



China Baoli Technologies Holdings Limited 中國寶力科技控股有限公司

(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: 164)



ANNUAL REPORT 年報

2018/19

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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Zhang Yi (*Chairman*)
Ms. Chu Wei Ning (*Chief Executive Officer*)
Mr. Yeung Chun Wai, Anthony
Mr. Wong King Shiu, Daniel

Independent Non-executive Directors:

Mr. Chan Chi Yuen
Mr. Chan Fong Kong, Francis
Mr. Chan Kee Huen, Michael
Mr. Han Chunjian

AUDIT COMMITTEE

Mr. Chan Kee Huen, Michael (*Chairman*)
Mr. Chan Chi Yuen
Mr. Chan Fong Kong, Francis

REMUNERATION COMMITTEE

Mr. Chan Chi Yuen (*Chairman*)
Mr. Chan Kee Huen, Michael
Mr. Yeung Chun Wai, Anthony

NOMINATION COMMITTEE

Mr. Chan Kee Huen, Michael (*Chairman*)
Mr. Chan Chi Yuen
Mr. Chan Fong Kong, Francis

COMPANY SECRETARY

Ms. Huen Lai Chun

AUTHORISED REPRESENTATIVES

Ms. Chu Wei Ning
Mr. Wong King Shiu, Daniel

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

LEGAL ADVISER

Sidley Austin
39/F, Two International Finance Centre
Central, Hong Kong

董事會

執行董事：

張依先生(*主席*)
祝蔚寧女士(*行政總裁*)
楊俊偉先生
黃景兆先生

獨立非執行董事：

陳志遠先生
陳方剛先生
陳記煊先生
韓春劍先生

審核委員會

陳記煊先生(*主席*)
陳志遠先生
陳方剛先生

薪酬委員會

陳志遠先生(*主席*)
陳記煊先生
楊俊偉先生

提名委員會

陳記煊先生(*主席*)
陳志遠先生
陳方剛先生

公司秘書

禰麗珍女士

授權代表

祝蔚寧女士
黃景兆先生

主要往來銀行

香港上海滙豐銀行有限公司

法律顧問

盛德律師事務所
香港中環
國際金融中心二期39樓

Corporate Information (continued)

公司資料(續)

AUDITOR

Asian Alliance (HK) CPA Limited
Certified Public Accountants
Suites 313-316, 3/F., Shui On Centre
6-8 Harbour Road, Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
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Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 3103-04, 31/F., Oxford House,
Taikoo Place 979 King's Road, Quarry Bay
Hong Kong

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 54, Hopewell Centre
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Hong Kong

Placing of listing

Stock Exchange

STOCK CODE

164

核數師

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執業會計師
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註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
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香港主要營業地點

香港
鰂魚涌英皇道979號太古坊
濠豐大廈31樓3103-04室

百慕達主要股份過戶登記處

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香港股份過戶登記處分處

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香港
皇后大道東183號
合和中心54樓

上市地點

聯交所

股份代號

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Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

During the year under review, the Group was principally engaged in mobile and multi-media technologies business, tourism and hospitality business, gamma ray irradiation services, and securities trading and investment.

In 2018, frequent global trade disputes and mounting trade protectionism posed more uncertainties and risks to the economic development across the globe, in particular the Chinese and the US economies.

During the year, the smartphone industry in China was under great pressure amid the impact of negative factors including the US-China trade war coupled with the slowing down of economy in China, and the saturation of the smartphone market with the retailers having excessive inventory all played a part in the poor performance of the smartphone market. We have seen smaller smartphone players being forced to exit the market due to the cut-throat competition in China.

Against the current backdrop of economic uncertainties under the shadow of on-going US-China trade tension, the overall business environment will become more challenging in the forthcoming year. The Group strives to explore opportunities and further develop its multi-media and technology-focused business.

Mobile and Multi-media Technologies Business

The Group's strategy has been to leverage on the EPD and dual-screen technologies to build a scalable mobile and multi-media technologies and advertising platform via different media channels. First started with the mobile handsets with the launch of Yota 3, such unique dual-screen devices allow advertisers and content providers to make use of the EPD backscreens.

In order to build a scalable infrastructure for multi-media technologies and advertising platform, the Group has also explored new formats and carriers for advertising and media displays, such as transport advertising and other advertising panels in the city centers. As portals to cities, trains are the city's nerve center and the daily channels for millions of people. It has transformed from a simple traffic tool to a living space on its own and can reach an ever-larger captive, network audience which is highly valued by advertisers.

The macro-economic development in China continued to be moderate and China's smart hardware market remained challenging in 2018, as total smartphone shipments in the Chinese market declined by 15.5% year-on-year, and is likely to continue to decline this year, according to the China Academy of Information and Communications Technology.

業務回顧

於回顧年度內，本集團主要從事手機及多媒體技術業務、旅遊及消閒業務、伽瑪射線照射服務以及證券買賣及投資。

於二零一八年，全球貿易爭端頻發，貿易保護主義抬頭，導致全球經濟發展不確定性及風險加大，尤其是中美經濟。

於年內，中國智能手機行業被包括中美貿易戰及中國經濟放緩在內的負面因素所影響，面臨巨大壓力。智能手機市場飽和，擁有過多存貨的零售商對智能手機市場的糟糕表現有一定的影響。我們目睹了小規模智能手機市場參與者因中國的競爭激烈而被迫退出市場。

針對當前中美持續貿易緊張局面陰影下經濟不確定性的背景，未來一年，整體的業務環境將更具挑戰性。本集團致力於在多媒體及強調技術為主的業務中探尋機會及獲得進一步發展。

手機及多媒體技術業務

本集團的策略是利用 EPD 和雙屏技術，通過不同媒體渠道打造一個可擴展的移動多媒體技術和廣告平台。通過推出 Yota 3 率先推出移動設備，這是一款獨特的雙屏設備，可讓廣告商及內容提供商利用 EPD 後屏。

為打造一個可擴展的多媒體技術和廣告平台基礎設施，本集團亦已探索廣告和媒體展示的新格式和載體，如城市中心的交通廣告和其他廣告牌。作為城市入口，火車是一個城市的神經中樞和數以百萬計人口的日常渠道。就火車本身而言，其已經由一種普通的交通工具轉變為一種生活空間，能夠觸及越來越多被動的網絡受眾，受到廣告商的高度評價。

根據中國信息通信研究院的資料，中國的宏觀經濟發展繼續保持穩健且中國的智能硬件市場於二零一八年繼續面臨挑戰，中國市場的智能手機出貨總量按年下降 15.5%，今年可能繼續下降。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW (continued)

Mobile and Multi-media Technologies Business (continued)

With the challenging market conditions and intensified competition in China, we have constantly reevaluated our strategy.

Over the past year, in order to relieve our supply chain funding and inventory management pressures and reduce the selling and marketing expenses, we have been streamlining our B2C retail business while allocating more resources on the licensing model via cooperation with provincial and local government and large state-owned enterprises. Over the past year, the Group has been focusing its resources and efforts on strategic cooperation with suitable partners and exploring new business models to cooperate with some large-scale enterprises and state-owned enterprises in China to develop customized versions of mobile devices for their customers.

On 12 October 2018, we entered into an exclusive technology cooperation agreement with Zhejiang Jiu Jiu Sharing Information Technology Co. Ltd.** (浙江久久共享傳媒有限公司) (“Jiu Jiu”) in relation to the development of “Xinhua 99” dual-screen mobile devices (“the Xinhua 99 mobile devices”) and the construction of the “Xinhua 99” sharing platform (the “Xinhua 99 Project”). The Xinhua 99 Project originates from the sharing economy idea with its major focus on advertising and information dissemination. It aims to build a comprehensive community through the Xinhua 99 mobile devices utilizing the dual-screen technology and the “Xinhua 99” application (the “Xinhua 99 APP”). This community service platform integrates advertising, information, e-commerce and community by providing multiple functions including economic information, O2O, online transactions, integrated communication and community resources. The Xinhua 99 mobile device is a transformation of the Group’s dual-screen mobile device and has adopted our dual-screen technology in its hardware. The back screen can be used for internet surfing, reading, advertising and conducting e-commerce. The Group will be the sole provider of the Xinhua 99 mobile devices.

The role of the Group is performing research and development of Xinhua 99 mobile devices. The Group is planning to engage the ODM to manufacture the Xinhua 99 mobile devices. The Group is committed to take up the after-sales-services after the phones are launched. Currently, the Group is in discussion with Zhejiang Jiu Jiu Sharing Information Technology Co., Ltd regarding the business development in the Xinhua 99 mobile devices. The Group will also target large state-owned-enterprises and provincial and local governments to develop customized devices. The Company has signed a strategic cooperation framework agreement with a business partner in relation to the collaboration on the development and sale of the Xinhua 99 mobile devices to the members of the China Communist Party in the Jiangsu province.

業務回顧(續)

手機及多媒體技術業務(續)

隨著中國的市場狀況愈加具有挑戰性及競爭加劇，我們不斷重新評估戰略。

於過往年度，為減輕我們的供應鏈融資及存貨管理壓力並減少銷售及營銷開支，我們已精簡我們的B2C零售業務，同時通過與省級和當地政府及大型國有企業合作對授權模式分配更多資源。於過往年度，本集團一直將其資源和努力集中在與適當合作伙伴的戰略合作上，並開發新業務模式以與中國的某些大規模企業及國有企業合作以發展彼等客戶的移動設備定制版本。

於二零一八年十月十二日，我們與浙江久久共享傳媒有限公司(「久久」)訂立獨家技術合作協議，內容有關開發「新華99」雙屏手機設備(「新華99手機設備」)及建設「新華99」共享平台(「新華99項目」)。新華99項目源自共享經濟理念，其主要專注於廣告及信息傳播。其旨在透過使用雙屏技術之新華99手機設備及「新華99」應用程序(「新華99 APP」)建立一個綜合社區。該社區服務平台具備多項功能，包括經濟資訊、O2O、在線交易、綜合通訊及社區資源，融合廣告、資訊、電子商務及社區於一體。新華99手機設備源於本集團雙屏手機設備的轉型，並於其硬件中採用雙屏技術。背屏幕可用於上網、閱讀、廣告及電子商務。本集團將為新華99手機設備之獨家供應商。

本集團的角色是展開新華99手機設備的研發。本集團正計劃委託原始設計製造商製造手機設備。手機推出後，本集團致力於從事售後服務。目前，本集團正與浙江久久共享傳媒有限公司討論有關新華99手機設備的業務發展。本集團亦將以大型國有企業及省級以及地方政府為目標，以開發定制設備。本公司與一名業務合作夥伴簽署了有關在開發及向江蘇省中國共產黨黨員單位銷售新華99手機設備方面合作的戰略合作框架協議。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW (continued)

Mobile and Multi-media Technologies Business (continued)

Following the cooperation within Xinhua 99 Project, the Group further expanded its foothold in the multi-media platform through acquiring the entire issued share capital of Hong Kong Made (Media) Limited (“Hong Kong Made”) and Ample Success Limited (“Ample Success”), which are principally engaged in the business of the development and operations of outdoor advertisement and media on Guangzhou-Shenzhen China Railway High-speed Harmony Series trains “GSCR” (廣深線和諧號). These two companies help their clients produce high-quality and tailor-made advertisements which can be accessed by millions of travellers in one of the most developed train networks in the world, thereby providing a strategic and effective channel for Hong Kong and international brands to increase their brand awareness and promote their business in the region. The daily frequency of GSCR trains travelling between Shenzhen and Guangzhou is 210. The existing per day per direction carting capacity of GSCR is 140,280. During 2018 Golden Week holiday of China, the Railway Company recorded accumulated 9,400,000 carting capacity. The Railway Company estimates the daily carting capacity will increase to 60,000. Having regard to growing loading in recent years, it is expected the advertisement on the trains can be accessed by millions of travelers in a year. The Group believes that the acquisition of these two companies provides the Group with an opportunity to expand its existing business and can create synergies with the existing dual-screen mobile businesses to extend the multi-media sharing and advertising platform to other media. For details of the acquisition, please refer to the announcements of the Company dated 29 March 2019, 10 May 2019 and 6 June 2019.

To further expand the mobile and multi-media technologies business of the Group, China Baoli Investment Ltd, a wholly-owned subsidiary of the Company, has formed a joint venture with AZ Convergence Media Limited (“AZ Convergence Media”). The joint venture is held as to 51% by the Company and 49% by AZ Convergence Media, and will be principally engaged in the operation of multi-media broadcasting and advertising screens and platforms in China. The Company believes that through the collaboration with AZ Convergence Media and by leveraging the resources of AZ Convergence Media in the media industry, especially the new media industry, the above-mentioned synergies can be created and the Group’s multi-media and advertising customer network in China can be expanded, thereby fostering the Company’s growth and development in the mobile and multi-media technologies business.

業務回顧(續)

手機及多媒體技術業務(續)

與新華99項目合作後，本集團通過收購香港製作(媒體)有限公司(「香港製作」)及博功有限公司(「博功」)(主要從事戶外廣告及廣深線和諧號媒體開發及運營業務)的全部已發行股本，進一步擴大其在多媒體平台領域的影響力。該等兩家公司協助彼等客戶製作優質和量身訂做的廣告，可接觸全球其中一個發展最完善的鐵路網絡內數以百萬計的乘客，從而為香港和國際品牌提供具策略性的有效渠道，以於區內增強品牌知名度及推廣業務。在深圳與廣州間經過的廣深線和諧號列車的日頻率為210。廣深線和諧號現有每日的方向載運能力為140,280。於二零一八年中國的黃金周假期，鐵路公司錄得累積9,400,000的載運能力。鐵路公司預計其每日的載運能力將增加至60,000。考慮到近年來不斷增長的運載情況，預期列車上的廣告每年將被數以百萬計的乘客所知。本集團相信，收購該等兩間公司為本集團提供擴大其現有業務的機會，並與現有雙屏手機業務產生協同效應以將其多媒體共享及廣告平台擴大至其他媒體。有關收購事項的詳情，請參閱本公司於二零一九年三月二十九日、二零一九年五月十日及二零一九年六月六日的公告。

為進一步擴大本集團的手機及多媒體技術業務，本公司的全資附屬公司China Baoli Investment Ltd已與AZ Convergence Media Limited(「AZ Convergence Media」)成立合營企業。合營企業分別由本公司及AZ Convergence Media持有51%及49%，並將主要在中國從事多媒體廣播及廣告屏幕及平台的運營。本公司相信，透過與AZ Convergence Media合作及利用AZ Convergence Media在傳媒行業(尤其是新媒體行業)的資源，則可產生上述協同效應且可擴張本集團在中國的多媒體及廣告客戶網絡，因此可促進本公司的壯大以及開發手機及多媒體技術業務。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW (continued)

Mobile and Multi-media Technologies Business (continued)

During the year under review, the revenue from this segment was approximately HK\$34,610,000 (2018: approximately HK\$40,925,000). Segment loss was approximately HK\$1,180,876,000 (2018: approximately HK\$146,999,000). The Group considers that as cooperation within Xinhua 99 Project just started in October last year, it would take time to expand the influence of the community and leverage these networking and new media resources to create a scalable multi-media and mobile technologies business going forward. The Group will continue to develop its businesses related to media sharing and advertising platforms via different channels in China, thereby creating additional revenue to the Group and improving the Group's profitability to deliver long-term benefits to the Group and the Shareholders.

Impairment of investments in associates and amounts due from associates

During the year under review, the Group recognised an impairment of investments in associates of approximately HK\$331,352,000 and amounts due from associates of approximately HK\$610,077,000.

On 15 March 2019, the Grand Court of the Cayman Islands granted a winding up order (the "Order") against Yota, an associate of the Company on the ground that it was insolvent. The winding-up petition was filed by Hi-P Electronics Pte. Ltd., a manufacturing partner of Yota in respect of the older version of Yotaphone with respect to a principal sum of USD1,000,000 said to be due by Yota to the petitioner. After the acquisition of Yota, the Company has allocated resources including funding to Yota for the development of the mobile technologies business. The Grand Court of Cayman Islands made an order that Yota be placed into liquidation and appointed Joshua Taylor and James Griffin of FTI Consulting Limited as Joint Official Liquidator. As at the date of the Order, the Company owned 40% equity interest of Yota and was also a creditor of Yota Group (the gross amount due from Yota Group to the Group as at 31 March 2019 was approximately HK\$633,551,000). The Company has been in touch with the appointed liquidator of Yota to explore the possibility of conducting an audit for Yota. However, the process is slow and there are uncertainties relating to such. As at 31 March 2019, the total net liabilities of Yota Group were approximately HK\$760,282,000, which exceeds the amount of shareholder loans of approximately HK\$633,551,000 provided by the Company. Taking into account of the above facts, the Company is of the view that a full impairment on investments in associates and amounts due from associates of the Company should be made to reflect the current conditions of Yota.

業務回顧(續)

手機及多媒體技術業務(續)

於回顧年度內，本分部的收入約為34,610,000港元（二零一八年：約40,925,000港元）。分部虧損約為1,180,876,000港元（二零一八年：約146,999,000港元）。本集團認為由於新華99項目內的合作從上年十月才開始，其須時間擴大社區的影響力並在未來利用該等網絡及新媒體資源創建一個可擴展的多媒體及移動技術業務。本集團將在中國透過不同渠道繼續開發與其媒體共享及廣告平台相關的業務，因此為本集團產生額外的收入並提高本集團的盈利能力以為本集團及股東帶來長期的利益。

於聯營公司的投資及應收聯營公司的款項減值

於回顧年度，本集團確認於聯營公司的投資減值約331,352,000港元及應收聯營公司的款項減值約610,077,000港元。

於二零一九年三月十五日，開曼群島大法院就本公司聯營公司Yota發出清盤令（「命令」），理由為該公司無力償債。Hi-P Electronics Pte. Ltd.（Yota有關舊款Yota手機的製造合作夥伴）就聲稱Yota結欠呈請人之本金額1,000,000美元提起清盤呈請。收購Yota之後，本公司已向Yota分配資源（包括注資）以便發展手機技術業務。開曼群島大法院發出命令清盤Yota集團且委聘FTI Consulting Limited之Joshua Taylor及James Griffin作為共同法定清盤人。於命令發出日期，本公司擁有Yota之40%股權，亦為Yota集團之債權人（於二零一九年三月三十一日Yota集團結欠本集團之總金額為約633,551,000港元）。本公司一直與獲委任的Yota清盤人接觸以探索為Yota展開審核的可能性。然而，該過程緩慢，且存在相關不確定性。於二零一九年三月三十一日，Yota集團的總負債淨額約為760,282,000港元，超過本公司提供的股東貸款的金額約633,551,000港元。考慮到上述事實，本公司認為，於聯營公司投資及應收本公司聯營公司之款項應作出悉數減值以反映Yota的當前狀況。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW (continued)

Impairment of investments in associates and amounts due from associates (continued)

As at the date of this annual report, the Company has no intention to cease the sales and distribution of YOTAPHONE under the licence. Going forward, the Group will strategically focus on penetrating the B2B smartphone market and will allocate more resources on the licensing model via cooperation with provincial and local government and large state-owned enterprises in China. In this connection, the Company has signed a strategic cooperation framework agreement with a business partner in relation to the collaboration on the development and sale of Xinhua 99 mobile phones to the members of the China Communist Party in the Jiangsu province. The Company will develop customized versions of mobile devices for those customers under the licence.

Impairment of goodwill

During the year under review, the Group recognised an impairment of goodwill in respect of the mobile technologies business segment of approximately HK\$9,316,000. Such impairment losses have been made in view of the carrying amount of goodwill may not be recoverable.

The abovementioned impairment losses are recognised based on the results of impairment tests for the goodwill of 寶力優特科技(深圳)有限公司 (Baoli Yota Technologies (Shenzhen) Limited**) ("Baoli Yota") concluded by an independent valuer using the discount cash flow approach, based on their values in use in accordance with HKAS 36. Details of the impairment of goodwill are set out in Note 22 of the financial statements.

業務回顧(續)

於聯營公司的投資及應收聯營公司的款項減值(續)

於本年報日期，本公司無意終止以牌照銷售及分銷 Yota 手機。本集團將策略性專注於進軍 B2B 智能手機市場及將透過與中國的省級及地方政府以及大型國有企業合作，配置與授權模式有關的更多資源。有鑒於此，本公司已就合作開發及向江蘇省中國共產黨員銷售新華99手機事宜與業務合作夥伴訂立戰略合作框架協議。本公司將幫助該等客戶開發牌照項下的定制版移動設備。

商譽減值

於回顧年度內，本集團就手機技術業務分部確認商譽減值約9,316,000港元。作出該等減值虧損乃鑒於商譽之賬面值可能不可收回。

上述減值虧損根據獨立估值師基於其根據香港會計準則第36號計算的使用價值，使用貼現現金流法進行的寶力優特科技(深圳)有限公司(「寶力」)之商譽減值測試結果予以確認。商譽減值之詳情載於財務報表附註22。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW (continued)

Tourism and Hospitality Business

The Group strives to strengthen the tourism and hospitality business by monitoring its business performance and taking appropriate measures to tackle the challenge faced by the Group. The Group expanded its business line by acquiring an online travel agent, We Fly Travel Limited ("We Fly"), on 1 March 2017 to broaden the income source of the tourism and hospitality business. During the year under review, We Fly reported its net revenue of approximately HK\$5,227,000 which is mainly owing to the business strategy that We Fly has adopted by setting competitive prices of its products to attract more customers and increase its brand awareness. The success of this business strategy has been reflected in the gross sale which has reached approximately HK\$217,160,000. To further improve the operational results of We Fly, the management will negotiate with business partners for more competitive terms and increase its product mix such as provision of hotels business, package tours and ancillary travel related products and services.

The Group is monitoring the market environment to rationalize the resources and product mix within the tourism and hospitality business and will look for further cooperation and acquisition opportunities in this sector.

Impairment of goodwill

During the year under review, the Group recognised an impairment of goodwill in respect of the tourism and hospitality business segment of approximately HK\$78,800,000. Such impairment losses have been made in view of the carrying amount of goodwill may not be recoverable.

The Company has appointed an independent valuer to conduct a valuation of value in use of We Fly Travel Limited as at 31 March 2019. The recoverable amount of We Fly has been determined based on a value-in-use calculation, which uses a cash flow projection based on financial forecast covering a 5-year period. The carrying amount of this CGU exceeds its recoverable amount by HK\$77,880,000. Accordingly, the Company recognised an impairment loss on goodwill of approximately HK\$77,880,000 for the year ended 31 March 2019.

業務回顧(續)

旅遊及消閒業務

本集團銳意監察旅遊及消閒業務之表現，採取適當措施應對本集團面臨的挑戰，着手加強旅遊及消閒業務。本集團已於二零一七年三月一日收購網上旅遊代理商愛飛旅遊有限公司(「愛飛」)擴充業務，拓闊旅遊及消閒業務之收入來源。於回顧年度內，愛飛錄得淨收入約5,227,000港元，主要由於將愛飛之業務策略訂為以具競爭力之產品價格，吸引更多客戶及提高品牌知名度。此業務策略行之有效，銷售總額已約達217,160,000港元。為進一步提升愛飛之經營業績，管理層將與業務夥伴磋商更具競爭力之條款，增加產品組合，例如提供酒店業務、旅行團及旅遊相關週邊產品及服務。

本集團正在因應市況精簡旅遊及消閒業務的資源及產品組合，並將在此領域內尋求進一步合作及收購的機會。

商譽減值

於回顧年度內，本集團就旅遊及消閒業務分部確認商譽減值約78,800,000港元。作出該等減值虧損乃鑒於商譽之賬面值可能不可收回。

本公司已委聘獨立估值師對愛飛旅遊有限公司於二零一九年三月三十一日之使用價值進行估值。愛飛之可收回金額乃按使用價值計算法釐定，而使用價值計算法採用經管理層批准之五年期財務預測進行之現金流量預測。現金產生單位之賬面值高於可收回金額77,880,000港元。因此，於截至二零一九年三月三十一日止年度，本集團已就商譽確認減值虧損約77,880,000港元。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW (continued)

Impairment of goodwill (continued)

Below are the details and information about the valuation:

During the year under review, discounted cash flow approach has been used for the valuation of We Fly. It can determine the intrinsic value of the Company and the future cash flow of the Company has been considered. The present value of the future cash flows expected to be derived from We Fly is calculated. The carrying amount of We Fly exceeds its recoverable amount. Impairment loss on goodwill will be recognized. The pre-tax discount rate and growth rates as at 31 March 2019 were 13.5% and 3% respectively (31 March 2018: 13.6% and 3% respectively). 5-year period forecast has been used for the year ended 31 March 2019 (31 March 2018: 10-year period forecast). The major change in the inputs and assumptions adopted in the valuations is the length of forecast period being shortened from 10-year period to 5 year-period. The assumptions of the valuation, which remain unchanged in respect of the valuations as at 31 March 2018 and 31 March 2019, are (1) the valuation reflects the reasonable conditions existing as at the valuation date. Subsequent events and uncertainties are beyond the control of the Company and the valuer, (2) financial statements and forecast provided give a true and fair view and are in accordance with the applicable accounting standards, (3) financial forecast information provided is reasonable and achievable in the respective periods, (4) there will be no material change in the interest rates and exchange rates in the regions which We Fly has operations and (5) there will be no material change in the political, legal, technological, economic or other conditions which would adversely affect the industry and the profitability of the Company.

