 9 July 2014. Ms. Guo is also a director of certain Hong Kong and BVI subsidiaries of the Company engaged in investment holding. Ms. Guo graduated from Simon Fraser University in Canada with a bachelor degree of Business Administration in Human Resources Management. She also holds a MBA degree from The University of Hong Kong. Ms. Guo is a human resource professional with a strong knowledge in recruitment, employee relations, leadership and employee development, compensation and benefits. She has provided human resource services to both private and public companies. She will be focused on formulating and implementing human resource strategies and setting up corporate governance practices for the Group.

Ms. Guo is the daughter of Mr. Guo Jiadi, who is the Chairman and an executive Director and the ultimate beneficial owner of a substantial shareholder of the Company. Save as disclosed above, Ms. Guo does not have any other relationship with any Director, senior management, substantial or controlling shareholder(s) of the Company.

Mr. Yan Pingfeng (“Mr. Yan”), aged 36, has been appointed as an executive Director of the Company with effect from 15 September 2016. Mr. Yan holds a bachelor’s degree of Economics from the Jimei University* (集美大學), the People’s Republic of China (the “PRC”). Mr. Yan also holds a Certificate of Accounting Profession* (會計從業資格證書) issued by the Ministry of Finance People’s Republic of China. Mr. Yan has more than 12 years of experience in accounting, financing, operational and risk management in property development industries.

Mr. Yan held various managerial positions in companies specialised in property development industries prior to the joining of the Group. Mr. Yan is currently the general manager of the Fujian Sinco Industrial Co. Ltd., an indirect wholly owned subsidiary of the Company. Mr. Yan will be responsible for the overall operation for the various subsidiaries of the Group in the PRC.

Mr. Yan does not have any relationship with any Director, senior management, substantial or controlling shareholder(s) of the Company.

* For identification purposes only
* 僅供識別

本公司董事之個人簡歷 (續)

執行董事 (續)

Amika Lan E Guo女士 (「Guo女士」), 31歲, 於二零一四年七月九日起獲委任為本公司執行董事。郭女士亦為本公司旗下從事投資控股之若干香港及英屬處女群島附屬公司之董事。郭女士畢業於加拿大西門菲莎大學(Simon Fraser University), 獲頒人力資源管理學工商管理學士學位。彼亦持有香港大學工商管理碩士學位。郭女士為人力資源專業人員, 具備招聘、員工關係、領導與員工發展、薪酬及福利方面之豐富知識。彼曾向私人及上市公司提供人力資源服務。彼將專注制定及執行人力資源政策, 以及制定本集團之企業管治常規。

郭女士為主席兼執行董事兼本公司主要股東之最終實益擁有人郭加迪先生之女兒。除上文所披露者外, 郭女士與本公司任何董事、高級管理層、主要或控股股東概無任何其他關係。

嚴平峰先生 (「嚴先生」), 36歲, 自二零一六年九月十五日起獲委任為本公司執行董事。嚴先生持有中華人民共和國(「中國」)集美大學經濟學學士學位。嚴先生亦持有中華人民共和國財政部頒發之會計從業資格證書。嚴先生於物業發展行業之會計、融資、營運及風險管理方面擁有逾12年經驗。

於加入本集團之前, 嚴先生專注於物業發展行業之多家公司擔任過多個管理職務。嚴先生現時為本公司之間接全資附屬公司福建先科實業有限公司之總經理。嚴先生將負責本集團於中國之多家附屬公司之整體營運。

嚴先生與本公司任何董事、高級管理層、主要或控股股東概無任何關係。

Report of the Directors

董事會報告書

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY *(continued)*

Executive Directors *(continued)*

Mr. Lin Jianbin (“Mr. Lin”), aged 46, was appointed as an executive Director of the Company with effect from 5 March 2015. Mr. Lin obtained a MBA degree from the Open University of Hong Kong and a bachelor’s degree in 福建金融管理幹部學院. Prior to joining the Group, he worked in banks and commercial sector including property development and construction companies for over ten years. Mr. Lin is responsible for the financial and operating performance for the various subsidiaries of the Company in the PRC.

Mr. Lin does not have any relationship with any Director, senior management, substantial or controlling shareholder(s) of the Company.

Mr. Lin resigned as an executive Director on 1 July 2016.

Non-Executive Director

Dr. Wong Yun Kuen (“Dr. Wong”), aged 59, was appointed as an independent non-executive Director on 18 September 2009. Dr. Wong was appointed as the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. Dr. Wong Yun Kuen has been re-designated from independent non-executive Director to non-executive director of the Company with effect from 15 September 2016. Following his re-designation, Dr. Wong ceased to be the Chairman of the nomination committee and a member of the remuneration committee and audit committee of the Company.

本公司董事之個人簡歷 (續)

執行董事 (續)

林建濱先生 (「林先生」)，46歲，自二零一五年三月五日起獲委任為本公司執行董事。林先生取得香港公開大學工商管理碩士學位及福建金融管理幹部學院學士學位。加盟本集團前，彼曾於銀行及包括物業發展及建築公司在內之商業領域任職超過十年。林先生負責本公司多間中國附屬公司之財務及營運表現。

林先生與本公司任何董事、高級管理層、主要或控股股東概無任何關係。

林先生於二零一六年七月一日辭任執行董事。

非執行董事

黃潤權博士 (「黃博士」)，59歲，於二零零九年九月十八日獲委任為獨立非執行董事。黃博士獲委任為本公司之提名委員會主席以及審核委員會及薪酬委員會成員。黃潤權博士已由獨立非執行董事調任為本公司非執行董事，自二零一六年九月十五日起生效。黃博士調任後，不再擔任本公司提名委員會主席以及薪酬委員會及審核委員會之成員。

Report of the Directors

董事會報告書

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY *(continued)*

Non-Executive Director *(continued)*

Dr. Wong received a Ph.D. Degree from Harvard University, and was “Distinguished Visiting Scholar” at Wharton School of the University of Pennsylvania. He has worked in financial industries in the United States and Hong Kong for many years, and has considerable experience in corporate finance, investment and derivative products. He is a member of Hong Kong Securities and Investment Institute. Dr. Wong is the chairman and an executive director of UBA Investments Limited, an executive director of Ngai Shun Holdings Limited, and an independent non-executive director of Kingston Financial Group Limited, Sincere Watch (Hong Kong) Limited, DeTai New Energy Group Limited (formerly known as Guocang Group Limited), Kaisun Energy Group Limited, GT Group Holdings Limited (formerly known as China Yunnan Tin Minerals Group Company Limited) and Far East Holdings International Limited. Dr. Wong was also an independent non-executive director of Bauhaus International (Holdings) Limited from October 2004 to December 2016, Harmony Asset Limited from September 2004 to January 2015, Kong Sun Holdings Limited from April 2007 to November 2014, Huajun Holdings Limited (formerly known as New Island Development Holdings Limited) from October 2010 to September 2014 and KuangChi Science Limited (formerly known as Climax International Company Limited) from June 2007 to August 2014. All the companies mentioned above are listed on Hong Kong Stock Exchange.

Dr. Wong does not have any relationship with any Director, senior management, substantial or controlling shareholder(s) of the Company.

本公司董事之個人簡歷 (續)

非執行董事 (續)

黃博士持有哈佛大學博士學位，並曾任賓夕法尼亞州大學Wharton School「傑出客席學者」。黃博士在美國及香港金融界工作多年，對企業融資、投資及衍生產品具有豐富經驗。彼為香港證券專業學會會員。黃博士為開明投資有限公司之主席及執行董事，毅信控股有限公司之執行董事以及金利豐金融集團有限公司、Sincere Watch (Hong Kong) Limited、德泰新能源集團有限公司（前稱「國藏集團有限公司」）、凱順能源集團有限公司、高富集團控股有限公司（前稱「中國雲錫礦業集團有限公司」）及遠東控股國際有限公司之獨立非執行董事。黃博士亦自二零零四年十月至二零一六年十二月為包浩斯國際（控股）有限公司，自二零零四年九月至二零一五年一月為亨亞有限公司、自二零零七年四月至二零一四年十一月為江山控股有限公司、自二零一零年十月至二零一四年九月為華君控股有限公司（前稱「新洲發展控股有限公司」）及自二零零七年六月至二零一四年八月為光啟科學有限公司（前稱「英發國際有限公司」）之獨立非執行董事。所有上述公司均於香港聯交所上市。

黃博士與本公司任何董事、高級管理層、主要或控股股東概無任何關係。

Report of the Directors

董事會報告書

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY *(continued)*

Independent non-executive Directors *(continued)*

Mr. Chan Yee Ping, Michael, aged 40, was appointed as an independent non-Director with effect from 9 July 2014. Mr. Chan was also appointed as the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Company. Mr. Chan holds a bachelor degree of Business Administration (Honours) in Accountancy from The Hong Kong Polytechnic University. He is a member with practicing certificate of the Hong Kong Institute of Certified Public Accountants, and a fellow member of the Association of Chartered Certified Accountants. He has over 10 years of working experience in the fields of accounting and audit, corporate secretarial management and corporate governance.

He is currently the company secretary of China Sunshine Paper Holdings Company Limited (stock code: 2002), which is listed on the Main Board of the Stock Exchange, as well as Northeast Electric Development Co., Limited (stock code: 0042), a joint stock limited company incorporated in the PRC and listed on the Shenzhen Stock Exchange and the Main Board of the Stock Exchange respectively. Mr. Chan acted as the company secretary of Birmingham International Holdings Limited (Stock Code: 2309) whose shares are listed on the Main Board of the Stock Exchange from June 2015 to October 2016.

He was also an independent non-executive director of Yueshou Environmental Holdings Limited (stock code: 1191) from 7 October 2013 to 17 July 2014. Mr. Chan has been appointed as an independent non-executive director for two companies, namely China Wah Yan Healthcare Limited (stock code: 648) since 15 July 2014 and New Wisdom Holding Company Limited (formerly known as "Epicurean and Company, Limited") (stock code: 8213) since 8 November 2016, respectively.

Mr. Chan is the director of MCI CPA Limited. Mr. Chan does not have any relationship with any Director, senior management, substantial or controlling shareholder(s) of the Company.

本公司董事之個人簡歷 (續)

獨立非執行董事 (續)

陳貽平先生，40歲，於二零一四年七月九日獲委任為獨立非執行董事。陳先生亦獲委任為本公司之審核委員會主席以及提名委員會及薪酬委員會成員。陳先生持有香港理工大學會計學(榮譽)工商管理學學士學位。彼為擁有香港會計師公會執業證書之會員及英國特許公認會計師公會資深會員。陳先生於會計及審計、公司秘書管理以及企業管治方面擁有逾10年工作經驗。

彼現時為中國陽光紙業控股有限公司(股份代號: 2002, 於聯交所主板上市)以及東北電氣發展股份有限公司(股份代號: 0042, 於中國註冊成立之股份有限公司及於深圳證券交易所及聯交所主板上市)之公司秘書。陳先生自二零一五年六月至二零一六年十月曾擔任伯明翰環球控股有限公司(股份代號: 2309)之公司秘書, 該公司股份於聯交所主板上市。

彼自二零一三年十月七日至二零一四年七月十七日擔任粵首環保控股有限公司(股份代號: 1191)之獨立非執行董事。陳先生曾獲委任為兩間公司之獨立非執行董事, 即自二零一四年七月十五日及二零一六年十一月八日起分別獲委任為中國華仁醫療有限公司(股份代號: 648)及新智控股有限公司(前稱「惟膳有限公司」)(股份代號: 8213)之獨立非執行董事。

陳先生為天昊會計師事務所有限公司之董事。陳先生與本公司任何董事、高級管理層、主要或控股股東概無任何關係。

Report of the Directors

董事會報告書

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY *(continued)*

Independent non-executive Directors *(continued)*

Mr. Yu Pak Yan, Peter ("Mr. Yu"), aged 66, was appointed as an independent non-executive Director on 31 December 2010. Mr. Yu was also appointed as the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Mr. Yu has over 30 years of experience in real estate and financial services industries. Mr. Yu obtained a Bachelor Degree in Management from Youngstown State University in Ohio, USA and a Master of Science Degree in Financial Services from American College in Pennsylvania, USA. Mr. Yu is a member of the Certified Commercial Investment Member Institute and was the first Chinese-American elected to the board of the San Francisco Association of Realtors. Mr. Yu worked in Pacific Union Real Estate Company in the United States from 1980 to 1995 and held senior positions in MetLife and New York Life Insurance Company in managing Asian customers in North America.

Mr. Yu is an executive director of Far East Holdings International Limited (stock code: 36) since 12 November 2014, is currently an independent non-executive director of Noble Century Investment Holdings Limited (stock code: 2322). He was an executive director of Kong Sun Holdings Limited (stock code: 295) from 1 August 2008 to 30 September 2013 and became its chairman from 30 September 2013 to 1 September 2014, Mr. Yu was an independent non-executive director of GET Holdings Limited (stock code: 8100) from 30 July 2010 to 29 January 2014.

Mr. Yu does not have any relationship with any Director, senior management, substantial or controlling shareholder(s) of the Company.

本公司董事及之個人簡歷 (續)

獨立非執行董事 (續)

余伯仁先生(「余先生」)，66歲，於二零一零年十二月三十一日獲委任為獨立非執行董事。余先生亦獲委任為本公司之薪酬委員會主席以及審核委員會及提名委員會成員。余先生在房地產及金融服務業擁有逾30年經驗。余先生取得美國俄亥俄州揚斯頓州立大學(Youngstown State University)管理學士學位及美國賓夕法尼亞州American College金融服務系之理學碩士學位。余先生為美國註冊商業投資人員協會成員，並為首位獲選加入三藩市地產商協會董事會之美籍華人。余先生於一九八零年至一九九五年間在美國Pacific Union Real Estate Company工作，並曾先後在美商大都會人壽保險公司及紐約人壽保險公司擔任要職，負責管理北美洲之亞裔客戶。

余先生自二零一四年十一月十二日起為遠東控股國際有限公司(股份代號: 36)之執行董事，目前為仁瑞投資控股有限公司(股份代號: 2322)之獨立非執行董事。彼於二零零八年八月一日至二零一三年九月三十日期間為江山控股有限公司(股份代號: 295)之執行董事，並於二零一三年九月三十日至二零一四年九月一日期間為該公司主席。余先生曾於二零一零年七月三十日至二零一四年一月二十九日期間在智易控股有限公司(股份代號: 8100)出任獨立非執行董事。

余先生與本公司任何董事、高級管理層、主要或控股股東概無任何關係。

Report of the Directors

董事會報告書

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY *(continued)*

Independent non-executive Directors *(continued)*

Mr. Zheng Jinyun (“Mr. JY Zheng”), aged 54, was appointed as an independent non-executive Director on 11 April 2012. Mr. JY Zheng completed the China CEO Management Innovation Executive Program with the relevant certificate of Shanghai Jiao Tong University in 2003 and completed the CEO Innovation Executive Program (總裁高級研修班) with the relevant certificate of Fudan University in 2005. Mr. JY Zheng has commenced his own international trading business since 1978 and expanded his business to the global market. Mr. JY Zheng started to expand his business to the development and management of residential and commercial properties in 2006. Mr. JY Zheng is the committee member of the current Chinese People’s Political Consultative Conference of Fujian Province (福建省人民政治協商會議委員) and the honorable citizen of Putian City (莆田市榮譽市民).

Mr. JY Zheng does not have any relationship with any Director, senior management, substantial or controlling shareholder(s) of the Company.

Mr. Zheng Yurui (“Mr. YR Zheng”), aged 62, was appointed as an independent non-executive Director on 11 April 2012. Mr. YR Zheng graduated from Party School of Central Committee of C.P.C. with undergraduate diploma in 1999, majoring in administration and he is a senior economist. From 1971 to 1998, Mr. YR Zheng worked in several state-owned companies and private companies including a factory in which he acted as a deputy general manager. From 1998 to the present, Mr. YR Zheng founded his own footwear manufacturing company, acting the chairman. From 2008 to the present, Mr. YR Zheng has served as a director of a property development company concurrently. Mr. YR Zheng is the representative of the Tenth and Eleventh People’s Congress of Fujian Province (福建省第十屆、第十一屆人民代表大會) and the representative of the Fourth, the Fifth, and the Sixth People’s Congress of Putian City (莆田市第四屆、第五屆、第六屆人民代表大會).

Mr. YR Zheng does not have any relationship with any Director, senior management, substantial or controlling shareholder(s) of the Company.

本公司董事之個人簡歷 (續)

獨立非執行董事 (續)

鄭金雲先生 (「鄭金雲先生」)，54歲，於二零一二年四月十一日獲委任為獨立非執行董事。鄭金雲先生於二零零三年完成上海交通大學之中國CEO (總裁) 創新管理高級研修班並獲頒有關證書，亦於二零零五年完成復旦大學總裁高級研修班並獲頒有關證書。鄭金雲先生自一九七八年開始創立本身之國際貿易業務，並將業務擴充至全球市場。鄭金雲先生於二零零六年將業務拓展至開發及管理住宅及商用物業。鄭金雲先生為福建省人民政治協商會議委員和莆田市榮譽市民。

鄭金雲先生與本公司任何董事、高級管理層、主要或控股股東概無任何關係。

鄭玉瑞先生 (「鄭玉瑞先生」)，62歲，於二零一二年四月十一日獲委任為獨立非執行董事。鄭玉瑞先生於一九九九年於中共中央黨校行政管理專業畢業，獲頒本科文憑，彼為高級經濟師。自一九七一年至一九九八年，鄭玉瑞先生曾於數家國有企業及私營公司工作，曾任一家工廠之副總經理。自一九九八年至今，鄭玉瑞先生創辦其本身之皮鞋製造公司，擔任該公司之董事長。自二零零八年至今，鄭玉瑞先生兼任一家物業發展公司之董事。鄭玉瑞先生為福建省第十屆、第十一屆人民代表大會代表和莆田市第四屆、第五屆、第六屆人民代表大會代表。

鄭玉瑞先生與本公司任何董事、高級管理層、主要或控股股東概無任何關係。

Report of the Directors

董事會報告書

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY *(continued)*

Senior Management

Mr. Chiu Ngam, Chris (“Mr. Chiu”), is the financial controller of the Company, he joined the Group in August 2015. Mr. Chiu holds a Bachelor of Business Administration from the Hong Kong University of Science and Technology. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. Chiu has over 18 years of experience in financial planning and management, international accounting and auditing.

Mr. Chiu resigned as the financial controller of the Company on 20 February 2017.

DIRECTORS’ EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors’ emoluments and the five highest paid individuals of the Group are set out in notes 16 and 17 to the consolidated financial statements respectively.

DIRECTORS’ SERVICE CONTRACTS

Mr. Guo Jiadi, being the existing executive Director, has entered into service contract with the Company for an initial term of three years commencing on 12 December 2014.

Each of Ms. Amika Lan E Guo and Mr. Chan Yee Ping, Michael, being the existing executive Director and the existing independent non- executive Director, respectively, has entered into service contract with the Company for an initial term of three years commencing on 9 July 2014.

Mr. Yan Pingfeng, being the existing executive Director, has entered into a service contract with the Company for an initial term of three years commencing on 15 September 2016.

本公司董事之個人簡歷 (續)

高級管理層

趙岩先生 (「趙先生」), 本公司財務總監, 於二零一五年八月加入本集團。趙先生持有香港科技大學頒授之工商管理學士學位。彼為香港會計師公會資深會員及美國註冊會計師協會會員。趙先生於財務規劃及管理、國際會計及審計方面擁有逾18年經驗。

趙先生於二零一七年二月二十日辭任本公司財務總監。

董事酬金及五名最高薪人士

董事酬金及本集團五名最高薪人士之詳情分別載於綜合財務報表附註16及17。

董事之服務合約

現任執行董事郭加迪先生已與本公司訂立服務合約, 由二零一四年十二月十二日起初步為期三年。

現任執行董事Amika Lan E Guo女士及現任獨立非執行董事陳貽平先生已各自與本公司訂立服務合約, 由二零一四年七月九日起初步為期三年。

現任執行董事嚴平峰先生已與本公司訂立服務合約, 由二零一六年九月十五日起初步為期三年。

Report of the Directors

董事會報告書

DIRECTORS' SERVICE CONTRACTS *(continued)*

Dr. Wong Yun Kuen, was appointed as an independent non executive Director on 18 September 2009, has entered into a service contract with the Company for an initial term of three years commencing on 18 September 2009 and the service contract has been renewed several times for a further term of three years commencing on 18 September 2015.

Dr. Wong Yun Kuen has been re-designated from an independent non-executive Director to a non-executive director of the Company with effect from 15 September 2016. Following his re-designation, Dr. Wong Yun Kuen has been entered into a service contract with the Company with the term of three years commencing on 15 September 2016.

Mr. Yu Pak Yan Peter, being the existing independent non-executive Director, has entered into service contract with the Company for a term of three years commencing on 31 December 2011 and the service contract has been renewed for a further term of three years commencing on 31 December 2014.

Each of Mr. Zheng Jinyun and Mr. Zheng Yurui, being the existing independent non-executive Director, has entered into a service contract with the Company for a term of three years commencing on 11 April 2012 and the service contracts had been renewed for a further term of three years commencing on 11 April 2015.

Mr. Lin Jianbin, who was resigned as an executive Director with effect from 1 July 2016, had entered into services contract with the Company for an initial term of three years commencing on 5 March 2015.

董事之服務合約 (續)

黃潤權博士(於二零零九年九月十八日獲委任為獨立非執行董事)已與本公司訂立服務合約,由二零零九年九月十八日起初步為期三年,並已數次重續其服務合約,由二零一五年九月十八日起進一步為期三年。

黃潤權博士已由獨立非執行董事調任為本公司非執行董事,自二零一六年九月十五日起生效。黃博士調任後,已與本公司訂立服務合約,由二零一六年九月十五日起為期三年。

現任獨立非執行董事余伯仁先生已與本公司訂立服務合約,由二零一一年十二月三十一日起為期三年,服務合約已經重續,由二零一四年十二月三十一日起為期三年。

現任獨立非執行董事鄭金雲先生及鄭玉瑞先生已各自與本公司訂立服務合約,由二零一二年四月十一日起為期三年,服務合約已經重續,由二零一五年四月十一日起為期三年。

林建濱先生(於二零一六年七月一日辭任執行董事)已與本公司訂立服務合約,由二零一五年三月五日起初步為期三年。

Report of the Directors

董事會報告書

DIRECTORS' SERVICE CONTRACTS *(continued)*

In addition, all Directors of the Company shall be subject to retirement by rotation in accordance with the Bye-laws of the Company. The term of office of each Director may also be terminated with three months' notice served by either party on the other.

The emoluments of the independent non-executive Directors will be determined by the Board (as to be authorised by the shareholders of the Company at the AGM) at its discretion with reference to their duties and responsibilities.

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

CHANGE IN INFORMATION OF DIRECTORS

During the year ended 31 March 2017 and up to the date of this report, the change in the information of the Directors of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out belows:

Name of Director 董事名稱	Details of changes 變動詳情
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Ms. Amika Lan E Guo

– monthly fee was increased to HK\$80,000 with effect from 1 April 2017.

Amika Lan E Guo女士

– 每月薪金增至80,000港元，自二零一七年四月一日起生效。

Save as disclosed above, there is no other change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONNECTED TRANSACTIONS

On 7 August 2013, an indirect subsidiary of the Company, Fujian Sinco entered into a joint venture agreement with Fuzhou Gaojia, a company controlled by Mr. Guo Jiadi, an executive Director and the ultimate beneficial owner of a substantial shareholder of the Company, for the establishment of a PRC joint venture for engaging in investment, development, sale, lease, management of properties and other ancillary services in the PRC, including the project, for property development.

As Fuzhou Gaojia was controlled by Mr. Guo Jiadi, who is an executive Director and the single largest shareholder of the Company and the father of Ms. Amika Lan E Guo, the executive Director, and his associates, Fuzhou Gaojia, is a connected person of the Company.

董事之服務合約 (續)

此外，本公司全體董事均須根據本公司之公司細則輪值退任。各董事之任期均可由其中一方向另一方發出三個月通知予以終止。

獨立非執行董事之酬金將由董事會（將由本公司股東於股東週年大會授權）經參考彼等之職務及職責後酌情釐定。

除上文披露者外，於應屆股東週年大會重選連任之董事概無與本公司或其任何附屬公司訂立任何於一年內須作出補償（法定補償除外）方可由本公司終止之服務合約。

董事資料變動

截至二零一七年三月三十一日止年度及截至本報告日期，須根據上市規則第13.51B(1)條予以披露之本公司董事資料變動載列如下：

除上文所披露者外，概無須根據上市規則第13.51B(1)條予以披露之董事資料其他變動。

關連交易

於二零一三年八月七日，本公司間接全資附屬公司福建先科與一家由本公司執行董事兼主要股東最終實益擁有人郭加迪先生控制之公司福州高佳訂立合營協議，以成立一家中國合營公司在中國從事投資、開發、銷售、租賃、管理物業及其他配套服務，包括供物業發展之用的項目。

由於福州高佳由郭加迪先生（本公司執行董事兼單一最大股東及執行董事Amika Lan E Guo女士之父親）及其聯繫人士控制，故福州高佳為本公司之關連人士。

Report of the Directors

董事會報告書

CONNECTED TRANSACTIONS (continued)

On 15 December 2016, an indirect wholly owned subsidiary of the Company, Fujian Sinco entered into an agreement with Fuzhou Gaojia Real Estate Development Co., Ltd (the “Fuzhou Gaojia”) pursuant to which the Fujian Sinco agreed to acquire and Fuzhou Gaojia agreed to sell 95% of the equity interests of Fujian Jingdu Land Co., Ltd, the (the “Fujian Company”) at an aggregate consideration of RMB455,816,462 (the “Fujian Acquisition”).

Concurrent with the Fujian Acquisition, Fujian Sinco and the Fuzhou Gaojia entered into another agreement pursuant to which the Fujian Sinco agreed to acquire and Fuzhou Gaojia agreed to sell 95% of the equity interests of Xian Sandi Real Estate Development Co., Ltd (the “Xian Company”) at an aggregate consideration of RMB202,437,651 (the “Xian Acquisition”).

Fuzhou Gaojia, being an associate of Mr. Guo Jiadi, is therefore a connected person of the Company. Mr. Guo Jiadi is an executive Director, the chairman of the Company and a controlling shareholder of the Company and therefore a connected person of the Company. Accordingly, each of the Fujian Acquisition and the Xian Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Further details are set out in the announcement of the Company dated 15 December 2016 and circular dated 16 March 2017.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken by the Group during the year are set out in note 39 to the consolidated financial statements. The Company has complied with the applicable requirements under the Listing Rules for those related party transactions which constituted non-exempt connected transactions/continuing connected transactions. Other related party transactions either did not constitute connected transactions/continuing connected transactions or constituted connected transactions/continuing connected transactions but were exempted from all disclosure and independent shareholders’ approval requirements under the Listing Rules.

DIRECTORS’ MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the paragraph headed “Connected Transactions” disclosed above and note 39 to the consolidated financial statements headed “Related Party Transactions”, no other transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

關連交易 (續)

於二零一六年十二月十五日，福建先科（本集團間接全資附屬公司）與福州高佳房地產開發有限公司（「福州高佳」）訂立協議，據此，福建先科同意收購及福州高佳同意出售福建京都置業有限公司（「福建公司」）95%股權，總代價為人民幣455,816,462元（「福建收購事項」）。

在進行福建收購事項的同時，福建先科與福州高佳訂立另一份協議，據此，福建先科同意收購及福州高佳同意出售西安三迪房地產開發有限公司（「西安公司」）95%股權，總代價為人民幣202,437,651元（「西安收購事項」）。

福州高佳為郭加迪先生之聯繫人，因此為本公司之關連人士。郭加迪先生為本公司執行董事、主席及本公司控股股東，因此為本公司之關連人士。因此，根據上市規則第14A章，福建收購事項及西安收購事項各自構成本公司之關連交易。進一步詳情載於本公司日期為二零一六年十二月十五日之公告及日期為二零一七年三月十六日之通函。

有關連人士之交易

有關本集團於本年度進行的重大有關連人士之交易詳情載於綜合財務報表附註39。本公司已就該等構成不獲豁免關連交易／持續關連交易的有關連人士之交易遵守上市規則的適用規定。其他有關連人士之交易並無構成關連交易／持續關連交易，或已構成關連交易／持續關連交易但獲豁免上市規則項下所有披露及獨立股東批准規定。

董事於交易、安排或合約中之重大權益

除上文所披露「關連交易」一段及綜合財務報表附註39「有關連人士之交易」所披露外，概無本公司或其任何附屬公司所訂立於年度結算日或本年度任何時間仍然有效且本公司董事直接或間接擁有重大權益之其他重大交易、安排或合約。

Report of the Directors

董事會報告書

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 in existence during the year.

Mr. Guo Jiadi (“Mr. Guo”) is an executive Director, the chairman of the Company and a controlling shareholder of the Company. Mr. Guo carries out property development and investment businesses and other businesses in the PRC through companies controlled by him, including but not limited to Fujian Sandi Property Development Limited (the “Fujian Sandi”) and Fuzhou Gaojia.

To deal with the potential conflict of interests between Mr. Guo and the Company, Mr. Guo; Fujian Sandi; Fuzhou Gaojia and the Company had entered into a deed of non-competition dated 1 January 2015 (the “2015 Deed”). Each of Mr. Guo; Fujian Sandi and Fuzhou Gaojia; (the “Covenantor(s)”) has given its non-compete undertakings in favour of the Company on the terms set out below:

- (a) The Covenantors will not, and will procure his/its close associates not to, directly or indirectly, carry on, engage, invest or be involved in any manner any business which competes with the business of the Company from time to time with the following exceptions:
 - (i) the holding of shares of a company which is engaged in the business of acquisition of land for development, building construction and acquisition of real properties (including projects with construction in progress) in the PRC for sale, lease or other investment purposes (the “Property Investment Business”) and whose shares are listed on a recognised stock exchange provided that such shares represent not more than 10% of the voting rights at the general meetings of such company;

管理合約

年內概無訂立或存在任何與本公司全部或任何主要部分業務之管理及行政有關之合約。

郭加迪先生(「郭先生」)為本公司執行董事、主席及本公司控股股東。郭先生透過其控制的公司(包括但不限於福建三迪房地產開發有限公司(「福建三迪」)及福州高佳)在中國經營物業發展及投資業務與其他業務。

為解決郭先生與本公司之潛在利益衝突，郭先生、福建三迪、福州高佳及本公司已訂立日期為二零一五年一月一日之不競爭契據(「二零一五年契據」)。郭先生、福建三迪及福州高佳(「契諾人」)已按下文所載條款各自向本公司作出不競爭承諾：

- (a) 契諾人將不會並將促使其緊密聯繫人士不會直接或間接以任何方式經營、參與、投資或從事不時與本公司業務構成競爭之任何業務，惟以下所載者除外：
 - (i) 持有一家從事收購土地作開發、樓宇建設以及於中國收購房地產(包括在建工程項目)作銷售、租賃或其他投資目的業務(「物業投資業務」)之公司(其股份於認可證券交易所上市)股份，惟有關股份不得超過於該公司股東大會表決權之10%；

Report of the Directors

董事會報告書

MANAGEMENT CONTRACTS (continued)

(a) (continued)

- (ii) the engagement in the Property Investment Business through the Group;
- (iii) the acquisition or holding of real property for self-use;
- (iv) the property projects that the Covenantors have already engaged as at the date of the undertakings;
- (v) the engagement of property projects in any province of the PRC in which the Group has not considered, planned to or invested in the development of its Property Investment Business;
- (vi) the engagement of property projects in any province of the PRC in which the Group has considered, planned to or invested in the development of its Property Investment Business subject to the right of first refusal granted to the Group (on the terms set out in the undertakings).