The slowing Chinese economy and the ongoing US-China trade war are expected to drag the growth of the tourism industry in Hong Kong and the growth in the number of tourists visiting Hong Kong is expected to experience downward pressure. In addition, due to the fierce competition in on-line ticketing in the travel industry and the delay in launching the on-line booking system of hotel rooms, We Fly Travel Limited cannot meet the performance of financial forecast estimated last year. As a result, the impairment loss was made.

業務回顧(續)

商譽減值(續)

以下為有關估值之詳情及資料：

於回顧年度內，愛飛之估值採用現金流量貼現法。其可釐定本公司之內在價值並已考慮本公司之未來現金流量。計算預期來自愛飛的未來現金流量之現值。愛飛的賬面值已超過其可收回金額。商譽之減值虧損將予以確認。於二零一九年三月三十一日的稅前貼現率及增長率分別為13.5%及3%（二零一八年三月三十一日：分別為13.6%及3%）。截至二零一九年三月三十一日止年度已採用五年期預測（二零一八年三月三十一日：十年期預測）。估值所採用的輸入數據及假設的主要變動為預測期長度由十年期縮短至五年期。估值的假設（就於二零一八年三月三十一日及二零一九年三月三十一日的估值而言，該等假設保持不變）為：(1)估值反映於估值日期現有的合理狀況。隨後的事件及不確定因素超出本公司及估值師的控制範圍，(2)所提供的財務報表及預測反映了真實及公平的觀點且符合適用的會計準則，(3)所提供的財務預測資料乃屬合理且於各期間內均可實現，(4)愛飛經營業務所在地區的利率及匯率將不會發生重大變動，及(5)政治、法律、技術、經濟或其他狀況將不會發生可能對行業及本公司的盈利能力造成不利影響的重大變動。

中國經濟放緩及持續的中美貿易戰預計將拖累香港旅遊業的增長，而預計訪港旅客人數增加將面臨下行壓力。此外，由於旅遊業網上售票的競爭激烈及酒店客房在線預訂系統的延遲推出，愛飛旅遊有限公司無法達到去年預估的財務表現預測。因此，已計提減值虧損。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW (continued)

Gamma Ray Irradiation Services

The Group's gamma ray irradiation business is conducted through 淄博利源高科輻照技術有限公司 (Zibo Liyuan Gamma Ray Technologies Co. Limited**), a 80% owned subsidiary of the Group which is licensed by 中華人民共和國環境保護部 (Ministry of Environmental Protection of the People's Republic of China**), for the provision of irradiation services by utilising gamma ray technologies.

During the year under review, the Group's gamma ray irradiation business provided radiation sterilization processing services to different clients in the food and healthcare industries. Revenue generated from the gamma ray irradiation services for the year under review was approximately HK\$4,743,000 (2018: approximately HK\$5,090,000). Segment loss was approximately HK\$2,515,000 (2018: approximately HK\$2,497,000).

Other Operation

The Group's securities trading and investment business continued to maintain a conservative investment strategy during the year under review. The Group's securities trading and investment business reported a loss of approximately HK\$4,420,000 (2018: approximately HK\$3,867,000) which was attributable to a net unrealized losses of approximately HK\$1,377,000 (2018: net unrealized losses approximately HK\$1,077,000) due to change in fair value of listed securities held for trading. As at 31 March 2019, the carrying amount of the listed securities was approximately HK\$778,000 (2018: approximately HK\$2,155,000).

業務回顧(續)

伽瑪射線照射服務

本集團之伽瑪射線照射業務乃透過本集團擁有80%權益之附屬公司淄博利源高科輻照技術有限公司進行，該公司已獲中華人民共和國環境保護部發出許可證，可應用伽瑪射線技術提供照射服務。

於回顧年度內，本集團伽瑪射線照射業務向食品及保健行業的不同客戶提供放射消毒處理服務。於回顧年度，伽瑪射線照射服務產生收入約4,743,000港元(二零一八年：約5,090,000港元)。分部虧損為約2,515,000港元(二零一八年：約2,497,000港元)。

其他業務

於回顧年度，本集團的證券買賣及投資業務繼續保持保守的投資策略。本集團的證券買賣及投資業務錄得虧損約4,420,000港元(二零一八年：約3,867,000港元)，為因持作買賣上市證券公平值變動而產生的未變現虧損淨額約1,377,000港元(二零一八年：未變現虧損淨額約1,077,000港元)所致。於二零一九年三月三十一日，上市證券的賬面值為約778,000港元(二零一八年：約2,155,000港元)。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS REVIEW (continued)**Other Operation (continued)**

A summary of the listed securities held by the Group during the year under review is set out in the table below.

業務回顧(續)**其他業務(續)**

下表載列本集團於回顧年度持有之上市證券概要。

Company name	Place of incorporation	Percentage of shareholdings in equity investment as at 31 March 2019	Percentage of total asset of the Group as at 31 March 2019	Fair value as at 31 March 2019	Unrealised gain (loss) on fair value change for the year	Realised gain (loss) on fair value change for the year	Dividend received	Principal activities
公司名稱	註冊成立地點	於二零一九年三月三十一日佔股本投資股權之百分比	於二零一九年三月三十一日佔本集團總資產之百分比	於二零一九年三月三十一日之公平值 HK\$ '000 千港元	本年度公平值變動之未變現收益(虧損) HK\$ '000 千港元	本年度公平值變動之已變現收益(虧損) HK\$ '000 千港元	已收股息 HK\$ '000 千港元	主要業務
REXLot Holdings Limited 御泰中彩控股有限公司	Bermuda 百慕達	0.1233%	0.1487%	390	(445)	—	—	Development of the lottery systems and games, as well as the distribution and marketing of lottery products in the PRC 於中國開發彩票系統及遊戲，以及分銷及營銷彩票產品
Tech Pro Technology Development Limited 德普科技發展有限公司	Cayman Islands 開曼群島	0.041%	—	—	—	—	—	Manufacture, sale and trading of LED lighting products and accessories and energy efficiency projects 製造、銷售及買賣LED照明產品及配件以及能源效益項目
Greatwalle Inc. 長城匯理公司	Cayman Islands 開曼群島	0.3216%	0.1482%	388	(932)	—	—	Provision of security guarding services and mobile game business 提供保安護衛服務及手機遊戲業務

Management Discussion and Analysis (continued)

管理層討論及分析(續)

MAJOR RISKS OF THE GROUP

The following risks were identified as the major risks of the Group during the year under review:

Intense competitions in the mobile technologies business

The smartphone market is highly competitive and intense in China. There are numerous market players selling mobile phones in China and there are also new entrants to the market from time to time. The Group needs to compete with other market players on price, customer services, distribution network, reputation and brand names, etc. It is crucial for the Group to assess market trend and consumers' preference, and to upgrade its products and develop innovative features which stand out from competitors' products on an ongoing basis so as to bring the best user experience, attract new customers and build customer loyalty. If the Group fails to compete with existing or new competitors, if any, the Group's business, financial condition, results of operations and profitability may be adversely affected.

Inadequate intellectual property protection in China

The Group was granted an exclusive intellectual property license to market and sell "YotaPhone" in the Greater China Region. After obtaining such license, the Group used the intellectual property rights to develop and launch a new version of YotaPhone, i.e. Yota 3. The Group regards the intellectual property under the license as critical to the success of its mobile technologies business. However, the Group might not be able to prevent any unauthorized use of the intellectual properties. Even if the Company promptly becomes aware of any such unauthorized use, it might be difficult to enforce intellectual property rights in China effectively. The inadequate protection of intellectual property rights in China may adversely affect the Group's business prospects.

The trade war between China and United State of America ("US")

The recent trade war between the China and the US has created a lot of uncertainties and risks on the global economy, in particular the Chinese and the US economies. If there is a slowdown in the growth of the China economy, Hong Kong's tourism industry would suffer as less China tourists will visit Hong Kong, thereby affecting the Group's tourism and hospitality business. It might also drive up the price of the components of the Group's products, thereby increasing the costs of the Group. If the trade war continues, it might materially and adversely impact the Group's business.

本集團之主要風險

於回顧年度，本集團之主要風險識別如下：

手機技術業務競爭激烈

中國智能手機市場競爭激烈且對手林立。許多市場對手在中國出售手機，且市場新競爭者輩出。本集團需在價格、客戶服務、分銷網絡、聲譽及品牌名稱等方面與其他市場對手競爭。持續掌握市場趨勢及消費者喜好，提升產品並開發創新功能，在眾多競爭產品中脫穎而出，提供最優秀之家用體驗，吸引新客戶並建立客戶忠誠度，對本集團至關重要。倘本集團未能與現有或新對手（如有）競爭，則本集團之業務、財務狀況、經營業績及盈利能力或會受到不利影響。

中國對知識產權保障不足

本集團獲授予於大中華地區營銷及銷售「YotaPhone」之獨家知識產權專利。於取得有關許可後，本集團曾利用該知識產權開發並推出新版YotaPhone，即Yota 3。本集團視有關許可下之知識產權為其手機技術業務成功之關鍵。然而，本集團未必能防止任何知識產權被擅用。即使本公司迅速獲悉任何知識產權被擅用，亦可能難以在中國有效強制執行知識產權。中國對知識產權之保障不足或會對本集團之業務前景造成不利影響。

中國與美利堅合眾國（「美國」）之貿易戰

中國與美國最近爆發貿易戰，為環球經濟帶來許多不確定性及風險，尤其是中美經濟。倘中國經濟增長放緩，則香港旅遊業可能面對中國旅客減少到訪香港之打擊，本集團之旅遊及消閒業務將繼而受到影響。中美貿易戰亦可能推高本集團產品部件之價格，繼而令本集團成本上升。倘貿易戰持續，則可能對本集團之業務造成重大不利影響。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

MAJOR RISKS OF THE GROUP (continued)

Cost overruns and delays in new technology/Research and Development (“R&D”)

The Group has allocated significant resources to the development of its mobile technologies business including research and development. While the Group has cost control measures in place, cost overruns may occur due to circumstances that are beyond the Group’s control. The mobile technologies business is characterized by rapidly changing technology, new product features and evolving customer demands. If there is a delay in the research and development of new technologies by the Group, the Group’s products may become obsolete and may be eliminated from the market easily. Therefore, the Group will need to ensure that it has the ability to launch new products and upgrade its products on an ongoing basis in quick response to the evolving demands of the customers, otherwise the Group’s business may be adversely affected.

Uncertainties in supply chain

The Group relies on its suppliers to manufacture products for the Group’s customers. If there is a breakdown in supply chain financing, the production schedule may be affected. If the Group is unable to procure products from its suppliers in a timely manner, the Group may not be able to meet the delivery schedules for its customers, thereby affecting the Group’s business and financial performance.

Commercial risk

The Group is facing keen competition from domestic companies in the tourism and hospitality business. To maintain the Group’s competitiveness, it continues to explore business opportunities and tries to cooperate with some strategic partners to sell its products. It keeps on launching new products such as hotel booking and increasing the product mix so as to improve the profit margin of the business.

本集團之主要風險(續)

新技術／研究及開發(「研發」)超支及延誤

本集團投放大量資源發展手機技術業務，包括研究及開發。儘管本集團設有成本控制措施，惟仍可能因本集團控制範圍以外之情況而出現超支。手機技術業務之特徵為技術、新產品功能及客戶需求日新月異。倘本集團新技術研究及開發延誤，則其產品或會過時，並易從市場上消失。因此，本集團將需確保有能力不斷推出新產品並提升產品，迅速回應客戶需求轉變，否則本集團之業務或會受到不利影響。

供應鏈不穩定

本集團依賴供應商為本集團客戶製造產品。倘供應鏈融資斷裂，則生產時間表或會受到影響。倘本集團未能及時向供應商採購產品，則本集團未必能滿足客戶送貨時間表，繼而影響本集團業務及財務表現。

商業風險

本集團於旅遊及消閒業務領域正面臨來自國內公司的激烈競爭。為維持本集團的競爭力，我們繼續發掘商機及嘗試與部分戰略合作夥伴合作以銷售其產品。我們不斷推出酒店預定等新產品並增加產品組合，以便提升該業務的利潤率。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

MAJOR RISKS OF THE GROUP (continued)

Loss of key individuals or the inability to attract and retain high-calibre personnel

Loss of key individuals could result in an adverse impact on the Group's operation and profitability. The risk of the loss of key personnel is mitigated by regular reviews of human resource management system, remuneration packages and succession planning within the management team.

Cyber and Information Security Risk

Frequency of cyber-attacks like sophisticated phishing campaigns and ransomware have continuously increased in recent years. The potential threat of cyber-attacks is increasing. Cyber-attacks may lead to loss of information, leakage of confidential information, unavailability of systems and disruption of operation that significant costs may be incurred for data recovery and system restoration, and/or possible claims. The Group manages this risk by implementing security measures such as firewall, anti-spam and anti-virus protection.

CORPORATE, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

The Group is committed to the long-term sustainability of its various businesses and recognises the importance of the views and interests of its stakeholders such as employees, customers, shareholders, business partners, regulators and the public in making its business decisions.

本集團之主要風險(續)

關鍵人員流失或無法吸引及挽留優秀人才

關鍵人員流失可能會對本集團的營運及盈利能力造成不利影響。關鍵人員流失的風險可透過以下方式予以減輕：定期檢討人力資源管理系統、管理層團隊內部的薪酬方案及繼任規劃。

網絡及信息安全風險

近年來，複雜的網絡釣魚活動及勒索軟件等網絡攻擊的頻率持續上升。網絡攻擊的潛在威脅正日益增加。網絡攻擊可能會導致資料丟失、機密資料洩漏、系統不可用及運作中斷，從而可能就數據恢復及系統恢復及/或可能的申索而產生大量成本。本集團透過實施防火牆、反垃圾郵件及反病毒防護等安全措施管理該風險。

企業、環境及社會責任

本集團致力維持各項業務長遠可持續發展，並深明其持份者(如僱員、客戶、股東、業務夥伴、監管人及公眾人士)之意見及利益於作出營商決定時極為重要。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

CORPORATE, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY (continued)

Environmental Protection

The Group is committed to minimising the impact of business activities on the environment, and supporting environmental protection programs. Management established environmental policy and communicated measurable environmental objectives and targets on energy and paper consumption. In particular, a number of initiatives designed to conserve resources, including paper recycle and electricity conservation, were introduced to promote employees' awareness of the need to achieve efficient utilisation of resources. In addition, measures were taken to reduce paper consumption in offices. These should help in building a sustainable environment for the Group.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

ADDITIONAL INFORMATION IN RELATION TO THE INDEPENDENT AUDITOR'S OPINION

On 15 March 2019, the Grand Court of the Cayman Islands granted a winding up order (the "Order") against Yota, an associate of the Company. A liquidator has been appointed by the Court to handle the liquidation process. Due to the liquidation of Yota, only the liquidator can engage auditors to conduct audit of Yota. The Company has been in touch with the appointed liquidator of Yota to explore the possibility of conducting an audit for Yota. On 28 June 2019, the Company decided to delay the publication of 2019 annual results to wait for the reply from the appointed liquidator. However, the process was slow with uncertainties. Taking into account of the above facts, the Company is of the view that a full impairment on investments in associates and amounts due from associates of the Company should be made to reflect the current conditions of Yota rather than waiting for the confirmation on the audit of Yota from the appointed liquidator with uncertain time frame. At the moment, the accounts of Yota were not audited. Our auditors have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on our consolidated financial statements. Therefore, the Audit Qualification on limitation of scope was formed. After the impairment of interests in associates and amounts due from associates, the financial position of the Group shows both net current liabilities and net liabilities. These conditions indicated the existence of a material uncertainty on the Group's ability to continue as a going concern. The Directors have prepared a cash flow forecast covering a period up to 31 March 2020 on the basis that the Group's action plans and measures will be successful. However, the uncertainty surrounding the Group's future cash flows raises significant doubt about the Group's ability to continue as a going concern. The Auditors are unable to obtain adequate evidence concerning the Group's ability to meet any financial obligations as and when they fall due and consider that the material uncertainties relating to going concern basis and their cumulative effect on the consolidated financial statements is so extreme that the Auditor has expressed disclaimer of opinion on the Company's going concern in the Consolidated Financial Statements.

企業、環境及社會責任(續)

環境保護

本集團致力盡量減少業務活動對環境造成之影響，同時支持環保計劃。管理層已制定環保政策，並就能源及紙張消耗定下可計量環保宗旨及目標。本集團特別引進多項節約資源之措施，包括回收紙張及節約電力，從而令僱員意識到有需要有效運用資源。此外，本集團亦採取措施減少辦公室紙張消耗。上述措施應有助於本集團建立可持續發展之環境。

遵守相關法律及法規

就董事會所知，本集團已在重大方面遵守對本集團業務及營運有重大影響之相關法律及法規。

有關獨立核數師意見之額外資料

於二零一九年三月十五日，開曼群島大法院就本公司聯營公司Yota發出清盤令(「命令」)。法院已委任清算人處理清算程序。由於Yota的清算，僅清算人可委聘核數師對Yota進行審核。本公司一直與獲委任的Yota清盤人接觸以探索為Yota展開審核的可能性。於二零一九年六月二十八日，本公司決定延遲刊發二零一九年全年業績等待獲委任清算人的答覆。然而，由於存在不確定因素，該程序進展緩慢。考慮到上述事實，本公司認為，於聯營公司的投資及應收本公司聯營公司款項應作出悉數減值以反映Yota的當前狀況，而非等待獲委任清算人確認對Yota進行審核(時限尚不確定)。目前，Yota的賬目未經審核。我們的核數師無法獲得足夠合適的審核憑據以便為有關我們的綜合財務報表的審核意見提供基準。因此，形成與範圍限制有關的審核資格。於聯營公司的權益及應收聯營公司款項減值後，本集團的財務狀況列示流動負債淨額及負債淨額。該等狀況顯示本集團按持續經營基準存續的能力存在重大疑問。核數師無法就本集團於任何財務義務到期時履行有關義務的能力取得足夠的證據，且認為與持續經營基準有關的重大不確定性及其對綜合財務報表的累計影響極大，以致核數師對綜合財務報表內本公司的持續經營不發表意見。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND BUSINESS PARTNERS

The Group recognises its employees, customers and business partners are the keys to maintain the sustainable development of the Group. The Group is committed to building a close and intimate relationship with its employees, providing quality services and products to its customers, and enhancing cooperation with its business partners.

Employees are regarded as one of the vital and valuable assets of the Group. The Group encourages employees to participate in external seminars and lectures to keep abreast of changes and to enhance their knowledge on areas of industrial, legal and compliance. The Group also encourages continuous professional development training for the Directors to develop and refresh their knowledge and skills, which include seminars on updating regulatory requirement and development, and corporate governance practices.

The Group also stays connected with its customers and business partners and has ongoing communication with them through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

References are made to the announcements of the Company dated 29 March 2019, 10 May 2019 and 6 June 2019 (the "Announcements") in relation to the acquisition of the entire issued share capital of Hong Kong Made and Ample Success involving an issue of consideration shares under general mandate. Capitalised terms used herein shall have the same meanings as those defined in the Announcements. Completion took place on 6 June 2019. Upon Completion, the Target Companies became wholly-owned subsidiaries of the Company and their financial results will be consolidated into the financial results of the Company. As part of the payment of the Consideration, the Company allotted and issued to the Vendors the First Tranche Consideration Shares, being 83,333,325 Shares, representing approximately 2.24% of the issued share capital of the Company as enlarged by the allotment and issue of such Shares.

BUSINESS MODEL AND BUSINESS STRATEGY

Diversification is our core business strategy. The Group is committed to achieving long-term sustainable growth of its businesses in preserving and enhancing the Shareholders' value. The Group is focused on looking for attractive investment opportunities to strengthen and widen its business scope. The Group has maintained a prudent and disciplined financial management to ensure its sustainability.

與僱員、客戶及業務夥伴之關係

本集團深知其僱員、客戶及業務夥伴對於維持本集團持續增長至關重要。本集團致力與僱員建立深厚密切關係，向客戶提供優質服務及產品，並與業務夥伴加強合作。

僱員乃本集團重要及寶貴的資產之一。本集團鼓勵僱員參與外部研討會及講座，以緊貼、把握及提升行業、法律及合規知識。本集團亦推動董事之持續專業發展培訓，以提升及更新彼等之知識及技能，包括有關最新監管規定及發展以及企業管治常規之研討會。

本集團亦透過電話、電子郵件及親身會面等方式，與客戶及業務夥伴保持聯繫及溝通，以獲取彼等之回饋及意見。

報告期後重要事項

謹此提述本公司日期為二零一九年三月二十九日、二零一九年五月十日及二零一九年六月六日之公告（「該等公告」），內容關於收購香港製作及博功的全部已發行股本，涉及根據一般授權發行代價股份。本年報所用專有詞彙與該等公告所界定者具有相同涵義。交易已於二零一九年六月六日完成。完成後，目標公司成為本公司之全資附屬公司及其財務業績將綜合計入本公司之財務業績。作為部分代價付款，本公司向賣方配發及發行第一批代價股份，即83,333,325股股份，佔本公司經配發及發行該等股份擴大之已發行股本約2.24%。

業務模式及業務策略

多元化乃我們核心業務策略之本。本集團致力實現業務之長遠可持續發展，以保持及提升股東價值。本集團專注物色具吸引力之投資機會，以加強及擴大其業務範圍。本集團維持審慎及有紀律之財務管理，以確保其可持續發展。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

PROSPECTS

The mobile and multi-media technologies business will become an increasingly important profit driver going forward.

The smartphone market in China is in a period of recalibration. The Group will continue to expand the businesses through cooperating with provincial and local governments and large-scale enterprises and state-owned enterprises. We believe our strategic focus to further penetrate the B2B smartphone market by optimizing our distribution channels in 2018 has provided a solid foundation for the future growth in China in next year.

Additionally we will further leverage on our EPD technologies to enhance our licensing model to cover other areas outside smartphones. The Group will continue to look for new technologies business opportunities so as to generate sustainable profitability and growth in the long run.

In the meantime, the Group will continue to monitor the tourism and hospitality business closely. The Group will try to explore more business lines such as hotels, package tours and ancillary travel related products or services to expand the revenue stream on tourism and hospitality business. In addition, the Group will actively approach its business partners to negotiate for a more competitive price for its FIT products so as to increase the profit margin on FIT products, and thus enhance the business financial performance.

Looking ahead, the Group will continue to explore potential strategic investment and cooperation opportunities with the aim of creating synergies for the Group in relation to aspects such as technological development, product portfolio, channel expansion and/or cost control. The Group will spare no effort to push forward sustainable development and elevate overall competitiveness and corporate efficiency to create greater value for its Shareholders. Appropriate disclosures will be made by the Company as required under the Listing Rules.

FINANCIAL REVIEW

During the year under review, the Group recorded a revenue of approximately HK\$44,580,000 (2018: HK\$53,482,000), representing a decrease of approximately 16.64% compared with last year. Loss for the year under review amounted to approximately HK\$1,305,950,000 (2018: HK\$299,694,000). Net loss attributable to owners of the Company for the year under review amounted to approximately HK\$1,298,305,000 (2018: HK\$294,509,000).

前景

手機及多媒體技術業務日後將成為日益重要的溢利推動因素。

中國智能手機市場正處於調整時期。本集團將繼續通過與省級和地方政府以及大型企業及國有企業合作擴大業務。二零一八年，我們著重優化分銷渠道，深耕B2B智能手機市場。此舉為中國於下一年度的未來增長奠定堅實基礎。

此外，我們將進一步憑藉我們的EPD技術提升我們的授權模式，從而覆蓋智能手機以外的其他領域。本集團將繼續挖掘新技術商機，帶來長期可持續盈利及增長。

與此同時，本集團將繼續密切注視旅遊及消閒業務。本集團將嘗試探索更多業務範疇，例如酒店、旅行團及旅遊相關週邊產品或服務，以擴大旅遊及消閒業務之收入來源。此外，本集團將積極接洽業務夥伴，為旗下自由行旅遊產品爭取更具競爭力之價格，提高自由行旅遊產品利潤率，提升業務財務表現。

展望未來，本集團將繼續探索潛在戰略投資及合作機會，以於多個方面(如技術開發、產品組合、渠道擴展及／或成本控制)為本集團創造協同效應。本集團將不遺餘力推動可持續發展，提升整體競爭力及企業效率，為股東締造更大價值。本公司將根據上市規則之規定作出適當披露。

財務回顧

於回顧年度，本集團錄得收入約44,580,000港元(二零一八年：53,482,000港元)，較去年減少約16.64%。於回顧年度的虧損約為1,305,950,000港元(二零一八年：299,694,000港元)。於回顧年度本公司擁有人應佔虧損淨額約為1,298,305,000港元(二零一八年：294,509,000港元)。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

FINANCIAL REVIEW (continued)

Mobile technologies business

Against the current backdrop of economic uncertainties in the global environment under the US-China trade tension during 2019, the revenue of mobile business was HK\$34,610,000 (2018: HK\$40,925,000), which was reduced by 15.43%. The wholesale of mobile business experienced a difficult year. In Mainland China, the economy slowed down in the shadow of US-China trade war. The business performance of the Group was facing downward pressure mainly due to the weak China customers sentiment, which led to a decrease of customers' orders. Among the mobile industry, the hardware business was a severely affected sector due to the trade war, which highly affected the research and development and mobile operation of the Group. On 15 March 2019, Yota was wound up, which led the carrying amount of investment in associates becoming zero. Then, the impairment of loss on interest in associates for 2019 of HK\$331,352,000 brought consequential impact on the segment result of mobile business. The loss of mobile business segment in 2019 was HK\$1,180,876,000 (2018: HK\$141,999,000), in which the loss increased by 731.61%.

Given the escalating trade dispute between China and the United States and China's slowdown in economic growth, the hardware of mobile business in China market is expected to be volatile and remains challenging in the foreseeable future. The Group will continue to adopt a cautious approach and focus on more in asset-light and technology-focused business.

Tourism and hospitality business

We Fly reported around HK\$5,227,000 revenue in 2019 (2018: HK\$7,467,000). A drop of 30% of revenue was recorded in 2019 as compared with the performance in 2018. Except the US-China trade tension, the competition of tourism and hospitality industry in Hong Kong is very keen. The numbers of agents or platform providing online travel and booking service are increasing. At the same time, the price elasticity of demand in retailing travel products market is high. The Group strived to increase market share by promoting online travel products and booking service with competitive price. The ticket and product booking cost from airline, hotel and travel companies were increasing, which also led to an increase in operation cost.

Despite these adverse factors, the Group controlled the cost and managed to increase the gross margin. The segment loss in 2019 was HK\$86,039,000 (2018: HK\$77,575,000), in which the loss increased by 10.91%. Until now, the Group still intends to capture every opportunity for bidding for more opportunities under the keen competition. The Group will closely review the market situation from time to time and seek a sustainable business model and good position in Hong Kong and China.

財務回顧(續)

手機技術業務

針對二零一九年中美貿易緊張局面下全球環境的經濟不確定性的當前背景，手機業務的收入為34,610,000港元(二零一八年：40,925,000港元)，減幅為15.43%。手機批發業務經歷了困難的一年。中國內地方面，中美貿易戰陰影下經濟放緩。本集團的業務表現主要因中國的客戶情緒薄弱而面臨下行壓力，從而導致客戶訂單減少。縱觀手機行業，硬件業務乃一個因貿易戰而受到重創的分部，極大地影響了本集團的研發和手機運營。於二零一九年三月十五日，Yota已清盤，導致於聯營公司的投資賬面值為零。之後，二零一九年於聯營公司的權益虧損減值為331,352,000港元，對手機業務的分部業績造成間接影響。二零一九年的手機業務分部虧損為1,180,876,000港元(二零一八年：141,999,000港元)，其中有關虧損增幅達731.61%。

隨著中國與美國之間的貿易糾紛升級，加之中國的經濟增長減速，中國市場的手機硬件業務預計會出現波動，並將於可預見未來仍面臨挑戰。本集團將繼續採用審慎手段，並專注於輕資產及以技術為重心的業務。

旅遊及消閒業務

於二零一九年，愛飛呈報約5,227,000港元的收入(二零一八年：7,467,000港元)。與二零一八年的業績比較，二零一九年錄得的收入下跌30%。除中美貿易緊張外，香港的旅遊和消閒行業的競爭非常激烈。提供網上旅遊和預訂服務的代理或平台數目有增無減。同時，零售旅遊產品市場需求的價格彈性較高。本集團致力於通過推廣具有競爭力價格的網上旅遊產品及預訂服務來增加市場份額。航空、酒店和旅遊公司的票務和產品預訂成本不斷上升，此亦導致運營成本增加。

儘管如此，本集團控制了成本，並提高了毛利率。二零一九年的分部虧損為86,039,000港元(二零一八年：77,575,000港元)，其中虧損升幅達10.91%。截止目前，本集團仍有意把握各種機遇，以在競爭激烈的情況下競爭更多商機。本集團將不時密切關注市場狀況，並於香港及中國尋求可持續業務模式和卓越定位。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

FINANCIAL REVIEW (continued)

Gamma ray irradiation services

During the year under review, the performance of gamma ray irradiation services is relatively stable. The revenue has slightly decreased to approximately HK\$4,743,000 (2018: approximately HK\$5,090,000) for the year ended 31 March 2019.

Other operations – securities trading and investment

There has been no revenue (2018: HK\$0) recognised for the year ended 31 March 2019. The loss increased by 14.30% to approximately HK\$4,420,000 for this year from approximately HK\$3,867,000 for the year ended 31 March 2018. The increase was mainly due to an increase in net unrealized losses of approximately HK\$1,377,000 for this year as compared to approximately HK\$1,077,000 for the preceding year.

Placing notes

On 20 August 2013, the Company entered into a placing agreement (the “2013 Placing Agreement”) with a placing agent (the “Placing Agent”), pursuant to which the Company agreed to place, through the Placing Agent, on a best efforts basis, the notes up to an aggregate amount of HK\$300,000,000 to be issued by the Company in the denomination of HK\$2,000,000 each (the “Placing Notes”) to independent third parties. Pursuant to the 2013 Placing Agreement, the Placing Notes carry interest at 5% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the Placing Notes. In August 2014, the Company entered into an agreement to renew the placing period for the placing of the Placing Notes up to 31 August 2015. As at 31 March 2019, the Placing Notes in the aggregate principal amount of HK\$30,000,000 (2018: HK\$30,000,000) were outstanding.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2019, the Group had bank balance and cash of approximately HK\$7,317,000 (2018: HK\$33,271,000), of which 14.23% was in Hong Kong dollars, 85.39% was in Renminbi and 0.38% was in Japanese Yen. As at 31 March 2019, the Group had total bank and other borrowings of approximately HK\$238,790,000 (2018: HK\$227,720,000), of which 40.44% was in Hong Kong dollars and 59.56% was in Renminbi and of which borrowings within one year was HK\$209,895,000 (2018: HK\$198,637,000), accounting for approximately 87.90% (2018: 87.23%) of the total borrowings. The increase in borrowings was mainly due to the loan was obtained by an indirect wholly-owned subsidiary during the year under review. As at 31 March 2019, the Group’s borrowings with fixed interest rates to total borrowings was approximately 78.67%. The gearing ratio, being the ratio of the sum of total borrowings to total deficit, was 66% as at 31 March 2019 (2018: 26%). The increase in gearing ratio was mainly due to the loan obtained by an indirect wholly owned subsidiary during the year under review. The liquidity ratio, being the ratio of current assets over current liabilities, was 9.33% as at 31 March 2019 (2018: 160.04%). The decrease of liquidity ratio was mainly due to the decrease of amounts due from associates during the year under review.

財務回顧(續)

伽瑪射線照射服務

於回顧年度，伽瑪射線照射服務的表現相對穩定。截至二零一九年三月三十一日止年度，有關收入小幅下跌至約4,743,000港元(二零一八年：約5,090,000港元)。

其他業務—證券買賣及投資

截至二零一九年三月三十一日止年度，尚未確認任何收入(二零一八年：0港元)。有關虧損由截至二零一八年三月三十一日止年度的約3,867,000港元增加14.30%至本年度的約4,420,000港元。該增加主要是由於本年度的未實現虧損淨額增加約1,377,000港元，而上一一年則為約1,077,000港元。

配售票據

於二零一三年八月二十日，本公司與一名配售代理(「配售代理」)訂立配售協議(「二零一三年配售協議」)，據此，本公司同意透過配售代理按盡力基準配售本公司將予發行總額最多300,000,000港元及每份面值2,000,000港元之票據(「配售票據」)予獨立第三方。根據二零一三年配售協議，配售票據按年利率5厘計息，並將於由每份配售票據之發行日期起計第七週年贖回。於二零一四年八月，本公司訂立一份協議，將配售票據之配售期重續至二零一五年八月三十一日。於二零一九年三月三十一日，本金總額30,000,000港元(二零一八年：30,000,000港元)之配售票據尚未行使。

流動資金及財務資源

於二零一九年三月三十一日，本集團擁有銀行結餘及現金約7,317,000港元(二零一八年：33,271,000港元)，其中14.23%以港元計值，85.39%以人民幣計值，而0.38%以日圓計值。於二零一九年三月三十一日，本集團有銀行及其他借貸合共約238,790,000港元(二零一八年：227,720,000港元)，其中40.44%以港元計值，而59.56%以人民幣計值，當中為期一年內之借貸為209,895,000港元(二零一八年：198,637,000港元)，佔總借貸約87.90%(二零一八年：87.23%)。借貸增加主要是由於回顧年度內一間間接全資附屬公司取得貸款所致。於二零一九年三月三十一日，本集團定息借貸相對總借貸之比率約為78.67%。於二零一九年三月三十一日，資產負債比率(即總借貸相對虧絀總額之比率)為66%(二零一八年：26%)。資產負債比率上升主要是由於回顧年度內一間間接全資附屬公司取得貸款所致。於二零一九年三月三十一日，流動資金比率(即流動資產除以流動負債之比率)為9.33%(二零一八年：160.04%)。流動資金比率下降主要是由於回顧年度內應收聯營公司款項減少所致。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

PLEDGE OF ASSETS

As at 31 March 2019, the Group's land use rights and certain property, plant and equipment with carrying amount of approximately HK\$12,584,000 (2018: HK\$14,291,000) were pledged to a bank to secure the bank borrowing granted to the Group. As at 31 March 2019, the Group's listed securities with carrying amount of approximately HK\$759,000 (2018: HK\$2,115,000) were pledged to secure margin account payable granted to the Group.

USE OF PROCEEDS

On 29 March 2018, the first tranche consideration shares of 593,246,187 shares were allotted and issued to the vendor (MTH Limited) (the "Vendor") under general mandate for the acquisition of 10% equity interest of YOTA. The aggregate nominal value of such first tranche consideration shares amounted to HK\$5,932,461.87. On 26 September 2018, the second tranche consideration shares of 25,424,836 shares (adjusted to take into account of the Share Consolidation, as defined below) were allotted and issued to the Vendor under general mandate. The aggregate nominal value of such second tranche consideration shares amounted to HK\$2,542,483.60.

SHARE CONSOLIDATION

On 28 June 2018, the board (the "Board") of directors (the "Directors") of the Company proposed to implement the Share Consolidation and the change in board lot size involving: (i) consolidation of every ten (10) existing shares of HK\$0.01 each in the issued and unissued share capital of the Company into one (1) consolidated share of HK\$0.10 each in the issued and unissued share capital of the Company (the "Share Consolidation") subject to, among other things, approval by shareholders at general meeting of the Company; and (ii) change in board lot size of the shares for trading on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") from 25,000 existing shares to 5,000 consolidated shares upon the Share Consolidation becoming effective. As approved by the shareholders of the Company at the special general meeting of the Company held on 2 August 2018, the Share Consolidation became effective on 3 August 2018.

CAPITAL COMMITMENTS

As at 31 March 2019, the Group had capital commitments contracted but not provided for in the consolidated financial statements of approximately HK\$155,848,000 (2018: HK\$177,772,000). Details of the capital commitments are set out in Note 40 to the consolidated financial statements.

CONTINGENT LIABILITIES

As at 31 March 2019, the Group had no significant contingent liabilities (2018: Nil).

資產質押

於二零一九年三月三十一日，本集團賬面值約12,584,000港元(二零一八年：14,291,000港元)之土地使用權以及若干物業、廠房及設備已質押予一間銀行，以取得其授予本集團之銀行借貸。於二零一九年三月三十一日，本集團賬面值約759,000港元(二零一八年：2,115,000港元)之上市證券已作質押，以擔保本集團獲授之應付孖展賬戶款項。

所得款項用途

於二零一八年三月二十九日，收購YOTA 10%股本權益之第一批代價股份593,246,187股股份已根據一般授權配發及發行予賣方(MTH Limited)(「賣方」)。第一批代價股份之總面值為5,932,461.87港元。於二零一八年九月二十六日，第二批代價股份25,424,836股股份(經調整以計及股份合併(定義見下文))根據一般授權配發及發行予賣方。該第二批代價股份之總面值為2,542,483.60港元。

股份合併

於二零一八年六月二十八日，本公司董事(「董事」)會(「董事會」)建議進行股份合併及更改每手買賣單位，當中涉及(i)將每十(10)股本公司已發行及未發行股本中每股面值0.01港元之現有股份合併為一(1)股本公司已發行及未發行股本中面值0.10港元之合併股份(「股份合併」)，惟須待(其中包括)股東於本公司股東大會上批准；及(ii)待股份合併生效後，將股份於香港聯合交易所有限公司(「聯交所」)之每手買賣單位由25,000股現有股份更改為5,000股合併股份。誠如本公司股東於二零一八年八月二日舉行的本公司股東特別大會上所批准，股份合併於二零一八年八月三日生效。

資本承擔

於二零一九年三月三十一日，本集團有已訂約但未於綜合財務報表撥備之資本承擔約155,848,000港元(二零一八年：177,772,000港元)。資本承擔之詳情載於綜合財務報表附註40。

或然負債

於二零一九年三月三十一日，本集團並無重大或然負債(二零一八年：無)。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

EXPOSURE TO EXCHANGE RATE RISK AND INTEREST RATE RISK

The Group's transactions are denominated in Hong Kong dollars, Renminbi and United States dollars. The Group did not enter into any foreign exchange forward contracts to hedge against exchange rates fluctuations during the year under review. Foreign exchange risk arising from the normal course of operations is considered to be minimal and the management will closely monitor the fluctuation in the currency and take appropriate actions when condition arises.

In terms of the interest rate risk exposures, the Group does not have any significant interest rate risk as both the borrowings of the Group and the interest rates currently remain at low levels. As at 31 March 2019, the Group's bank and other borrowings with fixed interest rates accounted for approximately 78.67% of total borrowings.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

On 29 March 2019, the Company and the Vendors entered into the Agreements pursuant to which the Vendors conditionally agreed to sell and the Company conditionally agreed to purchase the Sale Equity Interests, representing directly and indirectly the entire issued share capital of Hong Kong Made and Ample Success, for an aggregate Consideration of HK\$50,000,000, which shall be satisfied by the allotment and issue of the Consideration Shares in tranches at the Issue Price of HK\$0.200 per Share to the Vendors or their respective nominees in accordance with the terms and conditions of the Agreements. Details of such acquisition were set out in the announcements of the Company dated 29 March 2019, 10 May 2019 and 6 June 2019. Capitalized terms used in the paragraph have the same meanings as those defined in the aforementioned announcements.

匯率風險及利率風險

本集團之交易以港元、人民幣及美元計值。於回顧年度內，本集團並無訂立任何遠期外匯合約以對沖匯率波動。本集團認為來自正常營運過程之外匯風險甚微，且管理層將密切監察貨幣波動情況，並在必要時採取恰當措施應對。

利率風險方面，由於目前本集團之借貸及利率仍處於低水平，故本集團並無任何重大利率風險。於二零一九年三月三十一日，本集團按固定利率計息之銀行及其他借貸佔總借貸約78.67%。

附屬公司之重大收購或出售

於二零一九年三月二十九日，本公司及賣方訂立該等協議，根據該等協議，賣方有條件同意出售且本公司有條件同意購買待售股本權益，該股本權益直接及間接相當於香港製作及博功的全部已發行股本，總代價為50,000,000港元，總代價應透過根據該等協議的條款及條件按每股股份0.200港元的發行價分批配發及發行代價股份予賣方或其各自的代名人的方式予以支付。收購詳情載述於本公司日期為二零一九年三月二十九日、二零一九年五月十日及二零一九年六月六日之公告。本段所用專有詞彙與上述該等公告所界定者具有相同涵義。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

LITIGATION

- (1) In April 2016, the Company completed a placing pursuant to the terms of the placing agreement with a placing agent and allotted and issued 25,000,000,000 new shares to various placees (the "Placing"). Pursuant to the terms of the placing agreement, each placee undertook to the Company that the shares issued and allotted to it under the Placing would be subject to a lock-up period of 24 months from the date of allotment and issue of such shares.

In May 2016, three placees under the Placing were found to have breached their lock-up undertakings to the Company under the Placing by pledging their shares to two lenders as security for loans. An interlocutory injunction order (the "Injunction Order") was obtained by the Company from the High Court of Hong Kong (the "Court") on 27 May 2016, which was subsequently continued by a court order given on 3 June 2016, restraining the three placees from breaching the lock-up undertakings by, among other things, directly or indirectly selling, mortgaging, charging, pledging, hypothecating, lending, granting or selling any option, warrant, contract or right to purchase, transferring, disposing of, creating any right over, or agreeing or offering to do any of the aforesaid in relation to the 1,667 million shares allotted and issued to them under the Placing until trial or further order. Further details of the court orders are set out in the announcements of the Company dated 29 May 2016 and 7 June 2016. The two lenders then took out applications in the Court in June 2016 and July 2016 respectively seeking declarations that they are beneficially entitled to the shares being the subject matter of the Injunction Order and later for variation of the Injunction Order to the effect that those shares shall no longer be the subject matter of the Injunction Order. The three placees disputed the contention that the lenders are the beneficial owners of the shares and legal proceedings regarding the ownership of those shares were brought in foreign jurisdictions. On 12 June 2017, the Court ordered that one of the lenders' application be adjourned pending the decision of the legal proceedings in foreign jurisdiction and the other lender's application be dismissed with costs to the Company. The lockup period has already expired in April 2018 and the Injunction Order has been automatically discharged upon expiry of the lock-up period. As at the date of this annual report, the litigation is still in progress against the three placees for their breach of the lock-up undertakings.

訴訟

- (1) 於二零一六年四月，本公司根據與一名配售代理訂立之配售協議之條款完成向多名承配人配發及發行25,000,000,000股新股份(「配售事項」)。根據配售協議之條款，每名承配人向本公司承諾，彼根據配售事項獲發行及配發之股份應受限於由該等股份配發及發行日期起計24個月之禁售期。

於二零一六年五月，三名配售事項之承配人被發現向兩名貸款人質押其股份作為貸款之抵押品，已違反彼等於配售事項下向本公司作出之禁售承諾。於二零一六年五月二十七日，本公司已取得香港高等法院(「法院」)發出之臨時禁制令(「禁制令」)，其後藉二零一六年六月三日作出之法院命令延續)，限制該三名承配人不可違反禁售承諾(其中包括)直接或間接銷售、按揭、押記、質押、抵押、借出、轉讓、出售彼等根據配售事項獲配發及發行之1,667,000,000股股份，或授出或出售涉及該等股份之任何購股權、認股權證、合約或購買權、設立任何涉及該等股份之權利或同意或要約進行上述任何事項，直至審訊或進一步頒令為止。法院命令之進一步詳情載於本公司日期為二零一六年五月二十九日及二零一六年六月七日之公告內。該兩名貸款人其後分別於二零一六年六月及二零一六年七月向法院申請宣告彼等為禁制令所涉股份之實益擁有人，其後申請修改禁制令，致使該等股份不再受禁制令限制。該三名承配人反對貸款人為該等股份之實益擁有人之論點，並於境外司法權區提出有關該等股份擁有權之法律程序。於二零一七年六月十二日，法院命令將其中一名貸款人之申請擱置，等待境外司法權區之法律程序裁決，而另一名貸款人之申請則被駁回，且本公司獲得訟費。禁售期已於二零一八年四月屆滿，且禁制令已於禁售期屆滿時自動解除。於本年報日期，有關針對三名承配人違反禁售承諾的訴訟仍在進行中。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

LITIGATION (continued)

- (2) On 20 August 2013, the Company entered into the 2013 Placing Agreement with the Placing Agent. Pursuant to the 2013 Placing Agreement, the Placing Notes carry interest at 5% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the Placing Notes.

One creditor had taken legal actions against the Company to recover the alleged outstanding debts under the Placing Notes. The alleged debts amount includes the principal of HK\$10,000,000 and outstanding interests of approximately HK\$1,264,000. This annual report, the Company is trying to negotiate with the noteholder and ask for the extension of the repayment date of the entire or partial amount of the placing notes which are demanded by the noteholders to repay the principal and note interests immediately.

EMPLOYEE AND EMOLUMENT POLICY

As at 31 March 2019, the Group employed 47 employees (2018: 239).

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are reviewed periodically based on performance appraisal and other relevant factors. Staff benefits plans maintained by the Group include medical insurance, hospitalisation scheme, mandatory provident fund, share option scheme and share award scheme. Employees in the PRC are remunerated according to the prevailing market conditions in the locations of their employments.

The emolument policy of the employees of the Group is set up by the Board on the basis of their merit, qualifications and competence. The emoluments of the Directors are decided by the Board, as authorised by the shareholders at the annual general meeting of the Company, having regard to the Group's operating results, individual performance and comparable market statistics.

DISCLAIMER OF OPINION

The auditors of the Company expressed a disclaimer of opinion in the independent auditors' report on the consolidated financial statements of the Group for the ended 31 March 2019 (the "**Independent Auditors' Report**"). As stated in the paragraph headed "BASIS FOR DISCLAIMER OF OPINION" in the Independent Auditors' Report, the basis for the auditors of the Company to express a disclaimer of opinion was (a) the scope limitation on share of results and impairment loss on interests in associates and (b) multiple fundamental uncertainties relating to going concern.

訴訟(續)

- (2) 於二零一三年八月二十日，本公司與配售代理訂立二零一三年配售協議。根據二零一三年配售協議，配售票據按年利率5厘計息，並將於每份配售票據之發行日期起計第七週年贖回。

一名債權人已對本公司採取法律行動以追回配售票據項下之指稱的未償還債務。指稱的債務金額包括本金10,000,000港元及未償還利息約1,264,000港元。本年報，本公司正試圖與票據持有人進行磋商，請求延期配售票據全部或部分金額之償還日期(票據持有人要求即時償還本金及票據利息)。

僱員及酬金政策

於二零一九年三月三十一日，本集團聘用47名僱員(二零一八年：239名)。

薪酬待遇一般參考市場條款及個人表現釐定。薪金乃根據表現評核及其他有關因素定期檢討。本集團推行之員工福利計劃包括醫療保險、住院計劃、強制性公積金、購股權計劃及股份獎勵計劃。中國僱員之薪酬待遇根據僱員受僱地區之現行市況釐定。

本集團僱員之酬金政策由董事會按僱員之長處、資歷及才能制定。董事之酬金由董事會(獲股東於本公司股東週年大會上授權)考慮本集團營運業績、個人表現及可資比較市場統計數據後決定。

不發表意見

本公司核數師對本集團截至二零一九年三月三十一日止年度之綜合財務報表所載的獨立核數師報告(「**獨立核數師報告**」)不發表意見。誠如獨立核數師報告「不發表意見之基準」一段所述，本公司核數師不發表意見之基準為(a)對分佔業績及聯營公司權益減值虧損的範圍限制及(b)有關持續經營之多項基本不明朗因素。

** For identification purpose only

** 僅供識別

Management Discussion and Analysis (continued)

管理層討論及分析(續)

MANAGEMENT'S AND AUDIT COMMITTEE'S VIEWS ON THE INDEPENDENT AUDITOR'S OPINION

The Audit Committee has reviewed and agreed with the Audit Qualification. At the Board meeting held immediately after the meeting of the Audit Committee held on 12 July 2019, the Audit Committee reported to and discussed with the Board the issues raised in the audit progress report (the "Report") in respect of the annual report with focuses being placed on the assumptions adopted in a cash flow forecast covering the period from 1 April 2019 to 31 March 2020 and the Board provided response to these issues. Based on the information provided by the management and in view of the steps taken by the management in improving the financial position of the Group including but not limited to the obtaining of the letter of support from a shareholder to provide financial support to the Company, the Audit Committee concurred with the management on the going concern basis and the assumptions adopted in preparing the consolidated financial statements.