Since the date of the 2015 Deed, the scope of the operation of the Group was expanded. Therefore, Mr. Guo and the Company has entered into a new Non-competition Deed on 15 March 2017 (the "2017 Deed") to replace the 2015 Deed. Further details was disclosed in the announcement dated 15 March 2017. Set out below is a summary of the principal terms of the 2017 Deed and relevant information.

Mr. Guo (for himself and as the agent for his close associates) irrevocably and unconditionally undertakes in favour of the Company that:

- (a) he shall and shall procure that his close associates not to, directly or indirectly, engage in, invest in, participate in, whether on his own account or with each other or in conjunction with or on behalf of any person or company or otherwise holds or owns any interest in any manner in the PRC in any business that may compete, directly or indirectly, with the Group Business;

管理合約 (續)

(a) (續)

- (ii) 透過本集團從事物業投資業務；
- (iii) 收購或持有房地產自用；
- (iv) 契諾人於截至承諾日期已從事之物業項目；
- (v) 於本集團並不考慮、計劃或投資開發其物業投資業務之中國任何省份從事物業項目；
- (vi) 於本集團考慮、計劃或投資開發其物業投資業務之中國任何省份從事物業項目，惟須按承諾中所載條款向本集團授出優先選擇權。

自二零一五年契據日期起，本集團經營範圍已擴大。因此，郭先生與本公司於二零一七年三月十五日訂立新不競爭契據（「二零一七年契據」），以取代二零一五年契據。進一步詳情已於日期為二零一七年三月十五日之公告披露。二零一七年契據之主要條款概述及相關資料載列如下。

郭先生（為其本身及作為其緊密聯繫人的代理）不可撤回及無條件地向本公司承諾：

- (a) 不會並會促使其緊密聯繫人不會單獨或聯同或代表任何人士或公司或以其他方式直接或間接於中國從事、投資、參與任何與本集團業務構成競爭或可能會構成競爭的業務或以任何形式在該等業務中直接或間接持有或擁有任何權益；

Report of the Directors

董事會報告書

MANAGEMENT CONTRACTS (continued)

(a) (continued)

- (b) he shall provide all the information that the Company reasonably considers to be necessary to enforce the undertakings given by him under the 2017 Deed and would make an annual declaration on compliance with the 2017 Deed in the annual report of the Company; and
- (c) he and/or his close associates shall abstain from voting in the Board meetings and the general meetings of the Company in relation to any matter in connection with 2017 Deed;

Mr. Guo further undertakes to the Company that he shall not (and shall procure his close associates not to):

- (a) solicit or entice away any customer, contractor, supplier, director, employee or consultant of the Group (or any potential customer, contractor, supplier with whom the Group has already entered into negotiations); and/or
- (b) use, disclose to anyone or publish, or allow the disclosure or publication of, the non-public information in relation to the Group (trade secrets, business strategies or otherwise) that he or his close associates received or may receive;

If any New Business Opportunity is made available to Mr. Guo and/or his close associates, he and/or his close associates:

- (i) shall issue a written notice to the Board pursuant to the terms of the 2017 Deed and provide the information reasonably requested by the Company to facilitate the Company making an informed evaluation of the New Business Opportunity; and
- (ii) shall not pursue or otherwise participate in the new business opportunity in any manner unless and until the New Business Opportunity has been declined by the Group, provided that Mr. Guo and/or his close associates cannot pursue the New Business Opportunity on terms more favourable than those offered to the Group.

管理合約 (續)

(a) (續)

- (b) 向本公司提供本公司合理地認為必要的一切資料，讓本公司可執行其在二零一七年契據下所作的承諾，並在本公司年報內就其有否遵守二零一七年契據作出年度聲明；及
- (c) 其及／或其緊密聯繫人將於董事會會議及本公司股東大會上就有關二零一七年契據的任何事項放棄投票。

郭先生進一步向本公司承諾，其不會（並會促使其緊密聯繫人不會）：

- (a) 教唆或誘導本集團任何客戶、承包商、供應商、董事、僱員或顧問（或已與本集團進行磋商的任何潛在客戶、承包商、供應商）離開本集團；及／或
- (b) 使用或洩漏給任何人、或發表或披露或允許發表或允許披露其或其緊密聯繫人收到或可能收到的與本集團有關的非公開資料（商業機密、業務策略或其他）。

如郭先生及／或其緊密聯繫人獲得任何新商機，其及／或其緊密聯繫人：

- (i) 會根據二零一七年契據的條款向董事會發出書面通知並向本公司提供其合理地要求的資料，以便本公司就新商機作出知情的評估；及
- (ii) 不會以任何方式追逐或參與任何新商機，除非本集團已放棄新商機，惟郭先生及／或其緊密聯繫人不得按優於提供予本集團者的條款追逐新商機。

Report of the Directors

董事會報告書

MANAGEMENT CONTRACTS *(continued)*

(a) *(continued)*

If Mr. Guo and/or any of his close associates wishes to sell any interest in the Guo Business (same meanings as defined in the announcement dated 15 March 2017) (in whole or in part) to any third party (the "Opportunity for Sale"), Mr. Guo will offer and will procure that his close associates to offer the Opportunity for Sale to the Company and the Company shall have a right of first refusal in respect of such Opportunity for Sale (the "Right of First Refusal"). In this regard, Mr. Guo and/or his close associates:

- (i) shall issue a written notice to the Board pursuant to the terms of the 2017 Deed and provide the information reasonably requested by the Company to facilitate the Company to reasonably evaluate the Opportunity for Sale; and
- (ii) shall be at liberty to offer the Opportunity for Sale to third parties if the Opportunity for Sale is declined by the Group, provided that the terms thereof shall not be more favourable than those provided to the Group.

The Non-competition Undertakings do not apply to the following:

- (a) the same property projects excluded from the 2015 Deed (being those property projects of Mr. Guo and/or his close associates already in existence as at the date of the 2015 Deed);

管理合約 (續)

(a) (續)

如郭先生及／或其任何緊密聯繫人有意將郭業務（與日期為二零一七年三月十五日之公告所界定者相同）的任何權益（全部或部分）出售予任何第三方（「出售機會」），郭先生會並會促使其緊密聯繫人將出售機會提供予本公司，而本公司就該出售機會具有優先購買權（「優先購買權」）。就此，郭先生及／或其緊密聯繫人：

- (i) 會根據二零一七年契據的條款向董事會發出書面通知並向本公司提供其合理地要求的資料，以便本公司就出售機會作出合理的評估；及
- (ii) （如本集團放棄出售機會）可自由將出售機會提供予第三方，惟條款不得優於提供予本集團者。

不競爭承諾不適用於以下各項：

- (a) 不包括在二零一五年契據中的相同物業項目（即郭先生及／或其緊密聯繫人於二零一五年契據日期已經存在的物業項目）；

Report of the Directors

董事會報告書

MANAGEMENT CONTRACTS (continued)

(a) (continued)

- (a) the hotel business in connection with the hotels set out below which has been engaged by Mr. Guo (and/or his close associates) prior to the Group's proposed engagement in the hotel sector:
- (i) the existing 5-star hotel named "Sandi Ramada Plaza Hotel* (三迪華美達廣場酒店)" (the "Guo Existing Fuzhou Hotel") which is located in Cangshan District, Fuzhou, Fujian Province;
 - (ii) the existing 5-star hotel named "Double Tree by Hilton Hotel Putian* (莆田三迪希爾頓逸林酒店)" which is located in Putian of Fujian Province (the "Guo Putian Hotel A"); and
 - (iii) the proposed 3-star hotel named "Putian Sandi Pesht Boutique Hotel* (莆田三迪佩斯精品酒店)" which is located in Putian of Fujian Province (the "Guo Putian Hotel B");
- (c) the holding of or being interested in, directly or indirectly, by Mr. Guo and/or his close associates any shares in any company, provided that (i) such shares are listed on a recognized stock exchange; and (ii) the total number of such shares held by Mr. Guo and/or his close associates does not amount to more than 5% of the issued shares carrying voting rights;
- (d) the engagement in any business via the holding of the equity interests through the Group;
- (e) the acquisition or holding of property by Mr. Guo and/or his close associates for their respective self-use;
- (f) the engagement in the Group Business in any province in the PRC where the Group has not considered or planned to carry out the Group Business; or

管理合約 (續)

(a) (續)

- (b) 有關下文所載酒店的酒店業務 (在本集團建議從事酒店行業前, 郭先生 (及/或其緊密聯繫人) 已從事該等業務):
- (i) 位於福建省福州市倉山區, 名為「三迪華美達廣場酒店」的現有五星級酒店 (「郭現有福州酒店」);
 - (ii) 位於福建省莆田市, 名為「莆田三迪希爾頓逸林酒店」的現有五星級酒店 (「郭莆田酒店A」); 及
 - (iii) 位於福建省莆田市, 名為「莆田三迪佩斯精品酒店」的擬建三星級酒店 (「郭莆田酒店B」);
- (c) 郭先生及/或其緊密聯繫人直接或間接持有或擁有任何公司的任何股份, 前提是(i)該等股份於認可證券交易所上市; 及(ii)郭先生及/或其緊密聯繫人持有的該等股份總數不超過附有投票權的已發行股份的5%;
- (d) 透過經本集團持有的股權從事任何業務;
- (e) 郭先生及/或其緊密聯繫人為自用而收購或持有物業;
- (f) 在本集團並未考慮或計劃經營本集團業務的中國任何省份從事本集團業務; 或

* For identification purposes only
* 僅供識別

Report of the Directors

董事會報告書

MANAGEMENT CONTRACTS *(continued)*

(a) *(continued)*

- (g) (subject to the provisions regarding the New Business Opportunity) the engagement in the Group Business in any province in the PRC where the Group has considered or planned to carry out the Group Business.

The obligations of Mr. Guo under 2017 Deed shall be terminated upon the earlier of:

- (a) the Shares ceasing to be listed on the Stock Exchange; and
- (b) Mr. Guo and his close associates together ceasing to control 30% (or such percentage as may from time to time specified in the Listing Rules to be regarded as a controlling shareholder) or more of the voting rights at any general meeting of the Company.

During the year and up to the date of this report, Mr. Guo declares that he complied with all the terms and conditions as set out in 2015 Deed and 2017 Deed.

Save as disclosed, during the year and up to the date of this report, no Directors are considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, pursuant to the Listing Rules, other than those businesses for which the Directors were appointed as directors to represent the interest of the Company and/or the Group.

管理合約 (續)

(a) (續)

- (g) 在本集團已考慮或計劃經營本集團業務的中國任何省份從事本集團業務(須遵守有關新商機的條文)。

郭先生在二零一七年契據下的責任將於以下較早時限屆滿：

- (a) 股份終止於聯交所上市；及
- (b) 郭先生及其緊密聯繫人不再合共控制本公司任何股東大會30%或以上的投票權(或其他按上市規則不時規定作為決定控股股東之股權比重)。

於本年度及截至本報告日期，郭先生聲明，其遵守二零一五年契據及二零一七年契據所載之所有條款及條件。

除所披露者外，於本年度及截至本報告日期，根據上市規則，各董事概無被視作於足以或可能對本集團業務構成直接或間接競爭之業務中擁有權益，惟本公司董事獲委任為董事以代表本公司及／或本集團權益之業務則作別論。

Report of the Directors

董事會報告書

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

As at 31 March 2017, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO") which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as asset out in Appendix 10 to the Listing Rules, were as follows:

(i) Long positions in ordinary shares and underlying shares of HK\$0.01 each of the Company

董事及主要行政人員於股份之權益以及於本公司或其相聯法團之股份、相關股份及債權證之淡倉

於二零一七年三月三十一日，董事及本公司主要行政人員於本公司或其相聯法團（定義見香港第571章法例證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中，擁有(i)須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所（包括根據證券及期貨條例相關條文被當作或視為之權益及淡倉）；或(ii)根據證券及期貨條例第352條由本公司存置之登記冊所記錄；或(iii)須根據載於上市規則附錄十之上市發行人董事進行證券交易的標準守則（「標準守則」）知會本公司及聯交所之任何權益或淡倉如下：

(i) 於本公司每股0.01港元普通股及相關股份之好倉

Name of Director	Nature of interest	Number of issued ordinary shares held	Number of underlying shares	Number of share options held	Approximate % of issued share capital in the Company as at 31 March 2017 佔於二零一七年三月三十一日本公司已發行股本概約百分比
董事姓名	權益性質	持有已發行普通股數目	相關股份數目	持有購股權數目	
Mr. Guo Jiadi	Interest of controlled corporations	2,046,461,002 (Note)	800,000,000 (Note)	-	85.1%
郭加迪先生	受控法團之權益	(附註)	(附註)		
	Beneficial owner	-	-	2,400,000 (Note)	0.1%
	實益擁有人			(附註)	

Report of the Directors

董事會報告書

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (continued)

(i) Long positions in ordinary shares and underlying shares of HK\$0.01 each of the Company (continued)

Notes:

1. The 2,046,461,002 Shares and 800,000,000 underlying shares include:
 - a) As at 31 March 2017, the 1,726,046,801 Shares and 800,000,000 underlying shares to be allotted and issued at the issue price of HK\$0.2745 each by the Company to United Century International Limited (the "United Century"), a company incorporated in the British Virgin Islands ("BVI") with limited liability. United Century is in turn wholly owned by Mr. Guo Jiadi.

On 26 May 2017, the Company issued and allotted 800,000,000 Shares at the issue price of HK\$0.2745 each to United Century as part the payment of Fujian Acquisition. As at the date of this report, United Century is interested in 2,526,046,801 Shares of the Company.

- b) The Shares of 320,414,201 held by King Partner Holdings Limited, a company incorporated in the BVI with limited liability which is wholly-owned by Mr. Guo Jiadi.
- c) As at 31 March 2017, Mr. Guo Jiadi, an executive Director and Chairman of the Company was entitled to receive share options to subscribe for a maximum of 2,400,000 Shares upon exercise of the options in full.

董事及主要行政人員於股份之權益以及於本公司或其相聯法團之股份、相關股份及債權證之淡倉 (續)

(i) 於本公司每股0.01港元普通股及相關股份之好倉：(續)

附註：

1. 該2,046,461,002股股份及800,000,000股相關股份包括：
 - (a) 於二零一七年三月三十一日，1,726,046,801股股份及800,000,000股相關股份，將由本公司按發行價0.2745港元配發及發行予United Century International Limited (「United Century」) (一間於英屬處女群島(「英屬處女群島」)註冊成立之有限公司)。United Century由郭加迪先生全資擁有。

於二零一七年五月二十六日，本公司按發行價每股0.2745港元向United Century發行及配發800,000,000股股份，作為部分支付福建收購事項。於本報告日期，United Century於本公司2,526,046,801股股份中擁有權益。

- (b) 320,414,201股股份，由King Partner Holdings Limited (一間於英屬處女群島註冊成立之有限公司，由郭加迪先生全資擁有)持有。
- (c) 於二零一七年三月三十一日，本公司執行董事兼主席郭加迪先生於全數行使購股權後有權獲得購股權以認購最多2,400,000股股份。

Report of the Directors

董事會報告書

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (continued)

董事及主要行政人員於股份之權益以及於本公司或其相聯法團之股份、相關股份及債權證之淡倉
(續)

(ii) Interest in the issued share capital of the Company's associated corporation:

(ii) 於本公司相聯法團已發行股本之權益：

Name of Director	Name of associated corporation	Nature of interest	Registered capital held in associated corporation	Position	% of the registered capital of the associated corporation as at 31 March 2017 佔於二零一七年三月三十一日相聯法團註冊資本百分比
董事姓名	相聯法團名稱	權益性質	相聯法團所持註冊資本	倉位	
Mr. Guo Jiadi	Fujian Jiake Industrial Company Limited (the "Fujian Jiake") (Note 1)	Interest of controlled corporations (Note 2)	Registered: RMB216,000,000	Long	49
郭加迪先生	福建佳科實業有限公司 (「福建佳科」) (附註1)	受控法團之權益 (附註2)	註冊：人民幣216,000,000元	好倉	49

Notes:

附註：

- The Company indirectly held 51% equity interests of Fujian Jiake through an indirectly wholly-owned subsidiary, Fujian Sinco Industrial Company Limited ("Fujian Sinco"), a company incorporated in the PRC with limited liability. Therefore Fujian Jiaka is an associated corporation of the Company for the purposes of the SFO.
- Fuzhou Gaojia Real Estate Development Co., Ltd. ("Fuzhou Gaojia") held 49% equity interests of Fujian Jiake, Fuzhou Gaojia is a company established in the PRC and ultimate controlled by Mr. Guo Jiadi.

- 本公司透過間接全資附屬公司福建先科實業有限公司 (「福建先科」) (一間於中國註冊成立之有限責任公司) 間接持有福建佳科51%股權。因此，就根據證券及期貨條例而言，福建佳科為本公司之相聯法團。
- 福州高佳房地產開發有限公司 (「福州高佳」) 持有福建佳科之49%股權。福州高佳為於中國成立之公司並由郭加迪先生最終控制。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (continued)

(ii) Interest in the issued share capital of the Company's associated corporation: (continued)

Save as disclosed above, as at 31 March 2017, none of the Directors nor the chief executive of the Company had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, otherwise notified to the Company and Stock Exchange pursuant to the Model Code. Nor any of the Directors and chief executive had any interest in, or had been granted any right to subscribe for the securities of the Company and its associated corporations (within the meaning of Part XV of the SFO) or had exercised any such right during the year ended 31 March 2017.

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2017, other than the interests of a director or chief executive of the Company as disclosed under the heading "Directors' and chief executive's interest in shares, underlying shares and debentures of the Company and its associated corporations" above, the following persons (not being a Director or the chief executive officer of the Company) have an interest or a short position in Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

董事及主要行政人員於股份之權益以及於本公司或其相聯法團之股份、相關股份及債權證之淡倉
(續)

(ii) 於本公司相聯法團已發行股本之權益：(續)

除上文披露者外，於二零一七年三月三十一日，概無董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中，擁有須根據證券及期貨條例第352條由本公司存置之登記冊所記錄，或根據標準守則以其他方式知會本公司及聯交所之任何權益或淡倉。截至二零一七年三月三十一日止年度，概無任何董事及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）之證券中擁有權益或已獲授予任何權利認購該等證券或已行使任何該等權利。

主要股東於股份及相關股份之權益及淡倉

於二零一七年三月三十一日，除「董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債權證之權益」一段披露外，以下人士（並非董事或本公司行政總裁）於股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司及聯交所披露之權益或淡倉，或直接或間接擁有面值5%或以上任何類別股本權益，而該等股本附有權利可於任何情況下在本集團任何其他成員公司之股東大會上投票：

Report of the Directors

董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(continued)*

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

主要股東於股份及相關股份之權益及淡倉 (續)

於本公司每股0.01港元普通股及相關股份之好倉

Name	Nature of interest	Number of issued ordinary shares held	Number of underlying shares	Number of share options held	Approximate % of issued share capital in the Company as at 31 March 2017 佔於二零一七年三月三十一日本公司已發行股本概約百分比
董事姓名	權益性質	持有已發行普通股數目	相關股份數目	持有購股權數目	
Mr. Guo Jiadi	Interest of controlled corporations	2,046,461,002 <i>(Note 1)</i>	800,000,000 <i>(Note 1)</i>	-	85.1%
郭加迪先生	受控法團之權益	<i>(附註1)</i>	<i>(附註1)</i>		
	Beneficial owner	-	-	2,400,000 <i>(Note 1)</i>	0.1%
	實益擁有人			<i>(附註1)</i>	
United Century International Limited	Beneficial owner	1,726,046,801 <i>(Note 1)</i>	800,000,000 <i>(Note 1)</i>	-	75.5%
	實益擁有人	<i>(附註1)</i>	<i>(附註1)</i>		
King Partner Holdings Limited	Beneficial owner	320,414,201 <i>(Note 1)</i>	-	-	9.6%
	實益擁有人	<i>(附註1)</i>			
Ms. Kong Lingling	Beneficial owner	-	312,500,000 <i>(Note 2)</i>	-	9.3%
孔玲玲女士	實益擁有人		<i>(附註2)</i>		

Report of the Directors

董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Long positions in ordinary shares and underlying shares of HK\$0.01 each of the Company (continued)

Notes:

1. Please refer to Note under section headed: Directors and Chief Executives' Interests on page 79.
2. 312,500,000 underlying shares to be issued by the Company to Ms. Kong Lingling upon full exercise of the subscription rights attaching to the warrants held by Ms. Kong Lingling at an exercise price of HK\$0.24 per warrant share.

Saved as disclosed above, as at 31 March 2017, the Company had not been notified by any persons (other than the Directors and the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreement entered into during the year ended 31 March 2017 are set out below:

(a) Share Option Scheme

Pursuant to an ordinary resolution passed at the AGM of the Company held on 16 September 2011 and the Stock Exchange granting approval of the listing of and permission to deal in the shares of the Company to be issued under the share option scheme (the "New Scheme") on 15 November 2011, the Company has adopted the New Scheme and terminated the share option scheme adopted on 23 November 2001 (the "Old Scheme"). The Old Scheme was terminated on 16 September 2011.

主要股東於股份及相關股份之權益及淡倉 (續)

於本公司每股0.01港元普通股及相關股份之好倉 (續)

附註:

1. 請參閱第79頁「董事及主要行政人員之權益」一節之附註。
2. 本公司將於按行使價每股認股權證股份0.24港元全數行使由孔玲玲女士持有之認股權證所附帶之認購權後向孔玲玲女士發行312,500,000股相關股份。

除上文披露者外，於二零一七年三月三十一日，本公司並無獲任何人士（董事及本公司主要行政人員除外）知會其於本公司之股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須通知本公司及聯交所或根據證券及期貨條例第336條須存置之登記冊中記錄之權益或淡倉。

股票掛鈎協議

截至二零一七年三月三十一日止年度之股票掛鈎協議詳情載列如下：

(a) 購股權計劃

根據於二零一一年九月十六日舉行之本公司股東週年大會通過之普通決議案及聯交所於二零一一年十一月十五日批准根據購股權計劃（「新計劃」）將予發行之本公司股份上市及買賣，本公司已採納新計劃，並終止於二零一一年十一月二十三日採納之購股權計劃（「舊計劃」）。舊計劃於二零一一年九月十六日終止。

Report of the Directors

董事會報告書

EQUITY-LINKED AGREEMENTS (continued)

(a) Share Option Scheme (continued)

The New Scheme

At the AGM of the Company held on 16 September 2011, the shareholders of the Company approved the adoption of a New Scheme. The purpose of the New Scheme is to provide the Company with a flexible and effective means of incentivizing, rewarding, remunerating, compensating and/or providing benefits to the participants. There appears to be no material difference between the terms of the Old Scheme and the New Scheme, other than the scope of participants which, under the New Scheme, is more specific than that covered under the Old Scheme. The New Scheme covers any employee (full time and part time) holding salaries, consultants, agents, contractors, consumers and suppliers as the Board in its sole discretion considers eligible. Moreover, in relation to the various circumstances under which an option will lapse, e.g. death and termination of employment, the periods following such circumstances during which an option-holder may exercise their options are different under the two schemes.

Without prior approval from the Company's shareholders, (i) the total number of shares to be issued under the options of the New Scheme is not permitted to exceed 10% of the shares of the Company in issue; and (ii) the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company then in issue.

Options may be exercised at any time not exceeding a period 6 years from the date on which the share options is accepted. The exercise price is determined by the Directors and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

The exercise price, vesting period, the exercisable period and the number of shares subject to each option will be determined by the Board at the time of grant. As at 31 March 2017, 46,000,000 shares options were granted pursuant to the New Scheme, of which 15,000,000 share options have been cancelled during the year ended 31 March 2017. The share options under the New Scheme vested on 22 February 2016 and the vested option will be exercisable at an exercise price of HK\$0.285 per share in accordance with the following schedule:

25%: from 22 February 2016
25%: from 22 February 2017
25%: from 22 February 2018
25%: from 22 February 2019

股票掛鈎協議 (續)

(a) 購股權計劃 (續)

新計劃

於二零一一年九月十六日舉行之本公司股東週年大會上，本公司股東批准採納一項新計劃。新計劃旨在為本公司帶來靈活彈性及提供有效方法向參與者提供嘉許、獎勵、酬金、補償及／或福利。舊計劃與新計劃之條款並無重大差異，惟根據新計劃，參與者之範圍較舊計劃更明確。新計劃涵蓋董事會全權酌情認為合資格之任何全職及兼職受薪僱員、顧問、代理、承辦商、消費者及供應商。此外，根據兩項計劃，就將導致購股權失效之各種情況（如身故及終止受僱）而言，發生該等情況後購股權持有人可行使購股權之期限有別。

未經本公司股東事先批准，(i)根據新計劃之購股權發行之股份總數不得超過本公司已發行股份之10%；及(ii)於任何一年已經及可能會向任何個人授出之購股權所涉及之已發行及將予發行股份數目不得超過本公司已發行股份之1%。

自接納購股權日期起不超過6年期間可隨時行使購股權。行使價由董事釐定，且將不會低於以下較高者：(i)本公司股份於授出日期之收市價；(ii)股份於緊接授出日期前五個營業日之平均收市價；及(iii)本公司股份之面值。

董事會將於授出購股權時釐定每份購股權之行使價、歸屬期、行使期及所涉及股份數目。於二零一七年三月三十一日，共有46,000,000份購股權已根據新計劃授出，其中15,000,000份購股權於截至二零一七年三月三十一日止年度內已註銷。新計劃項下之購股權於二零一六年二月二十二日歸屬，而所歸屬之購股權將可根據下列時間表按行使價每股0.285港元行使：

25%：自二零一六年二月二十二日起
25%：自二零一七年二月二十二日起
25%：自二零一八年二月二十二日起
25%：自二零一九年二月二十二日起

Report of the Directors

董事會報告書

EQUITY-LINKED AGREEMENTS (continued)

(a) Share Option Scheme (continued)

The New Scheme (continued)

Particulars of the options movement under the New Share Option Scheme during the year ended 31 March 2017 are as follow:

		Number of shares options 購股權數目				End of the year 年終	Exercise price per share 每股行使價	Date of grant of share option 購股權授出日期	Exercisable period 行使期
		Beginning of the year 年初	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year/Expired 年內註銷/屆滿				
Directors	董事								
Mr. Guo Jiadi	郭加迪先生	2,400,000	-	-	-	2,400,000	0.285	22 February 2016 二零一六年二月二十二日	22 February 2016 to 21 February 2022 二零一六年二月二十二日至二零二二年二月二十一日
Mr. Lin Jianbin*	林建濱先生*	10,000,000	-	-	(7,500,000)	2,500,000	0.285	22 February 2016 二零一六年二月二十二日	22 February 2016 to 21 February 2022 二零一六年二月二十二日至二零二二年二月二十一日
Employees and consultants	僱員及顧問	33,600,000	-	-	(7,500,000)	26,100,000	0.285	22 February 2016 二零一六年二月二十二日	22 February 2016 to 21 February 2022 二零一六年二月二十二日至二零二二年二月二十一日
Total	總計	46,000,000	-	-	(15,000,000)	31,000,000			

Note*: Mr. Lin Jianbin resigned as an executive director of the Company with effect from 1 July 2016.

附註*：林建濱先生已辭任本公司執行董事，自二零一六年七月一日起生效。

股票掛鈎協議 (續)

(a) 購股權計劃 (續)

新計劃 (續)

截至二零一七年三月三十一日止年度之新購股權計劃項下之購股權變動詳情如下：

Report of the Directors

董事會報告書

EQUITY-LINKED AGREEMENTS (continued)

b) Issue of unlisted warrants of the Company

On 21 December 2015, the Company and Chance Talent Management Limited (“Chance Talent”) entered into the warrants subscription agreement (the “Warrants Subscription Agreement”), pursuant to which the Company has conditionally agreed to issue to Chance Talent, and Chance Talent has conditionally agreed to subscribe for the warrants of the Company (the “Warrants”). Subsequently pursuant to a special resolution passed at the Company’s special general meeting held on 10 May 2016, the Shareholders approved the Warrants Subscription Agreement. On 23 May 2016, the Board of the Company announced that all the conditions precedent set out in the Warrants Subscription Agreement have been fulfilled and the issue of unlisted warrants has been completed in accordance with the terms and conditions of the Warrants Subscription Agreement. The Company issued the Warrants at a total subscription price of HK\$0.01 to Chance Talent, entitling Chance Talent to subscribe for in aggregate up to a maximum amount of HK\$75,000,000 worth of warrant shares at the exercise price of HK\$0.24 per warrant share (the “Warrant Share”) on or before 27 December 2017, or, if the Company requests for extension and Chance Talent agrees to such request, on or before 24 December 2018. Upon full exercise of the subscription rights attaching to the Warrants, a total of 312,500,000 Warrant Shares will be allotted and issued to the warrant holder.

On 24 January 2017, Chance Talent and Kong LingLing, an independent third party of the Group entered into the warrant purchase agreement, pursuant to which the Chance Talent intends to sell and Kong Lingling intends to purchase the Warrants at a consideration of approximately HK\$4.7 million. The sale and purchase of the Warrants completed on 24 January 2017. For details, please refer to the announcements of the Company dated 21 December 2015, 10 May 2016, 23 May 2016 and the circular of the Company dated 15 April 2016 respectively.

股票掛鈎協議 (續)

(b) 發行本公司非上市認股權證

於二零一五年十二月二十一日，本公司與Chance Talent Management Limited (「Chance Talent」) 訂立認股權證認購協議 (「認股權證認購協議」)，據此本公司有條件同意向Chance Talent發行及Chance Talent有條件同意認購本公司認股權證 (「認股權證」)。根據於二零一六年五月十日舉行之本公司股東特別大會上通過之一項特別決議案，股東批准認股權證認購協議。於二零一六年五月二十三日，本公司董事會宣佈，認股權證認購協議所載之所有先決條件已獲達成，而發行非上市認股權證已根據認股權證認購協議之條款及條件完成。本公司按總認購價0.01港元發行認股權證予Chance Talent，授權Chance Talent於二零一七年十二月二十七日或之前 (或如本公司要求延期及Chance Talent同意該等要求，則於二零一八年十二月二十四日或之前) 按行使價每股認股權證股份 (「認股權證股份」) 0.24港元認購最多總值75,000,000港元之認股權證股份。完全行使認股權證附帶之認購權後，合共312,500,000股認股權證股份將獲配發及發行予認股權證持有人。

於二零一七年一月二十四日，Chance Talent與本集團獨立第三方孔玲玲訂立認股權證購買協議，據此Chance Talent擬出售，及孔玲玲擬購買認股權證，代價為約4,700,000港元。認股權證之買賣已於二零一七年一月二十四日完成。詳情分別參閱本公司日期為二零一五年十二月二十一日、二零一六年五月十日、二零一六年五月二十三日之公告以及本公司日期為二零一六年四月十五日之通函。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme adopted by the Company disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

EMOLUMENT POLICY AND RETIREMENT BENEFITS SCHEME OF THE GROUP

The remuneration policy of the Group is set on the basis of the employee's merit, qualifications and competence. The emoluments of the Directors and senior management of the Company are reviewed by the remuneration committee, with consideration to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted the Share Option Scheme as an incentive to the Directors and eligible employees of the Group, details of which are set out in the section headed "Share Option Scheme" above.