The management was aware of the Group's net current liabilities of approximately HK\$541,673,000 and net liabilities of approximately HK\$364,456,000 as at 31 March 2019 as well as the Group's loss for the year amounted to approximately HK\$1,298,305,000 and these conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Having made appropriate enquiries and examined the major areas which gave rise to the aforesaid financial exposures, the management, based on the cash flow forecast which has been prepared on the basis that the Group will successfully implement the plans and measures as set out in Note 2 to the consolidated financial statements, are satisfied that the Group will have sufficient working capital to meet with its financial obligations when they fall due. In this connection, the management have continued to prepare the financial statements on a going concern basis for the year ended 31 March 2019 and considered that the Group has applied consistent accounting policies and made judgements and estimates that are appropriate and reasonable in accordance with the applicable accounting standards.

The basis of Assumptions taken by the Directors to consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the twelve months from 31 March 2019 are as follows:

1. the Company will be able to raise funds of HK\$200,000,000. The Company plans to undertake various fund raising activities in August/September 2019. Currently, the Company is in discussion with potential investors to implement a fundraising exercise which can raise fund in the maximum amount of HK\$200,000,000;

管理層及審核委員會對獨立核數師意見之意見

審核委員會已審閱及同意審核資格。於緊隨二零一九年七月十二日舉行的審核委員會會議後召開的董事會會議上，審核委員會向董事會報告並與董事會討論審核進展報告（「該報告」）就年報提出的問題，重點放在自二零一九年四月一日起至二零二零年三月三十一日止期間現金流量預測所採用的假設，而董事會已就該等問題作出回應。基於管理層提供之資料及管理層改善本集團財務狀況採取的措施，包括但不限於取得一名股東就向本公司提供財務支持的支持信，審核委員會同意管理層編製綜合財務報表所採用的持續經營基準及假設。

管理層意識到本集團截至二零一九年三月三十一日的流動負債淨額約為541,673,000港元及負債淨額約364,456,000港元以及本集團年度虧損約1,298,305,000港元。該等情況顯示存在重大不明朗因素可能對本集團持續經營能力產生重大質疑。

經作出適當查詢及檢查可能引致上述重大財務風險的重大方面後，董事根據已按本集團將成功實施綜合財務報表附註2所載之計劃和措施之基準所編製的現金流量預測，信納本集團將擁有充足營運資金，可滿足其到期財務責任。就此而言，截至二零一九年三月三十一日止年度，董事已繼續按持續經營基準編製財務報表，並認為本集團已運用一致的會計政策及根據適用會計準則作出屬適當及合理的判斷和估計。

董事認為自二零一九年三月三十一日起計12個月內本集團擁有足夠的營運資金可於財務義務到期時履行有關義務而採納的假設基準如下：

1. 本公司將能夠籌集資金200,000,000港元。本公司計劃於二零一九年八月／九月進行各種籌資活動。目前，本公司正與潛在投資者展開討論以實施籌資活動，該活動可籌集資金的最高金額為200,000,000港元；

Management Discussion and Analysis (continued)

管理層討論及分析(續)

MANAGEMENT'S AND AUDIT COMMITTEE'S VIEWS ON THE INDEPENDENT AUDITOR'S OPINION (continued)

2. the loan provided by the People's Government of Tongnan County of Chongqing City and Ms. Huang Huang in the principal amount of HK\$130,740,000 on the development of Yota 3 will be capitalised;
3. major creditors will agree to extend the outstanding amount due to them;
4. directors will not require the Company to repay the directors loan until such time when repayment will not affect the ability of the Group to repay other creditors in the normal course of business;
5. the director and shareholder will continue to provide financial support to the Company to meet its financial obligations including payment of interests on bank borrowings, professional fees and other operating expenses, and will not demand for repayment of the loan to the Group; and
6. the new business line such as the advertising platform on the Guangzhou-Shenzhen China Railway High-speed Harmony Series trains can create additional revenue to the Group and improve the Group's profitability and financial position.

The Audit Committee had discussions with the Company's auditors in relation to the Audit Qualification. At the audit planning meeting held on 21 May 2019, the members of the Audit Committee met with the Auditors to discuss the audit plan and the issues faced by the Company in the preparation of the annual results. During the meeting, the Audit Committee was informed by the Auditor about the issue of going concern and liquidity of the Group and discussed with the management to understand the actual plan to deal with these issues.

At the meeting of the Audit Committee held on 12 July 2019, the Audit Committee considered the annual results with reference to the Report prepared by the Auditor which sets out the findings of the Auditors on the major judgemental areas and the basis for disclaimer of opinion included in the annual results. During the meeting, the Audit Committee also enquired extensively about the issues relating to the disclaimer of opinion by the Auditor, in particular the issues relating to the going concern basis in preparation of the consolidated financial statements.

管理層及審核委員會對獨立核數師意見之意見(續)

2. 重慶市潼南縣人民政府及Huang Huang女士就開發Yota 3提供的本金額為130,740,000港元的貸款將轉作資本；
3. 主要債權人將同意延長應付彼等的尚未償還款項的期限；
4. 於還款將不會影響本集團於一般業務過程中償還其他債權人的能力之前，董事將不會要求本公司償還董事貸款；
5. 董事及股東將繼續向本公司提供財務支持以履行其財務義務(包括支付銀行借款利息、專業費用及其他經營支出)，且將不會要求向本集團償還貸款；及
6. 廣深線和諧號列車上的廣告平台等新業務線可為本集團創造額外的收入並改善本集團的盈利能力及財務狀況。

審核委員會已與本公司核數師就審核資格進行討論。於二零一九年五月二十一日舉行之審計計劃會議上，審核委員會成員與核數師會面，以討論審計計劃及本公司於編製年度業績時遇到的問題。於會議期間，審核委員會已獲核數師告知有關持續經營問題及本集團流動資金的情況，並已與管理層討論得出解決該等問題的實際計劃。

於二零一九年七月十二日舉行的審核委員會會議上，審核委員會已參考核數師就有關主要判斷範疇的審核結果及年報中所載不發表意見的基礎編製的報告對年度業績進行審議，會議上審核委員會亦詳細查詢有關核數師不發表意見的問題，尤其是編製綜合財務報表時與持續經營基準有關的問題。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

MANAGEMENT'S AND AUDIT COMMITTEE'S VIEWS ON THE INDEPENDENT AUDITOR'S OPINION (continued)

With respect to the disclaimer opinion on scope limitation on share of results and impairment loss on interests in associates, in light of the fact that the share of results and impairment loss are profit and loss items, the Audit Qualification will not be carried forward to the next financial year.

ACTION PLAN TO ADDRESS THE AUDIT QUALIFICATIONS

With respect to the disclaimer opinion on multiple fundamental uncertainties relating to going concern, the Company plans to undertake various fund raising activities in August/September 2019. The Company has also been negotiating with the lenders of the Company to extend the repayment period of the loan or accept the Company to settle the debts by shares. As disclosed in Note 2 to the consolidated financial statements, during the year ended 31 March 2019, the Company has obtained financial support from its directors. In July 2019, those directors have agreed extend the period of their loans. Also, one of the shareholders of the Company has executed a letter of support that he will continue to provide financial support to the Company to meet its financial obligations including payment of interests on bank borrowings, professional fees and other operating expenses, and will not demand for repayment of the loan to the Group until such time when repayment will not affect the ability of the Group to repay other creditors in the normal course of business.

The Company has prepared the cash flow forecast on the basis that the Group will successfully implement the plans and measures as set out in Note 2 to the consolidated financial statements and the management are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the twelve months from 31 March 2019.

管理層及審核委員會對獨立核數師意見之意見(續)

就有關聯營公司權益中分佔業績及減值虧損的範圍限制中不發表意見而言，鑒於分佔業績及減值虧損為損益項目，下一個財政年度將不再存在審核資格。

解決審核資格的行動計劃

就有關持續經營之多項基本不明朗因素之不發表意見而言，本公司計劃於二零一九年八月／九月進行多項籌資活動。本公司已與本公司債權人協商，以延長還款期限或接受本公司以股份方式清償債務。誠如綜合財務報表附註2所披露，截至二零一九年三月三十一日止年度期間，本公司已自其董事中獲得財務支持。於二零一九年七月，該等董事同意延長其貸款的期限。一名本公司股東亦已簽署支持函並將繼續向本公司提供財務支持以履行其財務義務（包括支付銀行借款的利息、專業費用及其他經營開支），且將不會要求償還本集團的貸款，直至有關還款不會影響本集團在正常業務過程中償還其他債權人的能力時為止。

本公司已按本集團將能夠成功實施綜合財務報表附註2所載計劃及措施之基準編製現金流量預測，及管理層信納本集團將擁有足夠營運資金履行其於二零一九年三月三十一日起計十二個月內到期之財務責任。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. Zhang Yi, aged 46, was appointed as an executive Director on 5 September 2016. Mr. Zhang is also the Chairman of the Board of the Company. He graduated from Zhejiang University in 1994 with a major in Finance. Mr. Zhang has over 15 years of investment experience in the technology field, with the scope of investment spanning across various regions including Canada, the United States of America, Singapore, the Mainland China and Hong Kong. He is in particular familiar with the investment in and operations of telecommunications and communications industries. Mr. Zhang has good relations with the telecommunications operators and has accumulated extensive local and overseas network in the industry. Mr. Zhang is currently the chairman of a private company in the Mainland China which was founded by Mr. Zhang in 2002. Under his leadership, the company has now developed into an enterprise with large investment scale and wide investment geographical range in real estates, biological medicine, new energy and media, etc. It has a number of projects including a largescale urban complex with a gross area of over a million square meters in Shanghai, Hangzhou and Shenyang.

Ms. Chu Wei Ning, aged 46, was appointed as an executive Director on 8 July 2015. Ms. Chu is also the Chief Executive Officer of the Company, an authorised representative of the Company and a director of various subsidiaries of the Group. She is currently responsible for the strategic investment and business development of the Company. Ms. Chu obtained a bachelor degree in Business Administration from the Chinese University of Hong Kong in May 1994 and a master degree of Business Administration from the University of Texas at Austin with Honors in May 1998. She has been a veteran investment banker and venture capital investment professional with over 15 years of experience. Prior to joining the Company, Ms. Chu has been a founding member and the managing director of a private investment fund which focus on investments in telecommunications, media, and technology. Previously she also held various capacities in Bank of China International, Bear Stearns Asia Limited and Chase Manhattan Bank (which was subsequently acquired by JP Morgan). She is currently an independent non-executive director of Bosa Technology Holdings Limited (Stock Code: 8140), a listed company on the Growth Enterprise Market of the Stock Exchange.

執行董事

張依先生，46歲，於二零一六年九月五日獲委任為執行董事。張先生亦為本公司董事會主席。彼在一九九四年畢業於浙江大學，主修金融。張先生擁有超過15年科技領域投資經驗，投資地域遍及加拿大、美利堅合眾國、新加坡、中國內地及香港等多個地區。彼尤其熟悉電訊及通訊行業投資及營運。張先生與電訊營運商關係良好，已建立廣泛之地方及海外行業人脈網絡。張先生目前為中國內地一間私人公司之主席。該公司由張先生於二零零二年創辦，在張先生之領導下，現已發展成為一間具有龐大投資規模及地域版圖之企業，投資行業包括房地產、生物醫藥、新能源及媒體等。該公司現時於上海、杭州及瀋陽擁有多個項目，包括總面積逾一百萬平方米之大型城市綜合項目。

祝蔚寧女士，46歲，於二零一五年七月八日獲委任為執行董事。祝女士亦為本公司之行政總裁、本公司之授權代表及本集團多間附屬公司之董事。彼現時負責本公司之戰略投資及業務發展。祝女士於一九九四年五月取得香港中文大學工商管理學士學位，以及於一九九八年五月取得美國德州(奧斯汀)大學工商管理榮譽碩士學位。彼為資深投資銀行家及創投資本投資專業人士，於有關方面擁有逾15年經驗。在加入本公司前，祝女士為一項私人投資基金之創始成員及董事總經理，該基金專注於電訊、媒體及科技方面之投資。彼過往亦曾於中銀國際、貝爾斯登亞洲有限公司及大通銀行(其後被摩根收購)出任不同職位。彼現為聯交所創業板上市公司人和科技控股有限公司(股份代號：8140)之獨立非執行董事。

Biographical Details of Directors and Senior Management (continued)

董事及高級管理人員履歷(續)

EXECUTIVE DIRECTORS (continued)

Mr. Yeung Chun Wai Anthony, aged 43, was appointed as an executive Director on 15 July 2015. Mr. Yeung is also a member of the remuneration committee of the Company and a director of various subsidiaries of the Group. Prior to that, Mr. Yeung served as senior banker in various international investment banks. He was the Chairman, the chief executive officer and an executive director of e-Kong Group Limited (now known as Great Wall Belt & Road Holdings Limited) (Stock code: 524) and the Vice Chairman and an executive director of Chun Sing Engineering Holdings Limited (now known as Huarong Investment Stock Corporation Limited) (Stock code: 2277), the Vice Chairman and an executive director of South East Group Limited (now known as China Minsheng DIT Group Limited) (Stock code: 726), the Vice Chairman and an executive director of Sumpo Food Holdings Limited (now known as Leyou Technologies Holdings Limited) (Stock code: 1089) and an independent non-executive director of Global Energy Resources International Group Limited (Stock code: 8192), all of which are listed companies in Hong Kong. He has proven track records and extensive experience in corporate restructuring and rescuing, consulting, corporate finance and business negotiation with well-versed business and people network in the region. Mr. Yeung graduated from The University of Hong Kong with a Bachelor's Degree in Business Administration (Accounting and Finance). He is a fellow member of Hong Kong Institute of Certified Public Accountants, Association of Chartered Certified Accountants and The Hong Kong Institute of Directors. Mr. Yeung is highly dedicated to community services, meanwhile he has been serving as committee member of Land and Development Advisory Committee, Development Bureau, Hong Kong Government, Honorary Court Member of the Hong Kong Baptist University, founding board member and honorary treasurer of the Child Development Matching Fund and Hong Kong Quality Mentorship Network Limited, director of Hong Kong Philharmonic Orchestra, Council Member of The Hong Kong Institute of Directors and so on.

Mr. Wong King Shiu, Daniel, aged 59, was appointed as an executive Director on 13 January 2012. Mr. Wong is also an authorised representative of the Company and a director of various subsidiaries of the Group. Mr. Wong has over 13 years of experience in natural resources industry and served as an executive director in a natural resources company which is listed in Hong Kong. He also has extensive experience in the management and development of natural resources projects in China. He is currently an executive director of China Information Technology Development Limited (Stock code: 8178) and an independent non-executive director of Huisheng International Holdings Limited (Stock code: 1340), all of which are listed companies in Hong Kong.

執行董事(續)

楊俊偉先生，43歲，於二零一五年七月十五日獲委任為執行董事。楊先生亦為本公司薪酬委員會之成員及本集團多間附屬公司之董事。在此之前，楊先生為多間國際投資銀行之資深銀行家。彼曾擔任e-Kong Group Limited (現稱長城一帶一路控股有限公司，股份代號：524)之主席、行政總裁兼執行董事、震昇工程控股有限公司(現稱華融投資股份有限公司，股份代號：2277)之副主席兼執行董事、東南國際集團有限公司(現稱中民築友智造科技集團有限公司，股份代號：726)之副主席兼執行董事、森寶食品控股有限公司(現稱樂遊科技控股有限公司，股份代號：1089)之副主席兼執行董事及環球能源資源國際集團有限公司(股份代號：8192)之獨立非執行董事，該等公司均為香港上市公司。彼在公司重組及拯救、諮詢、企業融資和商業談判方面具有優秀往績及豐富閱歷，同時在區域內建立了廣泛之業務和人脈關係。楊先生畢業於香港大學工商管理學系，獲會計及財務學士學位。彼為香港會計師公會、英國特許公認會計師公會及香港董事學會資深會員。楊先生一直熱心公益，同時擔任多個公職，包括香港政府發展局土地及建設諮詢委員會成員、香港浸會大學榮譽諮議會成員、兒童發展配對基金及香港優質師友網絡有限公司之創會董事會成員及義務司庫、香港管弦樂團董事、香港董事學會理事會理事等。

黃景兆先生，59歲，於二零一二年一月十三日獲委任為執行董事。黃先生亦為本公司之授權代表及本集團多間附屬公司之董事。黃先生於天然資源業擁有逾13年經驗，曾在一間於香港上市之天然資源公司擔任執行董事。彼亦於管理及開發中國天然資源項目方面擁有豐富經驗。彼目前為中國信息科技發展有限公司(股份代號：8178)之執行董事及惠生國際控股有限公司(股份代號：1340)之獨立非執行董事，該等公司均為香港上市公司。

Biographical Details of Directors and Senior Management (continued) 董事及高級管理人員履歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Chi Yuen, aged 52, was appointed as an independent non-executive Director on 30 April 2006. He is also the chairman of the Remuneration Committee, and a member of the audit committee and nomination committee of the Company. He holds a Bachelor's degree with honors in Business Administration and a Master of Science with distinction in Corporate Governance and Directorship. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Chan is a practicing certified public accountant and has extensive experience in financial management, corporate development, corporate finance and corporate governance. Mr. Chan is currently an executive director and chief executive officer of Noble Century Investment Holdings Limited (Stock code: 2322), an executive director and the chairman of Royal Century Resources Holdings Limited (Stock code: 8125), an executive director of Great Wall Belt & Road Holdings Limited (formerly known as e-Kong Group Limited) (Stock code: 524), and an independent nonexecutive director of Asia Energy Logistics Group Limited (Stock code: 351), Media Asia Group Holdings Limited (Stock code: 8075), New Times Energy Corporation Limited (Stock code: 166) and Leyou Technologies Holdings Limited (Stock code: 1089). Mr. Chan was an executive director of Co-Prosperity Holdings Limited (now known as Asia Television Holdings Limited) (Stock code: 707) from 11 December 2014 to 9 October 2015, an executive director of South East Group Limited (now known as China Minsheng DIT Group Limited) (Stock code: 726) from December 2013 to July 2015, an independent non-executive director of U-RIGHT International Holdings Limited (now known as Fullsun International Holdings Group Co., Limited) (Stock code: 627) from November 2010 to December 2017, an independent non-executive director of Jun Yang Financial Holdings Limited (now known as Power Financial Group Limited) (Stock code: 397) from January 2005 to October 2017, and an independent non-executive director of Affluent Partners Holdings Limited (Stock code: 1466) from December 2016 to September 2018.

獨立非執行董事

陳志遠先生，52歲，於二零零六年四月三十日獲委任為獨立非執行董事。彼亦為本公司薪酬委員會之主席以及審核委員會及提名委員會之成員。彼持有工商管理學士學位(榮譽)及公司管治與董事學理學碩士學位(優異)。彼為香港會計師公會、英國特許公認會計師公會以及英格蘭及威爾斯特許會計師公會資深會員。陳先生為執業會計師，於財務管理、企業發展、企業融資及企業管治方面擁有豐富經驗。陳先生現為仁瑞投資控股有限公司(股份代號：2322)之執行董事兼行政總裁、仁德資源控股有限公司(股份代號：8125)之執行董事兼主席、長城一帶一路控股有限公司(前稱e-Kong Group Limited，股份代號：524)之執行董事，以及亞洲能源物流集團有限公司(股份代號：351)、寰亞傳媒集團有限公司(股份代號：8075)、新時代能源有限公司(股份代號：166)及樂遊科技控股有限公司(股份代號：1089)之獨立非執行董事。陳先生曾於二零一四年十二月十一日至二零一五年十月九日出任協盛協豐控股有限公司(現稱亞洲電視控股有限公司，股份代號：707)之執行董事、於二零一三年十二月至二零一五年七月出任東南國際集團有限公司(現稱中民築友智造科技集團有限公司，股份代號：726)之執行董事、於二零一零年十一月至二零一七年十二月出任佑威國際控股有限公司(現稱福晟國際控股集團有限公司，股份代號：627)之獨立非執行董事、於二零零五年一月至二零一七年十月出任君陽金融控股有限公司(現稱權威金融集團有限公司，股份代號：397)之獨立非執行董事及於二零一六年十二月至二零一八年九月出任錢唐控股有限公司(股份代號：1466)之獨立非執行董事。

Biographical Details of Directors and Senior Management (continued)

董事及高級管理人員履歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Chan Fong Kong, Francis, aged 43, was appointed as an independent non-executive Director on 23 August 2018. He is also a member of the audit committee and nomination committee of the Company. He has over 15 years of experience in capital investment, assurance and consultancy services industry. Mr. Chan obtained a Bachelor's Degree in Commerce, majoring in Accounting and Finance from Deakin University (Melbourne, Australia) in 2000. He is a fellow member of CPA Australia. He is currently a director of New Territories General Chamber of Commerce, a director, secretary and committee member of Care of Rehabilitated Offenders Association and a senior management of Bosa Technology (Hong Kong) Limited which is a subsidiary of Bosa Technology Holdings Limited (Stock code: 8140). He is also currently an independent non-executive director of Kwoon Chung Bus Holdings Limited (Stock code: 306) and SingAsia Holdings Limited (Stock code: 8293), all of which are listed on the Stock Exchange. He was an independent non-executive director of e-Kong Group Limited (now known as Great Wall Belt & Road Holdings Limited) (Stock code: 524) from June 2015 to May 2017, China Best Group Holding Limited (Stock code: 370) from September 2014 to October 2016, Heng Xin China Holdings Limited (Stock code: 8046) from June 2016 to August 2016 and Leyou Technologies Holdings Limited (formerly known as Sumpo Food Holdings Limited) (Stock code: 1089) from January 2015 to July 2015, all of which are listed on the Stock Exchange.

獨立非執行董事(續)

陳方剛先生，43歲，於二零一八年八月二十三日獲委任為獨立非執行董事。彼亦為本公司審核委員會及提名委員會之成員。彼在資本投資、保證及顧問服務行業擁有逾15年經驗。陳先生於二零零零年取得澳洲墨爾本迪肯大學商科學士學位，主修會計及金融。彼為澳洲會計師公會之資深會員。陳先生現任新界總商會董事、關顧更生人士會的董事、秘書兼委員會成員以及人和科技(香港)有限公司(人和科技控股有限公司(股份代號：8140)之附屬公司)之高級管理人員。彼亦現任冠忠巴士集團有限公司(股份代號：306)及星亞控股有限公司(股份代號：8293)之獨立非執行董事，該等公司均於聯交所上市。彼自二零一五年六月至二零一七年五月擔任e-Kong Group Limited(現稱長城一帶一路控股有限公司)(股份代號：524)之獨立非執行董事；自二零一四年九月至二零一六年十月擔任國華集團控股有限公司(股份代號：370)之獨立非執行董事；自二零一六年六月至二零一六年八月擔任恒芯中國控股有限公司(股份代號：8046)之獨立非執行董事；及自二零一五年一月至二零一五年七月擔任樂遊科技控股有限公司(前稱森寶食品控股有限公司)(股份代號：1089)之獨立非執行董事，該等公司均於聯交所上市。

Biographical Details of Directors and Senior Management (continued) 董事及高級管理人員履歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Chan Kee Huen, Michael, aged 67, was appointed as an independent non-executive Director on 18 August 2017. He was appointed as the chairman of the audit committee and nomination committee of the Company, and a member of the remuneration committee of the Company on 26 September 2017. He has over 35 years of experience in external audit, IT audit, training, accounting and finance, company secretarial and corporate administration, MIS management, internal audit, information security, risk management and compliance. Mr. Chan is currently an independent non-executive director of Huarong Investment Stock Corporation Limited (Stock Code: 2277), Lansen Pharmaceutical Holdings Limited (Stock Code: 503) and Sterling Group Holdings Limited (Stock Code 1825), all of which are listed companies in Hong Kong. Also, he is the chief executive of C&C Advisory Services Limited. Mr. Chan is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, a fellow member and specialist in Information Technology of CPA Australia and an associate of the Institute of Chartered Accountants in England and Wales. He was admitted as a certified information systems auditor with the Information Systems Audit and Control Association in 1985 and a fellow member of the Hong Kong Institute of Directors in 2000. He was admitted as a member of the Chartered Institute of Arbitrators in 2000 and became a member of the Institute of Internal Auditors in 1997. Mr. Chan was an adjunct professor in the School of Accounting and Finance of The Hong Kong Polytechnic University from 2009 to 2014. Mr. Chan worked at CMG Life Assurance Limited (formerly known as Jardine CMG Life Assurance Limited) from 1991 to 1996 and his last position was general manager, compliance and corporate affairs. He was employed by Dao Heng Bank Limited in 1996 as the group auditor (which was subsequently acquired by DBS Bank (Hong Kong) Limited) and he ceased working for the bank in 2004 with his last position as managing director and head of compliance, Hong Kong and Greater China. Mr. Chan was also the group financial controller of Lam Soon (Hong Kong) Limited from 2004 to 2005, the director of quality assurance of the Hong Kong Institute of Certified Public Accountants in 2005 and the deputy general manager of the compliance department of Ping An Insurance (Group) Company of China, Limited from 2006 to 2009. Mr. Chan graduated with a higher diploma in accountancy from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1976 and was awarded the postgraduate diploma in business administration from the University of Surrey in March 1998.

獨立非執行董事(續)

陳記煊先生，67歲，於二零一七年八月十八日獲委任為獨立非執行董事。彼於二零一七年九月二十六日獲委任為本公司審核委員會及提名委員會之主席以及薪酬委員會之成員。彼在外部審核、資訊科技審核、培訓、會計及金融、公司秘書及公司行政管理、管理資訊系統管理、內部審核、資訊保安、風險管理及合規方面擁有超過35年經驗。陳先生現為華融投資股份有限公司(股份代號：2277)、朗生醫藥控股有限公司(股份代號：503)及美臻集團控股有限公司(股份代號：1825)之獨立非執行董事，該等公司均為香港上市公司。此外，彼為思與智顧問有限公司之行政總裁。陳先生為香港會計師公會及英國特許公認會計師公會資深會員、澳洲會計師公會資深會員及信息科技專家以及英格蘭及威爾斯特許會計師公會會員。彼於一九八五年獲認可為國際信息系統審計協會之註冊信息系統審計師，並於二零零零年成為香港董事學會資深會員。彼於二零零零年獲認可為英國特許仲裁員協會會員，並於一九九七年成為內部審計師學會會員。於二零零九年至二零一四年間，陳先生擔任香港理工大學會計及金融學院之兼任教授。於一九九一年至一九九六年間，陳先生任職於康聯人壽保險有限公司(前稱怡和人壽保險有限公司)，離職前為合規及企業事務總經理。彼於一九九六年受僱於道亨銀行有限公司(其後被星展銀行(香港)有限公司收購)，擔任集團核數師，於二零零四年從該銀行離職，離職前為香港及大中華區董事總經理及合規主管。此外，陳先生於二零零四年至二零零五年擔任南順(香港)有限公司之集團財務總監，於二零零五年擔任香港會計師公會專業水準審核總監，並於二零零六年至二零零九年擔任中國平安保險(集團)股份有限公司合規部副總經理。陳先生於一九七六年十一月畢業於香港理工學院(現稱香港理工大學)，獲頒高級會計文憑，並於一九九八年三月獲薩里大學頒授工商管理研究生文憑。

Biographical Details of Directors and Senior Management (continued)

董事及高級管理人員履歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Han Chunjian, aged 51, was appointed as an independent non-executive Director on 18 August 2017. He has over 30 years of experience in the finance industry. From July 1987 to December 1998, Mr. Han worked at China Construction Bank and held various positions including Sales Officer, Credit Manager and Chuangye Officer. Mr. Han joined Guangdong Nanyue Bank (formerly known as Zhanjiang Commercial Bank) since 1998. He has served as Assistant to President of Sub-branch, Vice President of Sub-branch, Asset Operation Manager, Head of Treasury, President of Sub-branch, Assistant to President, Vice President and President. Mr. Han is currently the Chairman of Guangdong Nanyue Bank and Secretary of Party Committee. Mr. Han graduated from Hubei Normal University with a Bachelor degree in Economics in 2004. He obtained a Master degree in Economic Management from Guangdong Academy of Social Sciences in 2000, an Executive Master of Business Administration (EMBA) from Sun Yat-Sen University in 2009 and an Executive Master of Business Administration (EMBA) from Peking University in 2015.

SENIOR MANAGEMENT

Ms. Mak Melinda Kim, aged 52, is the chief technology officer of the Group and is responsible for all the R&D and intellectual property management functions of the Group. She involves in the management of the resources, R&D budgeting and planning, providing directions and visions of the R&D roadmap, and joint cooperation with external partners to enhance values of the Group's R&D. Ms. Mak has over 20 years of experiences in R&D and always been performing her forerunner's role in various R&D areas. She also has numerous experiences in running various large-scale R&D projects like the first internet broadband service in Hong Kong, the first 3G smartphone in the world, and the Service Architecture of Hutchison 3G, Service Enabling Platforms. Ms. Mak was the key development leader and advocate on 3G technology development in many technology forums, such as 3GPP, WAP Forum, and in global cooperation with all HWL's Telecom Group to evaluate new technologies which had later confirmed as a standard and inventions and led to today's technology evolution. Ms. Mak holds a Bachelor of Science degree in Management Information System from San Francisco State University and a Master degree in Business Administration from University of San Francisco.

COMPANY SECRETARY

Ms. Huen Lai Chun (禰麗珍), aged 53, was appointed as the company secretary of the Company on 2 September 2015. She is also an alternate authorised representative of the Company. Ms. Huen is an associate member of both of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in United Kingdom, and also a fellow member of The Association of Chartered Certified Accountants. She has over 10 years of experience in handling secretarial and compliance related matters of listed corporations.

獨立非執行董事(續)

韓春劍先生，51歲，於二零一七年八月十八日獲委任為獨立非執行董事。彼於金融業擁有超過30年經驗。於一九八七年七月至一九九八年十二月間，韓先生任職於中國建設銀行，先後擔任業務部主任、信貸部經理及創業辦事處主任等職位。韓先生自一九九八年加入廣東南粵銀行(前稱湛江市商業銀行)。彼曾擔任支行行長助理、支行副行長、資產經營部經理、資金組織科長、支行行長、行長助理、副行長及行長。韓先生現為廣東南粵銀行董事長兼黨委書記。韓先生於二零零四年畢業於湖北師範學院，獲經濟學專業本科學位。彼於二零零零年取得廣東省社會科學院之經濟管理專業碩士學位，於二零零九年取得中山大學之高級管理人員工商管理碩士學位，以及於二零一五年取得北京大學之高級管理人員工商管理碩士學位。

高級管理人員

麥錦苓女士，52歲，為本集團技術總裁，負責本集團所有研發及知識產權管理職能。彼參與資源管理、研發預算及規劃、提供研發計劃方針及願景，並與外界夥伴共同合作提升本集團研發價值。麥女士擁有逾20年研發經驗，一直在各研發領域發揮先驅作用。彼亦具備進行多個大型研發項目之經驗，包括香港首創之寬頻互聯網服務、全球首部3G智能手機及Hutchison 3G之服務系統及服務平台。麥女士於多個科技論壇(如第三代合作夥伴計劃、無線應用協定論壇)均為第三代科技發展的主要發展領先者及倡導者，以及與整個和記黃埔通訊集團作全球合作，評估多項後來獲公認為標準、引領科技發明和創新之新技術。麥女士持有舊金山州立大學(San Francisco State University)管理資訊系統理學士學位及舊金山大學(University of San Francisco)工商管理碩士學位。

公司秘書

禰麗珍女士，53歲，於二零一五年九月二日獲委任為本公司之公司秘書。彼亦為本公司之替任授權代表。禰女士為香港特許秘書公會以及英國特許秘書及行政人員公會會員，及亦為英國特許公認會計師公會資深會員。彼於處理上市公司秘書事務及合規相關事務方面擁有逾10年經驗。

Report of the Directors

董事會報告

The Board hereby presents its report and the audited consolidated financial statements of the Group for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in mobile technologies business, tourism and hospitality business, gamma ray irradiation services, and securities trading and investment.

Details of the principal activities of the principal subsidiaries of the Company are set out in Note 44 to the consolidated financial statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance, including an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis set out on pages 4 to 27 of this annual report. These discussions form part of this Report of the Directors.

RESULTS

The results of the Group for the year ended 31 March 2019 are set out in the consolidated statement of profit or loss on pages 71 to 72 of this annual report.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: Nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the consolidated results, and consolidated assets and liabilities of the Group for the last five financial years is set out on page 228 of this annual report.

DONATIONS

The Group did not make any charitable donations during the year ended 31 March 2019.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 March 2019 are set out in Note 19 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2019, the Company had no reserves available for distribution (2018: Nil).

董事會謹此提呈截至二零一九年三月三十一日止年度本集團之經審核綜合財務報表。

主要業務及業務回顧

本公司之主要業務為投資控股。其附屬公司主要從事手機技術業務、旅遊及消閒業務、伽瑪射線照射服務以及證券買賣及投資。

本公司主要附屬公司之主要業務詳情載於綜合財務報表附註44。

公司條例附表5所規定對該等業務之進一步討論及分析(包括有關本集團業務相當可能有的未來發展的揭示)載於本年報第4至第27頁之管理層討論及分析。該等討論構成董事會報告之一部分。

業績

本集團截至二零一九年三月三十一日止年度之業績載於本年報第71至第72頁之綜合損益表。

股息

董事會不建議就截至二零一九年三月三十一日止年度派付任何末期股息(二零一八年：無)。

五年財務摘要

本集團過去五個財政年度之綜合業績以及綜合資產與負債概要載於本年報第228頁。

捐款

本集團於截至二零一九年三月三十一日止年度並無作出任何慈善捐款。

物業、廠房及設備

本集團之物業、廠房及設備於截至二零一九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19。

可供分派儲備

本公司於二零一九年三月三十一日並無可供分派儲備(二零一八年：無)。

Report of the Directors (continued)

董事會報告(續)

BANK AND OTHER BORROWINGS

Details of the movements in bank and other borrowings of the Group during the year ended 31 March 2019 are set out in Note 29 to the consolidated financial statements.

SHARE CAPITAL

The Share Consolidation became effective on 3 August 2018. As at 31 March 2019, the total number of issued Shares was 3,638,227,900 Consolidated Shares (2018: 3,522,513,064 Consolidated Shares).

Details of the movements in the share capital of the Company during the year ended 31 March 2019 are set out in Note 31 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year under review.

During the year under review, the Company has put in place appropriate insurance cover in respect of Directors' liabilities.

RETIREMENT BENEFITS SCHEME

Particulars of the retirement benefits scheme of the Group are set out in Note 33 to the consolidated financial statements.

SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme:

Purpose of the Share Option Scheme

The primary purpose of the Share Option Scheme is to provide incentives or reward to the eligible persons for their contributions to, and continuing efforts to promote the interests of, the Group.

銀行及其他借貸

本集團銀行及其他借貸於截至二零一九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29。

股本

股份合併於二零一八年八月三日生效。於二零一九年三月三十一日，已發行股份總數為3,638,227,900股合併股份(二零一八年：3,522,513,064股合併股份)。

本公司股本於截至二零一九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31。

優先購買權

公司細則或百慕達法例均無有關優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股份。

獲准許彌償條文

本公司現時及於回顧年度內均為董事之利益設有有效之獲准許彌償條文。

於回顧年度，本公司已就董事責任提供合適保險保障。

退休福利計劃

本集團退休福利計劃詳情載於綜合財務報表附註33。

購股權計劃

購股權計劃之主要條款概要如下：

購股權計劃之目的

購股權計劃之主要目的在於向合資格人士就彼等對本集團之貢獻及推動本集團利益之不懈努力提供激勵或獎勵。

Report of the Directors (continued)

董事會報告(續)

Participants of the Share Option Scheme

Under the Share Option Scheme and subject to its terms and conditions, the Board may at its discretion offer to any eligible employee, director, consultant, agent, supplier, customer or contractor of the Group options to subscribe for Shares.

Period within which the Shares must be taken up under an option and minimum period (if any) for which an option must be held before it can be exercised

Such offer shall be open for acceptance on a day specified in the letter of grant which shall be no longer than thirty days from the date of the letter of grant. An option may be exercised in accordance with the terms of the Share Option Scheme during such period as may be determined by the Board (which shall not be more than ten years commencing on the date on which the share option is granted and accepted). Unless otherwise determined by the Board, there is no minimum period for which a share option must be held before it can be exercised.

Amount payable on application or acceptance of share options

The share options shall be deemed to have been granted and accepted and taken effect when the duplicate letter of grant is signed by the eligible person and returned to the Company together with a remittance in favour of the Company of HK\$1 for each acceptance of grant of the share options.

Total number of Shares available for issue under the Share Option Scheme and percentage of the issued Shares as at the date of this annual report

The maximum aggregate number of Shares which may be issued upon the exercise of all outstanding vested or unvested options granted and yet to be exercised under the Share Option Scheme and any other schemes must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time (the "Overriding Limit")

The aggregate number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other schemes shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of Shareholders' approval of the Share Option Scheme (the "Scheme Mandate Limit"). Subject to the Overriding Limit, the Company may refresh the Scheme Mandate Limit by ordinary resolution of the Shareholders in general meeting, provided that the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of Shares in issue as at the date of Shareholders' approval of the refreshment.

購股權計劃之參與人

根據購股權計劃及受其條款及條件所限，董事會可酌情向本集團任何合資格僱員、董事、顧問、代理、供應商、客戶或承包商授出可認購股份之購股權。

根據購股權須認購股份之期間及購股權可予行使前必須持有之最短期間(如有)

有關授出將於授出函件指定之日期(不遲於授出函件日期起計三十天)可供接納。購股權可於董事會釐定之期間(不得超過自購股權授出及獲接納之日起計十年)內根據購股權計劃之條款行使。除董事會另行釐定外，並無設定可行使前必須持有購股權之最短期間。

申請或接納購股權時應付之款項

當授出函件副本獲合資格人士簽署及交回本公司，並就接納每次授出購股權向本公司匯款1港元時，購股權將被視為已獲授出並接納及生效。

根據購股權計劃可供發行之股份總數及於本年報日期佔已發行股份之百分比

因根據購股權計劃及任何其他計劃授出及仍未行使之所有尚未行使已歸屬或未歸屬購股權獲行使而可能發行之股份總數，合共最多不得超過不時已發行股份總數之30% (「最高上限」)。

因根據購股權計劃及任何其他計劃將授出之所有購股權獲行使而可能發行之股份總數，合共不得超過於股東批准購股權計劃當日已發行股份總數之10% (「計劃授權上限」)。受限於最高上限，本公司可透過於股東大會上通過股東普通決議案更新計劃授權上限，惟經更新之計劃授權上限不得超過股東批准更新當日已發行股份總數之10%。

Report of the Directors (continued)

董事會報告(續)

Total number of Shares available for issue under the Share Option Scheme and percentage of the issued Shares as at the date of this annual report (continued)

As approved by the Shareholders at the annual general meeting held on 2 September 2016 (the "2016 AGM"), the total number of Shares in respect of which options may be granted under the Scheme Mandate Limit was refreshed to 3,255,719,561 Pre-Adjusted Shares (the "Refreshed Scheme Mandate Limit") which is equivalent to 10% of the issued Shares as at the date of the 2016 AGM.

During the year ended 31 March 2019, no share options were granted, exercised and cancelled and share options to subscribe for a total of 700,500,000 Pre-Adjusted Shares were lapsed under the Share Option Scheme.

No share option has been granted under the Refreshed Scheme Mandate Limit pursuant to the Share Option Scheme as at the date of this annual report. Also, share options to subscribe for a total of 700,500,000 Pre-Adjusted Shares were lapsed as at the date of this annual report. Accordingly, as at the date of this annual report, no share option was outstanding.

The total number of Shares available for issue under the Refreshed Scheme Mandate Limit pursuant to the Share Option Scheme is 325,571,956 Adjusted Shares, representing approximately 8.75% of the total number of issued Shares as at the date of this annual report.

Maximum entitlement of each participant under the Share Option Scheme

The maximum number of Shares (issued and to be issued) in respect of which options may be granted under the Share Option Scheme and any other schemes to any eligible person in any 12-month period shall not exceed 1% of the total number of Shares in issue, unless a Shareholders' approval has been obtained.

Any grant of share options to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors. Where share options are proposed to be granted to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, and the grant would result in the aggregate of Shares issued and to be issued upon exercise of all options granted or to be granted under the Share Option Scheme and any other schemes to such person in the 12-month period up to and including the date of offer of the relevant share options to (i) represent in aggregate over 0.1% of the total number of issued Shares for the time being; and (ii) have an aggregate value, based on the closing price of the Shares, in excess of HK\$5,000,000, the proposed grant shall be subject to the approval of the Shareholders in general meeting with the connected persons abstaining from voting in favour.

根據購股權計劃可供發行之股份總數及於本年報日期佔已發行股份之百分比(續)

經股東於二零一六年九月二日舉行之股東週年大會(「二零一六年股東週年大會」)上批准，根據計劃授權上限可授出之購股權所涉股份總數已更新為3,255,719,561股經調整前股份(「經更新計劃授權上限」)，相當於二零一六年股東週年大會日期已發行股份之10%。

截至二零一九年三月三十一日止年度，概無購股權獲授出、行使及註銷，而合共認購700,500,000股經調整前股份的購股權已根據購股權計劃失效。

於本年報日期，概無根據購股權計劃按照經更新計劃授權上限授出任何購股權。此外，合共認購700,500,000股經調整前股份的購股權於本年報日期已失效。因此，於本年報日期，概無購股權發行在外。

於本年報日期，根據購股權計劃按照經更新計劃授權上限可供發行之股份總數為325,571,956股經調整股份，相當於已發行股份總數約8.75%。

各參與人於購股權計劃下之最高配額

除已獲股東批准外，於任何十二個月期間根據購股權計劃及任何其他計劃可能授予任何合資格人士之購股權所涉及之已發行及將予發行股份數目最多不得超過已發行股份總數之1%。

授予本公司董事、最高行政人員或主要股東或任何彼等各自之聯繫人任何購股權，必須獲得獨立非執行董事之批准。倘建議向主要股東或獨立非執行董事或任何彼等各自之聯繫人授出購股權，而建議授出購股權將導致於截至提呈有關購股權當日(包括該日)止十二個月期間，因根據購股權計劃及任何其他計劃已授予或將授予有關人士之所有購股權獲行使而已發行及將予發行之股份總數(i)超過當時已發行股份總數之0.1%；及(ii)總價值(根據股份收市價計算)超過5,000,000港元，則建議授出須獲股東於股東大會上批准後，方可作實，且關連人士須放棄贊成票。

Report of the Directors (continued)

董事會報告(續)

Basis of determining the exercise price

The exercise price determined by the Directors shall be at least the highest of:

- (i) the closing price of the Shares on the date of offer;
- (ii) the average closing price of the Shares for the five business days immediately preceding the date of offer; and
- (iii) the nominal value of the Shares.

釐定行使價之基準

由董事釐定之行使價將不低於以下各項之最高者：

- (i) 提呈要約日期之股份收市價；
- (ii) 緊接提呈要約日期前五個營業日股份平均收市價；及
- (iii) 股份面值。

Remaining life of the Share Option Scheme

Subject to early termination by the Company in general meeting or the Board, the Share Option Scheme shall be valid and effective for a period of ten years commencing on its date of adoption. The Share Option Scheme will expire on 21 August 2021 and the remaining life of the Share Option Scheme is about two years.

購股權計劃尚餘年期

受本公司於股東大會或董事會提早終止所限，購股權計劃將於採納日期起計十年期間內有效及生效。購股權計劃將於二零二一年八月二十一日屆滿，餘下年期約為兩年。

During the year ended 31 March 2019, no share options were granted under the Share Option Scheme. As at 31 March 2019, share options to subscribe for a total of 700,500,000 Pre-Adjusted Shares were lapsed under the Share Option Scheme. The movements in the share options granted under the Share Option Scheme during the year ended 31 March 2019 are as follows:

截至二零一九年三月三十一日止年度，概無購股權根據購股權計劃獲授出。於二零一九年三月三十一日，合共認購700,500,000股經調整前股份的購股權已根據購股權計劃失效。根據購股權計劃授出之購股權於截至二零一九年三月三十一日止年度之變動如下：

Category of participant	Number of share options 購股權數目					As at 31 March 2019 於二零一九年 三月三十一日	Date of grant 授出日期	Exercise price per Share 每股行使價 (HK\$) (港元)	Exercisable period 可行使期間	Weighted average closing price of the Shares immediately before the respective exercise date 股份於緊接各個行使日 期前之加權平均收市價
	As at 31 March 2018 於二零一八年 三月三十一日	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Lapsed during the year 年內失效					
Directors										
董事										
Chu Wei Ning	300,000,000	—	—	—	(300,000,000)	—	27/06/2016	0.239	27/06/2016–	N/A
祝蔚寧									26/06/2018	不適用
Yeung Chun Wai, Anthony	200,000,000	—	—	—	(200,000,000)	—	27/06/2016	0.239	27/06/2016–	N/A
楊俊偉									26/06/2018	不適用
Employees	200,500,000	—	—	—	(200,500,000)	—	27/06/2016	0.239	27/06/2016–	N/A
僱員									26/06/2018	不適用
Total	700,500,000	—	—	—	(700,500,000)	—				
總計										

Note: As at the date of this annual report, all the share options to subscribe for a total of 700,500,000 Pre-Adjusted Shares were lapsed.

附註：於本年報日期，合共認購700,500,000股經調整前股份的所有購股權已失效。

Report of the Directors (continued)

董事會報告(續)

SHARE AWARD SCHEME

References are made to the circulars of the Company dated 25 May 2018 and 19 September 2018 respectively (the “Circulars”). Capitalised terms used herein have the same meanings as those defined in the Circulars unless otherwise defined herein.

On 26 January 2018, the Board resolved to award an aggregate of 1,030,540,000 Pre-Adjusted Shares to 38 Selected Employees under the Share Award Scheme, of which, (i) 126,840,000 Pre-Adjusted Shares will be awarded to 29 Independent Selected Employees by way of allotment and issue of new Shares pursuant to the general mandate granted by the Shareholders at the annual general meeting of the Company held on 26 September 2017 (the “2017 General Mandate”); and (ii) 903,700,000 Pre-Adjusted Shares will be awarded to 9 Connected Selected Employees by way of allotment and issue of new Shares pursuant to a specific mandate to be obtained from the independent Shareholders at a special general meeting of the Company.

In relation to the Awards to the Independent Selected Employees, the allotment and issue of 126,840,000 Pre-Adjusted Shares (or 12,684,000 Adjusted Shares) to the Trustee to hold in trust for 29 Independent Selected Employees pursuant to the 2017 General Mandate was completed on 28 March 2018, of which 12,529,000 Adjusted Shares were vested and 155,000 Adjusted Shares were forfeited during the year under review as shown in below table.

In relation to the Awards to the Connected Selected Employees, the grant of the Awards to 9 Connected Selected Employees was duly passed by the Independent Shareholders by way of poll in accordance with the requirements of the Listing Rules at the special general meeting of the Company convened and held on 12 June 2018 (the “Previous SGM”).

股份獎勵計劃

茲提述本公司日期分別為二零一八年五月二十五日及二零一八年九月十九日之通函(「該等通函」)。除本報告另有界定外，本報告所用詞彙與該等通函所界定者具備相同涵義。

於二零一八年一月二十六日，董事會議決根據股份獎勵計劃向38名經選定僱員授出合共1,030,540,000股經調整前股份，其中(i)126,840,000股經調整前股份將透過依據股東於二零一七年九月二十六日舉行之本公司股東週年大會上授出之一般授權(「二零一七年一般授權」)配發及發行新股份之方式授予29名獨立經選定僱員；及(ii)903,700,000股經調整前股份將透過依據將於本公司股東特別大會上向獨立股東取得之特別授權配發及發行新股份之方式授予9名關連經選定僱員。

就獨立經選定僱員的獎勵而言，依據二零一七年一般授權配發及發行126,840,000股經調整前股份(或12,684,000股經調整股份)予受託人(以信託方式代29名獨立經選定僱員持有該等股份)一事已於二零一八年三月二十八日完成，當中12,529,000股經調整股份於回顧年度內已歸屬及155,000股經調整股份已被沒收(如下表所示)。

就關連經選定僱員的獎勵而言，向9名關連經選定僱員授出獎勵已獲獨立股東於二零一八年六月十二日召開及舉行之本公司股東特別大會(「過往股東特別大會」)上根據上市規則規定以投票表決方式正式通過。

Report of the Directors (continued)

董事會報告(續)

SHARE AWARD SCHEME (continued)

As set out in the announcement of the Company dated 16 July 2018, Mr. Wong Hoi Kuen, who used to be one of the Connected Selected Employees, resigned as Director with effect from 16 July 2018. The relevant Awards made to Mr. Wong Hoi Kuen automatically lapsed forthwith. In addition, some developments of the Group and public disclosures made by the Company subsequent to the despatch of the Previous Circular for the Previous SGM involved certain Connected Selected Employees. The information in relation to such developments and public disclosures might or might not have affected the voting intention of the Independent Shareholders on the Award of the Connected Awarded Shares to the Connected Selected Employees at the Previous SGM. Nonetheless, on 19 September 2018, the Company issued a circular containing the information on the Award of 902,900,000 Pre-Adjusted Shares (or 90,290,000 Adjusted Shares) to 8 Connected Selected Employees and the information in relation to such developments and public disclosures, for the Independent Shareholders' re-consideration, and to seek the Independent Shareholders' reapproval of the Award of 902,900,000 Pre Adjusted Shares (or 90,290,000 Adjusted Shares) to 8 Connected Selected Employees by convening and holding a special general meeting on 8 October 2018 (the "SGM").