Other than operating the statutory mandatory provident fund scheme for Hong Kong employees and participating in social insurance for its employees in the PRC in accordance with the relevant PRC regulations, the Group has not operated any other retirement benefits schemes for the Group's employees. Details of the Group's retirement benefit scheme in operation for the year ended 31 March 2017 are set out in note 4(j) to the financial statements.

EVENTS AFTER REPORTING PERIOD

Details of major events after 31 March 2017 are set out in the section headed "Management Discussion and Analysis" in this annual report and note 43 to the consolidated financial statements.

CORPORATE GOVERNANCE

Information on the Company's corporate governance practices is set out in the Corporate Governance Report accompanying the annual report.

購買股份或債權證之安排

除上文本公司採納購股權計劃所披露者外，於年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉著購入本公司或任何其他法人團體之股份或債權證而獲益。

本集團之薪酬政策及退休福利計劃

本集團之薪酬政策以僱員績效、資歷及能力為基礎。董事及本公司高級管理層之薪酬由薪酬委員會檢討，並考慮到本公司之經營業績、個人表現及可比較市場統計數據。

本公司已採納購股權計劃，以激勵董事及本集團合資格僱員，詳情載於上文「購股權計劃」一段。

除為香港僱員提供法定強制性公積金計劃，及按照中國相關法規為中國僱員提供社會保險外，本集團並無為本集團僱員提供任何其他退休福利計劃。本集團截至二零一七年三月三十一日止年度實施之退休福利計劃詳情載於財務報表附註4(j)。

報告期後事項

二零一七年三月三十一日後之主要事件詳情載於本年報「管理層討論及分析」一節及綜合財務報表附註43。

企業管治

有關本公司企業管治常規之資料已載於年報隨附之企業管治報告內。

Report of the Directors

董事會報告書

PERMITTED INDEMNITY PROVISION INFORMATION AND DIRECTOR'S INSURANCE

Pursuant to the Articles of Association of the Company, the Directors and other officers, for the time being acting in relation to the affairs of the Company, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

The Company has taken out and maintained directors' and officers' liability insurance throughout the year ended 31 March 2017, which provides appropriate cover for certain legal actions brought against its directors and officers. The level of the coverage is reviewed annually.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a prorata basis to the existing shareholders of the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the year ended 31 March 2017.

SUFFICIENCY OF PUBLIC FLOAT

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

獲准許的彌償條文資料及董事保險

根據本公司之組織章程細則，董事及當其時有關本公司事務之其他高級管理人員將獲以本公司資產及溢利作為彌償保證及擔保，使其不會因彼等或彼等任何一方於執行或有關執行彼等各自職位或信託之職責或假定職責時作出、同意或遺漏之任何行為而將會或可能招致或蒙受之任何訴訟、費用、收費、損失、損害及開支而蒙受損害，惟因彼等本身的欺詐或不誠實行為而招致或蒙受者（如有）則作別論。

本公司於截至二零一七年三月三十一日止整個年度內已購買及維持董事及高級職員責任保險，對其董事及高級職員所涉及之若干法律行動提供適當保障。保障水平每年檢討。

優先購買權

本公司之公司細則或百慕達法例並無有關優先購買權之規定，致使本公司須按比例向本公司現有股東發售新股。

購買、贖回或出售上市證券

截至二零一七年三月三十一日止年度，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

足夠之公眾持股量

根據本公司所得之公開資料及就董事所深知，已確認於刊發年報前之最後可行日期，公眾持股量已達到超過本公司已發行股份25%之足夠水平。

Report of the Directors

董事會報告書

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each independent non-executive Director, an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive Directors are independent.

AUDIT COMMITTEE

The Company has established the Audit Committee for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. It also reviews the effectiveness of the audit process and risk evaluation. The Audit Committee which comprised Mr. Chan Yee Ping, Michael, Mr. Yu Pak Yan, Peter and Mr. Zheng Yurui (appointed on 15 September 2016), being independent non-executive Directors, has reviewed the accompanying financial statements prior to their publication.

AUDITORS

The consolidated financial statements of the Group for the year ended 31 March 2017 have been audited by Messrs. BDO Limited. A resolution will be proposed at the forthcoming AGM to re-appoint Messrs. BDO Limited as the auditor of the Company.

On behalf of the Board

Guo Jiadi
Chairman

Hong Kong, 29 June 2017

獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事根據上市規則第3.13條而發出有關其獨立性之年度確認書。本公司認為全體獨立非執行董事均為獨立人士。

審核委員會

本公司已經成立審核委員會，藉以檢討及監察本集團之財務申報程序及內部監控制度，並檢討審核過程及風險評估之成效。由獨立非執行董事陳貽平先生、余伯仁先生及鄭玉瑞先生（於二零一六年九月十五日委任）組成之審核委員會已於隨附之財務報表刊發前審閱有關財務報表。

核數師

香港立信德豪會計師事務所有限公司已審核本集團截至二零一七年三月三十一日止年度之綜合財務報表。應屆股東週年大會上將提呈一項決議案，續聘香港立信德豪會計師事務所有限公司為本公司核數師。

代表董事會

主席
郭加迪

香港，二零一七年六月二十九日

Independent Auditor's Report

獨立核數師報告書



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**TO THE MEMBERS OF
CHINA SANDI HOLDINGS LIMITED**
(Incorporated in Bermuda with limited liability)

致中國三迪控股有限公司
(於百慕達註冊成立之有限公司)
列位股東

OPINION

We have audited the consolidated financial statements of China Sandi Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 97 to 200, which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

意見

我們已審計中國三迪控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)列載於第97至200頁的綜合財務報表,包括:於二零一七年三月三十一日的綜合財務狀況表;以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表;及綜合財務報表附註,包括主要會計政策概要。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則真實而中肯地反映了貴集團於二零一七年三月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港公司條例的披露規定妥為編製。

BASIS FOR OPINION

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

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「道德守則」),我們獨立於貴集團,並已履行道德守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告書

KEY AUDIT MATTERS

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

Valuation of investment property

(Refer to notes 4(d), 5(c) and 19 to the consolidated financial statements)

Management estimated the fair value of the Group's investment property to be approximately HK\$3,551,719,000 as at 31 March 2017, with a fair value loss for the year then ended of approximately HK\$81,090,000 recorded in the consolidated statement of profit or loss and other comprehensive income. To support management's estimation of the fair value, the Group engaged an independent external valuer as the management's expert to perform valuations on the Group's investment property at the end of the reporting period.

Valuation of the Group's investment property is dependent on certain key assumptions and estimations that require significant management judgement.

The valuation was inherently subjective due to the significant estimates used and significant changes in these estimates could result in material changes to the valuation of the investment property.

Our key procedures in relation to the valuation of investment property included:

- (i) Assessing the appropriateness of the methodologies and the reasonableness of the key assumptions and estimations used;
- (ii) Checking the appropriateness of the key input data used and determination of fair value;

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對綜合財務報表的審核最為重要的事項。這些事項是在我們審核整體綜合財務報表及出具意見時處理，我們不會對這些事項個別提供意見。

投資物業估值

(參閱綜合財務報表附註4(d)、5(c)及19)

管理層估計，貴集團於二零一七年三月三十一日的投資物業公平值約為3,551,719,000港元，截至該年度綜合損益及其他全面收益表錄得公平值虧損約為81,090,000港元。為支持管理層對公平值的估計，貴集團委聘獨立外部估值師作為管理層方專家，在報告期末對貴集團之投資物業進行估值。

貴集團投資物業估值取決於需要重大管理判斷的若干關鍵假設及估計。

估值本質上是主觀的，乃由於使用大量估計，該等估計的重大變動可能導致投資物業估值發生重大變動。

我們有關投資物業估值的關鍵程序包括：

- (i) 評核方法是否合適及所用關鍵假設及估計是否合理；
- (ii) 檢視所用重要輸入數據及釐定公平值是否合適；

Independent Auditor's Report

獨立核數師報告書

KEY AUDIT MATTERS (continued)

Valuation of investment property (continued)

- (iii) Engaging an auditor's expert to assist our assessment on the appropriateness of the methodologies and the reasonableness of the assumptions and estimations adopted in the valuation for estimating the fair value of the investment property; and
- (iv) Evaluation of the competence, capabilities and objectivity of management's expert and auditor's expert.

Impairment assessment on loan receivables

(Refer to notes 4(g), 5(b) and 23 to the consolidated financial statements)

As at 31 March 2017, the Group had loan receivables of approximately HK\$259,332,000, and no impairment has been made over the balance for the year then ended.

In determining whether there is objective evidence of impairment loss, management takes into consideration the credit history including default or delay in payments, settlement records, and subsequent settlements of the loan receivables. Assessing impairment of loan receivables is a subjective area as it requires application of judgement and uses of estimates in the recoverability of the loan receivables.

Our key audit procedures in relation to management's impairment assessment on loan receivables included:

- (i) Obtaining and understanding of how impairment is estimated by the management;
- (ii) Obtaining the loan documents to understand the settlement arrangement of the loan receivables;
- (iii) Assessing the reasonableness of the management's recoverability assessment of loan receivables with reference to the credit history including default or delay in payments, settlement records and subsequent settlements; and
- (iv) Assessing whether there is evidence of management bias on impairment assessment of loan receivables by considering the consistency of judgement made by the management through discussion with the management to understand their rationale.

關鍵審核事項 (續)

投資物業估值 (續)

- (iii) 委聘核數師方專家協助我們評審投資物業公平值估值中採用的方法是否合適以及假設及估計是否合理；及
- (iv) 評價管理層方專家及核數師方專家是否勝任、具備所需能力及客觀。

應收貸款之減值評估

(參閱綜合財務報表附註4(g)、5(b)及23)

於二零一七年三月三十一日，貴集團擁有應收貸款約259,332,000港元，就截至該日止年度之結餘並無計提減值。

於釐定是否存在減值虧損之客觀證據時，管理層考慮信用歷史，包括違約或延遲付款、結算記錄及應收貸款之後續結算。評估應收貸款之減值涉及主觀方面，由於在應收貸款之可收回性時要求運用判斷及使用估計。

我們有關管理層對應收貸款進行減值評估的關鍵審核程序包括：

- (i) 獲得及了解管理層估計減值的方式；
- (ii) 獲得貸款文件以理解應收貸款的結算安排；
- (iii) 評估管理層對應收貸款之可收回性評估之合理性，參考信用歷史，包括違約或延遲付款、結算記錄及後續結算；及
- (iv) 通過與管理層討論，了解其依據，評估管理層每年作出的判斷的一致性，從而評估管理層對貿易應收賬項減值評估是否存在偏倚的證據。

Independent Auditor's Report

獨立核數師報告書

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

年報內的其他資料

董事負責其他資料。其他資料包括 貴公司年報所載資料，但不包括綜合財務報表及我們就此發出的核數師報告。

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

結合我們對綜合財務報表的審核，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們執行的工作，如果我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。就此方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，以及落實其認為編製綜合財務報表所必要的內部控制，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。

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

董事亦負責監察 貴集團之財務申報程序。就此，審核委員會協助董事履行彼等之職責。

Independent Auditor's Report

獨立核數師報告書

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審核綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並根據百慕達一九八一年公司法第90章向閣下（作為整體）出具載有我們意見的核數師報告，除此之外本報告別無其他目的。本核數師並不會就本報告內容對任何其他人士負責或承擔任何責任。

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

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report

獨立核數師報告書

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

核數師就審核綜合財務報表承擔 的責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當作出有保留意見。我們的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責貴集團審核的方向、監督和執行。我們為審核意見承擔全部責任。

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

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

Independent Auditor's Report

獨立核數師報告書

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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

BDO Limited
Certified Public Accountants
Lo Ngai Hang
Practising Certificate no. P04743

Hong Kong, 29 June 2017

核數師就審核綜合財務報表承擔 的責任 (續)

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

香港立信德豪會計師事務所有限公司
執業會計師
盧毅恒
執業證書編號P04743

香港，二零一七年六月二十九日

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 2017 截至二零一七年三月三十一日止年度

		Notes	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
		附註		
Revenue	收益	8	99,244	109,750
Other income	其他收入	8	48,625	24,801
Other net gains and losses	其他收益及虧損淨額	10	(52,402)	75,472
Fair value (loss)/gain on an investment property	投資物業之公平值(虧損)/收益	19	(81,090)	96,713
Fair value gain on financial assets at fair value through profit or loss	按公平值計入損益之財務資產公平值收益	20	9,477	-
Loss on early redemption of notes	提早贖回票據之虧損	33	(5,025)	-
Staff costs	員工成本		(8,513)	(9,760)
Depreciation of property, plant and equipment	物業、廠房及設備折舊		(785)	(1,559)
Other operating expenses	其他經營費用		(50,505)	(34,686)
Finance costs	融資成本	11	(89,669)	(64,406)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	13	(130,643)	196,325
Income tax credit/(expense)	所得稅抵免/(開支)	12	10,333	(35,724)
(Loss)/profit for the year	本年度(虧損)/溢利		(120,310)	160,601
Other comprehensive income, after tax, that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之其他全面收益，扣除稅項：			
Exchange loss on translating foreign operations	換算外國業務產生之匯兌虧損		(151,959)	(145,093)
Total comprehensive income for the year	本年度全面收益總額		(272,269)	15,508
(Loss)/profit attributable to:	以下人士應佔(虧損)/溢利：			
Owners of the Company	本公司擁有人		(116,467)	161,076
Non-controlling interest	非控股權益		(3,843)	(475)
			(120,310)	160,601
Total comprehensive income attributable to:	以下人士應佔全面收益總額：			
Owners of the Company	本公司擁有人		(266,802)	17,497
Non-controlling interest	非控股權益		(5,467)	(1,989)
			(272,269)	15,508
(Loss)/earnings per share	每股(虧損)/盈利	15		
Basic	基本		HK(4) cents 港仙	HK9 cents 港仙
Diluted	攤薄		HK(4) cents 港仙	HK9 cents 港仙

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 March 2017 於二零一七年三月三十一日

	Notes	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
	附註		
Non-current assets	非流動資產		
Investment property	投資物業	19 3,551,719	3,860,877
Property, plant and equipment	物業、廠房及設備	18 2,523	3,189
Deposit for subscription of exchangeable bonds	認購可交換債券之按金	20 –	131,301
Deposit for acquisition of companies	收購公司之按金	21 225,506	–
Total non-current assets	非流動資產總值	3,779,748	3,995,367
Current assets	流動資產		
Accounts receivable	應收賬款	22 5,441	3,975
Loan receivables	應收貸款	23 259,332	–
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	21 28,008	17,596
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產	20 142,777	–
Investments held for trading	持作買賣投資	24 164,087	216,489
Amount due from non-controlling interest	應收非控股權益款項	34(i) 23,904	25,419
Amount due from a related company	應收一間關連公司款項	39(b)(i) 158	–
Cash and cash equivalents	現金及現金等值	25 24,673	387,187
Total current assets	流動資產總值	648,380	650,666
Total assets	資產總值	4,428,128	4,646,033
Current liabilities	流動負債		
Accounts payable	應付賬款	31 3,526	5,167
Other payables and accruals	其他應付款項及應計費用	29 35,752	49,225
Amounts due to related parties	應付有關連人士款項	39(b)(i) 22,568	719
Notes payable	應付票據	33 –	137,937
Bank borrowings	銀行借貸	32 59,691	89,834
Tax payable	應付稅項	2,529	3,049
Total current liabilities	流動負債總額	124,066	285,931
Net current assets	流動資產淨值	524,314	364,735
Total assets less current liabilities	資產總值減流動負債	4,304,062	4,360,102

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 March 2017 於二零一七年三月三十一日

		Notes	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
		附註		
Non-current liabilities	非流動負債			
Bonds payable	應付債券	33	9,900	9,511
Deferred taxation	遞延稅項	30	665,727	718,687
Bank borrowings	銀行借貸	32	735,510	505,710
Total non-current liabilities	非流動負債總額		1,411,137	1,233,908
Net assets	資產淨值		2,892,925	3,126,194
Capital and reserves attributable to owners of the Company	本公司擁有人應佔股本及儲備			
Share capital	股本	26	33,464	24,734
Reserves	儲備		2,836,252	3,072,784
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,869,716	3,097,518
Non-controlling interest	非控股權益	34	23,209	28,676
Total equity	權益總額		2,892,925	3,126,194

On behalf of the Board

代表董事會

Guo Jiadi
郭加迪
Director
董事

Yan Pingfeng
嚴平峰
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Convertible preference share		Share premium account	Share-based compensation reserve	Capital reserve	Conversion option/warrants reserve	Exchange fluctuation reserve	Other reserve	(Accumulated losses)/ retained profits	Equity attributable to owners of the Company	Non-controlling interest	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股本	可換取優先股	以股份為基準之		資本儲備	換股權/ 認股權儲備	匯兌波動儲備	其他儲備	(累計虧損)/ 保留溢利	本公司擁有人 應佔權益	非控股權益	總計
		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 2015	於二零一五年四月一日	6,871	283,858	3,284,858	10,761	5,733	-	70,781	-	(970,046)	2,692,816	27,673	2,720,489
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	161,076	161,076	(475)	160,601
Other comprehensive income	其他全面收益	-	-	-	-	-	-	(143,579)	-	-	(143,579)	(1,514)	(145,093)
Total comprehensive income	全面收益總額	-	-	-	-	-	-	(143,579)	-	161,076	17,497	(1,989)	15,508
Equity-settled share-based transaction (note 28)	權益結算以股份為基準之交易 (附註28)	-	-	-	1,824	-	-	-	-	-	1,824	-	1,824
Forfeiture of share option	沒收購股權	-	-	-	(10,761)	-	-	-	-	10,761	-	-	-
Issue of ordinary shares (note 26 (i) and (ii))	發行普通股 (附註26(i)及(ii))	17,863	-	355,153	-	-	-	-	-	-	373,016	-	373,016
Issue of convertible notes (note 33 (i))	發行可換取優先股 (附註33(i))	-	-	-	-	-	9,261	-	-	-	9,261	-	9,261
Contribution from non-controlling interest (note 34)	非控股權益出資 (附註34)	-	-	-	-	3,104	-	-	-	-	3,104	2,992	6,096
At 31 March 2016	於二零一六年三月三十一日	24,734	283,858	3,640,011	1,824	8,837	9,261	(72,798)	-	(798,209)	3,097,518	28,676	3,126,194
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	(116,467)	(116,467)	(3,843)	(120,310)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	(150,335)	-	-	(150,335)	(1,624)	(151,959)
Total comprehensive income	全面收益總額	-	-	-	-	-	-	(150,335)	-	(116,467)	(266,802)	(5,467)	(272,269)
Equity-settled share-based transaction (note 28)	權益結算以股份為基準之交易 (附註28)	-	-	-	1,611	-	-	-	-	-	1,611	-	1,611
Forfeiture of share option	沒收購股權	-	-	-	(133)	-	-	-	-	133	-	-	-
Issue of ordinary shares (note 26(i))	發行普通股 (附註26(i))	1,600	-	35,789	-	-	-	-	-	-	37,389	-	37,389
Conversion of convertible preference shares (note 26 (iv))	兌換可換取優先股 (附註26(iv))	7,130	(283,858)	276,728	-	-	-	-	-	-	-	-	-
Transfer between reserves (note 42(iii))	儲備之間轉撥 (附註42(iii))	-	-	(3,640,117)	-	-	-	-	1,462,051	2,178,066	-	-	-
At 31 March 2017	於二零一七年三月三十一日	33,464	-	312,411	3,302	8,837	9,261	(223,133)	1,462,051	1,263,523	2,869,716	23,209	2,892,925

Consolidated Statement of Cash Flows

綜合現金流量表

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

			2017	2016
	Notes		HK\$'000	HK\$'000
	附註		二零一七年	二零一六年
			千港元	千港元
Cash flows from operating activities		經營業務之現金流量		
(Loss)/profit before income tax		除所得稅前(虧損)/溢利	(130,643)	196,325
Bank interest income	8	銀行利息收入	(1,643)	(332)
Depreciation of property, plant and equipment		物業、廠房及設備折舊	785	1,559
Dividend income from listed investments	8	上市投資之股息收入	(899)	(81)
Fair value loss/(gain) on investments held for trading	10	持作買賣投資之公平值虧損/(收益)	52,402	(75,472)
Fair value loss/(gain) on an investment property		投資物業之公平值(收益)/虧損	81,090	(96,713)
Fair value gain on financial assets at fair value through profit or loss		按公平值計入損益之財務資產公平值收益	(9,477)	-
Finance cost	11	融資成本	89,669	64,406
Gain on disposal of property, plant and equipment	8	出售物業、廠房及設備之收益	(68)	-
Interest income from debts securities	8	債務證券之利息收入	(4,259)	(4,274)
Interest income from deposit		存款之利息收入	-	(13,425)
Interest income from deposit for subscription of exchangeable bonds	8	認購可交換債券之按金利息收入	(14,282)	(6,665)
Interest income from financial assets at fair value through profit or loss	8	按公平值計入損益之財務資產利息收入	(12,378)	-
Interest income from loan receivables	8	應收貸款之利息收入	(15,076)	-
Loss on early redemption of notes		提早贖回票據之虧損	5,025	-
Share-based payment		以股份為基準之付款	1,611	1,824
Effect of foreign exchange difference		匯兌差額之影響	(1,104)	(2,588)
Operating profit before working capital changes		營運資金變動前之經營溢利	40,753	64,564
Increase in accounts receivable		應收賬款增加	(1,741)	(2,436)
Increase in deposit for subscription of exchangeable bonds		認購可交換債券之按金增加	-	(131,301)
(Increase)/decrease in other receivables, deposit and prepayments		其他應收款項、按金及預付款項(增加)/減少	(2,907)	133,562
Decrease in accounts payable		應付賬款減少	(1,363)	(5,228)
Decrease in other payables and accruals		其他應付款項及應計費用減少	(2,631)	(34,539)
Cash generated from operations		經營所得現金	32,111	24,622
Income tax paid		已付所得稅	(346)	-
Net cash from operating activities		經營業務所得現金淨額	31,765	24,622

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Notes	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
	附註		
Cash flows from investing activities	投資業務之現金流量		
Deposit paid for acquisition	已付收購按金	(230,627)	–
Dividend income received from listed investments	已收上市投資之股息收入	899	81
Interest received	已收利息	1,643	332
Interest income from debts securities	債務證券之利息收入	4,259	4,274
Interest income from deposit for subscription of exchangeable bonds	認購可交換債券之按金利息收入	12,310	20,090
Interest income from financial assets at fair value through profit or loss	按公平值計入損益之財務資產利息收入	12,378	–
Interest income from loan receivables	應收貸款之利息收入	9,269	–
Loans to third parties	第三方貸款	(265,221)	–
Payments to construction of an investment property	興建投資物業之付款	(370)	(1,260)
Proceed from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	82	–
Purchase of property, plant and equipment	購置物業、廠房及設備	(230)	(149)
Net cash (used in)/from investing activities	投資活動(所用)/所得現金淨額	(455,608)	23,368
Cash flows from financing activities	融資活動之現金流量		
Proceeds from issue of bonds and notes	發行債券及票據之所得款項	–	154,863
Proceeds from bank borrowings	銀行借貸之所得款項	879,842	–
Repayment of bank borrowings	償還銀行借貸	(669,672)	(118,156)
Increase in amount due from non-controlling interest	應收非控股權益款項增加	–	(25,419)
Payment for early redemption of notes	提早贖回票據之付款	(150,000)	–
Interest paid	已付利息	(60,608)	(55,381)
Contribution from non-controlling interest	非控股權益出資	–	6,096
Increase/(decrease) in balance with related parties	有關連人士結餘增加/(減少)	21,716	(13,204)
Proceeds from issue of shares	發行股份所得款項	37,389	373,016
Net cash from financing activities	融資活動所得現金淨額	58,667	321,815

Consolidated Statement of Cash Flows

綜合現金流量表

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

			2017	2016
		Notes	HK\$'000	HK\$'000
		附註	二零一七年 千港元	二零一六年 千港元
Net (decrease)/increase in cash and cash equivalents	現金及現金等值(減少) / 增加淨額		(365,176)	369,805
Cash and cash equivalents at beginning of year	年初之現金及現金等值		387,187	15,626
Effect of foreign exchange rate changes	外幣匯率變動之影響		2,662	1,756
Cash and cash equivalents at end of year	年終之現金及現金等值結餘分析		24,673	387,187
Analysis of balances of cash and cash equivalent at end of year	外幣匯率變動之影響			
Bank and cash balances	銀行及現金結餘	25	24,673	387,187

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of registered office and principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Unit 3309, 33/F., West Tower, 168-200 Connaught Road Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Company's principal subsidiaries are engaged in holding of property for investment and rental purpose, property development in the People's Republic of China (the "PRC") and money lending business in Hong Kong.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new or revised HKFRSs – effective 1 April 2016

The Group has adopted the following new or revised HKFRSs (which include all HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2016.

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

The adoption of these new or revised HKFRSs has no impact on the Group's 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，其股份於香港聯合交易所有限公司上市。本公司之註冊辦事處及主要營業地點之地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda及香港干諾道中168-200號信德中心西座33樓3309室。

本公司之主要業務是投資控股，其主要附屬公司主要業務為於中華人民共和國（「中國」）持有用作投資及租賃用途之物業、物業發展以及於香港進行放債業務。

2. 採納香港財務報告準則（「香港財務報告準則」）

(a) 採納新訂或經修訂香港財務報告準則—於二零一六年四月一日生效

本集團已採納以下由香港會計師公會（「香港會計師公會」）頒佈且與本集團營運有關並於二零一六年四月一日或之後開始之年度期間生效之新訂或經修訂香港財務報告準則，包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋。

香港財務報告準則（修訂本）	二零一二年至二零一四年週期之年度改進
香港會計準則第1號（修訂本）	主動披露
香港會計準則第16號及香港會計準則第38號（修訂本）	澄清折舊及攤銷之可接納方法
香港會計準則第27號（修訂本）	獨立財務報表之權益法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號（修訂本）	投資實體：應用綜合豁免
香港財務報告準則第11號（修訂本）	收購聯合經營權益之會計處理
香港財務報告準則第14號	監管遞延帳戶

採納該等新訂或經修訂香港財務報告準則對該等財務報表並無影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(continued)

(b) New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKAS 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to HKAS 40	Transfers of investment property ²
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions ²
HKFRS 9	Financial Instruments ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ²
HKFRS 16	Leases ³
Amendments to HKFRSs	Annual improvements to HKFRSs 2014-2016 cycle ⁴
HK(IFRIC)-Int22	Foreign currency transactions and advance consideration ²

¹ Effective for annual periods beginning on or after 1 January 2017

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

⁴ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

⁵ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則

以下可能與本集團之綜合財務報表有關之新訂或經修訂香港財務報告準則已頒佈但尚未生效，亦未獲本集團提早採納。本集團現有意於該等變更生效日期應用該等變更。

香港會計準則第7號(修訂本)	主動披露 ¹
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 ¹
香港會計準則第40號(修訂本)	投資物業之轉讓 ²
香港財務報告準則第2號(修訂本)	以股份為基準付款交易之分類及計量 ²
香港財務報告準則第9號	金融工具 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間之資產出售或投入 ⁵
香港財務報告準則第15號	合約客戶之收益 ²
香港財務報告準則第15號(修訂本)	合約客戶之收益(香港財務報告準則第15號之澄清) ²
香港財務報告準則第16號	租賃 ³
香港財務報告準則之修訂本	香港財務報告準則二零一四年至二零一六年週期之年度改進 ⁴
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價 ²

¹ 於二零一七年一月一日或之後開始之年度期間生效

² 於二零一八年一月一日或之後開始之年度期間生效

³ 於二零一九年一月一日或之後開始之年度期間生效

⁴ 於二零一七年一月一日或二零一八年一月一日(如適用)或之後開始之年度期間生效

⁵ 該等修訂原定於二零一六年一月一日或之後開始的期間生效。生效日期現已被遞延/移除。提早應用該等修訂仍獲准許。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(continued)

(b) New or revised HKFRSs that have been issued but are not yet effective (continued)

Amendments to HKAS 7 – Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendments to HKAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

Amendments to HKFRS 2 – Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則（續）

香港會計準則第7號的修訂本－披露計劃

該等修訂本引入其他披露，令財務報表的用戶可評估融資活動所產生負債變動。

香港會計準則第12號的修訂本－確認未變現虧損的遞延稅項資產

該等修訂本與確認遞延稅項資產有關及澄清若干必需的考量，包括與按公平值計量的債務工具相關的遞延稅項資產該如何入賬。

香港財務報告準則第2號的修訂本－以股份為基礎付款交易的分類及計量

該等修訂本就歸屬及非歸屬條件對計量以下各項時的影響所作會計處理作出規定：以現金結算以股份為基礎付款；具有預扣稅責任淨額結算特徵的以股份為基礎付款交易；以及交易類別由現金結算變更為權益結算的以股份為基礎付款的條款及條件修訂。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(continued)

(b) New or revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity’s business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss (“FVTPL”).

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則（續）

香港財務報告準則第9號 – 金融工具

香港財務報告準則第9號引進財務資產分類及計量之新規定。按業務模式持有而目的為持有資產以收取合約現金流之債務工具（業務模式測試）以及具合約條款僅為支付本金及未償還本金利息現金流之債務工具（合約現金流特徵測試），一般按攤銷成本計量。倘該實體業務模式目的為持有及收取合約現金流以及出售財務資產，則符合合約現金流特徵測試之債務工具以按公平值計入其他全面收益（「按公平值計入其他全面收益」）之方式計量。實體可於初始確認時作出不可撤銷之選擇，以按公平值計入其他全面收益之方式計量並非持作買賣之股本工具。所有其他債務及股本工具均以按公平值計入損益（「按公平值計入損益」）之方式計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(continued)

(b) New or revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 9 – Financial Instruments (continued)

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and related interpretations.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則（續）

香港財務報告準則第9號 – 金融工具（續）

香港財務報告準則第9號就並非產載納入有新的預期虧損減值模式以代替香港會計準則第39號之已產生虧損模式，並引入新的一般對沖會計規定，讓實體能在財務報表更有效反映其風險管理活動。

香港財務報告準則第9號沿用香港會計準則第39號之財務負債確認、分類及計量規定，惟指定為按公平值計入損益之財務負債除外，其因負債信貸風險變動而產生之公平值變動金額乃於其他全面收益確認，除非此舉會引致或擴大會計錯配問題則作別論。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認財務資產及財務負債之規定。

香港財務報告準則第15號 – 合約客戶之收益

新準則確立單一收益確認框架。框架之核心原則為實體確認展現向客戶轉讓所承諾商品或服務之收入數額應按反映實體就交換所承諾商品及服務預期有權得到之代價。香港財務報告準則第15號取代現有的收益確認指引，包括香港會計準則第18號「收益」、香港會計準則第11號「建造合約」及有關詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(continued)

(b) New or revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 15 – Revenue from Contracts with Customers (continued)

HKFRS 15 requires the application of 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 each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments to HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則（續）

香港財務報告準則第15號 – 合約客戶之收益（續）

香港財務報告準則第15號要求應用五步法確認收益：

- 第1步：識別與客戶間之合約
- 第2步：識別合約中履行義務
- 第3步：確定交易價格
- 第4步：將交易價格分配至各項履行義務
- 第5步：在各履行義務達到時確認收益

香港財務報告準則第15號載有關於個別收益相關課題之特定指引，其可能會改變目前香港財務報告準則採用之方式。準則亦大幅增加有關收益的定性及定量披露。

香港財務報告準則第15號（修訂本） – 合約客戶之收益（香港財務報告準則第15號之澄清）

香港財務報告準則第15號的修訂本包含有關識別履約責任、應用委託人相對代理人、知識產權許可及過渡需要之澄清事項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(continued)

(b) New or revised HKFRSs that have been issued but are not yet effective (continued)

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.

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

The Group is in the process of making an assessment of the potential impact of these pronouncements. The directors are not yet in a position to state whether the application of these new pronouncement will have material impact on the Group's consolidated financial statements.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則（續）

香港財務報告準則第16號 – 租賃

香港財務報告準則第16號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，在現金流量表中呈列。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，後者適用於根據原準則香港會計準則第17號分類為經營租賃的租賃。

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

本集團正在評估該等公告的潛在影響。董事尚未能確定應用該等公告會否對本集團之綜合財務報表產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for investment property and certain financial instruments which are measured at fair value as explained in the accounting policies set out below.

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 characteristic 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 Payment".

(c) Functional and presentation currency

These consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

3. 編製基準

(a) 合規聲明

綜合財務報表已按照所有適用之香港財務報告準則及香港公司條例之披露規定編製。此外，財務報表包括香港聯合交易所有限公司證券上市規則規定之適用披露。

(b) 計量基準

除投資物業及若干金融工具如下文所載會計政策所述按公平值計量外，綜合財務報表乃根據歷史成本基準編製。

公平值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付之價格，不論該價格是否可直接觀察或使用另一種估值方法估計得出。估計資產或負債之公平值時，本集團考慮市場參與者在計量日期為該資產或負債定價時考慮之資產或負債特徵。在該等綜合財務報表中計量和／或披露之公平值均按此基礎確定，惟香港財務報告準則第2號「以股份為基準之付款」範圍內之以股份為基準之付款之交易除外。

(c) 功能及呈列貨幣

該等綜合財務報表以港元（「港元」）呈列，與本公司之功能貨幣相同。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries (“the Group”). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group’s previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interest that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree’s identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

4. 主要會計政策

(a) 業務合併與綜合基準

綜合財務報表包括本公司及其附屬公司（「本集團」）之財務報表。集團各公司間所有公司間交易及結餘連同未變現溢利，均於編製綜合財務報表時全數對銷。未變現虧損亦予以對銷，惟倘交易顯示所轉讓資產具減值憑證除外，於該情況下，虧損於收益表確認。

年內收購或出售附屬公司之業績自收購日期起或截至出售日期止（視適用情況而定）計入綜合損益及其他全面收益表。如有需要，將對附屬公司之財務報表作出調整，以使該等財務報表所應用會計政策與本集團其他成員公司所應用者一致。

收購附屬公司或業務採用收購法入賬。收購成本乃按所轉讓資產、所產生負債及本集團（作為收購方）發行之股權按收購日期之公平值總額計量。可識別之所收購資產及所承擔負債則主要按收購日期之公平值計量。本集團先前所持被收購方之股權按收購日期之公平值重新計量，而所產生盈虧則於收益表確認。本集團可按每宗交易選擇按公平值或按應佔被收購方可識別資產淨值之比例計量非控股權益（即附屬公司之現有擁有權權益）。除其他由香港財務報告準則所規定之計量基準外，所有其他非控股權益均按公平值計量。所產生之收購相關成本列作開支，惟發行股本工具所產生之成本則於權益扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Business combination and basis of consolidation (continued)

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted 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, the profit or loss on disposal 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 interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interest that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interest even if this results in those non-controlling interest having a deficit balance.

4. 主要會計政策 (續)

(a) 業務合併與綜合基準 (續)

收購方將予轉讓之任何或然代價按收購日期之公平值確認。其後對代價之調整僅於調整源自於計量期(最長為收購日期起計12個月)內所取得有關於收購日期之公平值之新資料時方與商譽確認。分類為資產或負債之或然代價之所有其他其後調整均於收益表確認。

本集團於附屬公司權益之變動如不導致失去控制權，入賬列為權益交易。本集團權益及非控股權益之賬面值均予以調整，以反映其各自於附屬公司之相對權益之變動。經調整後非控股權益金額與所付或所收代價公平值之任何差額，直接於權益確認，並歸屬於本公司擁有人。

當本集團失去附屬公司控制權時，出售所產生溢利或虧損為以下兩者之差額：(i)已收代價之公平值與任何保留權益之公平值之總額；與(ii)該附屬公司之資產(包括商譽)及負債與任何非控股權益之過往賬面值。以往於其他全面收益確認為與附屬公司有關之金額則以相同方式入賬，猶如相關資產或負債已經出售。

收購後，非控股權益(即附屬公司之現有擁有權權益)之賬面值為初步確認時之權益金額，另加非控股權益應佔之其後權益變動。即使全面收益總額歸屬於非控股權益後會導致該等非控股權益出現虧絀結餘，仍須按此方式入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

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

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use.

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

4. 主要會計政策 (續)

(b) 附屬公司

附屬公司為本公司可對其行使控制權之投資對象。倘出現以下全部因素時，本公司即控制一名投資對象：有權控制投資對象、承擔或享有來自投資對象可變回報之風險或權利，及利用其權力影響該等可變回報之能力。當事實或情況顯示任何該等控制因素可能出現變動時，將會重新評估控制權。

於本公司之財務狀況表中，於附屬公司之投資按成本減減值虧損（如有）列賬。有關附屬公司之業績，本公司按已收及應收之股息入賬。

(c) 物業、廠房及設備

物業、廠房及設備以成本減累計折舊及累計減值虧損列賬。

物業、廠房及設備之成本包括該資產之購買價以及任何使該資產投入目前運作狀況及運往現址作擬定用途之直接應佔成本。

如項目相關之未來經濟利益可能歸入本集團，而其成本能夠可靠地計量，則項目之其後成本方會計入資產之賬面值，或當作一項獨立資產確認（視適用情況而定）。重置部分之賬面值會取消確認。所有其他維修及保養成本於產生之財政期間於收益表支銷。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment (continued)

Property, plant and equipment other than construction-in-progress are depreciated so as to write-off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Leasehold improvements	5 years
Furniture, office equipment and motor vehicles	5-10 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(d) Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

4. 主要會計政策 (續)

(c) 物業、廠房及設備 (續)

物業、廠房及設備(在建工程除外)乃採用直線法按估計可使用年期計提折舊,以撇銷成本或扣除估計餘值後之估值。可使用年期、餘值及折舊方法乃於各報告期末檢討,並於適當時候作出調整。可使用年期如下:

租賃物業裝修	5年
傢俬、辦公室設備及汽車	5至10年

倘資產之賬面值高於資產之估計可收回金額,資產即時撇減至其可收回金額。

出售物業、廠房及設備項目之盈虧為出售所得款項淨額與其賬面值之差額,並於出售時在收益表確認。

(d) 投資物業

投資物業為持作賺取租金或資本增值或兩者兼有之物業,惟並非持作在一般業務過程中出售、用作生產或供應貨物或服務或用作行政用途。

投資物業於初步確認時按成本計量,而其後任何公平值變動則於收益表確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Impairment of assets other than financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- Property, plant and equipment
- Interests in subsidiaries
- Deposit for acquisition of companies

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) 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 as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value-in-use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or cash generating unit.

4. 主要會計政策 (續)

(e) 除金融資產外其他資產之減值

本集團於各報告期末檢討以下資產之賬面值，以確定是否有跡象顯示該等資產出現減值虧損或先前確認之減值虧損不再存在或可能有所減少：

- 物業、廠房及設備
- 於附屬公司之權益
- 收購公司之按金

倘資產之可收回金額（即其公平價值減銷售成本與使用價值兩者之較高者）估計少於其賬面值，則資產之賬面值將減至其可收回金額。減值虧損隨即於收益表確認為開支，除非相關資產根據另一香港財務報告準則之重新估值金額列賬，在此情況下，其減值虧損根據該香港財務報告準則視作重新估值減少。

倘其後撥回減值虧損，資產之賬面值將增至其可收回金額之經修訂估計，惟已增加賬面值不得超出於過往年度並無就資產確認減值虧損而釐定之賬面值。減值虧損之撥回隨即於收益表確認，除非相關資產根據另一香港財務報告準則之重新估值金額列賬，在此情況下，其減值虧損撥回根據該香港財務報告準則視作重新估值增加。

使用價值按估計從該資產或現金產出單位衍生之估計未來現金流量為基礎，採用一項當時市場評估貨幣的時間值及相對於該資產或現金產出單位的風險的稅前貼現率折現為現值。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leasing

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

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

4. 主要會計政策 (續)

(f) 租賃

凡租賃條款規定擁有權之絕大部分風險及回報撥歸承租人之租賃均分類為融資租賃。所有其他租賃則分類為經營租賃。

本集團作為出租人

根據融資租賃應收承租人之款項乃按本集團於租賃之投資淨額而列作應收款項。融資租賃收入乃分配至會計期間，以反映本集團就有關租賃仍然有效之投資淨額之固定定期回報率。

來自經營租賃之租金收入於收益表內按直線法在有關租賃年期內確認。磋商及安排一項經營租賃產生之初步直接成本加入租賃資產之賬面值，並於租賃年期內按直線法確認為開支。

本集團作為承租人

根據融資租賃持有之資產按公平值或（如屬較低者）最低租金之現值確認為資產。相應租賃承擔列作負債。租金分析為資本及利息。利息部分於租期內在收益表扣除，其計算是為得出租賃負債之一個固定比例。資本部分削減結欠出租人之結餘。

經營租賃項下應付之租金總額於租賃年期內按直線法於收益表確認。所收取之租賃優惠會作為租金開支總額之整體部分在租賃年期內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments

(i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Investments held for trading

These assets include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

4. 主要會計政策 (續)

(g) 金融工具

(i) 財務資產

本集團視乎所收購資產之目的於初步確認時將財務資產分類。按公平值計入損益之財務資產初步按公平值計量，而所有其他財務資產則初步按公平值加收購財務資產直接應佔之交易成本計量。從一般途徑購買或出售之財務資產按交易日基準確認及取消確認。從一般途徑購買或出售之財務資產乃按合約購買或出售，其條款規定須按市場規例或慣例普遍訂立之時限內交付資產。

持作買賣投資

該等資產包括持作買賣之財務資產。倘財務資產以短期出售為目的而購買，則分類為持作買賣之財務資產。衍生工具（包括獨立內含衍生工具）亦分類為持作買賣，惟被指定作為實際對沖工具者除外。

倘合約包括一項或多項附帶內含衍生工具，則整項混合式合約或須列為按公平值計入損益之財務資產，惟若附帶內含衍生工具對現金流量並無重大影響或明確禁止將附帶內含衍生工具分開入賬則除外。

於初步確認後，按公平值計入損益之財務資產按公平值計量，公平值變動於產生時在收益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(i) Financial assets (continued)

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Financial assets are designated as at fair value through profit or loss upon initial recognition when:

- the financial assets are managed, evaluated and reported internally on a fair value basis; and
- the designation eliminates or significantly reduces the discrepancies in the recognition or measurement of relevant gains or losses arising from the different basis of measurement of the financial assets.

4. 主要會計政策 (續)

(g) 金融工具 (續)

(i) 財務資產 (續)

貸款及應收款項

該等資產為並非於交投活躍市場上市的非衍生金融資產，付款數額固定或可以計算，主要透過向顧客供應貨品與服務取得（應收貨款），亦包括其他種類的合約貨幣性資產。於初步確認後，該等資產按使用實際利息方法計算的攤銷成本減任何已確定減值虧損入賬。

透過損益按公平值列賬的金融資產

透過損益按公平值列賬的金融資產為持作交易的金融資產。倘若購入的主要目的為於短期內出售，則金融資產撥歸此類別。衍生工具除非指定為對沖，否則亦歸類為持作交易。此類衍生工具倘若預期於12個月內結算，則分類為流動資產，否則分類為非流動資產。

金融資產於以下情況下，在初步確認後透過損益按公平值列賬：

- 金融資產內部按公平值管理、評估及報告；及
- 該指定消除或大幅減少確認或計量金融資產計量基準差異所產生相關損益時出現不一致的情況。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(i) Financial assets (continued)

Financial assets at fair value through profit or loss (continued)

If the financial assets contain one or more embedded derivatives, they are designated as at fair value through profit or loss unless:

- the embedded derivatives does not significantly modify the cash flows that would otherwise be required under the contract; or
- it is clear with little or no analysis when a similar hybrid (combined) instrument is first considered that separation of the embedded derivatives is prohibited.

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that a financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or reorganisation.

4. 主要會計政策 (續)

(g) 金融工具 (續)

(i) 財務資產 (續)

過損益按公平值列賬的金融資產 (續)

若金融資產包含一個或多個內嵌式衍生工具，除非屬於以下情況，否則為透過過損益按公平值計量：

- 內嵌式衍生工具不會大幅改變合約原應規定的現金流量；或
- 倘初次考慮類似混合（合併）工具時，只需少量或毋須分析便可明確顯示禁止分拆內嵌式衍生工具。

(ii) 財務資產之減值虧損

本集團於各報告期末評估是否存在客觀跡象顯示財務資產出現減值。倘於初步確認資產後發生一項或多項事件導致存在客觀減值證據，而該項事件對財務資產之估計未來現金流量造成之影響能夠可靠地估計，則有關財務資產為已減值。減值證據可包括：

- 債務人有重大財務困難；
- 違反合約，如違約或拖欠償還利息或本金付款；
- 由於債務人出現財務困難而給予債務人優惠條件；
- 債務人可能破產或進行其他財務重組。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(ii) Impairment loss on financial assets (continued)

For loan and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

(iii) Financial liabilities

The Group has one category of financial liabilities being financial liabilities at amortised costs. These liabilities, including accounts payable, other payables and accruals, bank borrowings, bonds and notes payable and amounts due to related parties, are initially measured at fair value, net of directly attributable transaction costs incurred and are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

4. 主要會計政策 (續)

(g) 金融工具 (續)

(ii) 財務資產之減值虧損 (續)

就貸款及應收款項而言

減值虧損於有客觀證據顯示資產已減值時在收益表確認，並按資產賬面值與以原實際利率貼現之估計未來現金流量現值間之差額計量。財務資產之賬面值透過使用撥備賬減少。倘財務資產之任何部分被釐定為無法收回，則與相關財務資產之撥備賬撇銷。

(iii) 財務負債

本集團僅有一種財務負債，即按攤銷成本計量之財務負債。此等負債包括應付賬款、其他應付款項及應計費用、銀行及其他借貸、應付債券及票據以及應付有關連人士款項，初步按公平值扣除所產生之直接應佔交易成本計量，其後則以實際利率法按攤銷成本計量。相關利息開支於收益表確認。

當負債取消確認時，以及在攤銷過程中，相關盈虧乃於收益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(iv) Convertible notes

Convertible notes issued by the Group that contain liability, early redemption option and conversion option component are classified separately into their respective items on initial recognition. The early redemption option represents the Company's option to early redeem before maturity date. 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. At the date of issue, the redemption option component is recognised at fair value and classified as derivative financial instrument.

On initial recognition, the fair value of the liability component is determined using the discounted cash flow at an effective interest rate. The difference between the proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (conversion option reserve).

4. 主要會計政策 (續)

(g) 金融工具 (續)

(iv) 可換股票據

本集團發行之可換股票據包括負債、提早贖回選擇權及換股權部分，於初步確認時分別歸類至相關項目。提早贖回選擇權指本公司可於到期日前選擇提早贖回。將以固定金額現金或其他財務資產換取固定數目之本公司自設股本工具結算之換股權分類為股本工具。於發行日期，提早贖回選擇權部分按公平值確認，並分類為衍生金融工具。

於初步確認時，負債部分之公平值使用已貼現現金流量按實際利率釐定。發行可換股票據之所得款項與撥入負債部分之公平值差額（即持有人將票據兌換為權益之換股權）計入權益（換股權儲備）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(iv) Convertible notes (continued)

In subsequent reporting periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The early redemption option component is measured at fair value with change in fair value recognised in profit or loss. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in the convertible option reserve until the conversion option is exercised, in which case, the convertible option reserve and the carrying value of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. When the notes are redeemed, and difference between the redemption amount and the carrying amounts of both components is recognised in profit or loss. Where the conversion option remains unexercised at the maturity date, the balance stated in the convertible option reserve will be released to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

4. 主要會計政策 (續)

(g) 金融工具 (續)

(iv) 可換股票據 (續)

於其後報告期，可換股票據之負債部分使用實際利率法按攤銷成本列賬。提早贖回選擇權部分按公平值計量，而公平值變動則於收益表確認。權益部分（即將負債部分兌換為本公司普通股之選擇權）保留於換股權儲備，直至行使換股權為止，在此情況下，兌換時換股權儲備及負債部分之賬面值將轉撥入股本及股份溢價作為已發行股份之代價。當票據獲贖回，贖回金額與兩個部分之賬面值間之差額於收益表確認。倘換股權於到期日仍未行使，換股權儲備之結餘將轉撥入保留溢利。換股權獲兌換或到期時不會於收益表確認任何盈虧。

(v) 實際利率法

實際利率法乃計算財務資產或財務負債攤銷成本及於有關期間分配利息收入或利息開支之方法。實際利率乃用作準確貼現財務資產或負債之預計年期或（倘適用）較短期間估計未來現金收款或付款之利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(vi) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vii) Convertible preference shares

Convertible preference shares in which the Group has no contractual obligation to redeem and will only be converted to the Group's own equity instruments, which is classified as equity items and measured at fair value at initial recognition.

When the convertible preference shares are converted, the convertible preference shares are transferred to ordinary share capital and share premium. Transaction costs relating to issuance of the equity instrument are charged directly to equity.

(viii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4. 主要會計政策 (續)

(g) 金融工具 (續)

(vi) 股本工具

本公司發行之股本工具按已收取所得款項扣除直接發行成本入賬。

(vii) 可換股優先股

本集團並無合約責任贖回且僅兌換為本集團自身股本工具之可換股優先股分類為股本項目，並於初步確認時按公平值計量。

倘兌換可換股優先股，可換股優先股轉撥入普通股股本及股份溢價。與發行股本工具有關之交易成本直接自權益扣除。

(viii) 取消確認

倘涉及財務資產未來現金流量之合約權利屆滿，或倘財務資產已經轉讓，而有關轉讓符合香港會計準則第39號之取消確認標準，則本集團可取消確認該項財務資產。

財務負債於有關合約內指定之責任獲履行、取消或到期時取消確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customers returns and other similar allowances:

- (i) Rental income from properties letting under operating leases is recognised on a straight line basis over the lease terms;
- (ii) Property management income and related fee is recognised when the services are rendered;
- (iii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable; and
- (iv) Dividend income is recognised when the shareholders' rights to receive payment is established.

(i) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

4. 主要會計政策 (續)

(h) 收益確認

收益乃以已收或應收代價之公平值計量。收益已就估計客戶退貨及其他類似撥備作出扣減：

- (i) 經營租賃項下出租物業之租金收入按直線法於租賃年期確認；
- (ii) 物業管理收入及相關費用於提供服務時確認；
- (iii) 利息收入根據尚未償還本金額及適用實際利率按時間比例基準確認；及
- (iv) 股息收入於股東收取款項之權利確立時確認。

(i) 外幣

集團實體以其經營業務所在主要經濟環境之貨幣（「功能貨幣」）以外其他貨幣進行之交易乃按交易當日之匯率入賬。外幣貨幣資產及負債按報告期末之匯率換算。以外幣計值並以公平值列賬之非貨幣項目按公平值釐定日期之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

因結算及換算貨幣項目而產生之匯兌差額，於產生期間之收益表確認。重新換算按公平值列賬之非貨幣項目所產生匯兌差額計入期內收益表，惟重新換算有關盈虧於其他全面收益確認之非貨幣項目所產生匯兌差額，亦於其他全面收益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Foreign currencies (continued)

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to non-controlling interest as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the foreign exchange reserve.

4. 主要會計政策 (續)

(i) 外幣 (續)

綜合賬目時，外國業務之收入及開支項目以年內平均匯率換算為本集團之呈列貨幣（即港元），除非期內匯率大幅波動，在此情況下，則按進行該等交易時之相若匯率換算。所有外國業務之資產及負債均以報告期末之匯率換算。所產生匯兌差額（如有）於其他全面收益確認，並於權益累計為外匯儲備（於適當情況下歸屬於非控股權益）。於換算構成本集團於所涉外國業務之部分投資淨額之長期貨幣項目時，在集團實體獨立財務報表之收益表內確認之匯兌差額則重新分類至其他全面收益，並於權益累計為外匯儲備。

出售外國業務時，外匯儲備內確認該業務截至出售日期止之累計匯兌差額將重新分類至收益表，作為出售損益之一部分。

於二零零五年一月一日或之後，於收購外國業務時產生有關所收購可識別資產之商譽及公平值調整乃作為該外國業務之資產及負債處理，並按報告期末之適用匯率進行換算。產生之匯兌差額乃於外匯儲備確認。

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

(k) Share-based payments

Where share options are awarded to employees and others providing similar services, the fair value of the options at the date of grant is recognised in profit or loss over the vesting period with a corresponding increase in the employee share option reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

4. 主要會計政策 (續)

(j) 僱員福利

(i) 短期僱員福利

短期僱員福利為預計於僱員提供相關服務之年度報告期末後十二個月前將全數結付之僱員福利(離職福利除外)。短期僱員福利於僱員提供相關服務之年度內確認。

(ii) 定額供款退休計劃

對定額供款退休計劃作出之供款，於僱員提供服務時在收益表確認為開支。

(iii) 離職福利

離職福利於本集團不再能取消提供該等福利時及本集團確認涉及支付離職福利之重組成本時(以較早者為準)確認。

(k) 以股份為基準之付款

倘向僱員及其他提供類似服務之人士授出購股權，則購股權於授出日期之公平值於歸屬期內在收益表確認，而權益項下僱員購股權儲備將作相應增加。透過調整於各報告期末預期將予歸屬之股本工具數目，將非市場歸屬條件考慮在內，致使最後於歸屬期確認之累計金額乃根據最終歸屬之購股權數目計算。市場歸屬條件已納入所授出購股權公平值之考慮因素。只要所有其他歸屬條件獲達成，則不論是否達致市場歸屬條件均會作出扣除。倘未能達致市場歸屬條件，不會調整累計開支。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Share-based payments (continued)

Fair value is measured using the Option Pricing Model. 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.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees and others providing similar services, the fair value of goods or services received is recognised in profit or loss unless the goods or services qualify for recognition as assets. A corresponding increase in equity is recognised.

(l) Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(m) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

4. 主要會計政策 (續)

(k) 以股份為基準之付款 (續)

公平值乃以期權定價模式計量。該模式所用之預計年期已根據管理層之最佳估計，就不可轉讓、行使限制及行為因素所造成之影響予以調整。

倘購股權之條款及條件在歸屬前修訂，則緊接及緊隨修訂前後計算之購股權公平值增幅亦於餘下歸屬期在收益表確認。

倘向僱員及其他提供類似服務人士以外之人士授出股本工具，則所收取貨品或服務之公平值會於收益表確認，除非有關貨品或服務符合確認為資產之資格則作別論。權益中會確認相應增加。

(l) 借貸成本

收購、建設或生產需要長時間籌備作擬定用途或銷售之合資格資產之直接應佔借貸成本，乃資本化為該等資產成本之一部分。將有待用於該等資產之特定借貸作暫時投資所賺取收入會於已資本化之借貸成本扣除。所有其他借貸成本於產生期間在收益表確認。

(m) 撥備及或然負債

就本集團因過往事件負有法律或推定責任而時間或數額不明確之負債而言，倘可能引致可以合理估計之經濟利益流出，則會確認撥備。

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Provisions and contingent liabilities (continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(n) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

4. 主要會計政策 (續)

(m) 撥備及或然負債 (續)

凡不可能需要流出經濟利益，或數額無法可靠估計，則有關責任會披露為或然負債，惟倘經濟利益流出之機會甚微則作別論。透過一項或多項未來事件出現或不出現始能確定之可能承擔，亦披露為或然負債，惟倘經濟利益流出之機會甚微則作別論。

(n) 所得稅

年內之所得稅包括即期稅項及遞延稅項。

即期稅項乃根據已就所得稅而言毋須課稅或不可扣稅之項目作出調整之日常業務損益，採用於報告期末已制定或大致制定之稅率計算。

遞延稅項乃就財務報告之資產與負債賬面值，與就稅務所用相應數值間之暫時差額確認。除商譽以及不影響會計或應課稅溢利之已確認資產與負債外，會就所有暫時差額確認遞延稅項負債。遞延稅項資產於有可能動用應課稅溢利抵銷可扣減暫時差額之情況下確認。遞延稅項乃按適用於資產或負債之賬面值獲變現或結算之預期方式以及於報告期末已制定或大致制定之稅率計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Income taxes (continued)

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they related to items recognised directly in equity in which case the taxes are also recognised directly in equity.

(o) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

4. 主要會計政策 (續)

(n) 所得稅 (續)

對於計量遞延稅項金額時用於釐定適合稅率的一般規定而言，倘投資物業是根據香港會計準則第40號「投資物業」而按公平值列賬則屬例外情況。除非該假定被推翻，否則此等投資物業的遞延稅項金額是以出售此等投資物業時所適用的稅率以及按其於報告日期的賬面值而計量。若投資物業可予折舊，且該物業乃以隨時間流逝而耗用該物業所附之絕大部份經濟利益（而非透過銷售）之業務模式為目標而持有，該假設即被推翻。

遞延稅項負債乃就於附屬公司之投資所產生應課稅暫時差額確認，惟倘本集團能夠控制暫時差額之撥回且暫時差額不會於可見將來撥回則作別論。

所得稅乃於收益表確認，惟倘所得稅與於其他全面收益確認之項目有關則除外，在此情況下，稅項亦於其他全面收益確認，或倘與於權益直接確認之項目有關，則稅項亦於權益直接確認。

(o) 關連人士

- (a) 倘屬以下人士，即該人士或該人士之親屬與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本公司母公司之主要管理層成員。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity); or
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

4. 主要會計政策 (續)

(o) 關連人士 (續)

- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）；
 - (ii) 一家實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）；
 - (iii) 兩家實體均為同一第三方之合營企業；
 - (iv) 一家實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司；
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職後福利計劃；
 - (vi) 實體受附註(a)所識別人士控制或受共同控制；
 - (vii) 於附註(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體之母公司）主要管理層成員；或
 - (viii) 實體、或一間集團之任何成員公司（為集團之一部分）向本集團或本集團之母公司提供主要管理人員服務。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Related parties (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors 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 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.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

4. 主要會計政策 (續)

(o) 關連人士 (續)

一名人士之直系親屬為可能預期於與實體進行交易時將影響該名人士或受該名人士影響之該等家族成員，包括：

- (i) 該名人士之子女及配偶或伴侶；
- (ii) 該名人士之配偶或伴侶之子女；及
- (iii) 該名人士或該名人士之配偶或伴侶之受養人。

5. 關鍵會計判斷及估計不確定因素之主要來源

董事應用本集團會計政策時需要就未能從其他來源而得出之資產及負債賬面值作出判斷、估計及假設。該等估計及有關假設乃根據過往經驗及相信於該等情況乃屬相關之各項其他因素為基準而作出。實際結果或會有別於該等估計數字。

本集團持續檢討所作估計及相關假設。會計估計之變動如僅影響當期，則有關會計估計變動將於當期確認。如該項會計估計變動影響當期及以後期間，則有關會計估計變動將於當期及以後期間確認。

管理層在應用香港財務報告準則時所作出並對財務報表有重大影響之判斷，以及作出極可能在下一年度構成重大調整風險之估計，於下文詳述。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(a) Useful lives of property, plant and equipment

Management estimates the expected useful lives for its property, plant and equipment and determines the related depreciation policy. The estimated useful life of the property, plant and equipment and the residual value reflects management's estimates of the number of years that the Group intends to derive future economic benefits from the use of property, plant and equipment. It could change significantly as a result of technological innovations in response to industry cycles. The depreciation expenses in future accounting periods may be adjusted if there are significant changes in those estimates.

(b) Recoverability of accounts, loan and other receivables

Recoverability of the accounts, loan and other receivable are reviewed by management based on the receivables' aging characteristics, credit history of default or delay in payments and settlement record. Application of judgement and uses of estimate are required in assessing the ultimate realisation of these receivables, and the financial conditions of the customers and debtors may undergo adverse changes since the last management evaluation. If the financial conditions of the customers and debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional provision may be required in future accounting periods.

5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

(a) 物業、廠房及設備之可使用年期

管理層估計其物業、廠房及設備之預期可使用年期，並釐定有關折舊政策。物業、廠房及設備之估計可使用年期及剩餘價值，反映管理層對本集團計劃藉使用物業、廠房及設備而產生未來經濟利益之年期估算。因應行業周期推出之創新技術，或會大大改變行業週期。倘該等估算出現重大變動，則於日後會計期間可能會調整折舊開支。

(b) 收回應收賬款、應收貸款及其他應收款項之可能性

管理層根據應收賬款、應收貸款及其他應收款項之賬齡特色、違約或延遲付款的信用歷史及結算記錄審閱收回應收賬款、應收貸款及其他應收款項之可能性。於評估此等應收款項之最終變現時需要作出適用判斷及運用估計，而客戶及債務人之財務狀況可能自上次管理層評估後轉壞。倘客戶及債務人之財務狀況惡化，以致削弱彼等之付款能力，則可能須於日後會計期間作出額外撥備。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(c) Fair value of investment property

Investment property is stated at fair value based on the valuation performed by an independent professional valuer. In determining the fair value, the valuer has based on a method of valuation which involves certain estimations that require significant management judgement. In relying on key assumptions and the valuation report, the directors have exercised their judgements and are satisfied that the valuation methodology, the assumptions and estimations used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair value of the investment property and the corresponding adjustment to the amount of gain or loss would be recognised in profit or loss.