The grant of the Awards to 8 Connected Selected Employees was duly passed by the Independent Shareholders by way of poll in accordance with the requirements of the Listing Rules at the SGM. The allotment and issue of 90,290,000 Adjusted Shares to the Trustee to hold in trust for 8 Connected Selected Employees pursuant to a special mandate was completed on 15 October 2018, and such Shares have not been granted and vested during the year under review. The movements in the Awarded Shares granted under the Share Award Scheme for the year ended 31 March 2019 are shown below:

股份獎勵計劃(續)

誠如本公司日期為二零一八年七月十六日之公告所載，曾為關連經選定僱員之一的黃海權先生辭任董事職務，自二零一八年七月十六日起生效。向黃海權先生授出之相關獎勵自此自動失效。此外，本集團若干發展及本公司於就過往股東特別大會寄發過往通函後作出之公開披露涉及若干關連經選定僱員。相關發展及公開披露之資料未必影響獨立股東在過往股東特別大會上就向關連經選定僱員獎勵關連獎勵股份持有之投票意向。然而，於二零一八年九月十九日，本公司刊發一份通函，當中載有向8名關連經選定僱員獎勵902,900,000股經調整前股份(或90,290,000股經調整股份)之資料以及有關發展及公開披露之資料，以供獨立股東進一步考慮，並透過於二零一八年十月八日召開及舉行股東特別大會(「股東特別大會」)之方式尋求獨立股東重新批准向8名關連經選定僱員獎勵902,900,000股經調整前股份(或90,290,000股經調整股份)。

向8名關連經選定僱員授出獎勵已獲獨立股東於股東特別大會上根據上市規則規定以投票表決方式正式通過。依據特別授權配發及發行90,290,000股經調整股份予受託人(以信託方式代8名關連經選定僱員持有該等股份)一事已於二零一八年十月十五日完成，惟有關股份於回顧年度內已獲授出及歸屬。根據股份獎勵計劃所授出獎勵股份於截至二零一九年三月三十一日止年度之變動列示如下：

Date of grant	Category of participant	As at 31 March 2018 (Note 1) 於二零一八年 三月三十一日 (附註1)	Number of Awarded Shares 獎勵股份數目			As at 31 March 2019	Remarks
			Granted during the year	Vested during the year	Unvested/ Forfeited during the year (Note 2) 年內未歸屬/ 已沒收 (附註2)		
授出日期	參與人類別		年內授出	年內歸屬		於二零一九年 三月三十一日	備註
19/10/2018 二零一九年十月十九日	Connected selected employees 關連經選定僱員	—	90,240,000	(90,240,000)	—	—	Subject to lock-up period 受禁售期規限
19/10/2018 二零一九年十月十九日	Connected selected employees 關連經選定僱員	—	50,000	50,000	—	—	
02/02/2018 二零一八年二月二日	Non-connected selected employees 非關連經選定僱員	10,830,000	—	(10,830,000)	—	—	Subject to lock-up period 受禁售期規限
02/02/2018 二零一八年二月二日	Non-connected selected employees 非關連經選定僱員	1,854,000	—	(1,699,000)	(155,000)	—	
Total 總計		12,684,000	—	(12,529,000)	(155,000)	—	

Report of the Directors (continued)

董事會報告(續)

SHARE AWARD SCHEME (continued)

Notes:

- (1) Adjusted to take into account of the Share Consolidation.
- (2) Awarded Shares that are not vested and/or are forfeited in accordance with the terms of the Share Award Scheme are held by the Trustee to be applied towards future Awards in accordance with the provisions of the Share Award Scheme.

The Awarded Shares to the Independent Selected Employees were awarded by the Board on 26 January 2018 and were granted by the Company on 2 February 2018.

EQUITY-LINKED AGREEMENTS

Apart from the Share Option Scheme and Share Award Scheme, the Company and the Vendors entered into the Agreements pursuant to which the Vendors conditionally agreed to sell and the Company conditionally agreed to purchase the Sale Equity Interests, representing directly and indirectly the entire issued share capital of Hong Kong Made and Ample Success, for an aggregate Consideration of HK\$50,000,000, which shall be satisfied by the allotment and issue of the Consideration Shares in tranches at the Issue Price of HK\$0.200 per Share to the Vendors or their respective nominees in accordance with the terms and conditions of the Agreements on 29 March 2019. Details of such acquisition were set out in the announcements of the Company dated 29 March 2019, 10 May 2019 and 6 June 2019.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year under review was the Company, its holding companies, its fellow subsidiaries 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.

DIRECTORS

The Directors during the year under review were:

Executive Directors:

Mr. Zhang Yi (Chairman)
 Ms. Chu Wei Ning (Chief Executive Officer)
 Mr. Yeung Chun Wai, Anthony
 Mr. Wong King Shiu, Daniel

Independent non-executive Directors:

Mr. Chan Chi Yuen
 Mr. Chan Fong Kong, Francis (appointed on 23 August 2018)
 Mr. Chan Kee Huen, Michael
 Mr. Han Chunjian
 Mr. Wong Hoi Kuen (resigned on 16 July 2018)

股份獎勵計劃(續)

附註：

- (1) 已作調整以計及股份合併。
- (2) 根據股份獎勵計劃之條款未歸屬及／或已沒收之獎勵股份由受託人持有，以根據股份獎勵計劃之條文用於未來獎勵。

董事會於二零一八年一月二十六日獎勵有關獨立經選定僱員之獎勵股份及本公司於二零一八年二月二日授出有關獨立經選定僱員之獎勵股份。

股票掛鈎協議

除上述購股權計劃及股份獎勵計劃外，於二零一九年三月二十九日，本公司及賣方訂立該等協議，根據該等協議，賣方有條件同意出售且本公司有條件同意購買待售股本權益，該股本權益直接及間接相當於香港製作及博功的全部已發行股本，總代價為50,000,000港元，總代價應透過根據該等協議的條款及條件按每股股份0.200港元的發行價分批配發及發行代價股份予賣方或其各自的代名人的方式予以支付。該收購詳情載述於本公司日期為二零一九年三月二十九日、二零一九年五月十日及二零一九年六月六日之公告。

購入股份或債券之安排

除上文所披露者外，本公司、其控股公司、其同系附屬公司或其任何附屬公司於回顧年度內任何時間均無參與任何安排，致令董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

董事

於回顧年度內之董事如下：

執行董事：

張依先生(主席)
 祝蔚寧女士(行政總裁)
 楊俊偉先生
 黃景兆先生

獨立非執行董事：

陳志遠先生
 陳方剛先生(於二零一八年八月二十三日獲委任)
 陳記煊先生
 韓春劍先生
 黃海權先生(於二零一八年七月十六日辭任)

Report of the Directors (continued)

董事會報告(續)

DIRECTORS' SERVICE CONTRACTS

No Directors proposed for re-election at the Company's forthcoming annual general meeting have an unexpired service contract, which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

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

Other than those disclosed in the sections headed "Directors' Material Interest in Transactions, Arrangements or Contracts" in Note 38 to the consolidated financial statements and "Transactions and Balances with Related Parties" in Note 43 to the consolidated financial statements, no transactions, arrangements and contracts of significance in relation to the Company's business to which the subsidiaries, fellow subsidiaries or parent company of the Company was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year under review or at any time during the year under review.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out on pages 28 to 33 of this annual report.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 31 March 2019, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

董事之服務合約

擬於本公司應屆股東週年大會上重選之董事概無訂立本公司或其任何附屬公司如不作出賠償(法定賠償除外)則不能於一年內終止之未屆滿服務合約。

董事於本公司重大業務交易、安排及合約中之重大權益

除綜合財務報表附註38「董事於交易、安排或合約中之重大利益」及綜合財務報表附註43「與關連人士之交易及結餘」一節所披露者外，於回顧年度結束時或回顧年度內任何時間，概無存在本公司之附屬公司、同系附屬公司或母公司為訂約方而董事或與董事有關連之實體擁有任何直接或間接重大權益之任何本公司重大業務交易、安排及合約。

董事及高級管理人員履歷

董事及高級管理人員履歷概要載於本年報第28至第33頁。

董事及最高行政人員之權益

於二零一九年三月三十一日，本公司董事及最高行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有記錄在本公司根據證券及期貨條例第352條存置之登記冊內之權益及淡倉，或根據標準守則已知會本公司及聯交所之權益及淡倉如下：

Report of the Directors (continued)

董事會報告(續)

Long position in the Shares/underlying Shares as at 31 March 2019

於二零一九年三月三十一日股份／相關股份之好倉

Name of Director 董事姓名	Nature of interest 權益性質	Number of Shares held 所持有股份數目	Approximate percentage of issued share capital of the Company (Note 3) 佔本公司已發行 股本之概約百分比 (附註3)
Zhang Yi 張依	Interest in controlled corporation (Note 1) 受控法團權益(附註1)	215,427,500	5.92%
Chu Wei Ning 祝蔚寧	Beneficial owner 實益擁有人	30,000,000	0.82%
Yeung Chun Wai, Anthony 楊俊偉	Beneficial owner 實益擁有人	55,228,720	
	Interest in controlled corporation (Note 2) 受控法團權益(附註2)	151,900,718	
	Interest of spouse (Note 2) 配偶權益(附註2)	20,200,000	
Sub-total 小計		227,329,438	6.25%
Wong King Shiu, Daniel 黃景兆	Beneficial owner 實益擁有人	100,000	0.003%
Chan Chi Yuen 陳志遠	Beneficial owner 實益擁有人	555,000	0.015%
Chan Kee Huen, Michael 陳記煊	Beneficial owner 實益擁有人	25,000	0.0007%

Notes:

- (1) These Shares are held by One Faith Investments Limited, which is beneficially and wholly owned by Mr. Zhang Yi.
- (2) These Shares are held by Nova Investment Group Limited, which are beneficially and wholly owned by Mr. Yeung Chun Wai, Anthony. Ms. Lui Lai Yan is the spouse of Mr. Yeung Chun Wai, Anthony.
- (3) Based on the number of issued Shares of 3,638,227,900 as at 31 March 2019.

附註：

- (1) 該等股份由 One Faith Investments Limited 持有，而該公司由張依先生實益全資擁有。
- (2) 該等股份由 Nova Investment Group Limited 持有，而該等公司由楊俊偉先生實益全資擁有。呂麗欣女士為楊俊偉先生之配偶。
- (3) 按照於二零一九年三月三十一日之已發行股份數目 3,638,227,900 股計算。

Save as disclosed above, as at 31 March 2019, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一九年三月三十一日，本公司董事或最高行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有記錄在根據證券及期貨條例第352條須存置之登記冊內之任何權益或淡倉，或根據標準守則已知會本公司及聯交所之任何權益或淡倉。

Report of the Directors (continued)

董事會報告(續)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 March 2019, the interests and short positions of the following parties (other than a Director or chief executive of the Company) in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long position in the Shares/underlying Shares as at 31 March 2019

主要股東之權益

於二零一九年三月三十一日，按本公司根據證券及期貨條例第336條規定須存置之登記冊所記錄，下列人士(除本公司董事或最高行政人員外)於股份及相關股份中擁有之權益及淡倉如下：

於二零一九年三月三十一日的股份／相關股份之好倉

Name of shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of issued share capital of the Company (Note 4)
			佔本公司已發行 股本概約百分比 (附註4)
股東姓名	身份／權益性質	所持有股份數目	
Lui Lai Yan 呂麗欣	Beneficial owner 實益擁有人	11,200,000	
	Interest of spouse (Note 1) 配偶權益(附註1)	207,129,438	
	Interest in controlled corporation (Note 1) 受控法團權益(附註1)	9,000,000	
Sub-total 小計		227,329,438	6.25%

Report of the Directors (continued)

董事會報告(續)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS (continued)

Notes:

- (1) Of which 207,129,438 Shares, 55,228,720 Shares are directly held by her spouse, Mr. Yeung Chun Wai, Anthony (an executive Director); and 151,900,718 Shares are directly held by Nova Investment Group Limited which is wholly-owned by Mr. Yeung Chun Wai, Anthony. 9,000,000 Shares are directly held by Rising Elite Global Limited, which is wholly owned by Ms. Lui Lai Yan.
- (2) Based on the number of issued Shares of 3,638,227,900 as at 31 March 2019.

Save as disclosed above and so far as the Directors are aware of, as at 31 March 2019, there was no other person, other than the Directors or chief executive of the Company, who had any interests or short positions in the Shares or underlying Shares which would be required to be recorded in the register required to be kept under Section 336 of the SFO.

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2019, the Group made approximately 11.23% of its entire sales to the five largest customers and sales to the largest customer included therein amounted to approximately 4.92%. Purchases from the Group's five largest suppliers accounted for approximately 52.64% of the total purchases for the year ended 31 March 2019 and purchases from the largest supplier included therein amounted to approximately 12.59%.

None of the Directors or any of their respective close associates or any Shareholders, to the best knowledge of the Directors, holding more than 5% of the Company's total issued share capital, had any beneficial interest in the Group's five largest customers or suppliers during the year under review.

主要股東之權益(續)

附註：

- (1) 於207,129,438股股份中，其中55,228,720股股份由彼之配偶楊俊偉先生（執行董事）直接持有；及151,900,718股股份由Nova Investment Group Limited直接持有，而該公司由楊俊偉先生全資擁有。9,000,000股股份由Rising Elite Global Limited直接持有，而該公司由呂麗欣女士全資擁有。
- (2) 按照於二零一九年三月三十一日之已發行股份數目3,638,227,900股計算。

除上文所披露者外，就董事所知，於二零一九年三月三十一日，概無其他人士（除本公司董事或最高行政人員外）於股份或相關股份中擁有任何須記錄於根據證券及期貨條例第336條須存置之登記冊內之權益或淡倉。

管理合約

於回顧年度內並無訂立或存在有關本公司全部或任何重大部分業務管理及行政之合約。

主要客戶及供應商

截至二零一九年三月三十一日止年度，本集團五大客戶之銷售總額佔總銷售額約11.23%，其中向最大客戶銷售之銷售額約佔4.92%。截至二零一九年三月三十一日止年度，本集團向五大供應商採購之採購額佔總採購額約52.64%，其中向最大供應商採購之採購額約佔12.59%。

於回顧年度內，董事或彼等各自之任何緊密聯繫人或任何股東（就董事所深知持有本公司全部已發行股本5%以上者）概無於本集團之五大客戶或供應商中擁有任何實益權益。

Report of the Directors (continued)

董事會報告(續)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Particulars of transactions with related parties of the Group during the year ended 31 March 2019 are set out in Note 43 to the consolidated financial statements. These transactions were exempt connected transactions for the Company or did not fall under the definition of “connected transaction” under Chapter 14A of the Listing Rules.

ADVANCE TO AN ENTITY

On 24 August 2016, the Company (as lender) entered into a loan agreement (the “Loan Agreement”) with Yota Devices IPR Ltd (the “Borrower”), pursuant to which the Company agreed to grant to the Borrower a loan facility in the amount of USD7,000,000. On 22 May 2017, the Company entered into a supplemental loan agreement (the “Supplemental Loan Agreement”) with the Borrower, pursuant to which the Company agreed to increase the loan facility by USD15,000,000 to an aggregate amount of USD22,000,000 (the “Loan”). The Borrower is a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of Yota. The Borrower is principally engaged in the licensing of intellectual property rights for use in developing any connectivity devices and ancillary products. Subsequent to the Group's completion of the acquisition of 30% equity interest in Yota and the grant of the exclusive intellectual property license to market and sell any connectivity devices and ancillary products in the Greater China, the Borrower has been developing Yota 3 to enable the Group to enter into the smartphone market in the Greater China. The Company has granted the Loan to the Borrower to provide funding to the Borrower to continue developing Yota 3 and for its general working capital. The Loan under the Loan Agreement as supplemented by the Supplemental Loan Agreement is unsecured. Interest on the Loan shall accrue at the rate of eight per cent. (8%) per annum. The Loan has no fixed term of repayment. The Loan, together with all amounts accrued or outstanding under the Loan Agreement (as supplemented by the Supplemental Loan Agreement), shall be repayable by the Borrower in full on demand by the Company, provided that no such demand or receipt of any payment under the Loan Agreement (as supplemented by the Supplemental Loan Agreement) shall be made until the Senior Discharge Date (as defined in the Company's announcement dated 22 May 2017) or in accordance with the terms of the Subordination Deed (as defined in the Company's announcement dated 22 May 2017). As at 31 March 2019, the total outstanding amount due from the Borrower pursuant to the Loan Agreement amounted to approximately USD16,500,000 (equivalent to approximately HK\$129,513,000, which comprises the principal amount of approximately HK\$117,739,500 and accrued interests of approximately HK\$16,091,000), representing more than 8% of the total assets of the Company as at 31 March 2019. Details of the Loan are set out in the Company's announcement dated 22 May 2017.

關連交易及持續關連交易

於截至二零一九年三月三十一日止年度與本集團關連人士進行之交易詳情載於綜合財務報表附註43。該等交易為本公司之獲豁免關連交易，或並不屬於上市規則第十四A章定義之「關連交易」。

向一間實體提供墊款

於二零一六年八月二十四日，本公司(作為貸款人)與 Yota Devices IPR Ltd (「借款人」)訂立一份貸款協議(「貸款協議」)，據此，本公司同意向借款人授出金額為7,000,000美元之貸款融資。於二零一七年五月二十二日，本公司與借款人訂立一份補充貸款協議(「補充貸款協議」)，據此，本公司同意將貸款融資增加15,000,000美元至總金額22,000,000美元(「該貸款」)。借款人為一間根據英屬處女群島法律註冊成立之公司，並為 Yota 之全資附屬公司。借款人之主要業務為特許授權知識產權，供開發任何連接裝置及配套產品之用。於本集團完成收購 Yota 30% 之股本權益，並獲授予於大中華地區營銷及銷售連接裝置及配套產品之獨家知識產權專利後，借款人一直開發 Yota 3，使本集團得以進軍大中華地區之智能手機市場。本公司已向借款人授出該貸款，為借款人提供資金繼續開發 Yota 3，並作為其一般營運資金。貸款協議(經補充貸款協議補充)下之該貸款為無抵押。該貸款之利息將按年利率八厘(8%)累計。該貸款並無固定還款期。該貸款連同根據貸款協議(經補充貸款協議補充)累計或未償還之所有金額，應由借款人按本公司要求全數償還，前提為根據貸款協議(經補充貸款協議補充)提出任何付款之要求或收款不得於優先解除日期(定義見本公司日期為二零一七年五月二十二日之公告)前或按照從屬契據(定義見本公司日期為二零一七年五月二十二日之公告)之條款作出。於二零一九年三月三十一日，根據貸款協議應收借款人之未償還款項總額約為16,500,000美元(相等於約129,513,000港元，包括本金額約117,739,500港元及應計利息約16,091,000港元)，佔本公司於二零一九年三月三十一日總資產的8%以上。該貸款之詳情載於本公司日期為二零一七年五月二十二日之公告。

Report of the Directors (continued)

董事會報告(續)

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, at least 25% of the Company's total issued share capital was held by the public.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management and the Company's external auditor the accounting principles and practices adopted by the Group, and discussed the auditing, internal control and financial reporting process including the review of the consolidated financial statements for the year ended 31 March 2019.

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

During the year ended 31 March 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares. Intending holders and investors of the Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications (including tax relief) of subscribing for, purchasing, holding, disposing of or dealing in the Shares. It is emphasised that none of the Company or its Directors or officers will accept any responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding, disposal of or dealing in such Shares.

AUDITOR

Ting Ho Kwan & Chan CPA Limited ("Ting Ho Kwan & Chan") resigned as an auditor of the Company with effect from 19 April 2018. As stated in its resignation letter, Ting Ho Kwan & Chan resigned after taking into account factors including the level of audit fees, its available internal resources in light of current work flows and the professional risk associated with the audit. The Board appointed Asian Alliance as the new auditor of the Company on 19 April 2018 to fill the vacancy following the resignation of Ting Ho Kwan & Chan.

The consolidated financial statements of the Group for the year ended 31 March 2019 have been audited by Asian Alliance who will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting of the Company. A resolution for re-appointment of Asian Alliance as an auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

公眾持股量

根據可供本公司公開查閱之資料，就董事所知，於本年報日期，本公司已發行股本總額中最少25%由公眾人士持有。

審核委員會

審核委員會已聯同管理層及本公司外聘核數師審閱本集團所採納之會計原則及慣例，以及討論核數、內部監控及財務申報程序，包括審閱截至二零一九年三月三十一日止年度之綜合財務報表。

購買、出售或贖回本公司之上市證券

截至二零一九年三月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

稅務寬免

本公司並不知悉本公司股東因持有股份而可享有之任何稅務寬免。股份之有意持有人及投資者如對認購、購買、持有、處置或買賣股份之稅務影響（包括稅務寬免）有任何疑問，務請諮詢彼等之專業顧問。謹此重申，本公司或其董事或高級職員概不就股份持有人因認購、購買、持有、處置或買賣該等股份而產生之任何稅務影響或責任負責。

丁何關陳會計師事務所有限公司(「丁何關陳」)已辭任本公司核數師，自二零一八年四月十九日起生效。誠如辭任函所載，丁何關陳經考慮審核費用水平、鑒於現時之工作流程下其可用之內部資源及與審核有關之專業風險等多項因素後辭任。董事會已於二零一八年四月十九日委任華融為本公司新核數師，以填補丁何關陳辭任後之空缺。

華融已審核本集團截至二零一九年三月三十一日止年度之綜合財務報表。華融將會於本公司應屆股東週年大會上退任，並合資格且願意接受續聘。本公司應屆股東週年大會上將提呈決議案，續聘華融為本公司核數師。

Report of the Directors (continued)

董事會報告(續)

APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude to the Shareholders, customers, suppliers, bankers and professional advisors for their support to the Company over the past year and to sincerely thank the staff for their ongoing dedication and contribution made in the year.

On behalf of the Board

致謝

本人謹代表董事會，衷心多謝各股東、客戶、供應商、往來銀行及專業顧問去年給予本公司鼎力支持，亦感謝各員工於本年度努力不懈地作出貢獻。

代表董事會

Zhang Yi

Chairman

主席

張依

Hong Kong, 12 July 2019

香港，二零一九年七月十二日

Corporate Governance Report

企業管治報告

Good corporate governance has always been recognised as vital to the Group's success and sustainable development. We commit ourselves to a high standard of corporate governance and have devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company's needs.

The Company has put in place corporate governance practices to meet the code provision (the "Code Provision(s)") as set out in the CG Code, that are considered to be relevant to the Group, and has complied with most of the Code Provisions for the time being in force throughout the year under review save for certain deviations from the Code Provisions, details of which are explained in the relevant paragraphs in this report. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

BOARD OF DIRECTORS

The Board is collectively responsible for formulating the Group's overall strategy, reviewing and monitoring the Group's business performance, preparing and approving the Group's financial statements, recommending the Directors' appointment or re-appointment to Shareholders, considering and approving the Group's material contracts and transactions (in particular those may involve conflict of interests) as well as other significant policies and financial matters. The Board gives clear directions as to the powers delegated to the management for the day-to-day operation, management and administration functions of the Group. Approval has to be obtained from the Board prior to any significant transactions being carried out by the Group's management and the Board has full support from the Group's management to discharge its responsibilities.

The Directors are collectively responsible for the oversight of the management of business and affairs of the Group in the best interests of the shareholders of the Company.

As the date of this annual report, the Board comprised a total of eight Directors, with four executive Directors, namely Mr. Zhang Yi, Ms. Chu Wei Ning, Mr. Yeung Chun Wai, Anthony and Mr. Wong King Shiu, Daniel; and four independent non-executive Directors namely, Mr. Chan Chi Yuen, Mr. Chan Fong Kong, Francis, Mr. Chan Kee Huen, Michael and Mr. Han Chunjian. Mr. Wong Hoi Kuen resigned as an independent non-executive Director with effect from 16 July 2018. A list containing the names of the Directors and their roles and functions is published on the websites of the Company and the Stock Exchange.