(d) Income taxes

Determining income tax provisions and deferred taxation involves judgement on the current and future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations.

(e) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs;

5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

(c) 投資物業之公平值

投資物業按獨立專業估值師所進行估值得出之公平值列賬。在釐定公平值時，估值師依據之估值方法涉及若干估計，要求行使重大管理層判斷。董事依賴關鍵假設及估值報告，行使彼等之判斷力並信納估值所用估值方法、假設及估計足以反映現時市況。該等假設之變動改變投資物業之公平值，而有關盈虧金額之相應調整須於收益表確認。

(d) 所得稅

釐定所得稅撥備及遞延稅項涉及判斷若干交易於目前及未來之稅務處理方式。本集團審慎評估交易之稅務含義並隨之計提稅項撥備。有關交易之稅務處理方式乃定期重新考慮，以計及稅務法例之所有變動。

(e) 公平值計量

計入本集團財務報表之若干資產及負債須按公平值計量及／或披露。

本集團金融及非金融資產及負債之公平值計量盡量利用市場可觀察之輸入及數據。於釐定公平值計量時使用之輸入，乃根據所利用之估值技術中使用的輸入數據之可觀察程度而分類為不同級別（「公平值等級」）：

第一級：相同項目在活躍市場所報價格（未經調整）；

第二級：可觀察直接或間接輸入數據（第一級輸入數據除外）；

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(e) Fair value measurement (continued)

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures a number of items at fair value:

- Investment property (note 19);
- Financial assets at fair value through profit or loss (note 20);
- Equity-settled share-based transactions (note 28); and
- Convertible notes payable (note 33)
- Investments held for trading (note 24)

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

6. CAPITAL RISK MANAGEMENT

The Group's objective of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital. There was no change in capital management policies and objectives from prior periods.

The capital structure of the Group consists of net debts, comprising bank borrowings and bonds and notes payable disclosed in note 32 and 33, cash and cash equivalents; and equity attributable to owners of the Company, comprising share capital, retained earnings and reserves as disclosed in notes 25, 26 and 41 respectively.

5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

(e) 公平值計量 (續)

第三級：不可觀察輸入數據（即並非源自市場之數據）。

分類項目至上述等級乃基於輸入數據所用之最低等級，其對項目之公平值計量有重大影響。項目於等級之間的轉移於其發生期間確認。

本集團按公平值計量若干項目：

- 投資物業（附註19）；
- 按公平值計入損益之財務資產（附註20）；
- 權益結算以股份為基準之交易（附註28）；及
- 應付可換股票據（附註33）
- 持作買賣投資（附註24）

有關上述項目公平值計量之更多詳細資料，請參考適用附註。

6. 資本風險管理

本集團之資本管理目標為確保本集團有持續經營能力，從而為股東帶來回報及為其他利益相關者帶來利益，並保持最佳資本架構以降低資本成本。過往期間之資本管理政策及目標並無變動。

本集團之資本架構由淨債務（包括附註32及33所披露之銀行借貸以及應付債券及票據）、現金及現金等值及本公司擁有人應佔權益（包括分別於附註25、26及41所披露之股本、保留盈利及儲備）組成。

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6. CAPITAL RISK MANAGEMENT (continued)

The gearing ratio at the year end was as follows:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Net debts	淨債務	780,428	355,805
Equity attributable to owners of the company	本公司擁有人 應佔權益	2,869,716	3,097,518
Net debts to equity ratio	淨債務對權益比率	27%	11%

7. FINANCIAL RISK MANAGEMENT

Exposure to credit risk, liquidity risk, interest rate risk and currency risk arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The carrying amounts of cash and cash equivalents, exchangeable bonds (financial assets at fair value through profit or loss), accounts receivable, loan receivables and other receivables except for prepayments, present the Group with credit risk regarding its financial assets. The maximum exposure is the carrying amounts of the respective financial assets at the end of reporting period. The Group has a concentration of credit risk in relation to certain of its major customers and loan receivables.

The Group has a credit policy in place and the exposures to credit risks are monitored on an ongoing basis. In addition, the Group reviews the recoverable amount of each individual accounts, loan and other receivables at the end of each reporting period to ensure that adequate impairment losses are made for balances with recoverability problem.

6. 資本風險管理 (續)

於年結日之資產負債比率如下：

7. 財務風險管理

本集團所面對信貸風險、流動資金風險、利率風險及貨幣風險乃於本集團之日常業務過程中產生。本集團亦面對於其他實體進行股本投資所帶來之股本價格風險。

該等風險由下文所述本集團之財務管理政策與慣例所規限。

(a) 信貸風險

現金及現金等值、可交換債券（按公平值計入損益之財務資產）、應收賬款、應收貸款及其他應收款項（不包括預付款項）之賬面值反映本集團就財務資產承擔之信貸風險。本集團所面對之最大風險為各財務資產於報告期末之賬面值。本集團就其若干主要客戶及應收貸款面對信貸集中風險。

本集團設有信貸政策，並持續監控所面臨之信貸風險。此外，本集團於各報告期末檢討個別應收賬款、應收貸款及其他應收款項之可收回金額，確保就回收方面有問題之結餘確認足夠減值虧損。

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7. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and debtor. The default risk of the industry and country in which customers or debtors operate also has an influence on credit risk but to a lesser extent. At the end of reporting period, the Group has no significant concentration of credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from accounts, loan and other receivables are set out in notes 22, 23 and 21.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, is limited because the counterparties are banks with sound credit-ratings.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and maintains sufficient reserves of cash and readily realisable marketable securities to meet its liquidity requirement in the short and longer term.

The following table details the remaining contractual maturities at the end of reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates, or if floating, based on current rates at the end of reporting period) and the earliest date the Group can be required to pay.

7. 財務風險管理 (續)

(a) 信貸風險 (續)

本集團面對之信貸風險，主要受到每位客戶及債務人之個別特點所影響。客戶或債務人經營之行業及所在國家之違約風險亦對信貸風險構成影響，但影響程度較少。於報告期末，本集團並無面對重大信貸集中風險。

有關本集團應收賬款、應收貸款及其他應收款項所產生信貸風險之進一步定量披露載於附註22、23及21。

本集團其他財務資產（包括現金及現金等值）之信貸風險有限，乃由於對手方均為擁有良好信貸評級之銀行。

(b) 流動資金風險

本集團內各個別經營實體須自行負責其現金管理事宜，包括現金盈餘之短期投資及籌措貸款以應付預期現金需求，若借貸超過預先設定之授權水平，則須待母公司董事會批准後方可作實。本集團之政策為定期監控流動資金需求以及確保維持足夠現金及隨時可於市場上變現的證券儲備，以應付短期及長遠流動資金需求。

下表詳列本集團之非衍生財務負債於報告期末之剩餘合約期限，乃根據合約未貼現現金流量（包括以合約利率（或如屬浮息，則根據於報告期末之現行利率）推算之利息支出）及本集團可被要求還款之最早日期編列。

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7. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

		Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
					HK\$'000	HK\$'000	HK\$'000
	合約未貼現現金 賬面值 千港元		合約未貼現現金 流量總額 千港元	一年內或應要求 千港元	一年後但兩年內 千港元	兩年後但五年內 千港元	五年後 千港元
2017	二零一七年						
Accounts payable	應付賬款	3,526	3,526	3,526	-	-	-
Other payables and accruals	其他應付款項及應計費用	26,716	26,716	26,716	-	-	-
Amounts due to related parties	應付有關連人士款項	22,568	22,568	22,568	-	-	-
Bank borrowings	銀行借貸	795,201	1,028,355	104,690	106,432	346,760	470,473
Bonds payable	應付債券	9,900	12,780	770	770	11,240	-
		857,911	1,093,945	158,270	107,202	358,000	470,473
2016	二零一六年						
Accounts payable	應付賬款	5,167	5,167	5,167	-	-	-
Other payables and accruals	其他應付款項及應計費用	40,520	40,520	40,520	-	-	-
Amounts due to related parties	應付有關連人士款項	719	719	719	-	-	-
Bank borrowings	銀行借貸	595,544	744,547	135,580	131,279	435,722	41,966
Bonds and notes payable	應付債券及票據	147,448	190,622	15,634	162,977	12,011	-
		789,398	981,575	197,620	294,256	447,733	41,966

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank borrowings and bonds and notes payable as disclosed in notes 32 and 33 respectively. These financial instruments issued at fixed rates expose the Group to fair value interest rate risk. The Group has no cash flow interest rate risk as there are no borrowings which bear floating interests rates. The Group has not used any financial instruments to hedge potential fluctuation in interest rates.

7. 財務風險管理 (續)

(b) 流動資金風險 (續)

(c) 利率風險

本集團之利率風險主要來自附註32及33分別披露之銀行借貸以及應付債券及票據。該等金融工具按固定利率發行，導致本集團承受公平值利率風險。由於本集團並無按浮動利率計息之借貸，故並無承受現金流量利率風險。本集團並無採用任何金融工具對沖利率之潛在波動。

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7. FINANCIAL RISK MANAGEMENT (continued)

(d) Currency risk

The Group mainly operates in the PRC with most of the transactions denominated and settled in Renminbi (“RMB”) which is not freely convertible into other foreign currencies. Conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. The PRC subsidiaries of the Company transact in their functional currency and therefore no currency risk is expected to arise in respect of these subsidiaries. The Company’s financial statements are presented in Hong Kong dollar (“HK\$”) and fluctuations of RMB against HK\$ will result in adjustment to financial amounts. The Group currently does not utilise any forward contracts, currency borrowings or other means to hedge against its foreign currency exposure.

(e) Equity price risk

The Group is exposed to equity price changes arising from equity instruments classified as investments held for trading. All of these investments are listed. Therefore, the Group is exposed to equity price risk due to the fluctuation of fair value of investments held for trading.

The Group’s listed investments are listed on the Stock Exchange of Hong Kong. Decisions to buy and sell securities are based on daily monitoring of the performance of individual securities compared to that of the Index and other industry indicators, as well as the Group’s liquidity needs. The Group would closely monitors the market condition of listed securities and regularly reviews the exposure to the equity price risk on investments held for trading.

Sensitivity analysis

The sensitivity analysis on equity price risk includes the Group’s financial instruments, which fair value or future cash flows will fluctuate because of changes in their corresponding or underlying asset’s equity price. If the price of the investments held for trading had been 10% higher/lower, loss (2016: profit) for the year would decrease/increase by HK\$16,409,000 (2016: HK\$21,649,000) and reserves would increase/decrease by HK\$16,409,000 (2016: HK\$21,649,000).

7. 財務風險管理 (續)

(d) 貨幣風險

本集團主要於中國經營業務，大部分交易均以人民幣（「人民幣」）計值及結算。人民幣不可自由兌換為其他外幣，而人民幣兌換為外幣亦受中國政府頒佈之外匯管制規則及規例所限。由於本公司之中國附屬公司以彼等之功能貨幣交易，因此預期該等附屬公司不會產生任何貨幣風險。本公司之財務報表以港元（「港元」）呈列，人民幣兌港元之波動將導致財務金額作出調整。本集團現時並無採用任何遠期合約、貨幣借貸或其他方法對沖外幣風險。

(e) 股價風險

本集團面臨來自分類為持作買賣投資之股本工具之股價變動風險。所有該等投資均為上市投資。因此，本集團因持作買賣投資公平值波動而面對股價風險。

本集團之上市投資乃於香港聯交所上市。買賣證券之決定乃根據日常監察個別證券表現（經比較指數及其他行業指標）以及本集團之流動資金需要而作出。本集團將密切監控上市證券之市場狀況並定期檢討持作買賣投資面臨之股價風險。

敏感度分析

股價風險敏感度分析包括本集團金融工具，其公平值或未來現金流量會因其相應股價或相關資產股價之變動而波動。倘持作交易投資價格提高／下降10%，年內虧損（二零一六年：溢利）將減少／增加16,409,000港元（二零一六年：21,649,000港元），儲備會增加／減少16,409,000港元（二零一六年：21,649,000港元）。

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8. REVENUE AND OTHER INCOME

Revenue represents income generated from the principal activities of the Group. Revenue and other income recognised during the year are as follows:

8. 收益及其他收入

收益指來自本集團主要業務之收入。於本年度確認之收益及其他收入如下：

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Revenue	收益		
Rental income	租金收入	44,730	42,723
Property management and related fee income	物業管理及相關費用收入	54,514	67,027
		99,244	109,750
Other income	其他收入		
Bank interest income	銀行利息收入	1,643	332
Dividend income from listed investments	上市投資之股息收入	899	81
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	68	-
Interest income from debts securities	債務證券之利息收入	4,259	4,274
Interest income from loan receivables	應收貸款之利息收入	15,076	-
Interest income from deposit	存款之利息收入	-	13,425
Interest income from deposit for subscription of exchangeable bonds	認購可交換債券之按金利息收入	14,282	6,665
Interest income from financial assets at fair value through profit or loss	按公平值計入損益之財務資產利息收入	12,378	-
Others	其他	20	24
		48,625	24,801
		147,869	134,551

9. SEGMENTAL INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has identified two reportable segments, the business of property investment and property development. The following summary describes the operations in each of the Group's reportable segments:

- Property investment business – letting properties and providing property management services

9. 分部資料

本集團根據經主要營運決策者審閱之報告（用於作出策略決定）確定其經營分部。

本集團已識別兩個須予報告分部，即物業投資及物業發展。以下概述本集團各須予報告分部之業務：

- 物業投資業務 – 出租物業及提供物業管理服務

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

9. SEGMENTAL INFORMATION (continued)

- Property development business – development of properties

During the years ended 31 March 2017 and 2016, there are no inter-segment transactions made. Central revenue and expenses are not allocated to the operating segments as they are not included in the measurement of the segments' (loss)/profit that is used by the chief operating decision-maker for assessment of segment performance.

i. Business Segments

The following is an analysis of the Group's revenue and results by operating and reportable segments:

9. 分部資料 (續)

- 物業發展業務—發展物業

截至二零一七年及二零一六年三月三十一日止年度並無進行任何分部間交易。中央收支項目並無分配至經營分部，原因為在計量分部(虧損)/溢利供主要營運決策者用於評估分部表現時並不計入該等項目。

i. 業務分部

以下為按經營及須予報告分部劃分之本集團收益及業績分析：

		Property investment business 物業投資業務		Property development business 物業發展業務		Total 總計	
		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Revenue from:	收益：						
External sales	對外銷售	99,244	109,750	-	-	99,244	109,750
Inter-segment sales	分部間銷售	-	-	-	-	-	-
Reportable segment revenue	須予報告分部收益	99,244	109,750	-	-	99,244	109,750
Reportable segment (loss)/gain	須予報告分部(虧損)/溢利	(57,027)	119,232	(7,830)	12,457	(64,857)	131,689
Interest revenue	利息收益	16,135	71	556	13,490	16,691	13,561
Interest expense	利息支出	(70,584)	(57,864)	-	-	(70,584)	(57,864)
Depreciation	折舊	(315)	(517)	-	-	(315)	(517)
Income tax credit/(expenses)	所得稅抵免/(開支)	10,333	(35,724)	-	-	10,333	(35,724)
Fair value (loss)/gain on an investment property	投資物業之公平值(虧損)/收益	(81,090)	96,713	-	-	(81,090)	96,713
Assets and liabilities information	資產及負債之資料						
Segment assets	分部資產	4,069,772	3,907,720	24,429	45,271	4,094,201	3,952,991
Addition to non-current assets	添置非流動資產	572	1,377	-	-	572	1,377
Segment liabilities	分部負債	1,493,202	1,358,810	2,596	3,121	1,495,798	1,361,931

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綜合財務報表附註

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

9. SEGMENTAL INFORMATION (continued)

ii. Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

9. 分部資料 (續)

ii. 須予報告分部收益、損益、資產及負債之對賬

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Revenue	收益		
Reportable segment revenue	須予報告分部收益	99,244	109,750
Elimination of inter-segment revenue	對銷分部間收益	-	-
Consolidated revenue	綜合收益	99,244	109,750
(Loss)/profit before income tax	除所得稅前(虧損)/溢利		
Reportable segment (loss)/profit	須予報告分部(虧損)/溢利	(64,857)	131,689
Fair value (loss)/gain on investments held for trading	持作買賣投資之公平值(虧損)/收益	(52,402)	75,472
Fair value gain on financial assets at fair value through profit or loss	按公平值計入損益之財務資產公平值收益	9,477	-
Finance costs	融資成本	(19,085)	(6,542)
Loss on early redemption of notes	提早贖回票據之虧損	(5,025)	-
Interest income from deposit for subscription of exchangeable bond	認購可交換債券之按金利息收入	14,282	6,665
Interest income from financial assets at fair value through profit or loss	按公平值計入損益之財務資產利息收入	12,378	-
Exchange difference, net	匯兌損益(淨額)	(11,500)	(203)
Unallocated corporate income	未分配公司收入	5,191	4,552
Unallocated corporate expenses	未分配公司開支	(19,102)	(15,308)
Consolidated (loss)/profit before income tax	除所得稅前綜合(虧損)/溢利	(130,643)	196,325

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綜合財務報表附註

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

9. SEGMENTAL INFORMATION (continued)

ii. Reconciliation of reportable segment revenues, profit or loss, assets and liabilities (continued)

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Assets	資產		
Reportable segment assets	須予報告分部資產	4,094,201	3,952,991
Cash at bank	銀行現金	4,544	329,402
Investments held for trading	持作買賣投資	164,087	216,489
Deposit for subscription of exchangeable bonds	認購可交換債券之按金	-	131,301
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產	142,777	-
Unallocated corporate assets	未分配公司資產	22,519	15,850
Consolidated total assets	綜合資產總值	4,428,128	4,646,033
Liabilities	負債		
Reportable segment liabilities	須予報告分部負債	1,495,798	1,361,931
Amount due to a related company	應付一間關連公司款項	22,500	-
Bonds and notes payables	應付債券及票據	9,900	147,448
Unallocated corporate liabilities	未分配公司負債	7,005	10,460
Consolidated total liabilities	綜合負債總額	1,535,203	1,519,839

iii. Geographical information

During the years ended 31 March 2017 and 2016, the Group's major operations and assets are situated in the PRC in which all of its revenue was derived.

iv. Major customers

There is no customer contributing over 10% of the Group's turnover for the years ended 31 March 2017 and 2016.

9. 分部資料 (續)

ii. 須予報告分部收益、損益、資產及負債之對賬 (續)

iii. 地區資料

於截至二零一七年及二零一六年三月三十一日止年度，本集團主要業務及資產均位於中國而所有收益亦源自中國。

iv. 主要客戶

截至二零一七年及二零一六年三月三十一日止年度，概無客戶佔本集團之營業額逾10%。

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綜合財務報表附註

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

10. OTHER NET GAINS AND LOSSES

10. 其他收益及虧損淨額

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Fair value (loss)/gain on investments held for trading	持作買賣投資之公平值 (虧損)/收益	(52,402)	75,472

11. FINANCE COSTS

11. 融資成本

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Interest on bank borrowings	銀行借貸之利息	70,584	57,864
Interest on bonds and notes payable	應付債券及票據之利息	19,085	6,542
		89,669	64,406

12. INCOME TAX

12. 所得稅

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Current tax – PRC tax – Provision for the year	即期稅項—中國稅項 —本年度撥備	–	3,115
Deferred tax (credit)/expense	遞延稅項(抵免)/開支	(10,333)	32,609
Income tax (credit)/expense	所得稅(抵免)/開支	(10,333)	35,724

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profit for the year ended 31 March 2017 (2016: 16.5%). No provision of Hong Kong profits tax was made as there was no assessable profit derived for both years.

The Group's subsidiaries in the PRC were subject to the PRC enterprise income tax. The applicable PRC enterprise income tax rate is 25% for the year ended 31 March 2017 and 2016 for the PRC subsidiaries.

香港利得稅按16.5%(二零一六年:16.5%)的截至二零一七年三月三十一日止年度估計應課稅溢利計算。由於兩個年度均無產生應課稅溢利,故並無作出香港利得稅撥備。

本集團於中國之附屬公司須繳納中國企業所得稅。中國附屬公司於截至二零一七年及二零一六年三月三十一日止年度之適用中國企業所得稅率為25%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

12. INCOME TAX (continued)

The income tax expense for the year can be reconciled to the Group's (loss)/profit before income tax per the consolidated statement of profit or loss and other comprehensive income differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

12. 所得稅 (續)

本年度所得稅開支可與綜合損益及其他全面收益表所示本集團除所得稅前(虧損)/溢利對賬，而與採用香港利得稅稅率計算之理論數據之差額如下：

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(130,643)	196,325
Tax calculated at Hong Kong profits tax rate of 16.5% (2016: 16.5%)	按香港利得稅稅率16.5% (二零一六年: 16.5%) 計算之稅項	(21,556)	32,393
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營業務之附屬公司按不同稅率課稅之影響	2,293	(2,673)
Tax effect of revenue not taxable for tax purposes	就稅務目的而言，毋須課稅收益之稅務影響	(1,568)	(14)
Tax effect of expense that are not deductible for tax purposes	就稅務目的而言，不可扣減開支之稅務影響	6,858	4,100
Tax effect of prior years' unrecognised tax loss utilised this year	本年度已動用上年度未確認稅項虧損之稅務影響	(284)	-
Unrecognised temporary differences and tax losses	未確認暫時差額及稅項虧損	3,924	1,918
Income tax (credit)/expense	所得稅(抵免)/開支	(10,333)	35,724

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綜合財務報表附註

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

13. (LOSS)/PROFIT BEFORE INCOME TAX

The Group's (loss)/profit before income tax is arrived at after charging:

13. 除所得稅前(虧損)/溢利

本集團之除所得稅前(虧損)/溢利已扣除：

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Auditor's remuneration	核數師酬金	585	440
Minimum lease payments under operating leases on leasehold properties	租賃物業經營租賃最低租金	2,040	1,940
Staff costs (including directors' emoluments):	員工成本 (包括董事酬金)：		
Wages and salaries (including share based payment)	工資及薪金(包括以股份為基準之付款)	8,024	9,261
Retirement benefits scheme contribution	退休福利計劃供款	489	499
		8,513	9,760

14. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2017 (2016: HK\$Nil), nor has any dividend been proposed since 31 March 2017.

14. 股息

截至二零一七年三月三十一日止年度概無支付或擬定任何股息(二零一六年：零港元)，自二零一七年三月三十一日起亦無擬定任何股息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

15. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

(Loss)/earnings attributable to the owners of the Company

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
(Loss)/earnings for the purposes of basic and diluted earnings per share	(116,467)	161,076

15. 每股(虧損)/盈利

本公司擁有人應佔每股基本及攤薄(虧損)/盈利乃根據以下數據計算:

本公司擁有人應佔(虧損)/盈利

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
(Loss)/earnings for the purposes of basic and diluted earnings per share	(116,467)	161,076
	3,276,266	1,792,651
	-	-
	-	-
	3,276,266	1,792,651

Number of shares 股份數目

	2017 '000 二零一七年 千股	2016 '000 二零一六年 千股
Weighted average number of ordinary shares and convertible preference shares for the purposes of basic (loss)/earnings per share	3,276,266	1,792,651
Effect of dilutive potential ordinary shares:		
Share options	-	-
Unlisted warrants	-	-
Weighted average number of ordinary shares and convertible preference shares for the purposes of diluted (loss)/earnings per share	3,276,266	1,792,651

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

15. (LOSS)/EARNINGS PER SHARE (continued)

(Loss)/earnings attributable to owners of the Company (continued)

The calculation of basic (loss)/earnings per share attributable to the owners of the Company for the year ended 31 March 2017 is based on the loss attributable to the owners of the Company of approximately HK\$116.5 million (2016: earnings of approximately HK\$161.1 million) and on the weighted average number of 3,276,266,000 (2016: 1,792,651,000) ordinary shares and convertible preference shares during the year.

Share options:

For the years ended 31 March 2017 and 2016, the computation of diluted (loss)/earnings per share does not assume the exercise of share options since the exercise price of those share options is higher than the average market price of the Company's shares for the respective years.

Unlisted warrants:

For the year ended 31 March 2017, the computation of diluted loss per share does not assume the exercise of unlisted warrants as they would decrease the loss per share attributable to the owners of the Company and have anti-dilutive effect. Therefore, the diluted loss per share attributable to the owners of the Company for the year ended 31 March 2017 is based on the loss attributable to the owners of the Company of approximately HK\$116.5 million and on the weighted average number of 3,276,266,000 ordinary shares and convertible preference shares during the year. For the year ended 31 March 2016, there was no issue of any unlisted warrant shares.

15. 每股(虧損)/盈利(續)

本公司擁有人應佔(虧損)/盈利(續)

截至二零一七年三月三十一日止年度本公司擁有人應佔每股基本(虧損)/盈利乃按本公司擁有人應佔虧損約116,500,000港元(二零一六年: 約收益161,100,000港元)以及本年度普通股及可換股優先股之加權平均數3,276,266,000股(二零一六年: 1,792,651,000股)計算。

購股權:

計算截至二零一七年及二零一六年三月三十一日止年度之每股攤薄(虧損)/盈利時,概無假設購股權獲行使,原因為該等購股權之行使價高於本公司股份於各自年度之平均市價。

非上市認股權證:

截至二零一七年三月三十一日止年度,每股攤薄虧損之計算並無假設行使非上市認股權證,原因是其將減少本公司擁有人應佔每股虧損及具有反攤薄影響。因此,截至二零一七年三月三十一日止年度本公司擁有人應佔每股攤薄虧損乃基於本公司擁有人應佔虧損約116,500,000港元以及本年度普通股及可換股優先股之加權平均數3,276,266,000股計算。截至二零一六年三月三十一日止年度,概無發行任何非上市認股權證股份。

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

16. DIRECTORS' REMUNERATION

The emoluments paid or payable to the Company's directors for the years ended 31 March 2017 and 2016 were as follows:

16. 董事酬金

截至二零一七年及二零一六年三月三十一日止年度，已付或應付本公司董事之酬金如下：

		Year ended 31 March 2017 截至二零一七年三月三十一日止年度				
		Salaries, allowances and benefits	Retirement benefit schemes	Share-based payments	Total	
		Fees HK\$'000	in kind HK\$'000	contributions HK\$'000	payments HK\$'000	HK\$'000
		袍金 千港元	薪金、津貼 及實物利益 千港元	退休福利 計劃供款 千港元	以股份為 基準之付款 千港元	總額 千港元
Chairman:	主席：					
Guo Jiadi	郭加迪	1,950	-	-	149	2,099
Executive directors:	執行董事：					
Amika Lan E Guo	Amika Lan E Guo	780	-	18	-	798
Lin Jianbin (ii)	林建濱(ii)	-	156	8	-	164
Yan Pingfeng (iv)	嚴平峰(iv)	-	438	16	-	454
Non-executive director:	非執行董事：					
Wong Yun Kuen (iii)	黃潤權(iii)	54	-	-	-	54
Independent non-executive directors:	獨立非執行董事：					
Wong Yun Kuen (iii)	黃潤權(iii)	46	-	-	-	46
Chan Yee Ping, Michael	陳貽平	60	-	-	-	60
Yu Pak Yan Peter	余伯仁	100	-	-	-	100
Zheng Jinyun	鄭金雲	60	-	-	-	60
Zheng Yurui	鄭玉瑞	60	-	-	-	60
		3,110	594	42	149	3,895

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

16. DIRECTORS' REMUNERATION (continued)

16. 董事酬金 (續)

Year ended 31 March 2016

截至二零一六年三月三十一日止年度

		Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement benefit schemes contributions HK\$'000	Share-based payments HK\$'000	Total HK\$'000
		袍金 千港元	薪金、津貼 及實物利益 千港元	退休福利 計劃供款 千港元	以股份為 基準之付款 千港元	總額 千港元
Chairman:	主席：					
Guo Jiadi	郭加迪	1,950	1,250	–	95	3,295
Executive directors:	執行董事：					
Amika Lan E Guo	Amika Lan E Guo	820	–	18	–	838
Lin Jianbin (ii)	林建濱(ii)	–	399	34	397	830
Non-executive director:	非執行董事：					
Chi Chi Hung Kenneth (i)	季志雄(i)	47	–	–	–	47
Independent non-executive directors:	獨立非執行董事：					
Wong Yun Kuen (iii)	黃潤權(iii)	100	–	–	–	100
Chan Yee Ping, Michael	陳貽平	60	–	–	–	60
Yu Pak Yan Peter	余伯仁	100	–	–	–	100
Zheng Jinyun	鄭金雲	60	–	–	–	60
Zheng Yurui	鄭玉瑞	60	–	–	–	60
		3,197	1,649	52	492	5,390

(i) Mr. Chi Chi Hung Kenneth was retired as Non-Executive Director on 21 August 2015.

(i) 季志雄先生於二零一五年八月二十一日退任非執行董事。

(ii) Mr. Lin Jianbin appointed and resigned as Executive Director on 5 March 2015 and 1 July 2016 respectively.

(ii) 林建濱先生分別於二零一五年三月五日獲委任為執行董事及於二零一六年七月一日辭任執行董事。

(iii) Dr. Wong Yun Kuen was re-designated from Independent Non-Executive Director to Non-Executive Director on 15 September 2016.

(iii) 黃潤權博士於二零一六年九月十五日由獨立非執行董事調任為非執行董事。

(iv) Mr. Yan Pingfeng appointed as Executive Director on 15 September 2016.

(iv) 嚴平峰先生於二零一六年九月十五日獲委任為執行董事。

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

16. DIRECTORS' REMUNERATION (continued)

There was no arrangement under which a director of the Company waived or agreed to waive any emoluments during the year. During the year, no emoluments were paid by the Group to the directors of the Company as an inducement to join, or upon joining the Group, or as compensation for loss of office.

17. EMPLOYEES' EMOLUMENTS

The emoluments of the five individuals with highest emoluments in the Group for the year included three (2016: three) directors, details of whose emoluments have been disclosed above.