本集團一直認為良好之企業管治乃本集團成功及持續發展之關鍵。我們致力維持高水平之企業管治並全力找出及制定適合本公司業務需要之企業管治常規。

本公司已實施企業管治常規，以符合企業管治守則所載被視為與本集團有關之守則條文（「守則條文」），而本公司已於整個回顧年度內遵守大部分當時生效之守則條文，惟偏離若干守則條文除外，詳情於本報告相關段落解釋。本公司定期檢討其企業管治常規，以確保能持續符合企管守則之規定。

董事會

董事會共同負責制訂本集團之整體策略、檢討及監察本集團之業務表現、編製及批准本集團之財務報表、就委任董事或重新委任股東提出推薦意見、考慮及批准本集團之重大合約及交易（尤其是可能涉及利益衝突者）與其他重大政策及財務事宜。董事會就授予管理層於本集團日常營運、管理及行政職能之權力給予清晰指引。本集團之管理層於進行任何重大交易前，必須取得董事會批准，而董事會於本集團管理層全力支持下履行其職務。

董事共同負責監察本集團業務及事務之管理工作，以符合本公司股東之最佳利益。

於本年報日期，董事會由合共八名董事組成，包括四名執行董事張依先生、祝蔚寧女士、楊俊偉先生及黃景兆先生，以及四名獨立非執行董事陳志遠先生、陳方剛先生、陳記煊先生及韓春劍先生。黃海權先生已自二零一八年七月十六日起辭任獨立非執行董事。一份載有董事姓名及其角色與職能之名單已於本公司及聯交所之網站登載。

Corporate Governance Report (continued)

企業管治報告(續)

BOARD OF DIRECTORS (continued)

The biographical details of the Directors are set out on pages 28 to 33 of this annual report. To the best knowledge of the Directors, there is no financial, business, family or other material or relevant relationships between the members of the Board.

There were five Board meetings and four general meetings held during the year ended 31 March 2019 and Directors' attendance at the meetings are as follows:

董事會(續)

各董事之履歷載於本年報第28至第33頁。就董事所深知，董事會各成員之間並無財務、業務、家屬或其他重大或相關關係。

截至二零一九年三月三十一日止年度，本公司曾舉行五次董事會會議及四次股東大會，董事出席會議之紀錄如下：

Name of Directors		Number of Board meetings attended/held 出席／舉行 董事會會議次數	Number of general meetings attended/held 出席／舉行 股東大會次數
董事姓名			
Executive Directors:	執行董事：		
Mr. Zhang Yi (Chairman)	張依先生(主席)	5/5	2/4
Ms. Chu Wei Ning (Chief Executive Officer)	祝蔚寧女士(行政總裁)	5/5	4/4
Mr. Yeung Chun Wai, Anthony	楊俊偉先生	5/5	4/4
Mr. Wong King Shiu, Daniel	黃景兆先生	4/5	3/4
Independent non-executive Directors:	獨立非執行董事：		
Mr. Chan Chi Yuen	陳志遠先生	4/5	3/4
Mr. Chan Fong Kong, Francis (appointed on 23 August 2018)	陳方剛先生 (於二零一八年八月二十三日獲委任)	2/2	2/2
Mr. Chan Kee Huen, Michael	陳記煊先生	5/5	3/4
Mr. Han Chunjian	韓春劍先生	1/5	0/4
Mr. Wong Hoi Kuen (resigned on 16 July 2018)	黃海權先生 (於二零一八年七月十六日辭任)	3/3	1/1

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. During the year under review, Mr. Chan Chi Yuen, Mr. Chan Kee Huen, Michael and Mr. Han Chunjian, all being independent non-executive Directors, were absent from certain general meetings of the Company, in each case due to other important engagements.

根據守則條文A.6.7，獨立非執行董事及其他非執行董事應出席股東大會，對股東之意見有公正之了解。於回顧年度，陳志遠先生、陳記煊先生及韓春劍先生(均為本公司之獨立非執行董事)因其他重要事務而缺席本公司若干股東大會。

Corporate Governance Report (continued)

企業管治報告(續)

BOARD OF DIRECTORS (continued)

The Directors have disclosed to the Company the number and nature of offices held in other public companies or organisations and other significant commitments in a timely manner and will provide updates to the Company on any subsequent changes.

All Directors have been provided with updates by the Group's management, giving a balanced and understandable assessment of the Group's performance, position, recent developments and prospects in sufficient details to keep them abreast of the Group's affairs and facilitate them to discharge their duties under the relevant requirements of the Listing Rules.

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information of Directors required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules during the year under review and up to the date of this report are set out below:

Position held with the Company and other members of the Group

於本公司及本集團其他成員公司擔任之職位

Name of Directors

董事姓名

Details of Change

變動詳情

Chan Fong Kong, Francis
陳方剛先生

Appointed as an independent non-executive Director, and a member of both the Audit Committee and Nomination Committee with effect from 23 August 2018.

自二零一八年八月二十三日起獲委任為獨立非執行董事以及審核委員會及提名委員會之成員。

Wong Hoi Kuen
黃海權先生

Resigned as an independent non-executive Director with effect from 16 July 2018, and ceased to be a member of both the Audit Committee and Nomination Committee.

自二零一八年七月十六日起辭任獨立非執行董事一職，且不再為審核委員會及提名委員會之成員。

Experience including other directorships in listed companies and major appointments

於上市公司擔任其他董事等職位之經歷及重大任職

Name of Directors

董事姓名

Details of Change

變動詳情

Chan Chi Yuen
陳志遠先生

Resigned as an independent non-executive director of Affluent Partners Holdings Limited (Stock code: 1466) with effect from 13 September 2018.

自二零一八年九月十三日起辭任錢唐控股有限公司(股份代號：1466)獨立非執行董事一職。

Chan Kee Huen, Michael
陳記煊先生

Resigned as an independent non-executive director of K. H. Group Holdings Limited (Stock code: 1557) with effect from 13 August 2018.

自二零一八年八月十三日辭任劍虹集團控股有限公司(股份代號：1557)獨立非執行董事一職。

Appointed as an independent non-executive director of Sterling Group Holdings Limited (Stock code: 1825), whose shares were listed on the Stock Exchange on 19 October 2018, with effect from 21 September 2018.

自二零一八年九月二十一日起獲委任為美臻集團控股有限公司(股份代號：1825)獨立非執行董事一職，該公司股份於二零一八年十月十九日在聯交所上市。

董事會(續)

各董事已適時向本公司披露彼等於其他公眾公司或組織任職及其他重大承擔之數目及性質，並將於其後有任何變動時向本公司提供最新資料。

全體董事已獲本集團管理層提供最新資料，當中載有對本集團之表現、狀況、近期發展及前景作出公正及易於理解之評估，內容足以讓董事緊貼本集團事務，並有助彼等按照上市規則相關規定履行職務。

根據上市規則第13.51B(1)條之規定，於回顧年度期間及直至本報告日期須根據上市規則第13.51(2)條第(a)至(e)段及(g)段須予披露之董事資料變動載列如下：

Corporate Governance Report (continued)

企業管治報告(續)

CHAIRMAN AND CHIEF EXECUTIVE

Mr. Zhang Yi was appointed as the chairman of the Board on 5 September 2016 and Ms. Chu Wei Ning was appointed as the chief executive officer of the Company on 27 June 2016.

The chairman provides leadership for the Board and is responsible for ensuring that good corporate governance practices and procedures are established and the effective functioning of the Board in accordance with good corporate governance practices. The chairman is also responsible for ensuring that the Directors receive, in a timely manner, adequate information, with the support of the company secretary and the senior management, which must be accurate, clear, complete and reliable, appropriate briefing on issues arising at Board meetings, and all key and appropriate issues are discussed by the Board in a timely manner.

The chairman encourages the Directors to make a full and active contribution to the Board's affairs, taking the lead to act in the best interests of the Company. The chairman also promotes a culture to facilitate effective contributions, encourages the Directors to express dissenting views and concerns and allows sufficient discussion of issues before decisions are made.

The chief executive officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. The chief executive officer is in charge of the Company's day-to-day management and operations and is also responsible for developing strategic plans, and formulating and reviewing the organisational structure, control systems and internal procedures and processes for the Board's approval.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Throughout the year under review, the Board at all times met the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules respectively relating to the appointment of at least three independent non-executive Directors with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise, and the independent nonexecutive Directors represent at least one-third of the Board.

主席及行政總裁

張依先生於二零一六年九月五日獲委任為董事會主席，而祝蔚寧女士於二零一六年六月二十七日獲委任為本公司行政總裁。

主席領導董事會，負責確保制訂良好企業管治常規及程序，以及董事會按照良好企業管治常規有效運作。主席亦負責確保董事在公司秘書及高級管理人員協助下，適時收取充分、準確、清晰、完備及可靠之資訊，就董事會會議處理之事宜獲得適當簡報，以及董事會適時討論所有關鍵及適當事宜。

主席鼓勵各董事全面積極地為董事會事務作出貢獻，牽頭以本公司之最佳利益行事。主席亦推動促進有效貢獻之文化，鼓勵董事表達不同意見及關注，容許各事項於決策前有充分討論。

行政總裁主力實施經董事會批准及指派之目標、政策及策略。行政總裁主管本公司之日常管理及營運，亦負責制訂策略規劃，制訂及檢討組織架構、監控系統及內部程序及流程，以供董事會批准。

獨立非執行董事

於回顧年度內，董事會於任何時間均一直符合上市規則第3.10(1)、3.10(2)及3.10A條之規定，內容有關委任至少三名獨立非執行董事，其中至少一名獨立非執行董事必須具備適當的專業資格，或具備適當的會計或相關的財務管理專長，且獨立非執行董事必須佔董事會成員人數至少三分之一。

Corporate Governance Report (continued)

企業管治報告(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

The independent non-executive Directors bring a wide range of business and financial expertise, experience and independent judgment to the Board. Through active participation at Board meetings, taking the lead in managing issues involving potential conflict of interests, the independent non-executive Directors have made various contributions to the development of the Company's strategies.

All independent non-executive Directors are financially independent from the Group. The Company has confirmed with all independent non-executive Directors as to their independence and received an annual confirmation of independence from each of them for the year under review, having regard to the factors as set out Rule 3.13 of the Listing Rules.

Under Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. Currently, save for Mr. Chan Chi Yuen who was appointed as an independent non-executive Director not for a specific term, the other independent non-executive Directors were appointed for a term of three years, while all of them are subject to retirement by rotation at the Company's annual general meetings as specified in the Company's bye-laws.

BOARD COMMITTEES

The Board has established relevant Board committees to assist it in discharging its responsibilities.

Nomination Committee

The Nomination Committee was established on 27 March 2012. As at the date of this report, the Nomination Committee consisted of three independent non-executive Directors, namely Mr. Chan Kee Huen, Michael (as Chairman), Mr. Chan Chi Yuen and Mr. Chan Fong Kong, Francis. Mr. Wong Hoi Kuen ceased to be a member of the Nomination Committee with effect from 16 July 2018. Following the announcement of the Company dated 23 August 2018 regarding the appointment of Mr. Chan Fong Kong, Francis as an independent non-executive Director and a member of the Nomination Committee, the Nomination Committee comprises three members.

獨立非執行董事(續)

獨立非執行董事為董事會帶來多樣之業務及財務專業、經驗及獨立判斷。獨立非執行董事通過積極參與董事會會議，主理涉及潛在利益衝突事宜等，為本公司之策略發展作出不同貢獻。

全體獨立非執行董事在財政上均獨立於本集團。就上市規則第3.13條所載之因素，本公司已向全體獨立非執行董事確認彼等之獨立地位，並收到彼等各自所發出有關於回顧年度之獨立地位之年度確認書。

根據守則條文A.4.1，非執行董事的委任應有指定任期，並須接受重新選舉。目前，除陳志遠先生獲委任為無指定任期之獨立非執行董事外，其他獨立非執行董事任期為期三年，惟彼等均須按照本公司之公司細則於本公司之股東週年大會上輪值告退。

董事委員會

董事會已成立相關董事委員會，助其履行職務。

提名委員會

提名委員會於二零一二年三月二十七日成立。於本報告日期，提名委員會由三名獨立非執行董事陳記煊先生（主席）、陳志遠先生及陳方剛先生組成。黃海權先生其後由二零一八年七月十六日起不再出任提名委員會成員。自本公司日期為二零一八年八月二十三日有關委任陳方剛先生為獨立非執行董事及提名委員會成員之公告刊發後，提名委員會包括三名成員。

Corporate Governance Report (continued)

企業管治報告(續)

BOARD COMMITTEES (continued)

Nomination Committee (continued)

The Nomination Committee is mainly responsible for reviewing the structure, size and composition of the Board, making recommendations to the Board on the selection of candidates for directorship, appointment or re-appointment and succession of Directors, and assessing the independence of independent non-executive Directors. Details of the duties and powers of the Nomination Committee are set out in its written terms of reference which are available on the websites of the Company and the Stock Exchange.

There was one Nomination Committee meeting held during the year ended 31 March 2019 and members' attendance at the meeting are as follows:

董事委員會(續)

提名委員會(續)

提名委員會主要負責檢討董事會之架構、人數及組成，就甄選董事人選、董事委任或重新委任及繼任向董事會提出推薦意見，以及評核獨立非執行董事之獨立性。提名委員會之職務及權力詳情載於其書面職權範圍，可於本公司及聯交所網站閱覽。

截至二零一九年三月三十一日止年度，提名委員會曾舉行一次會議，成員出席會議之情況如下：

Name of Members	成員姓名	Number of meetings attended/held 出席／舉行會議次數
Mr. Chan Kee Huen, Michael (<i>Chairman</i>)	陳記煊先生(主席)	1/1
Mr. Chan Chi Yuen	陳志遠先生	1/1
Mr. Chan Fong Kong, Francis (<i>appointed on 23 August 2018</i>)	陳方剛先生 (於二零一八年八月二十三日獲委任)	0/0
Mr. Wong Hoi Kuen (<i>ceased as a member with effect from 16 July 2018</i>)	黃海權先生 (於二零一八年七月十六日辭任成員)	1/1

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience etc. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

於評估董事會組成時，提名委員會將考慮與董事會成員多元化有關之多個範疇及因素，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識以及行業及地區經驗等。如有需要，提名委員會將討論並議定達成董事會成員多元化之可計量目標，並向董事會推薦採納。

The nomination policy of the Company aims to ensure that the Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the requirements of the Company's business. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board. In evaluating and recommending retiring Directors to the Board for re-appointment, the Nomination Committee would also consider the overall contribution and service of the retiring Directors to the Company, including but not limited to the attendance of the meetings of the Board and/or its committees and general meetings of the Company where applicable, in addition to the level of participation in and performance on the Board and/or its committees.

本公司提名政策旨在確保董事會在本公司業務適當所需之技巧、經驗、知識及多元化觀點方面達到平衡。於物色及甄選合適董事人選以向董事會推薦前，提名委員會將考慮人選之必要品格、資格、經驗、獨立性及其他相關條件，以配合企業策略及達成董事會成員多元化(如適用)。在評估及向董事會推薦退任董事進行重新委任時，提名委員會亦將考慮退任董事對本公司的整體貢獻和服務，包括但不限於出席本公司董事會會議及／或其委員會及股東大會(如適用)，以及在董事會及／或其屬下委員會的參與程度及表現。

Corporate Governance Report (continued)

企業管治報告(續)

BOARD COMMITTEES (continued)

Nomination Committee (continued)

During the year under review, the work performed by the Nomination Committee included (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board; (ii) reviewing the annual confirmation of independence submitted by the independent non-executive Directors and assessing their independence; and (iii) making recommendations to the Board on the selection of candidates for directorship and re-appointment of Directors.

During the year under review, the Nomination Committee made recommendations to the Board on the selection of candidates for directorship. In identifying suitable candidates for directorship, the Nomination Committee reviewed the structure, size and composition of the Board, and carried out the selection process by making reference to the profile such as age, cultural and educational background, professional experience, skills and knowledge of candidates. Recommendations of candidates for directorship to the Board was based on merit, experience, skills and knowledge relevant to the needs of the Board and the Company.

Remuneration Committee

The Remuneration Committee was established on 20 July 2006. It currently consists of two independent non-executive Directors, namely Mr. Chan Chi Yuen (as Chairman) and Mr. Chan Kee Huen, Michael, and one executive Director, namely Mr. Yeung Chun Wai, Anthony.

The Remuneration Committee is mainly responsible for reviewing remuneration proposals made by the management, and making recommendations to the Board on remuneration policy and structure of the Company and remuneration packages of Directors and senior management. Details of the duties and powers of the Remuneration Committee are set out in its written terms of reference which are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee has adopted the model that it will review the proposals made by the management on the remuneration of individual executive Director and senior management, and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

There were two Remuneration Committee meetings held during the year ended 31 March 2019 and members' attendance at the meetings are as follows:

董事委員會(續)

提名委員會(續)

於回顧年度，提名委員會進行之工作包括(i)檢討董事會之架構、人數及組成(包括技能、知識及經驗)；(ii)審閱獨立非執行董事提交之年度獨立性確認書，以及評估彼等之獨立性；及(iii)就甄選董事人選及重新委任董事向董事會提出推薦意見。

於回顧年度，提名委員會已就甄選董事人選向董事會提出推薦意見。於物色合適之董事候選人時，提名委員會已審閱董事會之架構、規模及成員組合，並參考候選人之年齡、文化及教育背景、專業經驗、技能以及知識進行甄選程序。向董事會作出有關董事候選人之推薦意見時乃以與董事會及本公司之需要相關之長處、經驗、技能及知識為基礎。

薪酬委員會

薪酬委員會於二零零六年七月二十日成立，現時由兩名獨立非執行董事陳志遠先生(主席)及陳記煊先生以及一名執行董事楊俊偉先生組成。

薪酬委員會主要負責檢討管理層提出之薪酬方案，就本公司之薪酬政策及架構以及董事及高級管理人員之薪酬待遇向董事會提出推薦意見。薪酬委員會之職務及權力詳情載於其書面職權範圍，可於本公司及聯交所網站閱覽。

按薪酬委員會所採納之模式，薪酬委員會將審閱管理層就個別執行董事及高級管理人員薪酬提出之方案，並向董事會提出推薦意見。董事會擁有審批薪酬委員會提出之推薦意見之最終決定權。

截至二零一九年三月三十一日止年度，薪酬委員會曾舉行兩次會議，成員出席會議之情況如下：

Name of Members	成員姓名	Number of meetings attended/held 出席／舉行會議次數
Mr. Chan Chi Yuen (Chairman)	陳志遠先生(主席)	1/2
Mr. Chan Kee Huen, Michael	陳記煊先生	2/2
Mr. Yeung Chun Wai, Anthony	楊俊偉先生	2/2

Corporate Governance Report (continued)

企業管治報告(續)

BOARD COMMITTEES (continued)

Remuneration Committee (continued)

During the year under review, the work performed by the Remuneration Committee included (i) making recommendations to the Board on remuneration packages of proposed candidates for Directors; and (ii) reviewing and making recommendations to the Board on Directors' fees and remuneration packages of executive Directors.

The remuneration packages of the Directors for the year ended 31 March 2019 have been reviewed by the Remuneration Committee and approved by the Board by taking into consideration factors such as salaries paid by comparable companies, time commitment, duty and responsibility, market conditions and desirability of performance based remuneration. Details of the emoluments of all Directors are set out in Note 15 to the consolidated financial statements.

Pursuant to Code Provision B.1.5 of the CG Code, details of the annual remuneration of the members of the senior management by band for the year ended 31 March 2019 are as follows:

董事委員會(續)

薪酬委員會(續)

於回顧年度，薪酬委員會進行之工作包括(i)就董事建議人選之薪酬待遇向董事會提出推薦意見；及(ii)檢討董事袍金及執行董事之薪酬待遇並向董事會提出推薦意見。

截至二零一九年三月三十一日止年度之董事薪酬待遇已由薪酬委員會作出檢討，並獲董事會批准，當中已考慮多項因素，如可比較公司支付之薪金、董事投入之時間、職務及職責、市場情況以及與表現掛鈎之薪酬是否可取。各董事之酬金詳情載於綜合財務報表附註15。

根據企管守則之守則條文B.1.5，高級管理層人員於截至二零一九年三月三十一日止年度之年薪等級詳列如下：

		Number of employees 僱員人數
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1
Total	總計	1

Audit Committee

The Audit Committee was established on 26 March 1999. As at the date of this report, the Audit Committee consisted of three independent non-executive Directors, namely Mr. Chan Kee Huen, Michael (as Chairman), Mr. Chan Chi Yuen and Mr. Chan Fong Kong, Francis. Mr. Wong Hoi Kuen ceased to be a member of the Audit Committee with effect from 16 July 2018. Pursuant to Rule 3.21 of the Listing Rules, the audit committee must comprise a minimum of three members. Following Mr. Wong's resignation as an independent non-executive Director and a member of the Audit Committee, the Company had only two members in the Audit Committee which did not meet the requirement under Rule 3.21 of the Listing Rules. Following the announcement of the Company dated 23 August 2018 regarding the appointment of Mr. Chan Fong Kong, Francis as an independent non-executive Director and a member of the Audit Committee with effect from 23 August 2018, the Company has complied with Rule 3.21 of the Listing Rules.

審核委員會

審核委員會於一九九九年三月二十六日成立。於本報告日期，審核委員會由三名獨立非執行董事陳記煊先生(主席)、陳志遠先生及陳方剛先生組成。而黃海權先生於二零一八年七月十六日辭任審核委員會成員。根據上市規則第3.21條，審核委員會須由最少三名成員組成。黃先生辭任獨立非執行董事以及審核委員會成員後，審核委員會僅剩兩名成員，並不符合上市規則第3.21條項下規定。於本公司刊發日期為二零一八年八月二十三日之公告(內容有關陳方剛先生自二零一八年八月二十三日起獲委任為本公司獨立非執行董事以及審核委員會成員)後，本公司已遵守上市規則第3.21條。

Corporate Governance Report (continued)

企業管治報告(續)

BOARD COMMITTEES (continued)

Audit Committee (continued)

The committee members possess appropriate professional qualifications, business or accounting and related financial management expertise and experience to provide relevant advice and recommendations to the Company. The Audit Committee is mainly responsible for oversight of the financial reporting system and risk management and internal control systems of the Company, making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and reviewing and monitoring the independence and objectivity of the external auditor. Details of the duties and powers of the Audit Committee are set out in its written terms of reference which are available on the websites of the Company and the Stock Exchange.

The Audit Committee is also responsible for performing the corporate governance duties which include: (i) developing and reviewing the Company's policies and practices on corporate governance; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance (if any) applicable to the Directors and employees; and (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

There were five Audit Committee meetings held during the year ended 31 March 2019 and members' attendance at the meetings are as follows:

Name of Members	成員姓名	Number of meetings attended/held 出席／舉行會議次數
Mr. Chan Kee Huen, Michael (<i>Chairman</i>)	陳記煊先生(主席)	5/5
Mr. Chan Chi Yuen	陳志遠先生	5/5
Mr. Chan Fong Kong, Francis (<i>appointed on 23 August 2018</i>)	陳方剛先生 (於二零一八年八月二十三日獲委任)	1/1
Mr. Wong Hoi Kuen (<i>ceased as a member with effect from 16 July 2018</i>)	黃海權先生 (由二零一八年七月十六日辭任成員)	4/4

During the year under review, the work performed by the Audit Committee included (i) reviewing the audited annual results and the unaudited interim results of the Group; (ii) reviewing the independence and objectivity of the external auditor; (iii) reviewing the internal control review reports, and the compliance and corporate governance issues of the Group; (iv) reviewing the continuing connected transaction of the Group; and (v) discussing with the external auditor the sufficiency of the internal control of the Group. There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor during the year under review.

董事委員會(續)

審核委員會(續)

委員會成員均具備適當專業資格、商業或會計及相關財務管理專業知識及經驗，可向本公司提供相關意見及推薦意見。審核委員會主要負責監察本公司之財務申報制度以及風險管理及內部監控制度、就委任、重新委任及罷免外聘核數師向董事會提出推薦意見、批准外聘核數師之酬金及委聘條款，以及檢討及監察外聘核數師之獨立性及客觀性。審核委員會職務及權力詳情載於其書面職權範圍，可於本公司及聯交所網站閱覽。

審核委員會亦負責履行企業管治職務，包括(i)制訂及檢討本公司之企業管治政策及常規；(ii)檢討及監察董事及高級管理人員之培訓及持續專業發展；(iii)檢討及監察本公司就遵守法律及監管規定方面之政策及常規；(iv)制定、檢討及監察適用於董事及僱員之操守及合規守則(如有)；及(v)檢討本公司遵守企管守則之情況及於企業管治報告內之披露。

截至二零一九年三月三十一日止年度，審核委員會曾舉行五次會議，成員出席會議之情況如下：

於回顧年度，審核委員會進行之工作包括(i)審閱本集團之經審核全年業績及未經審核中期業績；(ii)檢討外聘核數師之獨立性及客觀性；(iii)審閱本集團之內部監控審閱報告，並檢討合規及企業管治事宜；(iv)審核本集團的持續關連交易；及(v)與外聘核數師討論本集團內部監控充足性。於回顧年度，董事會與審核委員會並無就外聘核數師甄選及委任出現任何意見分歧。

Corporate Governance Report (continued)

企業管治報告(續)

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy since August 2013 which sets out the approach to achieve diversity in the Board. The Company recognises and embraces the benefits of having a diverse Board, and sees board diversity as an essential element in achieving a sustainable and balanced development. In reviewing Board composition, the Nomination Committee will consider balancing of a number of factors, including but not limited to age, cultural and educational background, professional experience, skills, knowledge and length of service. All Board members' appointments will be based on merit, having due regard to the overall effective function of the Board as a whole.