Details of the emoluments of the remaining two (2016: two) non-directors, highest paid individuals for the year are as follows:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Salaries, allowances and benefits in kinds	薪金、津貼及實物利益	1,961	1,848
Retirement benefits scheme contributions	退休福利計劃供款	33	21
		1,994	1,869

The emoluments of each of the above non-director highest paid individuals were fell within the following bands:

		Number of individuals 人數	
		2017 二零一七年 千港元	2016 二零一六年 千港元
HK\$	港元		
Nil to 1,000,000	零至1,000,000	1	1
1,000,001 to 1,500,000	1,000,001至1,500,000	1	1

16. 董事酬金 (續)

年內概無任何本公司董事放棄或同意放棄任何酬金之安排。年內，本集團概無向本公司董事支付任何酬金，作為彼等加入或於加入本集團時之獎勵或作為彼等之離職補償。

17. 僱員酬金

年內，本集團五名最高薪人士包括三名(二零一六年：三名)董事，其酬金詳情已於上文披露。

年內，其餘兩名(二零一六年：兩名)非董事最高薪人士之酬金詳情如下：

上述各非董事最高薪人士酬金介乎以下範圍：

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17. EMPLOYEES' EMOLUMENTS (continued)

The emoluments paid or payable to the member of senior management were within the following bands:

17. 僱員酬金 (續)

已付及應付高級管理層成員之酬金範圍如下：

		Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
HK\$	港元		
Nil to 1,000,000	零至1,000,000	1	1
1,000,001 to 1,500,000	1,000,001至1,500,000	1	1

18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

Cost	成本	Leasehold improvements	Furniture, office equipment and motor vehicles	Total
		HK\$'000 租賃物業裝修 千港元	HK\$'000 傢俬、辦公室設備及汽車 千港元	HK\$'000 合計 千港元
At 1 April 2015	於二零一五年四月一日	2,978	8,727	11,705
Additions	添置	61	88	149
Exchange adjustment	匯兌調整	(49)	(182)	(231)
At 31 March 2016 and 1 April 2016	於二零一六年 三月三十一日及 二零一六年四月一日	2,990	8,633	11,623
Addition	添置	-	230	230
Disposal	出售	-	(278)	(278)
Exchange adjustment	匯兌調整	(52)	(185)	(237)
At 31 March 2017	於二零一七年 三月三十一日	2,938	8,400	11,338

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18. PROPERTY, PLANT AND EQUIPMENT (continued)

18. 物業、廠房及設備 (續)

		Leasehold improvements HK\$'000 租賃物業 裝修 千港元	Furniture, office equipment and motor vehicles HK\$'000 傢俬、辦公室 設備及汽車 千港元	Total HK\$'000 合計 千港元
Accumulated depreciation	累計折舊			
At 1 April 2015	於二零一五年四月一日	1,677	5,316	6,993
Depreciation	折舊	389	1,170	1,559
Exchange adjustment	匯兌調整	(21)	(97)	(118)
At 31 March 2016 and 1 April 2016	於二零一六年三月 三十一日及二零一六年 四月一日	2,045	6,389	8,434
Depreciation	折舊	380	405	785
Disposal	出售	-	(264)	(264)
Exchange adjustment	匯兌調整	(32)	(108)	(140)
At 31 March 2017	於二零一七年 三月三十一日	2,393	6,422	8,815
Net book value	賬面淨值			
31 March 2017	於二零一七年 三月三十一日	545	1,978	2,523
31 March 2016	於二零一六年 三月三十一日	945	2,244	3,189

The Group has reviewed the residual values used for the purposes of depreciation calculations in the light of the definition of residual value in the accounting standard. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. These residual values will be reviewed and updated annually in the future.

本集團已根據會計準則所載剩餘價值之定義，檢討用作計算折舊之剩餘價值。檢討中並無強調需要調整本期間或過往期間所使用之剩餘價值。該等剩餘價值將於日後每年檢討及更新。

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19. INVESTMENT PROPERTY

19. 投資物業

		2017 HK\$'000	2016 HK\$'000
At 1 April	於四月一日	3,860,877	3,985,783
Additional costs	添置成本	370	1,260
Fair value (loss)/gain	公平值(虧損)/收益	(81,090)	96,713
Exchange adjustment	匯兌調整	(228,438)	(222,879)
At 31 March	於三月三十一日	3,551,719	3,860,877

The investment property is located in Taijiang District, Fuzhou, the PRC. It is a 7-storey (plus two basement levels) furniture shopping mall. The investment property is pledged to banks to secure bank borrowings (note 32).

投資物業位於中國福州市台江區，為一座七層高(另加兩層地庫)的家具商場。投資物業已抵押予銀行作為銀行借貸之擔保(附註32)。

The investment property is held under a medium-term lease.

投資物業乃根據中期租賃持有。

Fair value hierarchy

The fair value measurement of the Group's investment property as at the end of reporting period is using significant unobservable inputs (level 3).

公平值等級

本集團投資物業於報告期末之公平值計量採用重大不可觀察輸入數據(第三級)。

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

於本年度，第一級及第二級之間並無公平值計量轉撥，且並無自第三級轉入或轉出。

The valuation of the Group's investment property in mainland China, assessed by Chung Hin Appraisal Limited (2016: Chung Hin Appraisal Limited), an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued, was based on the direct capitalisation approach.

本集團於中國內地之投資物業乃由獨立合資格估值師中衍評值有限公司(二零一六年：中衍評值有限公司)採用直接撥充資本法進行估值，該公司持有認可及相關專業資格並於進行估值之投資物業地點及類別擁有近期估值經驗。

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19. INVESTMENT PROPERTY (continued)

Fair value hierarchy (continued)

The direct capitalisation approach was based on the net rental income that can be generated from the property under the leases to be executed for the property with due allowance on the reversionary interest upon expiry of the leases as assessed by the comparison method on vacant possession basis. Discount rate at an opportunity cost of capital is considered in arriving the present value of rental income.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy.

19. 投資物業 (續)

公平值等級 (續)

直接撥充資本法以該物業根據物業所簽立租賃可產生之租金收入淨額為基礎，並已充分考慮租賃到期時之復歸權益，有關權益乃採用比較法按空置基準評估得出。計算租金收入之現值時，會考慮貼現率之資本機會成本。

分類至公平值等級第三級之公平值計量對賬：

		2017	2016
		Total	Total
		HK\$'000	HK\$'000
		二零一七年	二零一六年
		總計	總計
		千港元	千港元
At 1 April	於四月一日	3,860,877	3,985,783
Additional costs	添置成本	370	1,260
Fair value (loss)/gain	公平值(虧損)/收益	(81,090)	96,713
Exchange adjustment	匯兌調整	(228,438)	(222,879)
At 31 March	於三月三十一日	3,551,719	3,860,877

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19. INVESTMENT PROPERTY (continued)

Fair value hierarchy (continued)

Below is a summary of the valuation technique used and the key unobservable inputs to valuation of the investment property categorised within Level 3 of the fair value hierarchy:

	Valuation technique 估值技術	Significant unobservable inputs 重大不可觀察輸入數據	Range 範圍	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平值之關係
Mainland China Furniture shopping mall 中國內地一傢俬購物商場	Direct capitalisation approach 直接撥充資本法	Discount rate 貼現率	4.0% (2016: 4.0%) 4.0% (二零一六年4.0%)	The higher the discount rate, the lower the fair value 貼現率越高，公平值越低
		Rental value (per square metre and per month) 租值（每平方米及每月）	RMB100 to RMB280 (2016: RMB44 to RMB290) 人民幣100元至人民幣280元（二零一六年：人民幣44元至人民幣290元）	The higher the rental value, the higher the fair value 租值越高，公平值越高
		Price per square metre 每平方米價格	RMB22,000 to RMB61,000 (2016: RMB9,600 to RMB64,000) 人民幣22,000元至人民幣61,000元（二零一六年：人民幣9,600元至人民幣64,000元）	The higher the price per square metre, the higher the fair value 每平方米價格越高，公平值越高

There was no change to the valuation technique during the year.

The fair value measurement is based on the above property's highest and best use, which does not differ from their actual use.

19. 投資物業（續）

公平值等級（續）

分類至公平值等級第三級之投資物業估值所用估值技術及主要輸入數據概述如下：

於本年度，估值技術概無變動。

公平值計量乃以上述物業之最高及最佳用途為基準，與其實際用途並無不同。

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20. DEPOSIT FOR SUBSCRIPTION OF EXCHANGEABLE BONDS/FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

20. 認購可交換債券之按金／按公平值計入損益之財務資產

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Non-current asset:		
Deposit for subscription of exchangeable bonds	-	131,301
Current asset:		
Financial assets at fair value through profit or loss	142,777	-
	142,777	131,301

On 19 February 2016, the Company as subscriber, Sundo Gas Limited ("Sundo Gas") as issuer and Mr. Zhong Changming entered into a subscription agreement ("Subscription Agreement"), pursuant to whom the Company has conditionally agreed to subscribe for the redeemable exchangeable bonds ("Exchangeable Bonds") in the aggregate principal amount of HK\$133,300,000 with 20% interest rate per annum.

As at 31 March 2016, HK\$131,301,000 represented the deposit for subscription of Exchangeable Bonds as the precedent condition attached to the Subscription Agreement were not satisfied.

The subscription of Exchangeable Bonds was completed on 13 October 2016 ("the Issue Date") and the maturity date of Exchangeable Bonds is 29 October 2017.

The Exchangeable Bonds confer the right ("Exchange Right") upon the Company thereof, exercisable in whole or in part upon the occurrence of an initial public offering ("IPO") and listing of and permission to deal in the shares of UC Energy, which is a subsidiary of Sundo Gas, on the Stock Exchange, to exchange for in aggregate up to a maximum of 123,934 shares in UC Energy at the exchange price of approximately US\$138.764 per share in the capital of UC Energy, representing approximately 18.5% of the issued ordinary shares of UC Energy as at the subscription date.

於二零一六年二月十九日，本公司（作為認購人）、Sundo Gas Limited（「Sundo Gas」，作為發行人）及鐘長鳴先生訂立一份認購協議（「認購協議」），據此，本公司已有條件同意認購本金總額133,300,000港元年利率20%之可贖回可交換債券（「可交換債券」）。

於二零一六年三月三十一日，131,301,000港元為認購可交換債券之按金，因認購協議之先決條件尚未達成。

認購可交換債券於二零一六年十月十三日（「發行日期」）完成，可交換債券到期日為二零一七年十月二十九日。

可交換債券賦予本公司權利（「交換權」），在UC Energy（Sundo Gas附屬公司）股份首次公開發售（「首次公開發售」）及可在聯交所上市及買賣後，可全部或部分交換合共最多123,934股UC Energy股份，交易價為UC Energy資本每股約138.764美元，相當於UC Energy於認購日期已發行普通股約18.5%。

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20. DEPOSIT FOR SUBSCRIPTION OF EXCHANGEABLE BONDS/FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Sundo Gas may request early redemption of the Exchangeable Bonds at any time prior to the maturity date at a price equal to the sum of (a) the outstanding principal amount with respect to the portion of the Exchangeable Bonds to be redeemed, (b) a fee of 1% on such outstanding principal amount, and (c) interest on such outstanding principal amount at the rate and period specified in the Subscription Agreement. Unless previously redeemed, exchanged or cancelled and subject to the occurrence of an IPO, Sundo Gas shall redeem the Exchangeable Bonds on the maturity date the whole of the principal amount of the Exchangeable Bonds at par, together with accrued interest calculated in accordance with conditions set out in the Subscription Agreement.

The Exchangeable Bonds are secured and supported by the followings:

- (a) the share charge created in favour of the Company on 19 February 2016 by Sundo Gas in respect of 200,627 shares in UC Energy;
- (b) the pledge of not less than 36.7% equity interests in Jiangsu Guosheng Hengtai Energy Development Co., Ltd. (江蘇國盛恒泰能源發展有限公司) given by Shannan Tianyuan Investment Centre (山南天源投資中心) in favour of Fujian Sinco;
- (c) a personal guarantee given by Mr. Zhong Changming, the sole shareholder of Sundo Gas in favour of the Company.

Further details of the deposit and the subscription of the Exchangeable Bonds are set out in the Company's announcements dated 24 August 2015, 29 December 2015, 19 February 2016, 14 June 2016 and 13 October 2016.

As at 31 March 2017, the Exchangeable Bonds was compound instruments and designated as financial assets at fair value through profit or loss.

20. 認購可交換債券之按金／按公平值計入損益之財務資產 (續)

Sundo Gas可於到期日前隨時要求提早贖回可交換債券，贖回按等於以下各項總和的價格發生：(a)將贖回的可交換債券債券部分之未償還本金額，(b)該未償還本金額的1%之費用，及(c)該未償還本金額按認購協議指定利率及期間計算的利息。除非已於早前贖回、交換或註銷，待發生首次公開發售後，Sundo Gas須於到期日按面值贖回可交換債券之本金總額，連同根據認購協議所載條件計算的應計利息。

可交換債券之擔保及支持如下：

- (a) Sundo Gas於二零一六年二月十九日就200,627股UC Energy股份創立的以本公司為受益人之股份質押；
- (b) 山南天源投資中心將把江蘇國盛恒泰能源發展有限公司的不少於36.7%股權質押予福建先科；
- (c) 鐘長鳴先生(Sundo Gas之唯一股東)以本公司為受益人而作出的個人擔保。

有關可交換債券之按金及認購之進一步詳情載於本公司日期為二零一五年八月二十四日、二零一五年十二月二十九日、二零一六年二月十九日、二零一六年六月十四日及二零一六年十月十三日之公告。

於二零一七年三月三十一日，可交換債券為複合工具，作為按公平值計入損益之財務資產。

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20. DEPOSIT FOR SUBSCRIPTION OF EXCHANGEABLE BONDS/FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Fair value hierarchy

The fair value measurement of the Group's financial assets at fair value through profit or loss as at the end of reporting period is using significant unobservable inputs (level 3).

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy.

20. 認購可交換債券之按金／按公平值計入損益之財務資產 (續)

公平值等級

截至報告期末，本集團按公平值計入損益之財務資產之公平值計量使用重大不可觀察輸入數據（第三級）。

於本年度，第一級及第二級之間並無公平值計量轉移，亦無轉入或轉出第三級。

分類至公平值等級第三級之公平值計量對賬。

		2017 HK\$'000 二零一七年 千港元
At 1 April	於四月一日	—
Transfer from deposit for subscription of exchangeable bonds	由認購可交換債券之按金轉撥	131,301
Fair value gain	公平值收益	9,477
Exchange adjustment	匯兌調整	1,999
At 31 March	於三月三十一日	142,777

As at the Issue Date and 31 March 2017, the fair value of the Exchangeable Bonds was determined by an independent professional valuer, AVISTA Valuation Advisory Limited, which was engaged by the Group.

There was no change to the valuation technique during the year.

The fair value of Exchangeable Bonds was derived as the present value of contractual determined stream of future cash flows discounted at the discount rate of 18.9% as at the Issue Date and 19.9% as at 31 March 2017, respectively.

Since the possibility of the shares of UC Energy listed on The Stock Exchange or such other internationally recognised investment exchange of the same or higher international standing through IPO from the Issue Date up to 31 March 2017 is minimal, the fair value of Exchange Right is minimal.

發行日期及二零一七年三月三十一日，可交換債券的公平值由本集團委聘的獨立專業估值師艾華迪評估諮詢有限公司釐定。

於本年度內，估值技術並無變動。

可交換債券之公平值為按發行日期貼現率18.9%及二零一七年三月三十一日貼現率19.9%貼現之合約釐定未來現金流現值。

由於UC Energy股份自發行日期至二零一七年三月三十一日透過首次公開發售（或其他國際認可投資交易所，具有相同或更高國際地位）上市之可能性甚微，故交換權之公平值微不足道。

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21. DEPOSIT FOR ACQUISITION OF COMPANIES/OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

21. 收購公司／其他應收款項、按金及預付款項

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Non-current asset:	非流動資產：		
Deposit for acquisition of companies (note (i))	收購公司之按金 (附註(i))	225,506	-
Current asset:	流動資產：		
Other receivables	其他應收款項	27,515	16,715
Deposits	按金	600	600
Prepayments	預付款項	231	641
		28,346	17,956
Less: Impairment loss (note (ii))	減：減值虧損 (附註(ii))	(338)	(360)
		28,008	17,596

Notes:

- (i) On 15 December 2016, Fujian Sinco Industrial Company Limited ("Fujian Sinco"), an indirect wholly-owned subsidiary of the Company, and Fuzhou Gaojia Real Estate Development Co., Ltd ("Fuzhou Gaojia"), which is beneficially owned by Mr. Guo Jiadi, a director of the Company, entered into two sale and purchase agreements in relation to the acquisition of two PRC companies involving in property development projects in the PRC and the relevant shareholder's loan. Pursuant to the sale and purchase agreement, Fujian Sinco had paid approximately HK\$225,506,000 (equivalent to RMB200,000,000) as a deposit within 10 business day after signing the sale and purchase agreement. This transaction constituted a major acquisition and connected transaction of the Company and further details were disclosed in the announcement dated 15 December 2016 and circular dated 16 March 2017; and note 39 and 43.

附註：

- (i) 二零一六年十二月十五日，福建先科實業有限公司（「福建先科」，本公司一間間接全資附屬公司）與福州高佳房地產開發有限公司（「福州高佳」，由本公司董事郭加迪先生實益擁有）就收購參與中國物業開發項目的兩間中國公司及相關股東貸款，訂立兩份買賣協議。根據買賣協議，福建先科於簽署買賣協議後十個營業日內支付約225,506,000港元（相當於人民幣200,000,000元）作為按金。該交易構成本公司之主要收購及關連交易，進一步詳情於日期為二零一六年十二月十五日的公告及日期為二零一七年三月十六日的通函以及附註39及43內披露。

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21. DEPOSIT FOR ACQUISITION OF COMPANIES/OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(ii) Movements in the provision for impairment of other receivables are as follows:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
At 1 April	於四月一日	360	381
Exchange adjustment	匯兌調整	(22)	(21)
At 31 March	於三月三十一日	338	360

The carrying amounts of the other receivables that were neither past due nor impaired relate to other debtors for whom there was no recent history of default.

21. 收購公司／其他應收款項、按金及預付款項 (續)

(ii) 其他應收款項之減值撥備變動如下：

並無逾期亦無減值之其他應收款項之賬面值與其他並無近期欠款記錄之債務人有關。

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22. ACCOUNTS RECEIVABLE

22. 應收賬款

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Accounts receivable	應收賬款	5,441	3,975

A credit period of 30 days (2016: 30 days) is granted to the tenants, while the Group normally received rental income one month in advance. The Group seeks to maintain strict control over its outstanding receivables to recognised credit risk, with overdue balances regularly reviewed by senior management. Accounts receivable are generally non-interest bearing and their carrying amounts approximate their fair values. The Group did not hold any collateral over these balances.

本集團通常提早30日(二零一六年: 30日)收訖租金。本集團嚴格控制未償還之應收款項,以確認信貸風險,而高級管理層亦會定期審閱逾期結餘。應收賬款一般為免息,其賬面值與公平值相若。本集團並無就該等結餘持有任何抵押品。

The ageing analysis of the accounts receivable as at the end of reporting period, based on the invoice date, was as follows:

以下為於報告期末根據發票日期計算應收賬款之賬齡分析:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
0 – 90 days	0至90日	2,879	3,255
91 – 180 days	91至180日	1,006	211
Over 180 days	180日以上	1,556	509
		5,441	3,975

The ageing of accounts receivable which are past due but not impaired are as follows:

以下為逾期但尚未減值之應收賬款賬齡:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
0 – 90 days	0至90日	2,064	873
91 – 180 days	91至180日	644	134
Over 180 days	180日以上	1,414	471
		4,122	1,478

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23. LOAN RECEIVABLES

The loan receivables are unsecured, interest bearing at fixed rate of 5% per annum and repayable according to the date specified in the respective loan agreements. Details of the significant loan arrangements entered into by the Group during the year are set out in the Company's announcements dated 3 May 2016, 16 June 2016, 22 August 2016, 9 November 2016 and 10 November 2016.

The maturity profile of these loan receivables, net of impairment losses recognised, if any, at the end of the reporting period, analysed by the remaining periods to their contracted maturities, is as follows:

Within 1 year

1年內

259,332

—

The loan receivables have been reviewed by the management of the Group to assess impairment which are based on the evaluation of collectability and credit history, including default or delay on payments, settlement records, and subsequent settlements of the respective loan receivables.

As at 31 March 2017, the directors considered that no impairment loss on loan receivables is necessary as the loan receivables have been subsequently settled or are not yet past due (2016: HK\$Nil).

23. 應收貸款

應收貸款無抵押、按5%的固定年利率計息，並應按各貸款協議指定日期償還。本集團於本年度訂立的重重大貸款安排詳情載於本公司日期為二零一六年五月三日、二零一六年六月十六日、二零一六年八月二十二日、二零一六年十一月九日及二零一六年十一月十日的公告。

該等應收貸款經扣除已確認減值虧損（如有），按剩餘合約期間分析，於報告期末的到期情況如下：

2017	2016
HK\$'000	HK\$'000
二零一七年	二零一六年
千港元	千港元

應收貸款經本集團管理層審核，根據賬目的可收回性及信貸記錄，包括違約或延期付款、結算記錄，以及後續結算各項應收款項。

於二零一七年三月三十一日，董事認為，由於應收貸款已隨後結清或尚未逾期，因此應收貸款並無減值虧損（二零一六年：零港元）。

24. INVESTMENTS HELD FOR TRADING

Equity securities listed in Hong Kong, at fair value

香港上市股本證券，按公平值

130,663

184,325

Debt securities listed in Hong Kong, at fair value

香港上市債務證券，按公平值

33,424

32,164

164,087

216,489

24. 持作買賣投資

2017	2016
HK\$'000	HK\$'000
二零一七年	二零一六年
千港元	千港元

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24. INVESTMENTS HELD FOR TRADING

(continued)

The above equity and debt securities are classified as investments held for trading as they have been acquired principally for the purpose of selling in the near term, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Changes in their fair values are recorded in profit or loss (note 10).

As at 31 March 2017, the investments held for trading represented an investment portfolio comprising 7 equity securities (2016: 7) listed in Hong Kong and 1 debt securities (2016: 1) listed in Hong Kong. All of them are securities listed on the Main Board of the Stock Exchange.

25. CASH AND CASH EQUIVALENTS

At 31 March 2017, the cash and cash equivalents denominated in RMB amounted to approximately HK\$20 million (2016: HK\$58 million). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations. The remaining balance of the cash and cash equivalents of the Group was denominated in Hong Kong dollar.

26. SHARE CAPITAL

24. 持作買賣投資 (續)

上述股本及債務證券分類為持作買賣投資，原因為其收購目的主要為於短期內出售，或作為集中管理之已識別金融工具組合一部分，且有跡象顯示其近期確實出現短期獲利回吐交易模式。其公平值變動已計入收益表（附註10）。

於二零一七年三月三十一日，持作買賣投資指一項投資組合，當中包含7支於香港上市之股本證券（二零一六年：7支）以及1支於香港上市之債務證券（二零一六年：1支）。該等證券全部為於聯交所主板上市之證券。

25. 現金及現金等值

於二零一七年三月三十一日，現金及現金等值約20,000,000港元（二零一六年：58,000,000港元）以人民幣計值。人民幣兌換為外幣須受中國外匯管理條例及結匯、售匯及付匯管理規定限制。本集團現金及現金等值之餘額以港元計值。

26. 股本

	2017 No. of shares '000 二零一七年 股份數目 千股	2017 Amount HK\$'000 二零一七年 金額 千港元	2016 No. of shares '000 二零一六年 股份數目 千股	2016 Amount HK\$'000 二零一六年 金額 千港元
Authorised:				
Ordinary shares of HK\$0.01 each		200,000,000	200,000,000	2,000,000
Convertible preference shares		602,000	602,000	6,020

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26. SHARE CAPITAL (continued)

26. 股本 (續)

		2017 No. of shares '000 二零一七年 股份數目 千股	2017 Amount HK\$'000 二零一七年 金額 千港元	2016 No. of shares '000 二零一六年 股份數目 千股	2016 Amount HK\$'000 二零一六年 金額 千港元
Issued and fully paid:	已發行及繳足：				
Ordinary Shares	普通股				
At beginning of the year	年初	2,473,387	24,734	687,053	6,871
Issue of ordinary shares:	發行普通股：				
– Placing (Note (i))	– 配售 (附註(i))	159,996	1,600	137,410	1,374
– Right issue (Note (ii))	– 供股 (附註(ii))	–	–	1,648,924	16,489
– Conversion of convertible preference share (Note (iv))	– 轉換可換股優先股 (附註(iv))	713,018	7,130	–	–
At end of the year	年終	3,346,401	33,464	2,473,387	24,734
Convertible preference shares	可換股優先股				
At beginning of the year	年初	401,667	283,858	401,667	283,858
Conversion of convertible preference share (Note (iv))	轉換可換股優先股 (附註(iv))	(401,667)	(283,858)	–	–
At end of the year	年終	–	–	401,667	283,858
Conversion to ordinary shares	轉換普通股				
At beginning of the year	年初	713,018	283,858	401,667	283,858
Adjusted during the year (Note (iii))	年內調整 (附註(iii))	–	–	311,351	–
Conversion of convertible preference share (Note (iv))	轉換可換股優先股 (附註(iv))	(713,018)	(283,858)	–	–
At end of the year	年終	–	–	713,018	283,858

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

26. SHARE CAPITAL (continued)

Notes:

- (i) On 15 May 2015, the Company issued 137,410,000 shares with par value of HK\$0.01 each, at a price of HK\$0.37 per share by way of a placing. The net proceeds from the placing, after deducting the related placing commission, professional fees and all related expenses, is approximately HK\$49,520,000, out of which HK\$1,374,000 and HK\$48,146,000 were recorded in share capital and share premium respectively.

On 8 September 2016, the Company issued 159,996,000 shares with par value of HK\$0.01 each, at a price of HK\$0.24 per share by way of a placing. The net proceeds from the placing, after deducting the related placing commission, professional fees and all related expenses, is approximately HK\$37,389,000, out of which approximately HK\$1,600,000 and HK\$35,789,000 were recorded in share capital and share premium respectively.

- (ii) On 4 February 2016, the Company issued 1,648,924,892 shares with par value of HK\$0.01 each, at a price of HK\$0.20 per share by way of a right issue ("Right Shares"). The net proceeds from the right issue, after deducting the related right issue commission, professional fees and all related expenses, is approximately HK\$323,496,000, out of which HK\$16,489,000 and HK\$307,007,000 were recorded in share capital and share premium respectively.
- (iii) The convertible preference shares (the "CPS") have been adjusted for the effect of the right issue on 4 February 2016.
- (iv) On 19 September 2016, the Company received written notice issued by the holders of CPS for a full conversion of the CPS at the conversion price of HK\$1.69 per share. On 28 September 2016, the Company issued 713,017,750 new ordinary shares with par value of HK\$0.01. Approximately HK\$7,130,000 and HK\$276,728,000 were recorded in share capital and share premium respectively after the conversion of CPS.

All the shares issued during the year rank pari passu with the existing shares in all respects.

26. 股本 (續)

附註：

- (i) 於二零一五年五月十五日，本公司以配售方式按每股0.37港元之價格發行137,410,000股股份，每股面值0.01港元。配售所得款項淨額（經扣除相關配售佣金、專業費用及所有相關開支後）約為49,520,000港元，其中1,374,000港元及48,146,000港元分別於股本及股本溢價記錄。

於二零一六年九月八日，本公司以配售方式按每股0.24港元之價格發行159,996,000股股份，每股面值0.01港元。配售所得款項淨額（經扣除相關配售佣金、專業費用及所有相關開支後）約為37,389,000港元，其中約1,600,000港元及35,789,000港元分別於股本及股本溢價記錄。

- (ii) 於二零一六年二月四日，本公司以供股方式按每股0.20港元之價格發行1,648,924,892股股份，每股面值0.01港元（「供股股份」）。供股所得款項淨額（經扣除相關供股佣金、專業費用及所有相關開支後）約為323,496,000港元，16,489,000港元及307,007,000港元分別於股本及股本溢價記錄。
- (iii) 可換股優先股（「可換股優先股」）就於二零一六年二月四日供股影響而作出調整。
- (iv) 二零一六年九月十九日，本公司收到可換股優先股持有人發出的書面通知，按每股1.69港元的換股價悉數轉換可換股優先股。二零一六年九月二十八日，本公司發行713,017,750股面值為0.01港元的新普通股。轉換可換股優先股後，分別錄得約7,130,000港元的股本及276,728,000港元的股份溢價。

年內發行的所有股份在所有方面均與現有股份具有同等權益。

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27. CONVERTIBLE PREFERENCE SHARES

On 30 January 2012, the Company issued 601,666,666 convertible preference shares, in which 200,000,000 shares were converted into ordinary shares in 2012. One convertible preference share of notional value of HK\$1.69 each (The notional value was HK\$3 each before the rights issue on 4 February 2016) shall be convertible into one new ordinary share, subject to adjustment in the customary manner, including share consolidations, share sub-division, capitalisation issues, capital distributions, rights issues and issues of other securities for cash as discount of more than 20%. The convertible preference shares rank (a) in priority to the ordinary shares of the Company and any other class of shares to return of capital; and (b) pari passu with ordinary shares of the Company as to any dividends accumulated on the convertible preference shares. The convertible preference shares do not carry any voting rights. The convertible preference shares are non-redeemable and are not listed on any stock exchange. The fair value of the convertible preference shares at the initial recognition was credited to convertible preference shares.

All the remaining 401,666,666 convertible preference shares were converted into ordinary shares during the year ended 31 March 2017 (2016: Nil).

28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company operates an equity-settled, share-based compensation plan for the purpose of providing incentives and rewards to eligible participants for their contribution to the success of the Group's operations. Pursuant to this objective, an ordinary resolution was passed at the annual general meeting of the Company held on 23 November 2001 for approval of adoption of a share option scheme (the "Old Scheme").

Eligible participants of the Old Scheme include directors and employees of the Company and its subsidiaries. The Old Scheme was terminated on 16 September 2011. As at 31 March 2016, there was no outstanding share options under the Old Scheme.

27. 可換股優先股

於二零一二年一月三十日，本公司發行601,666,666股可換股優先股，其中200,000,000股股份於二零一二年轉換為普通股。一股名義價值為1.69港元（於二零一六年二月四日供股前之名義價值為每股3港元）之可換股優先股可轉換為一股新普通股，可在慣常情況（包括股份合併、股份拆細、資本化發行、股本分派、供股及按折讓率多於20%發行其他證券以換取現金）下予以調整。可換股優先股(a)較本公司普通股及任何其他類別股份優先獲發還股本；及(b)就可換股優先股累計之任何股息而言，與本公司普通股具有同等地位。可換股優先股並無任何表決權。可換股優先股不可贖回，亦未有於任何證券交易所上市。於初步確認時，可換股優先股之公平值已計入可換股優先股。

截至二零一七年三月三十一日止年度餘下全數401,666,666股可換股優先股轉換為普通股（二零一六年：無）。

28. 權益結算以股份為基準之交易

本公司設有權益結算以股份為基準之補償計劃，作為向曾為本集團業務成功作出貢獻之合資格參與者提供獎勵及回報。根據此目的，於二零零一年十一月二十三日舉行之本公司股東週年大會上通過一項普通決議案，批准採納一項購股權計劃（「舊計劃」）。

舊計劃之合資格參與者包括本公司及其附屬公司之董事及僱員。舊計劃已於二零一一年九月十六日終止。於二零一六年三月三十一日，概無舊計劃項下尚未行使之購股權。

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28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

At the annual general meeting of the Company held on 16 September 2011, the shareholders of the Company approved the adoption of a share option scheme (the "Share Option Scheme") and the termination of the Old Scheme.

The purpose of the Share Option Scheme is to provide the Company with a flexible and effective means of incentivising, rewarding, remunerating, compensating and/or providing benefits to the participants. There appears to be no material difference between the terms of the Old Scheme and Share Option Scheme, other than the scope of participants which, under the Share Option Scheme, is more specific than that covered under the Old Scheme. The Share Option Scheme covers any employee (full time and part time) holding salaries, consultants, agents, contractors, consumers and suppliers as the Board in its sole discretion considers eligible. Moreover, in relation to the various circumstances under which an Option will forfeit, e.g. death and termination of employment, the periods following such circumstances during which an option-holder may exercise their options are different under the two schemes.

The exercise price, vesting period, the exercisable period and the number of shares subject to each option will be determined by the Board at the time of grant.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme is an amount equivalent, upon their exercise, to 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

28. 權益結算以股份為基準之交易 (續)

於二零一一年九月十六日舉行之本公司股東週年大會上，本公司股東批准採納一項購股權計劃（「購股權計劃」）並終止舊計劃。

購股權計劃旨在為本公司帶來靈活彈性及提供有效方法向參與者提供嘉許、獎勵、酬金、補償及／或福利。舊計劃與購股權計劃之條款並無重大差異，惟根據購股權計劃，參與者之範圍較舊計劃更明確。購股權計劃涵蓋董事會全權酌情認為合資格之任何全職及兼職受薪僱員、顧問、代理、承辦商、消費者及供應商。此外，根據兩項計劃，就將導致購股權沒收之各種情況（如身故及終止受僱）而言，發生該等情況後購股權持有人可行使購股權之期限有別。

董事會將於授出購股權時釐定每份購股權之行使價、歸屬期、行使期及所涉及股份數目。

現時獲准按購股權計劃授出尚未行使購股權之數目上限，相等於該等購股權獲行使時本公司於任何時間已發行股份之30%。於任何十二個月期間內根據購股權可向購股權計劃各合資格參與者發行之股數上限，以本公司於任何時間已發行股份之為限。如進一步授出之購股權超逾此限額，須在股東大會上取得股東批准。

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28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

Share options granted to a director or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within the date specified in the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the share options or the expiry date of the new share option scheme, if earlier.

On 22 February 2016, a total of 46,000,000 shares options were granted to the directors, consultants and employees of the Group at a cash consideration of HK\$1 per grantee which entitle the grantees to subscribe for new ordinary shares of the Company at an exercise price of HK\$0.285 per share. Details of the vesting period of these share options are disclosed in note 28(b)(ii).

28. 權益結算以股份為基準之交易 (續)

向本公司董事或主要股東或彼等任何聯繫人士授出購股權前，須事先取得本公司獨立非執行董事批准。此外，如於任何十二個月期間內向本公司主要股東或獨立非執行董事或彼等任何聯繫人士授出之任何購股權所涉及股份超出本公司於任何時間已發行股份之0.1%而總值（按本公司股份於授出日期之價格計算）超出5,000,000港元，須事先在股東大會上取得股東批准。

授出購股權之建議於建議訂明之期間內可供接納，承授人於接納時須支付合共1港元之象徵式代價。所授出購股權之行使期由本公司董事釐定，並於若干歸屬期結束後開始，而結束日期不會遲於購股權授出日期起計十年或新購股權計劃之屆滿日（以較早者為準）。

於二零一六年二月二十二日，合共46,000,000份購股權已授予本集團之董事、顧問及僱員，每名承授人須支付現金代價1港元。承授人可憑購股權按每股0.285港元之行使價認購本公司新普通股。該等購股權之歸屬期詳情於附註28(b)(ii)披露。

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28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

- (a) The terms and conditions of the share options that existed at 31 March 2017 and 2016 are as follows:

Date of grant	Vesting period (Note 28(b)(iii))	Exercise period	Contractual exercise price	Contractual life of options	Number of options	
授出日期	歸屬期 (附註28(b)(iii))	行使期	合約行使價	購股權之合約有效期	2017	2016
					購股權數目	
					二零一七年	二零一六年

Options granted to ex-directors:

授予前董事之購股權：

22 February 2016	Immediately to 3 years from the date of grant	22 February 2016 to 21 February 2022	HK\$0.285	6 years	2,500,000	-
二零一六年二月二十二日	即時至自授出日期起計三年	二零一六年二月二十二日至二零二二年二月二十一日	0.285港元	6年	2,500,000	-

Options granted to directors:

授予董事之購股權：

22 February 2016	Immediately to 3 years from the date of grant	22 February 2016 to 21 February 2022	HK\$0.285	6 years	2,400,000	12,400,000
二零一六年二月二十二日	即時至自授出日期起計三年	二零一六年二月二十二日至二零二二年二月二十一日	0.285港元	6年	2,400,000	12,400,000

28. 權益結算以股份為基準之交易 (續)

- (a) 以下為於二零一七年及二零一六年三月三十一日存在之購股權條款及條件：

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28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

(a) (continued)

Date of grant	Vesting period (Note 28(b)(ii))	Exercise period	Contractual exercise price	Contractual life of options	Number of options	
授出日期	歸屬期 (附註28(b)(ii))	行使期	合約行使價	購股權之合約有效期	2017	2016
					購股權數目	
					二零一七年	二零一六年
Options granted to employees and consultants:						
授予僱員及顧問之購股權：						
22 February 2016	Immediately to 3 years from the date of grant	22 February 2016 to 21 February 2022	HK\$0.285	6 years	26,100,000	33,600,000
二零一六年二月二十二日	即時至自授出日期起計三年	二零一六年二月二十二日至二零二二年二月二十一日	0.285港元	6年	26,100,000	33,600,000
					31,000,000	46,000,000

As at 31 March 2017, the Company had 31,000,000 (2016: 46,000,000) share options outstanding under the Share Option Scheme, which represented approximately 0.93% (2016: 1.86%) of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 31,000,000 (2016: 46,000,000) additional ordinary shares of the Company and additional share capital of HK\$310,000 (2016: HK\$460,000) and share premium of HK\$8,525,000 (2016: HK\$12,650,000) (before issue expenses).

於二零一七年三月三十一日，本公司已擁有購股權計劃下31,000,000份（二零一六年：46,000,000份）未行使購股權，約佔本公司於該日已發行股份的0.93%（二零一六年：1.86%）。在本公司現時資本架構下，悉數行使剩餘購股權會導致本公司發行31,000,000股（二零一六年：46,000,000股）額外普通股以及額外股本310,000港元（二零一六年：460,000港元）及股份溢價8,525,000港元（二零一六年：12,650,000港元）（未計及發行開支）。

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

28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

- (b) The number and weighted average exercise prices of share options are as follows:

28. 權益結算以股份為基準之交易 (續)

- (b) 購股權數目及加權平均行使價如下：

		2017		2016	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		HK\$		HK\$	
		二零一七年		二零一六年	
		加權平均行使價	購股權數目	加權平均行使價	購股權數目
		港元		港元	
Outstanding at beginning of year	年初尚未行使	0.285	46,000,000	9.35	3,100,000
Forfeited during the year (note i)	年內沒收 (附註i)	0.285	(15,000,000)	9.35	(3,100,000)
Granted during the year (note ii)	年內授出 (附註ii)	0.285	–	0.285	46,000,000
Outstanding at end of year	年終尚未行使	0.285	31,000,000	0.285	46,000,000
Exercisable at end of year	年終可予行使	0.285	18,000,000	0.285	11,500,000

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28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

(b) (continued)

Notes:

- (i) 15,000,000 share options were forfeited during the year ended 31 March 2017 (2016: 3,100,000 share options) due to resignation of the grantees.
- (ii) The share options were granted to directors, employees and consultants on 22 February 2016. It shall be exercisable during the period from the date of grant, first, second and third anniversary of the date of grant respectively in the following manner:
 - (a) 25% of the option will be exercisable during the period from the date of grant;
 - (b) 25% of the option will be exercisable during the period from the first anniversary of the date of grant;
 - (c) 25% of the option will be exercisable during the period from the second anniversary of the date of grant;
 - (d) 25% of the option will be exercisable during the period from the third anniversary of the date of grant.

The fair value of the share options amounted to HK\$6,548,000 was calculated using the Binomial model by Chung Hin Appraisal Limited. The following assumptions were used to calculate the fair value of share options granted at grant date:

Grant date	22 February 2016
Valuation date	22 February 2016
Share price	0.285
Exercise price (HK\$)	0.285
Expected volatility	63.39%
Risk-free rate	1.17%
Early exercise multiple	220%
Dividend yield	0%
Vesting period	1 to 4 years

28. 權益結算以股份為基準之交易 (續)

(b) (續)

附註：

- (i) 15,000,000份(二零一六年：3,100,000份)購股權因承授人離職而於截至二零一七年三月三十一日止年度失效。
- (ii) 於二零一六年二月二十二日授予董事、僱員及顧問之購股權。其須分別於授出日期、授出日期一週年、兩週年及三週年起期間內按以下方式行使：
 - (a) 於授出日期起期間內將可行使25%購股權；
 - (b) 於授出日期一週年起期間內將可行使25%購股權；
 - (c) 於授出日期兩週年起期間內將可行使25%購股權；
 - (d) 於授出日期三週年起期間內將可行使25%購股權。

購股權之公平值為6,548,000港元由中衍評值有限公司採用二項式模型計算。以下假設用於計算於授出日期授出之購股權公平值：

授出日期	二零一六年 二月二十二日
估值日期	二零一六年 二月二十二日
股價	0.285
行使價(港元)	0.285
預期波幅	63.39%
無風險利率	1.17%
提早行使乘數	220%
股息收益率	0%
歸屬期	一至四年

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

28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

(b) (continued)

Notes: (continued)

(ii) (continued)

Annualised historical price volatility of the Company as at the valuation date is deemed to be appropriate to serve as the expected volatility of the ordinary shares of the Company and is assumed to be constant and prevailing.

Yield to maturity in continuous compounding of Hong Kong Exchange Fund Note with the time to maturity similar to those of the share options is adopted as the risk-free rate.

The options were expected to be exercised when the share price of the underlying security of the options rises to 220% of the exercise price.

For the past ten years to the valuation date, no dividend has been declared and paid for the shareholders of the Company. Dividend yield is assumed to be zero in the Binomial model.

The Group recognised the total expense of HK\$1,611,000 for the year ended 31 March 2017 (2016: HK\$1,824,000), in relation to the options granted by the Company.

(iii) The exercise price of the share options is determinable by the directors of the Company, but may not be less than the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of the grant; and (iii) the nominal value of the Company's shares.

The options outstanding at the year end of the 31 March 2017 have a weighted average remaining contractual life of 4.9 years (2016: 5.9 years).

28. 權益結算以股份為基準之交易 (續)

(b) (續)

附註：(續)

(ii) (續)

本公司於估值日期之年度化歷史價格波幅作為本公司普通股之預期波幅被視為適當，並假設為不變及現行。

採用到期時間與購股權類似之香港外匯基金票據持續複合計算之到期收益率作為無風險利率。

購股權預期於購股權相關證券之股價上升至行使價220%時行使。

過去十年至估值日期，概無宣佈及派付股息予本公司股東。二項式模型假設股息收益率為零。

本集團就本集團授予的期權，確認截至二零一七年三月三十一日止年度的總開支1,611,000港元（二零一六年：1,824,000港元）。

(iii) 購股權行使價由本公司董事釐定，惟不得低於以下各項之最高者：(i)本公司股份於建議授出購股權日期（須為交易日）在聯交所每日報價表所示收市價；(ii)本公司股份於緊接建議授出購股權日期前五個交易日在聯交所每日報價表所示平均收市價；及(iii)本公司股份面值。

於二零一七年三月三十一日年終尚未行使購股權之加權平均餘下合約期為4.9年（二零一六年：5.9年）。

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

29. OTHER PAYABLES AND ACCRUALS

		2017	2016
		HK\$'000	HK\$'000
		二零一七年	二零一六年
		千港元	千港元
Other payables and accruals	其他應付款項及應計費用	10,389	15,443
Deposits received from tenants	自租戶收取之按金	16,327	16,024
Accrued bank loan interests	累計銀行貸款利息	-	9,053
Received in advance	預收款項	9,036	8,705
		35,752	49,225

29. 其他應付款項及應計費用

30. DEFERRED TAXATION

(a) The followings are the deferred tax (assets)/liabilities recognised by the Group and the movements thereon during the current and prior years:

		Losses available for offset against future taxable profits		Accumulated tax depreciation		Total		
		Accumulated fair value gain	offset against future taxable profits	Accumulated tax depreciation			Total	
		Notes	HK\$'000	HK\$'000	HK\$'000			HK\$'000
		附註	累計 公平值 收益 千港元	可用作抵銷 未來應課稅 溢利之虧損 千港元	累計稅項 折舊 千港元			總計 千港元
At 1 April 2015	於二零一五年四月一日		703,767	(26,322)	49,597			727,042
Deferred tax (credit)/ expense to profit or loss	於收益表計入之遞延稅項 (抵免)/開支	12	24,194	(4,753)	13,168			32,609
Exchange adjustment	匯兌調整		(39,498)	1,558	(3,024)			(40,964)
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日 及二零一六年四月一日		688,463	(29,517)	59,741			718,687
Deferred tax (credit)/ expense to profit or loss	於收益表計入之遞延稅項 (抵免)/開支	12	(20,196)	(2,754)	12,617			(10,333)
Exchange adjustment	匯兌調整		(40,606)	1,821	(3,842)			(42,627)
At 31 March 2017	於二零一七年三月三十一日		627,661	(30,450)	68,516			665,727

30. 遞延稅項

(a) 以下為本集團於本年度及過往年度確認之遞延稅項(資產)/負債及其變動:

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綜合財務報表附註

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

30. DEFERRED TAXATION (continued)

(a) (continued)

For the purpose of presentation in the consolidated statement of financial position, the deferred tax assets and liabilities have been offset, and presented as follows for financial reporting purposes:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Deferred tax liabilities	遞延稅項負債	665,727	718,687

(b) Deferred income tax assets were recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of HK\$263,591,000 (2016: HK\$250,926,000) to be carried forward for offset against future taxable income which included tax losses of HK\$121,799,000 (2016: HK\$121,510,000) may be carried forward against future taxable income for a period of five years in accordance with the PRC tax law. The remaining tax losses may be carried forward indefinitely.

31. ACCOUNTS PAYABLE

The Group normally obtains credit terms ranging from 30 to 120 days from its suppliers. An ageing analysis of the accounts payable as at the end of reporting date, based on the receipt of goods purchased, was as follows:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Current or less than 1 month	即期或少於一個月	-	2
1 to 3 months	一至三個月	121	733
More than 3 months but less than 12 months	超過三個月但少於十二個月	-	192
More than 12 months	超過十二個月	3,405	4,240
		3,526	5,167

The directors consider that the carrying amount of the Group's accounts payable at 31 March 2017 and 2016 approximates their fair values.

30. 遞延稅項 (續)

(a) (續)

為於綜合財務狀況表呈列，遞延稅項資產及負債已抵銷，就財務報告目的而呈列如下：

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Deferred tax liabilities	665,727	718,687

(b) 遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損進行確認。本集團已取消確認用於轉結抵銷未來應課稅收入的263,591,000港元(二零一六年：250,926,000港元)稅項虧損，當中包括可根據中國稅務法律轉結抵銷未來五年應課稅收入的121,799,000港元(二零一六年：121,510,000港元)稅項虧損。餘下稅項虧損可無限期結轉。

31. 應付賬款

本集團通常獲供應商給予30日至120日信貸期。以下為於報告期末根據收訖所購貨品計算應付賬款之賬齡分析：

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Current or less than 1 month	-	2
1 to 3 months	121	733
More than 3 months but less than 12 months	-	192
More than 12 months	3,405	4,240
	3,526	5,167

董事認為，於二零一七年及二零一六年三月三十一日，本集團應付賬款之賬面值與其公平值相若。

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

32. BANK BORROWINGS

32. 銀行借貸

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Bank borrowings – secured (note (a))	銀行借貸 – 已抵押 (附註(a))	795,201	595,544
(a) Total current and non-current bank borrowings were repayable as follows:		(a) 即期及非即期銀行借貸總額須按以下方式償還：	
		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Loans repayable:	須償還貸款：		
Within one year	一年內	59,691	89,834
More than one year, but not exceeding two years	一年以上，但不超過兩年	65,103	92,438
More than two years, but not exceeding five years	兩年以上，但不超過五年	249,545	371,741
After five years	五年後	420,862	41,531
		795,201	595,544
Portion classified as current liabilities	分類為即期負債之部分	(59,691)	(89,834)
Portion classified as non-current liabilities	分類為非即期負債之部分	735,510	505,710

The amounts due are based on the scheduled repayment dates in the loan agreements. The loan agreements do not contain any repayment on demand clause.

到期款項乃以貸款協議之預定還款日期為基準。貸款協議並無任何應要求償還條款。

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

32. BANK BORROWINGS (continued)

(a) (continued)

At 31 March 2017 and 2016, the bank loans were secured/guaranteed by the followings:

- i) subsidiary's investment property with carrying value of approximately HK\$3,551,719,000 (2016: HK\$3,860,877,000);
- ii) rental proceeds over the investment property (2016: HK\$Nil);
- iii) corporate guarantee for the bank loan with principal amount of HK\$795,201,000 (2016: HK\$Nil) executed by the Company; and
- iv) personal guarantees for the bank loan with principal amount of HK\$795,201,000 (2016: HK\$129,495,000) executed by Mr. Guo Jiadi, director of the Company, and Ms. Shen Bizhen, the spouse of Mr. Guo Jiadi (2016: Mr. Guo Jiadi).

As at 31 March 2017, the bank loans include loan principal amounts of HK\$795,201,000 which bears interest at 5.88% per annum is repayable by instalments up to 31 December 2025 (2016: loan principal amounts of HK\$129,495,000 and HK\$497,597,000 which bore interest at 6.18% and 6.78% per annum respectively were repayable by instalments up to 26 September 2020 and 29 April 2021 respectively.)

32. 銀行借貸 (續)

(a) (續)

於二零一七年及二零一六年三月三十一日，銀行貸款使用以下各項抵押／擔保：

- i) 賬面值約3,551,719,000港元(二零一六年：3,860,877,000港元)的附屬公司投資物業；
- ii) 投資物業租金所得款項(二零一六年：零港元)；
- iii) 本公司就本金795,201,000港元(二零一六年：零港元)的銀行貸款簽立的企業擔保；及
- iv) 本公司董事郭加迪先生及郭加迪先生配偶沈碧珍女士(二零一六年：郭加迪先生)就本金795,201,000港元(二零一六年：129,495,000港元)的銀行貸款簽立的個人擔保。

於二零一七年三月三十一日，銀行貸款包括本金為795,201,000港元、按5.88%年利率計息並應於二零二五年十二月三十一日前分期償還的貸款(二零一六年：本金分別為129,495,000港元及497,597,000港元、分別按6.18%及6.78%年利率計息並應分別於二零二零年九月二十六日及二零二一年四月二十九日前分期償還的貸款)。

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33. BONDS AND NOTES PAYABLE

33. 應付債券及票據

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Current liabilities:	流動負債：		
Notes payable (note i)	應付票據 (附註i)		
– Convertible	– 可換股	–	64,872
– Non-convertible	– 不可換股	–	73,065
			–
			137,937
Non-current liabilities:	非流動負債：		
Bonds payable (note ii)	應付債券 (附註ii)	9,900	9,511
Total bonds and notes payable	應付債券及票據總額	9,900	147,448

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33. BONDS AND NOTES PAYABLE (continued)

Notes:

- (i) On 21 December 2015, the Company signed a notes subscription agreement and a linked warrants subscription agreement with an independent third party, Chance Talent Management Limited ("Chance Talent"). The notes are of principal amount of HK\$150,000,000 with 10% interest per annum (the "Notes") and the warrants entitled Chance Talent to subscribe for in aggregate up to a maximum amount of HK\$75,000,000 worth of warrant shares at the exercise price of lower of (i) HK\$0.40 per warrant share or (ii) the weighted volume average price of the warrant shares for the ten consecutive trading days immediately prior to the commencement of dealings in the Right Shares, subject to customary adjustment, (the "Warrants") at a consideration of HK\$0.01. In accordance with the notes subscription agreement, the issued Notes would become repayable and due if the Warrants is failed to issue within 5 months from the date of issue of the Notes. As a result, the issue of Notes and Warrants are linked transactions. Among the Notes of principal of HK\$150,000,000, HK\$75,000,000 was classified as convertible while HK\$75,000,000 was classified as non-convertible.

On 23 December 2015, the Notes were issued and the proceeds received by the Company were HK\$150,000,000 with total issued cost amounted to approximately HK\$4,400,000. The Notes are denominated in HK\$ and issued at par. Interest is payable semi-annually and the principal will be repaid when the Notes fall due on 22 December 2017. As at 31 March 2016, the Notes was immediately due and repayable as the Company had not yet fulfilled certain conditions that stated in the notes subscription agreement. As such, the Notes was classified as current liabilities.

Details of the issue of the unlisted warrants under specific mandate are set out in the Company's circular dated 15 April 2016.

Issue of the warrants were approved at the Company's special general meeting held on 10 May 2016.

33. 應付債券及票據 (續)

附註:

- (i) 於二零一五年十二月二十一日，本公司與一名獨立第三方Chance Talent Management Limited (「Chance Talent」) 簽訂一份票據認購協議及認股權證相關認購協議。票據為本金額150,000,000港元以年利率10%計息 (「票據」) 及認股權證賦予Chance Talent權利按以下行使價之較低者：(i) 每股認股權證股份0.40港元或(ii) 於緊接供股股份開始買賣前十個交易日認股權證股份的加權平均價 (經習慣調整) 認購總計價值最高金額為75,000,000港元之認股權證股份 (「認股權證」)，代價為0.01港元。根據票據認購協議，倘認股權證未能於自發行票據日期起計5個月內發行，則已發行票據將成為應償還及到期。因此，發行票據及認股權證為有關連交易。於本金額150,000,000港元票據中，75,000,000港元乃分類為可換股，而75,000,000港元分類為不可換股。

於二零一五年十二月二十三日，票據已發行及本公司已收取所得款項150,000,000港元，總發行成本約4,400,000港元。票據以港元計值並按面值發行。利息每半年支付，本金將於票據在二零一七年十二月二十二日到期時償還。於二零一六年三月三十一日，由於本公司尚未達成票據認購協議所述之若干條件，票據即時到期及須即時償還。因此，票據分類為流動負債。

根據特別授權發行非上市認股權證之詳情載於本公司日期為二零一六年四月十五日之通函。

發行認股權證於本公司於二零一六年五月十日舉行的股東特別大會上批准。

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

33. BONDS AND NOTES PAYABLE (continued)

Notes: (continued)

(i) (continued)

On 23 May 2016, the conditions precedent as set out in the warrants subscription agreement has been fulfilled and the issue of Warrants has been completed. The Company issued the Warrants at a total subscription price of HK\$0.01 to Chance Talent, entitling Chance Talent to subscribe for in aggregate up to a maximum amount of HK\$75,000,000 worth of warrant shares at the exercise price of HK\$0.24 per warrant share (the "Warrant Share") on or before 27 December 2017, or, if the Company requests for extension and Chance Talent agrees to such request, on or before 24 December 2018. Upon full exercise of the subscription rights attaching to the Warrants, a total of 312,500,000 Warrant Shares will be allotted and issued to the warrant holder.

On 18 January 2017, the Company had early redeemed all the Notes in accordance with notes subscription agreement. A loss of early redemption of Notes amounted to approximately HK\$5,025,000 was recognised during the year ended 31 March 2017.

The effective interest rates of the convertible and non-convertible Notes are 19.57% and 11.75% respectively. For the year ended 31 March 2017, interest expenses for the convertible and non-convertible Notes are approximately HK\$8,602,000 and HK\$9,323,000 respectively (2016: HK\$3,410,000 and HK\$2,342,000 respectively).

No warrant was exercised during the year.

(ii) On 24 July 2015, the Company issued 7% coupon bonds of principal amount of HK\$11,000,000 (the "Bonds") to certain independent third parties. The proceeds received by the Company were HK\$11,000,000, with total issued cost amounted to approximately HK\$1,700,000. The Bonds are denominated in HK\$ and issued at par. Interest is payable semi-annually and the principal will be repaid when the Bonds fall due on 23 July 2019. The effective interest rate of the Bonds is 12.08%. During the year ended 31 March 2017, interest expense for the Bonds is approximately HK\$1,160,000 (2016: HK\$773,000).

33. 應付債券及票據 (續)

附註：(續)

(i) (續)

於二零一六年五月二十三日，於認股權證認購協議所載先決條件已獲達成及已完成認股權證發行。本公司按總認購價0.01港元發行認股權證予Chance Talent，授權Chance Talent於二零一七年十二月二十七日或之前（或如本公司要求延期及Chance Talent同意該等要求，則於二零一八年十二月二十四日或之前）按行使價每股認股權證股份（「認股權證股份」）0.24港元認購最多總值75,000,000港元之認股權證股份。完全行使認股權證附帶之認購權後，合共312,500,000股認股權證股份將獲配發及發行予認股權證持有人。

於二零一七年一月十八日，本公司根據票據認購協議提前贖回所有票據。約5,025,000港元的提前贖回票據虧損於截至二零一七年三月三十一日止年度確認。

可換股及不可換股票據實際利率分別為19.57%及11.75%。截至二零一七年三月三十一日止年度，可換股及不可換股票據利息開支分別為8,602,000港元及9,323,000港元（二零一六年：3,410,000港元及2,342,000港元）。

年內並無行使認股權證。

(ii) 於二零一五年七月二十四日，本公司向若干獨立第三方發行本金額11,000,000港元票息7%債券（「債券」）。本公司已收取所得款項11,000,000港元，總發行成本為約1,700,000港元。債券乃以港元計值及按面值發行。利息為半年應付及本金將於債券於二零一九年七月二十三日到期時償還。債券實際利率為12.08%。截至二零一七年三月三十一日止年度，債券利息開支為約1,160,000港元（二零一六年：773,000港元）。

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綜合財務報表附註

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

33. BONDS AND NOTES PAYABLE (continued)

Both Bonds and Notes contain a liability component and an early redemption option. The Notes also contain an equity component.

Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the embedded derivatives. The interest charged on the Bonds, convertible Notes and non-convertible Notes for the year is calculated by applying effective interest rates of approximately 12.08%, 19.57% and 11.75% per annum respectively to the liability component since the Bonds and Notes were issued.

Equity component represented by the option to convert the liability component into ordinary shares of the Company, will remain in the convertible option reserve until the conversion option is exercised, in which case, the convertible option reserve and the carrying value of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. When the Notes are redeemed, and difference between the redemption amount and the carrying amounts of both components is recognised in profit or loss. Where the conversion option remains unexercised at the maturity date, the balance stated in the convertible option reserve will be released to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Early redemption options are regarded as embedded derivatives not closely related to the host contract. The directors consider that the fair value of the above early redemption options is insignificant on initial recognition and 31 March 2017 and 2016.

33. 應付債券及票據 (續)

債券及票據均包括負債部份及提早贖回選擇權。票據亦包括權益部份。

負債部份為合約約定的未來現金流量的現值。所使用的折讓率取自同期類似評級及提供大致相同現金流量，但不包括嵌入衍生工具的金融工具之通用市場利率。由於債券及票據已發行，本年度債券、可換股票據及不可換股票據負債部份所收取利息分別按每年實際利率約12.08%、19.57%及11.75%計算。

權益部分（即將負債部分兌換為本公司普通股之選擇權）保留於換股權儲備，直至行使換股權為止，在此情況下，兌換時換股權儲備及負債部分之賬面值將轉撥入股本及股份溢價作為已發行股份之代價。當票據獲贖回，贖回金額與兩個部分之賬面值間之差額於收益表確認。倘換股權於到期日仍未行使，換股權儲備之結餘將轉撥入保留溢利。換股權獲兌換或到期時不會於收益表確認任何盈虧。

提早贖回權被視為嵌入衍生工具而與主合約並無密切關連。董事認為，以上提早贖回選擇權之公平值於初步確認時及於二零一七年及二零一六年三月三十一日並不重大。

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綜合財務報表附註

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

34. NON-CONTROLLING INTEREST

Fujian Jiake, established on 24 September 2013 in the PRC and a 51% indirectly owned subsidiary of the Company, has material non-controlling interest (“NCI”). The registered capital is RMB216,000,000, in which RMB110,000,000 and RMB106,000,000 are attributable to Fujian Sinco and Fuzhou Gaojia respectively. Fuzhou Gaojia is beneficially owned and controlled by Mr. Guo Jiadi, a director and major shareholder of the Company. Fujian Sinco’s portion was paid up fully and RMB21,200,000 was paid up by Fuzhou Gaojia. The unpaid capital of RMB84,800,000 is required to be settled within one year since the date of establishment according to the cooperate agreement dated 7 August 2013.

On 30 July 2014, Fujian Sinco and Fuzhou Gaojia have entered into a supplemental agreement (the “Supplemental Agreement”) to amend the capital contribution schedule for Fujian Jiake. Pursuant to the Supplemental Agreement, the requirement of paying the remaining amount of capital contribution is extended to 24 months from the date of establishment of Fujian Jiake but shall not be later than the announcement of the land bidding result. Both parties also agreed that starting from 24 September 2014, Fuzhou Gaojia shall pay an interest to Fujian Jiake on the unpaid capital at an interest rate of 6% per annum and payable on a quarterly basis as Fujian Sinco has already made its entire contribution. Up to the year ended 31 March 2016, a interest of RMB6,360,000 (equivalent to approximately HK\$7,689,000) has been received and recognised as capital contribution.

On 20 January 2016, Fujian Sinco and Fuzhou Gaojia have entered into a project cooperation termination agreement (the “Termination Agreement”) to terminate the land bidding in Xi’an. Pursuant to the agreement, both parties agreed that starting from 1 January 2016, Fuzhou Gaojia terminated to pay any interest to Fujian Jiake on the unpaid capital at an interest rate of 6% per annum.

All the other subsidiaries are directly or indirectly wholly owned by the Company.

34. 非控股權益

福建佳科（於二零一三年九月二十四日在中國成立，為本公司間接擁有51%權益之附屬公司）擁有重大非控股權益（「非控股權益」）。其註冊資本為人民幣216,000,000元，福建先科及福州高佳分別應佔人民幣110,000,000元及人民幣106,000,000元。福州高佳由本公司董事兼主要股東郭加迪先生實益擁有及控制。福建先科之部分已繳足，而福州高佳已繳足人民幣21,200,000元。根據日期為二零一三年八月七日之合作協議，未繳股本人民幣84,800,000元須於成立日期起計一年內結清。

於二零一四年七月三十日，福建先科與福州高佳訂立補充協議（「補充協議」），修訂福建佳科之注資計劃。根據補充協議，支付餘下注資金額之規定延期至福建佳科成立日期起計二十四個月內，但不得遲於土地競投結果公佈之日。訂約雙方亦同意，自二零一四年九月二十四日起，福州高佳須就未付資金按年利率6%向福建佳科支付利息，並須按季度支付，原因為福建先科已作出其全額注資。截至二零一六年三月三十一日止年度，已收取利息人民幣6,360,000元（相當於約7,689,000港元）並確認為注資。

於二零一六年一月二十日，福建先科與福州高佳訂立項目合作終止協議（「終止協議」），以終止西安土地招標。根據該協議，雙方同意，自二零一六年一月一日起，福州高佳終止就未付資金向福建佳科支付年利率6%之任何利息。

所有其他附屬公司由本公司直接或間接全資擁有。

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34. NON-CONTROLLING INTEREST (continued)

Summarised financial information in relation to Fujian Jiake, before intra-group eliminations, is presented below:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
For the year ended 31 March	截至三月三十一日止年度		
Revenue	收益	–	–
(Loss)/profit for the year	本年度(虧損)/溢利	(7,830)	7,629
Loss allocated to NCI (note ii)	分配至非控股權益之虧損 (附註ii)	(3,843)	(475)
For the year ended 31 March	截至三月三十一日止年度		
Cash (outflows)/inflows from operating activities	經營活動之現金(流出)/流入	(10,279)	156,340
Cash inflows from investing activities	投資業務之現金流入	556	–
Cash outflows from financing activities	融資活動之現金流出	(10,378)	(137,757)
Net cash (outflow)/inflows	現金(流出)/流入淨額	(20,101)	18,583
As at 31 March	於三月三十一日		
Current assets	流動資產	158,605	177,165
Current liabilities	流動負債	(2,596)	(3,122)
Net assets	資產淨值	156,009	174,043
Accumulated non-controlling interest	累計非控股權益	23,209	28,676

Notes:

- (i) Amount due from non-controlling interest is unsecured, interest-free and repayable on demand.
- (ii) In accordance with the Termination Agreement, Fuzhou Gaojia does not share all the compensation received from termination of the land bidding project including the interest income amounted to HK\$13,425,000 from the earnest monies placed at the land provider during the year ended 31 March 2016.

附註:

- (i) 應收非控股權益款項為無抵押、免息及須應要求償還。
- (ii) 根據終止協議，福州高佳並不分享所有從終止土地招標項目所收取之賠償，包括截至二零一六年三月三十一日止年度置於土地供應商之誠意金之利息收入13,425,000港元。

35. CONTINGENT LIABILITIES

At 31 March 2017 and 2016, the Company and the Group did not have any contingent liabilities.

35. 或然負債

於二零一七年及二零一六年三月三十一日，本公司及本集團並無任何或然負債。

Notes to the Consolidated Financial Statements

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

36. LEASES

The Group leases its office properties for the years ended 31 March 2017 and 2016. Leases for office properties are negotiated for term for three (2016: three) years.

The Group as lessee

The lease payment recognised as an expenses are as follows:

			2017	2016
		Note	HK\$'000	HK\$'000
		附註	二零一七年 千港元	二零一六年 千港元
Minimum lease payments	最低租金支出	13	2,040	1,940

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

			2017	2016
			HK\$'000	HK\$'000
			二零一七年 千港元	二零一六年 千港元
Within one year	一年內		1,700	2,040
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)		-	1,700
			1,700	3,740

The Group as lessor

The Group's shopping mall was leased to a number of tenants for varying terms.

			2017	2016
			HK\$'000	HK\$'000
			二零一七年 千港元	二零一六年 千港元
Not later than one year	一年內		55,930	53,974
Later than one year and not later than five years	一年後但五年內		117,826	87,563
Later than five years	五年後		125,070	81,815
			298,826	223,352

36. 租賃

本集團於截至二零一七年及二零一六年三月三十一日止年度租用其辦公室物業。辦公室物業之租賃經磋商後為期三(二零一六年:三)年。

本集團作為承租人

確認為開支之租金支出如下:

			2017	2016
		Note	HK\$'000	HK\$'000
		附註	二零一七年 千港元	二零一六年 千港元
Minimum lease payments	最低租金支出	13	2,040	1,940

本集團根據不可撤銷經營租賃於以下期限到期之未來最低租金支出總額如下:

			2017	2016
			HK\$'000	HK\$'000
			二零一七年 千港元	二零一六年 千港元
Within one year	一年內		1,700	2,040
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)		-	1,700
			1,700	3,740

本集團作為出租人

本集團之購物商場已按不同期限出租予多名租戶。

			2017	2016
			HK\$'000	HK\$'000
			二零一七年 千港元	二零一六年 千港元
Not later than one year	一年內		55,930	53,974
Later than one year and not later than five years	一年後但五年內		117,826	87,563
Later than five years	五年後		125,070	81,815
			298,826	223,352

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37. CAPITAL COMMITMENTS

At 31 March 2017 and 2016, the Group had the following commitments:

Capital commitments contracted but not provided for: 已訂約但未撥備之資本承擔:
Construction in progress (Note) 在建工程 (附註)

2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
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270,616	10
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Note:

During the year, Fujian Sinco has entered into an agreement (the "Refurbishment Agreement") in respect of the refurbishment work on its investment property (the "Refurbishment") with an independent contractor (the "Contractor"). The estimated contract sum of the Refurbishment is RMB240 million, and Fujian Sinco has paid RMB240 million as a deposit (the "Refurbishment Deposit") for the Refurbishment during the year. According to the Refurbishment Agreement, the time of completion of the Refurbishment shall be 300 days. As at the end of the reporting period of these financial statements, the Refurbishment has not commenced.

During the year, Fujian Sinco has entered into a loan agreement with the Contractor and pursuant to which, a loan in the sum of RMB240 million (the "Contractor Loan") has been granted to Fujian Sinco by the Contractor. The Contractor Loan is unsecured, interest-free and repayable in the earlier of the date of completion of the Refurbishment or five years.

After taking into account the substance and overall commercial effect of these transactions by the directors in the context of the aspects and implications of these transactions as a whole, for the financial reporting purpose, these transactions are regarded as a single linked transaction and accordingly, the Refurbishment Deposit and the Contractor Loan are not separately presented in the Group's consolidated financial statements. As at the end of the reporting period, the contract sum of the Refurbishment amounted to HK\$270,607,000 (equivalent to RMB240,000,000) is thereon disclosed as the Group's capital commitment in the consolidated financial statements.

38. NOTE SUPPORTING STATEMENT OF CASH FLOWS

Save as disclosed elsewhere in these consolidated financial statements, the significant non-cash transaction is as follows:

Investment activity
Reclassification of financial assets at fair value through profit or loss from deposit for subscription of exchangeable bonds

投資活動
認購可交換債券之按金之按公平值計入損益之財務資產重新分類

142,777

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37. 資本承擔

於二零一七年及二零一六年三月三十一日，本集團有以下承擔：

2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
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270,616	10
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附註：

年內，福建先科與一名獨立承包商（「承包商」）就其投資物業之翻新工程（「翻新」）訂立一份協議（「翻新協議」）。翻新之估計合約總額為人民幣240,000,000元，福建先科年內已支付人民幣240,000,000元作為翻新之按金（「翻新按金」）。根據翻新協議，完成翻新之時間須為300天。於該等財務報表報告期末，翻新尚未開始。

於年內，福建先科已與承包商訂立貸款協議，據此承包商已向福建先科授出總額人民幣240,000,000元之貸款（「承包商貸款」）。承包商貸款為無抵押、免息及須於翻新完成日期或五年（以較早者為準）償還。

鑒於整體而言該等交易之各個方面及涵義，董事於考慮該等交易之內容及總體商業影響後，就財務報告目的，該等交易被視為一項單獨關連的交易，因此翻新按金及承包商貸款並未在本集團之綜合財務報表中單獨呈列。於報告期末，翻新之合約總額270,607,000港元（相等於人民幣240,000,000元）於綜合財務報表內披露為本集團之資本承擔。

38. 現金流量報表支持附註

除本綜合財務報表另有披露者外，重大非現金交易如下：

2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
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Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. RELATED PARTIES TRANSACTIONS

Save as those disclosed elsewhere in the consolidated financial statements, details of the Group's significant related parties transactions as at follows:

(a) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the year was as follows:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	5,085	7,186
Post-employment benefits	離職後福利	58	73
		5,143	7,259

(b) Transactions/balances with related parties

- (i) Amounts due from/(to) related parties are unsecured, interest-free and repayable on demand. Maximum amount due from a related party during the year was HK\$158,000 (2016: HK\$ Nil).
- (ii) Mr. Guo Jiadi, being the chairman and an Executive Director of the Company and Ms. Shen Bizhen (the spouse of Mr. Guo Jiadi) (2016: Mr. Guo Jiadi) have granted a guarantee to a bank for the bank loan with principal amount of approximately HK\$795,201,000 (2016: HK\$129,495,000), for due performance of the covenants of bank facilities granted to a subsidiary of the Company.
- (iii) During the year ended 31 March 2017, a rental agreement for leasing a portion of a floor of the shopping mall in Fuzhou was entered into between the Group and a company of which Mr. Guo Jiadi was beneficially interested in. Rental income charged for the year amounted to approximately HK\$784,000 (2016: HK\$882,000).

39. 有關連人士之交易

除綜合財務報表其他章節披露者外，本集團重要有關連人士之交易詳情如下：

(a) 主要管理人員之補償

於本年度，董事及其他主要管理層成員之酬金如下：

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Salaries and other short-term employee benefits	5,085	7,186
Post-employment benefits	58	73
	5,143	7,259

(b) 與有關連人士之交易／結餘

- (i) 應收／(應付)有關連人士款項為無抵押、免息及須應要求償還。年內應收有關連人士最高款項為158,000港元(二零一六年：零港元)。
- (ii) 郭加迪先生(即本公司主席兼執行董事)與沈碧珍女士(郭加迪先生之配偶)就本金約795,201,000港元(二零一六年：129,495,000港元)的銀行貸款向銀行提供擔保，以妥為履行向本公司附屬公司授予的銀行信貸契諾。
- (iii) 截至二零一七年三月三十一日止年度，本集團與由郭加迪先生實益擁有之公司就租用福州一個購物商場一樓層部分訂立租賃協議。本年度收取之租金收入約為784,000港元(二零一六年：882,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. RELATED PARTY TRANSACTIONS (continued)

(b) Transactions/balances with related parties

(continued)

- (iv) During the year ended 31 March 2016, an underwriter agreement for right issue of the Company's share was entered into between the Group and a company of which Mr. Guo Jiadi was beneficially interested in. Commission for underwriting for the year ended 31 March 2016 amounted to approximately HK\$3,747,000.
- (v) During the year ended 31 March 2017, the Group has entered into a multi-party agreement with related parties of which Mr. Guo Jiadi is beneficially interested in, and has legally enforceable right to offset balances among the related parties in an aggregate amount of HK\$130,000,000 (2016: HK\$106,200,000). The relevant arrangement under the multi-party agreement was completed during the year. An amounts of HK\$22,568,000 (2016: HK\$791,000) due to related parties were resulted and recorded as current liabilities after such arrangement.

This arrangement is regarded as non-cash transaction for preparation of the consolidated statement of cash flows.

- (vi) Major and connected transactions
On 15 December 2016, Fujian Sinco, an indirectly wholly-owned subsidiary of the Company, and Fuzhou Gaojia, the vendor which is beneficially owned by the common director, Mr. Guo Jiadi, entered into agreements pursuant to which Fujian Sinco conditionally agreed to acquire and Fuzhou Gaojia conditionally agreed to sell each of 95% of equity interests of Fujian Jingdu Land Co., Ltd. ("Fujian Company") and Xian Sandi Real Estate Development Co., Ltd. ("Xian Company").

39. 有關連人士之交易 (續)

(b) 與有關連人士之交易／結餘

(續)

- (iv) 截至二零一六年三月三十一日止年度，本集團與一間郭加迪先生實益擁有並具有法定可執行權利之公司就本公司股份供股訂立包銷協議。截至二零一六年三月三十一日止年度，包銷佣金約為3,747,000港元。
- (v) 截至二零一七年三月三十一日止年度，本集團與由郭加迪先生實益擁有並具有法定可執行權利之有關連人士訂立多方協議，以抵銷有關連人士之餘額總金額130,000,000港元（二零一六年：106,200,000港元）。多方協議下的相關安排於年內完成。於相關安排後產生22,568,000港元（二零一六年：791,000港元）之應付有關連人士款項並記錄為流動負債。

此安排被視為非現金交易，用於編制綜合現金流量表。

- (vi) 主要及關連交易
於二零一六年十二月十五日，福建先科（本集團間接全資附屬公司）與福州高佳（賣方，由共同董事郭加迪先生實益擁有）訂立協議，據此，福建先科有條件同意收購及福州高佳有條件同意出售福建京都置業有限公司（「福建公司」）及西安三迪房地產開發有限公司（「西安公司」）各自之95%股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. RELATED PARTY TRANSACTIONS (continued)

Fujian Company

The consideration for acquiring the Fujian Company is RMB455,816,462, which comprises RMB196,000,000 for acquiring 95% of the equity interests of the Fujian Company ("Fujian Equity Consideration") and RMB259,816,462 for the entire amount of the loans owed by the Fujian Company to Fuzhou Gaojia as at 31 October 2016 ("Fujian Loan Consideration").

Part of the Fujian Loan Consideration was paid in cash by Fujian Sinco to Fuzhou Gaojia for amounts of HK\$169,129,000 (equivalents to RMB150,000,000) in January 2017. The remaining portion of HK\$123,820,000 (equivalents to RMB109,816,462) was paid after the end of the reporting period. (Note 43)

Xian Company

The consideration for acquiring the Fujian Company is RMB202,437,651, which comprises RMB95,000,000 for acquiring 95% of the equity interests of the Xian Company ("Xian Equity Consideration") and RMB107,437,651 for the entire amount of the loans owed by the Xian Company to Fuzhou Gaojia as at 31 October 2016 ("Xian Loan Consideration").

Part of the Xian Loan Consideration was paid in cash by Fujian Sinco to Fuzhou Gaojia for amounts of HK\$56,377,000 (equivalents to RMB50,000,000) in January 2017. The remaining portion of HK\$64,762,000 (equivalents to RMB57,437,651) was paid after the end of the reporting period. (Note 43)

The acquisitions mentioned above were approved by the Company's special general meeting held on 7 April 2017. (Note 43)

39. 有關連人士之交易 (續)

福建公司

收購福建公司的代價為人民幣455,816,462元，當中包括用於收購福建公司95%股本權益的人民幣196,000,000元（「福建股本代價」）及福建公司向福州高佳於二零一六年十月三十一日提供總額人民幣259,816,462元的貸款（「福建貸款代價」）。

部分福建貸款代價已由福建先科於二零一七年一月以現金向福州高佳支付169,129,000港元（相當於人民幣150,000,000元）。餘下部分123,820,000港元（相當於人民幣109,816,462元）已於報告期末後支付（附註43）。

西安公司

收購福建公司的代價為人民幣202,437,651元，當中包括用於收購西安公司95%股本權益的人民幣95,000,000元（「西安股本代價」）及西安公司向福州高佳於二零一六年十月三十一日提供總額人民幣107,437,651元的貸款（「西安貸款代價」）。

部分福建貸款代價已由福建先科於二零一七年一月以現金向福州高佳支付56,377,000港元（相當於人民幣50,000,000元）。餘下部分64,762,000港元（相當於人民幣57,437,651元）已於報告期末後支付（附註43）。

上述收購已經於二零一七年四月七日舉行之本公司股東特別大會批准（附註43）。

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綜合財務報表附註

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

40. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as at 31 March 2017 and 2016 are categorised as follows:

40. 按類別劃分之財務資產及財務負債概要

本集團於二零一七年及二零一六年三月三十一日確認之財務資產及財務負債賬面值分類如下：

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Financial Assets	財務資產		
Financial assets at fair value through profit or loss:	按公平值計入損益之財務資產：		
– Investments held for trading	–持作買賣投資	164,087	216,489
– Financial assets at fair value through profit or loss	–按公平值計入損益之財務資產	142,777	–
		306,864	216,489
Loans and receivables:	貸款及應收款項：		
– Deposit for subscription of exchangeable bonds	–認購可交換債券之按金	–	131,301
– Accounts receivable	–應收賬款	5,441	3,975
– Loan receivables	–應收貸款	259,332	–
– Other receivables and deposits	–其他應收款項及按金	27,777	16,955
– Amount due from non-controlling interest	–應收非控股權益款項	23,904	25,419
– Amount due from a related company	–應收一間關連公司款項	158	–
– Cash and cash equivalents	–現金及現金等值	24,673	387,187
		341,285	564,837
		648,149	781,326
Financial Liabilities	財務負債		
Financial liabilities measured at amortised cost:	按攤銷成本計量之財務負債：		
– Accounts payable	–應付賬款	3,526	5,167
– Other payables and accruals	–其他應付款項及應計費用	25,855	40,193
– Amounts due to related parties	–應付有關連人士款項	22,568	719
– Bonds payable	–應付債券	9,900	9,511
– Notes payable	–應付票據	–	137,937
– Bank borrowings	–銀行借貸	795,201	595,544
		857,050	789,071

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綜合財務報表附註

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

40. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

(continued)

(a) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, accounts receivable, loan receivables, other receivables, deposits and prepayments, amount due from non-controlling interest, accounts payable, other payables and accruals, amounts due from/(to) related parties, bonds and notes payable, bank borrowings.

Due to their short term nature, the carrying value of cash and cash equivalents, accounts receivable, loan receivables, other receivables, deposits and prepayments, accounts payable, other payables and accruals, amounts due from/(to) related parties approximates fair value.

(b) Financial instruments measured at fair value

The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market price; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

40. 按類別劃分之財務資產及財務負債概要 (續)

(a) 並非按公平值計量之金融工具

並非按公平值計量之金融工具包括現金及現金等值、應收賬款、應收貸款、其他應收款項、按金及預付款項、應收非控股權益款項、應付賬款、其他應付款項及應計費用、應收／(應付)有關連人士款項、應付債券及票據、銀行借貸。

基於其短期性質使然，現金及現金等值、應收賬款、應收貸款、其他應收款項、按金及預付款項、應付賬款、其他應付款項及應計費用、應收／(應付)有關連人士款項之賬面值與公平值相若。

(b) 按公平值計量之金融工具

具標準條款及條件且於活躍流通市場買賣之財務資產及財務負債之公平值乃參考所報市價釐定。

財務資產及財務負債之公平值乃按以下方式釐定：

- 具有標準條款及條件以及於活躍流動市場交易之財務資產及財務負債之公平值乃參考所報市價釐定；及
- 其他財務資產及財務負債之公平值乃利用可觀察現行市場交易之價格，按貼現現金流量分析根據公認定價模式釐定。

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40. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

(continued)

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	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 for the asset or liability that are not based on observable market data.

40. 按類別劃分之財務資產及財務負債概要 (續)

下表提供按公平值等級以公平值入賬之金融工具分析：

第一級：	相同資產或負債在活躍市場所報（未經調整）價格；
第二級：	可直接或間接自資產或負債觀察所得輸入數據（第一級所包含報價除外）；及
第三級：	並非依據可觀察市場數據之資產或負債之輸入數據。

		Level 1 HK\$'000 第一級 千港元	Level 2 HK\$'000 第二級 千港元	Level 3 HK\$'000 第三級 千港元	Total HK\$'000 總計 千港元
As at 31 March 2017	於二零一七年 三月三十一日				
Investments held for trading	持作買賣投資	164,087	–	–	164,087
Financial assets at fair value through profit or loss	按公平值計入損益之財 務資產	–	–	142,777	142,777
		164,087	–	142,777	306,864
As at 31 March 2016	於二零一六年 三月三十一日				
Investments held for trading	持作買賣投資	216,489	–	–	216,489

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綜合財務報表附註

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

40. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

(continued)

Below is a summary of the valuation technique used and the key unobservable input to valuation of the financial assets at fair value through profit or loss categorised within Level 3 of the fair value hierarchy:

Valuation technique 估值技術	Significant unobservable input 重大不可觀察輸入數據	Relationship of unobservable input to fair value 不可觀察輸入數據與公平值之關係
Discounted cash flow method 貼現現金流量法	Discount rate of 19.9% 貼現率19.9%	The higher the discount rate, the lower the fair value 貼現率越高，公平值越低
Increased discount rate by 5% would decrease the fair value on financial assets at fair through profit or loss by approximately HK\$3,133,000 whilst decreased discount rate by 5% would increase the fair value on financial assets at fair value through profit or loss by approximately HK\$3,345,000.		貼現率提高5%將降低按公平值計入損益之財務資產之公平值約3,133,000港元，而貼現率降低5%將提高按公平值計入損益之財務資產之公平值約3,345,000港元。
During both years, there were no significant transfer between level measurement hierarchy.		於兩個年度內，計量架構各等級之間並無重大轉讓。

40. 按類別劃分之財務資產及財務負債概要 (續)

分類至公平值等級第三級之按公平值計入損益之財務資產估值所用估值技術及主要輸入數據概述如下：

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綜合財務報表附註

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

41. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2017 were as follows:

41. 附屬公司之詳情

於二零一七年三月三十一日，本公司主要附屬公司之詳情如下：

Name 名稱	Place of incorporation/ establishment and operation 註冊成立／成立及 經營地點	Paid-up share/ registered capital 繳足股本／註冊資本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Fujian Sinco	The PRC	Paid-up and registered capital of RMB290,000,000	–	100%	Property investment
福建先科	中國	繳足及註冊資本人民幣290,000,000元	–	100%	物業投資
Fujian Jiake Industrial Company Limited	The PRC	Paid-up capital of RMB131,200,000; Registered capital of RMB216,000,000	–	51%	Property development
福建佳科實業有限公司	中國	繳足資本人民幣131,200,000元；註冊資本人民幣216,000,000元	–	51%	物業發展
Strike Again Group Limited	BVI	50,000 shares of US\$1 each	100%	–	Trading of securities
Strike Again Group Limited	英屬處女群島	50,000股每股面值1美元之股份	100%	–	證券買賣

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

41. PARTICULARS OF SUBSIDIARIES (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

41. 附屬公司之詳情 (續)

上表列出董事認為對年內業績構成主要影響或構成本集團資產淨值重要部分之本公司附屬公司。董事認為，列出其他附屬公司之詳情會導致本年報篇幅過分冗長。

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

At 31 March 2017

42. 本公司之財務狀況表

於二零一七年三月三十一日

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司之權益	1,581,200	1,459,405
Property, plant and equipment	物業、廠房及設備	638	997
Deposit for subscription of exchangeable bonds	認購可交換債券之按金	-	131,301
Total non-current assets	非流動資產總值	1,581,838	1,591,703
Current assets	流動資產		
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產	142,777	-
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	11,459	9,232
Cash and cash equivalents	現金及現金等值	3,865	329,034
Total current assets	流動資產總值	158,101	338,266
Total assets	資產總值	1,739,939	1,929,969
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	7,006	10,460
Amount due to a related company	應付一間關連公司款項	20,400	-
Notes payable	應付票據	-	137,937
Total current liabilities	流動負債總額	27,406	148,397
Total asset less current liabilities	資產總值減流動負債	1,712,533	1,781,572

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綜合財務報表附註

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

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

42. 本公司之財務狀況表 (續)

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Non-current liability	非流動負債		
Bonds payable	應付債券	9,900	9,511
Net current assets	流動資產淨值	130,695	189,869
Net assets	資產淨值	1,702,633	1,772,061
Capital and reserves	股本及儲備		
Share capital	股本	33,464	24,734
Reserve (note)	儲備 (附註)	1,669,169	1,747,327
Total equity	權益總額	1,702,633	1,772,061

On behalf of the Board

代表董事會

Guo Jiadi
郭加迪
Director
董事

Yan Pingfeng
嚴平峰
Director
董事

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

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

Movements of the reserve of the Company are as follows:

42. 本公司之財務狀況表

(續)

附註：

本公司之儲備變動如下：

		Convertible preference share HK\$'000 (note 27) 可換股優先股 千港元 (附註27)	Share premium account HK\$'000 股份溢價賬 千港元	Share-based compensation reserve HK\$'000 (note ii) 以股份為基準之補償儲備 千港元 (附註ii)	Conversion option/warrants reserve HK\$'000 (note i) 換股權/認股權證儲備 千港元 (附註i)	Other reserve HK\$'000 (note iii) 其他儲備 千港元 (附註iii)	Accumulated losses HK\$'000 累計虧損 千港元	Total HK\$'000 合計 千港元
At 1 April 2015	於二零一五年四月一日	283,858	3,284,858	10,761	-	-	(2,183,973)	1,395,504
Loss for the year	本年度虧損	-	-	-	-	-	(14,415)	(14,415)
Total comprehensive income	全面收益總額	-	-	-	-	-	(14,415)	(14,415)
Forfeiture of share option	沒收購股權	-	-	(10,761)	-	-	10,761	-
Issue of convertible notes	發行可換股票據	-	-	-	9,261	-	-	9,261
Equity-settled share-based transactions (note 28)	權益結算以股份為基準之交易 (附註28)	-	-	1,824	-	-	-	1,824
Issue of ordinary shares (note 26 (i) and (iii))	發行普通股 (附註26(i)及(ii))	-	355,153	-	-	-	-	355,153
At 31 March 2016	於二零一六年三月三十一日	283,858	3,640,011	1,824	9,261	-	(2,187,627)	1,747,327
Loss for the year	本年度虧損	-	-	-	-	-	(108,428)	(108,428)
Total comprehensive income	全面收益總額	-	-	-	-	-	(108,428)	(108,428)
Equity-settled share-based transactions (note 28)	權益結算以股份為基準之交易 (附註28)	-	-	1,611	-	-	-	1,611
Forfeiture of share option	沒收購股權	-	-	(133)	-	-	133	-
Issue of ordinary shares (note 26 (i))	發行普通股 (附註26(i))	-	35,789	-	-	-	-	35,789
Conversion of convertible preference shares (note 26 (iv))	兌換可換股優先股 (附註26(iv))	(283,858)	276,728	-	-	-	-	(7,130)
Transfer between reserves (note iii)	儲備之間轉撥 (附註(iii))	-	(3,640,117)	-	-	1,462,051	2,178,066	-
At 31 March 2017	於二零一七年三月三十一日	-	312,411	3,302	9,261	1,462,051	(117,856)	1,669,169

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

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Notes: (continued)

- (i) Conversion option/warrants reserve represents equity portion of convertible notes and warrants issued by the Company.
- (ii) Share-based compensation reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees, directors and consultants of the Company recognised in accordance with the accounting policy adopted for share-based payments.
- (iii) The other reserve, which is the contributed surplus account of the Company, represents the difference arising from the share premium reduction which was being effective and approved by the Bermuda Registrar of Companies on 11 May 2016. Under the share premium reduction, entire amount standing to the credit of the share premium account of the Company as at 29 February 2016 in the sum of approximately HK\$3,640,117,000 be reduced, with part of the credit arising therefrom being applied to offset the accumulated losses of the Company in the sum of approximately HK\$2,178,066,000 in full and the remaining balance of the credit in the sum of approximately HK\$1,462,051,000 being credited to the other reserve of the Company.

Details of the share premium reduction are set out in the Company's circular dated 15 April 2016.

The share premium reduction was approved at the Company's special general meeting held on 10 May 2016.

43. EVENTS AFTER THE REPORTING PERIOD

Referring to the major and connected transactions as stated in note 39, these transactions were approved by a special general meeting on 7 April 2017. The remaining considerations for these transactions were settled subsequent to the end of the reporting period with details as below:

42. 本公司之財務狀況表

(續)

附註：(續)

- (i) 換股權／認股權證儲備指本公司發行之可換股票據以及認股權證之權益部分。
- (ii) 以股份為基準之補償儲備指根據就以股份為基準之付款而採納之會計政策所確認授予本公司僱員、董事及顧問之未行使購股權實際或估計數目之公平值。
- (iii) 其他儲備（為本公司之實繳盈餘賬）指股份溢價減少產生的差額，於二零一六年五月十一日經百慕達公司註冊處處長批准生效。根據削減股份溢價，削減本公司股份溢價賬於二零一六年二月二十九日之全部進賬額約3,640,117,000港元，因此產生之進賬款項部分用於悉數抵銷本公司之累計虧損約2,178,066,000港元，餘下進賬款項約1,462,051,000港元計入本公司其他儲備。

削減股份溢價之詳情載於本公司日期為二零一六年四月十五日之通函。

削減股份溢價於本公司於二零一六年五月十日舉行的股東特別大會上批准。

43. 報告期後事項

茲提述附註39內所述之主要及關連交易，該等交易已經於二零一七年四月七日舉行之股東特別大會批准。該等交易之餘下代價已於報告期末後結算，詳情如下：

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43. EVENTS AFTER THE REPORTING PERIOD (continued)

Fujian Company

The Fujian Equity Consideration was settled through the Company allotting and issuing 800,000,000 new shares at the issue price of HK\$0.2745 each to United Century International Limited, a company incorporated in the BVI which is directly and wholly-owned by Mr. Guo Jiadi, on 26 May 2017.

The remaining Fujian Loan Consideration was paid in cash by Fujian Sinco to Fuzhou Gaojia for amounts of RMB109,816,462 in May 2017.

The transaction was completed on 26 May 2017.

Xian Company

The Xian Equity Consideration was settled by cash in June 2017.

The remaining Xian Loan Consideration was paid in cash by Fujian Sinco to Fuzhou Gaojia for amounts of RMB57,437,651 in May 2017.

The transaction was completed on 16 June 2017.

43. 報告期後事項 (續)

福建公司

福建股本代價透過本公司於二零一七年五月二十六日按每股0.2745港元的發行價，向United Century International Limited（一間於英屬處女群島註冊成立，由郭加迪先生直接全資擁有的公司）配發及發行800,000,000股新股結算。

餘下福建貸款代價人民幣109,816,462元已由福建先科於二零一七年五月以現金向福州高佳支付。

該交易已於二零一七年五月二十六日完成。

西安公司

西安股本代價於二零一七年六月以現金結算。

餘下西安貸款代價人民幣57,437,651元已由福建先科於二零一七年五月以現金向福州高佳支付。

該交易已於二零一七年六月十六日完成。

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

43. EVENTS AFTER THE REPORTING PERIOD

(continued)

Upon completion, Fujian Company and Xian Company would become a subsidiary of the Group. Prior to the completion of acquisitions, Fujian Company and Xian Company and the Company were under common control of Mr. Guo Jiadi, the controlling shareholder of the Company. Upon completion, the assets and liabilities of Fujian Company and Xian Company will be accounted for in the consolidated financial statements of the Enlarged Group using merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants.

The director is still in the process on estimate of the financial effect on the acquisition on the approval date of the consolidated financial statements.

44. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 29 June 2017.

43. 報告期後事項 (續)

完成後，福建公司及西安公司成為本集團的附屬公司。收購完成前，福建公司及西安公司以及本公司受本公司控股股東郭加迪先生共同控制。完成後，福建公司及西安公司的資產與負債將根據香港會計師公會頒佈的會計指引第5號「共同控制合併的合併會計法」，使用合併會計法，於經擴大集團的綜合財務報表列賬。

董事仍在估計於綜合財務報表批准日期收購事項之財務影響。

44. 批准財務報表

財務報表已於二零一七年六月二十九日獲董事會批准及授權刊發。



CHINA SANDI HOLDINGS LIMITED
中國三迪控股有限公司