DIVIDEND POLICY

The aim of the dividend policy of the Company is to distribute to the Shareholders the funds surplus to the operating needs of the Group. The distribution of dividend depends upon, among others, the financial performance, future funding needs of the Company and the interests of the shareholders of the Company as a whole.

AUDITOR'S REMUNERATION

The consolidated financial statements of the Group for the year ended 31 March 2019 was audited by Asian Alliance.

During the year under review, the remuneration payable to Asian Alliance for their statutory audit services amounted to HK\$1,824,000. No fees were paid in respect of non-audit services.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group. In preparing the consolidated financial statements of the Group for the year ended 31 March 2019, the Directors have adopted suitable accounting policies which are pertinent to its operations and relevant to the consolidated financial statements, have made judgments and estimates that are prudent and reasonable, and have prepared the consolidated financial statements on a going concern basis. The responsibilities of the Directors for the consolidated financial statements of the Group for the year ended 31 March 2019 and those of the auditor to the shareholders of the Company are set out on pages 69 to 70 of this annual report.

董事會多元化政策

本公司自二零一三年八月起採納董事會成員多元化政策，當中載列達致董事會多元化之方針。本公司肯定及推崇多元董事會之裨益，視董事會多元化為實現可持續均衡發展之要素。於檢討董事會組成時，提名委員會將權衡多項因素，包括但不限於年齡、文化及教育背景、專業經驗、技能、知識及服務年資。所有董事會成員委任均以用人唯才為原則，且適當考慮到董事會整體效益功能。

股息政策

本公司股息政策的目的是向股東分配經扣除本集團營運所需後的資金盈餘。股息的分派視乎(其中包括)本公司的財務表現、未來融資需要及本公司股東的整體利益而定。

核數師酬金

本集團截至二零一九年三月三十一日止年度之綜合財務報表由華融審核。

於回顧年度，就華融提供法定審核服務應付其之酬金為1,824,000港元。並無就非審核服務支付任何費用。

董事及核數師就綜合財務報表所承擔之責任

董事知悉彼等有責任編製各財政年度真實兼公平反映本集團事務狀況之綜合財務報表。於編製本集團截至二零一九年三月三十一日止年度之綜合財務報表時，董事已採納切合本集團營運並與綜合財務報表相關之合適會計政策，作出審慎合理之判斷及估計，並已按持續經營基準編製綜合財務報表。董事就本集團截至二零一九年三月三十一日止年度綜合財務報表所承擔之責任及核數師對本公司股東所負之責任載於本年報第69至第70頁。

Corporate Governance Report (continued)

企業管治報告(續)

GOING CONCERN UNCERTAINTIES

As mentioned in the Corporate Governance Report contained in the Annual Report, the Directors have acknowledged their responsibilities for preparing the financial statements which give true and fair view of the state of affairs of the Group. The Directors are aware of the Group reported loss attributable to owners of the Company of approximately HK\$1,298,305,000 and had net cash used in operating activities of approximately HK\$43,576,000 for the year ended 31 March 2019, as well as the Group's net current liabilities of approximately HK\$541,673,000 and net liabilities of approximately HK\$364,456,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Further discussion on this issue has been set out in the "Management Discussion and Analysis" and "Note 2 — Basis of preparation — Going concern basis" to the consolidated financial statements in the Annual Report. Having made appropriate enquiries and examined the major areas which will give rise to the aforesaid significant financial exposures, the Directors, based on the Cash Flow Forecast which has been prepared on the basis that the Group will successfully implement the plans and measures as set out in Note 2 to the consolidated financial statements, are satisfied that the Group will have sufficient working capital to meet with its financial obligations when they fall due. In this connection, the Directors have continued to prepare the financial statements on a going concern basis for the year ended 31 March 2019 and considered that the Group has applied consistent accounting policies and made judgements and estimates that are appropriate and reasonable in accordance with the applicable accounting standards.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

During the year under review, the Group has complied with Principle C.2 of the CG Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

Risk Assessment System

The Group has adopted a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: Understand business objectives, identify risks that could affect the achievement of objectives, and the ownership of risks.
- Evaluation: Evaluate the identified risks based on the likelihood of the occurrence and impact level of the risk.
- Management: Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

Based on the risk assessments done by the Internal Control Advisor, Certain significant risks were identified during the year under review.

持續經營之不確定性

誠如年報所載之企業管治報告所述，董事已承認彼等編製真實而公平地反映本集團事務狀況的財務報表的責任。董事注意到，本集團呈報本公司擁有人應佔虧損約1,298,305,000港元，並於截至二零一九年三月三十一日止年度經營活動所用現金淨額約43,576,000港元，以及本集團的流動負債淨額約為541,673,000港元及負債淨額約364,456,000港元。該等情況顯示存在重大不明朗因素可能對本集團持續經營能力產生重大質疑。有關該問題的進一步討論載於年報的「管理層討論及分析」及綜合財務報表「附註2 — 編製基準 — 持續經營基準」。經作出適當查詢及檢查可能引致上述重大財務風險的重大方面後，董事根據已按本集團將成功實施綜合財務報表附註2所載之計劃和措施之基準所編製的現金流量預測，信納本集團將擁有充足運營資金，可滿足其到期財務責任。就此而言，截至二零一九年三月三十一日止年度，董事已繼續按持續經營基準編製財務報表，並認為本集團已運用一致的會計政策及根據適用會計準則作出屬適當及合理的判斷和估計。

風險管理及內部監控系統

於回顧年度，本集團已遵守企管守則之原則C.2，設立合適及有效之風險管理及內部監控系統。管理層負責對該系統之設計、實施及監察，董事會則持續監督管理層履行有關工作。下文闡述該風險管理及內部監控系統之主要特點：

風險評核系統

本集團已採納風險管理系統管理與其業務及營運有關之風險。該系統包括以下階段：

- 識別：了解業務目標、識別可對達成目標造成影響之風險、以及風險源頭。
- 評估：按照所識別風險發生之可能性及影響程度，評估有關風險。
- 管理：考慮風險應變措施，確保董事會盡快獲悉，以及持續監察遺留風險。

根據內部監控顧問所進行之風險評核工作，於回顧年度已發現若干重大風險。

Corporate Governance Report (continued)

企業管治報告(續)

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS (continued)

Risk Assessment System (continued)

Operational Risk

As at March 2019, approximately HKD 30 million were overdue for more than 180 days. If the Group is not able to resolve the liquidity issue and repay the outstanding to vendors, vendors may pursue legal action against the Group and lead to liquidation. The management of Chongqing Baoli have already communicated with the vendors in order to renegotiate credit terms and avoid legal actions against Chongqing Baoli.

Also, due to the winding up order against Yota (Cayman Islands), there is a risk of uncertainty on the validity of exclusive intellectual property license, which has been granted by a subsidiary of Yota to the Group. The Group is currently assessing the potential impact of the winding up order and is seeking legal advice as to the action to be taken in order to protect the Group's interest.

Strategic Risk

Due to the fierce competition and decline in smartphone market, the sales performance of Chongqing Baoli was under pressure; Chongqing Baoli may face operational difficulties and have going concern risk. The Group has adopted various strategies to mitigate the risk which included clearly defining the target audience of products and establishing strategic plan to expand its market shares and achieve sales target, and developing better pricing model.

The Group has put in place the measures to mitigate those significant risk. Also, an internal audit advisor will be appointed to provide further advice and support to the Group.

Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follow:

- Control Environment: A set of standards, processes and structures that provide the basis carrying out internal control across the Group.
- Risk Assessment: A dynamic and iterative process for identifying and analysing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- Control Activities: Actions established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.

風險管理及內部監控系統(續)

風險評核系統(續)

營運風險

於二零一九年三月，約30百萬港元逾期180日以上。倘本集團未能解決流動資金問題並向賣方償還餘款，賣方將對本集團提起法律訴訟並導致清盤。重慶寶力之管理層已與賣方進行溝通以重新磋商信貸期，以避免重慶寶力面臨法律訴訟。

此外，由於Yota(開曼群島)收到的清盤令，一家Yota之附屬公司授予本集團之獨家知識產權專利的有效性具有不確定的風險。本集團現正評估清盤令可能造成之影響，並就保障本集團權益而應採取之行動諮詢法律意見。

戰略風險

由於智能手機市場的激烈競爭及下滑趨勢，重慶寶力之銷售業績在壓力之下；重慶寶力或會面臨營運困難並存在持續經營風險。本集團已採取多種戰略(包括明確定位產品的目標受眾、建立戰略計劃以擴展其市場份額及實現銷售目標以及發展更佳的定價模式)緩解有關風險。

本集團已採取措施緩解該等重大風險。此外，本集團將委聘一名內部審計顧問為本集團提供進一步意見及支持。

內部監控系統

本公司已設立內部監控系統，該系統符合 Committee of Sponsoring Organizations of the Treadway Commission (「COSO」)之二零一三年框架。該框架協助本集團達成有關運作效能和效率、財務報告可靠性以及遵守適用法律及法規之目標。下文載列該框架之內容：

- 監控環境：一系列為本集團進行整體內部監控提供基礎之標準、程序及架構。
- 風險評核：辨識並分析風險之主動兼互動程序，協助本集團達成目標，並為確定風險管理措施提供基礎。
- 監控活動：制定政策及程序確立行動，以確保管理層減輕風險以達成目標之指示得到切實執行。

Corporate Governance Report (continued)

企業管治報告(續)

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS (continued)

Internal Control System (continued)

- Information and Communication: Internal and external communication to provide the Group with information needed to carry out day-to-day controls.
- Monitoring: Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

In order to enhance the Group's system of handling inside information and enable a consistent practice of timely, accurate and complete disclosure of material information of the Group, the Group has adopted policies and procedures which set out guidelines and procedures as well as measures to handle and disseminate inside information. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the Group enters into significant negotiations.
- The executive directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors

Based on the internal control reviews conducted by the Internal Control Advisor, deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement during the year under review.

Internal Control Advisor

The Group has engaged the Internal Control Advisor to carry out the internal audit functions by performing independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems. The Internal Control Advisor is independent of the Group's daily operation and carries out appraisal of the risk management and internal control systems by conducting periodic interviews, walkthroughs and tests of operational effectiveness to identify any irregularities and risks, develops action plans and makes recommendations to address the identified risks, and report to the audit committee on any key findings and progress of the internal audit process. The audit committee in turns, reports to the Board on any material issues and makes recommendations to the Board.

風險管理及內部監控系統(續)

內部監控系統(續)

- 資料溝通：透過本集團內外部溝通，收集所需資料，進行日常監控。
- 監察：持續進行個別評估，確定各內部監控程序運作良好。

為了加強本集團處理內幕消息之制度，確保貫徹執行迅速、準確及完整之本集團重大內幕消息披露，本集團已採納若干政策及程序，制定指引、步驟及措施，處理並發佈內幕消息。已不時採取若干措施以確保存在適當保障設施，防止違反有關本集團的披露規定，包括：

- 少數僱員僅在必須知曉時方可查閱資料。持有內幕信息的僱員需充分知悉彼等的保密義務。
- 本集團進行重大談判時須簽立保密協議。
- 執行董事為與媒體、分析師及投資者等外部各方溝通時代表本公司發言的指定人士。

根據內部監控顧問所進行之內部監控檢討工作，發現回顧年度內部控制的設計及實施存在缺失並就此提出改進建議。

內部監控顧問

本集團已委託內部監控顧問承擔內部審計功能，對本集團之風險管理及內部監控系統是否足夠及有效進行獨立評核。內部監控顧問獨立於本集團之日常運作，透過進行定期會面、巡視及測試營運效率評核風險管理及內部監控系統。以識別任何違規行為及風險，制定措施計劃及提出建議以應對識別的風險並向審核委員會報告任何內部審計程序的主要發現及進度。然後，審核委員會向董事會報告任何重大問題並向其提出建議。

Corporate Governance Report (continued)

企業管治報告(續)

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS (continued)

Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for the risk management and internal control systems of the Group and reviewing their effectiveness. The Board is also responsible for reviewing the internal control review reports and approving policies and procedures designed by the management. The Board conducted a review and assessment of the effectiveness of the Group's risk management and internal control systems and procedures for the financial year ended 31 March 2019 by way of discussions with the management of the Group, members of the Audit Committee and the Internal Control Advisor.

The Board, through its review and the review made by Internal Control Advisor and Audit Committee, concluded that, the adequacy and effectiveness of the risk management and internal control systems need to be improved. Such systems, however, 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.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 March 2019, the Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code.

The Board was informed by Mr. Yeung Chun Wai, Anthony ("Mr. Yeung"), executive Director, on 5 July 2019 that he has entered into certain margin financing arrangement(s) and certain Shares held by Mr. Yeung, his spouse and their controlled corporations were deposited in a margin securities trading account (the "Margin Account") maintained with a securities firm (the "Broker") as collaterals to secure his margin financing (the "Margin Securities"). Mr. Yeung informed the Board that pursuant to the terms and conditions applicable to the Margin Account, the Broker disposed of 71,983,720, 12,625,000 and 13,500,000 Margin Securities, representing approximately 2.64% in total of the entire issued share capital of the Company, on the market on 25 June 2019, 26 June 2019 and 27 June 2019 respectively (the "Disposals") to settle the outstanding balances owing to the Broker. The Disposals fell within the Black-out Period.

The Directors (except Mr. Yeung), after considering the above-mentioned information provided by Mr. Yeung, were satisfied that the Disposals during the Black-out Period were made under exceptional circumstances under paragraph C.14 of Appendix 10 to the Listing Rules.

風險管理及內部監控系統(續)

風險管理及內部監控系統之效能

董事會對本集團之風險管理及內部監控系統負責，並有責任檢討該等系統的有效性。董事會亦負責審閱內部監控檢討報告，審批管理層所設計之政策及程序。於截至二零一九年三月三十一日止財政年度，董事會已與本集團管理層、審核委員會成員和內部監控顧問進行討論，檢討及評核本集團風險管理及內部監控系統和程序之效能。

董事會認為，按照其本身之檢討以及內部監控顧問和審核委員會所進行之檢討，該風險管理及內部監控系統的充分性及有效性需要得到提升。然而，該等系統旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大之失實陳述或損失作出合理而非絕對之保證。

遵守董事進行證券交易之標準守則

截至二零一九年三月三十一日止年度，本公司已採納董事進行證券交易之操守守則，其條款不遜於標準守則所載之規定標準。

於二零一九年七月五日，董事會接獲執行董事楊偉偉先生(「楊先生」)的通知，指彼已訂立若干保證金融資安排，而楊先生、其配偶及彼等控制公司持有的本公司若干股份(各為一股「股份」)，存放於保證金證券買賣賬戶(「孖展賬戶」)，該戶口於一間證券行(「經紀」)開設，作為取得彼的保證金融資(「保證金證券」)的抵押品。楊先生知會董事會，指根據適用於孖展賬戶的條款及條件，經紀分別於二零一九年六月二十五日、二零一九年六月二十六日及二零一九年六月二十七日於市場上出售71,983,720、12,625,000及13,500,000項保證金證券(「出售事項」)，佔本公司全部已發行股本總數約2.64%，以結付結欠經紀的未償還結餘。出售事項乃於禁售期內進行。

董事(楊先生除外)於考慮楊先生提供的上述資料後，信納於禁售期內的出售事項乃根據上市規則附錄十第C.14段的除外情況作出。

Corporate Governance Report (continued)

企業管治報告(續)

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS (continued)

Save as disclosed above, having made specific enquiry, all Directors (except Mr. Yeung) have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions throughout the year under review and up to the date of this report.

Every newly appointed Director will be given a comprehensive and tailored induction on his/her first appointment so as to ensure that he/she has appropriate understanding of the business and operations of the Group and of his/her duties, responsibilities and obligations under the Listing Rules and the relevant statutory and regulatory requirements.

There are also arrangements in place for providing briefing and professional development to Directors whenever necessary.

The Directors are continuously updated on latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance with the same by them.

The Directors are committed to complying with Code Provision A.6.5 of the CG Code on directors' training to develop and refresh their knowledge and skills so as to ensure that their contribution to the Board will be informed and relevant.

All current Directors have provided their training records for the year under review to the Company pursuant to the CG Code. The individual training record of each Director for the year ended 31 March 2019 is summarised below:

遵守董事進行證券交易之標準守則(續)

除上文所披露者外，經本公司作出具體查詢後，全體董事（楊先生除外）確認彼等於整個回顧年內及直至本報告日期一直遵守標準守則所載之規定標準及本公司之董事進行證券交易之操守守則。

每位新委任董事將於首次獲委任時獲得全面兼專為其而設的就任須知，以確保新任董事適當掌握本集團之業務及營運、彼等於上市規則及相關法定及監管規定下之職務、職責及義務。

本集團亦訂有安排於有需要時向董事提供簡報及專業發展。

董事持續獲得有關上市規則及其他適用監管規定之最新發展資訊，確保彼等符合有關規定。

董事致力遵守企管守則之守則條文A.6.5，內容有關董事發展及更新其知識及技能之培訓，以確保彼等為董事會作出知情並相關之貢獻。

全體現有董事已根據企管守則向本公司提供彼等於回顧年度內之培訓紀錄。於截至二零一九年三月三十一日止年度，各董事所接受之個別培訓紀錄概述如下：

Name of Directors	董事姓名	Type of trainings 培訓類別
Executive Directors	執行董事	
Mr. Zhang Yi (Chairman)	張依先生(主席)	A,B
Ms. Chu Wei Ning (Chief Executive Officer)	祝蔚寧女士(行政總裁)	A,B
Mr. Yeung Chun Wai, Anthony	楊俊偉先生	A,B
Mr. Wong King Shiu, Daniel	黃景兆先生	A,B
Independent non-executive Directors	獨立非執行董事	
Mr. Chan Chi Yuen	陳志遠先生	A,B
Mr. Chan Fong Kong, Francis	陳方剛先生	A,B
Mr. Chan Kee Huen, Michael	陳記煊先生	A,B
Mr. Han Chunjian	韓春劍先生	A,B

A: Attending seminars/conferences/training sessions relating to corporate governance, directors' duties and responsibilities, and updates on rules, laws and/or regulations relating to listed companies

B: Reading newspapers/journals/articles and in-house briefings relating to the economy, general business, and/or the Company's business

A: 出席有關企業管治、董事職務及職責以及上市規則相關規則、法律及／或規例最新資料之座談會／會議／培訓

B: 閱讀有關經濟、一般事務及／或本公司業務之報章／期刊／文章及內部簡介

Corporate Governance Report (continued)

企業管治報告(續)

DIRECTORS' LIABILITY INSURANCE

During the year ended 31 March 2019, the Company has arranged appropriate insurance cover for directors' liabilities in respect of potential legal actions against the Directors arising out of corporate activities of the Group pursuant to Code Provision A.1.8 of the CG Code. Such directors' liability insurance will be reviewed and renewed annually.

During the year ended 31 March 2019, no claim has been made against the Directors.

COMPANY SECRETARY

The Company engaged an external service provider as its Company Secretary since 2 September 2015. The chief executive officer and the financial controller of the Company are the contact person of the external service provider. The biographical details of the Company Secretary are disclosed in the Biographical Details of Directors and Senior Management section of this annual report. During the year under review, Ms. Huen Lai Chun, being the Company Secretary of the Company, undertook over 15 hours of relevant professional training to update her skills and knowledge.

SHAREHOLDERS' RIGHT

Procedures for Shareholders to convene a special general meeting

Pursuant to Section 74(1) of the Bermuda Companies Act and the By-laws 58, the Shareholder(s) holding as at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company with the right of voting at general meetings of the Company may request the Board to convene a special general meeting.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda for the attention of the Company Secretary and may consist of several documents in like form each signed by one or more requisitionists.

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.

董事之責任保險

截至二零一九年三月三十一日止年度，本公司已按照企管守則之守則條文A.1.8，就因本集團企業活動而產生可能針對董事之法律行動，為董事責任安排合適保險。有關董事之責任保險將每年檢討及續保。

截至二零一九年三月三十一日止年度，並無針對董事之申索。

公司秘書

本公司自二零一五年九月二日起委聘外部服務提供者擔任其公司秘書。本公司之行政總裁兼財務總監為外部服務提供者之聯絡人。公司秘書履歷於本年報「董事及高級管理人員履歷」一節內披露。於回顧年度，禰麗珍女士作為本公司之公司秘書已接受逾15小時之相關專業培訓，以更新其技能及知識。

股東權利

股東召開股東特別大會之程序

根據百慕達公司法第74(1)條及細則第58條，股東可要求董事會召開股東特別大會，惟有關股東於遞交要求當日須持有不少於十分之一賦有本公司股東大會投票權之本公司繳足股本。

有關要求必須列明會議目的及由提出要求者簽署，並提交本公司註冊辦事處(地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda)，註明收件人為公司秘書，且可包含由一名或多名提出要求者分別簽署而格式類同之多份文件。

倘董事並無於提交要求日期起計二十一天內妥為安排召開會議，則有關提出要求者或佔彼等各人總投票權逾半之任何一名提出要求者，可自行召開會議，惟按此召開之任何會議不得於上述日期起計三個月屆滿後舉行。

Corporate Governance Report (continued)

企業管治報告(續)

SHAREHOLDERS' RIGHT (continued)

Procedures for directing Shareholders' enquiries to the Board

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Other Shareholders' enquiries can be directed in writing with contact details (including name, address, telephone number and email address) to the principal office in Hong Kong of the Company at Suites 3103-04, 31/F, Oxford House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong for the attention of the Company Secretary.

Shareholders may also make enquiries with the Board at general meetings of the Company.

Procedures for putting proposals at a general meeting

Shareholders are welcomed to suggest proposals relating to the operations, strategy and/or management of the Group to be discussed at general meetings of the Company. Proposals shall be directed in writing with contact details (including name, address, telephone number and email address) to the principal office in Hong Kong of the Company at Suites 3103-04, 31/F, Oxford House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong for the attention of the Company Secretary.

The procedures for proposing a person for election as a Director are available on the website of the Company.

The Board may, in its sole discretion, consider if such proposals are appropriate and shall be put forward to the Shareholders for approval at the next general meeting of the Company to be convened by the Board.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company communicates with its Shareholders and investors through various channels including publication of interim and annual reports, announcements, circulars, press releases and other corporate communications and publications available on the websites of the Company and the Stock Exchange.

The general meetings of the Company provide an opportunity for direct communication between the Board and the Shareholders. The Company encourages their participation through general meetings where they meet and exchange views with the Board, and exercise their right to vote at general meetings.

股東權利(續)

股東向董事會提出查詢之程序

股東應向本公司之香港股份過戶登記分處卓佳秘書商務有限公司(地址為香港皇后大道東183號合和中心54樓)提出有關彼等股權之查詢。

其他股東查詢連同聯絡資料(包括姓名／名稱、地址、電話號碼及電郵地址)可以書面提交本公司之香港主要辦事處(地址為香港鰂魚涌英皇道979號太古坊濠豐大廈31樓3103-04室)，註明收件人為公司秘書。

股東亦可於本公司股東大會上向董事會作出查詢。

於股東大會提呈建議之程序

本公司歡迎股東提出有關本集團營運、策略及／或管理之建議於本公司股東大會上討論。建議連同聯絡資料(包括姓名／名稱、地址、電話號碼及電郵地址)可以書面提交本公司之香港主要辦事處(地址為香港鰂魚涌英皇道979號太古坊濠豐大廈31樓3103-04室)，註明收件人為公司秘書。

提名人士參選董事之程序可於本公司網站閱覽。

董事會可全權酌情考慮有關建議是否合適，以及應否於董事會召開之下次本公司股東大會上提呈股東批准。

與股東通訊及投資者關係

本公司透過多種渠道與其股東及投資者通訊，包括於本公司及聯交所網站登載中期及年度報告、公佈、通函、新聞稿及其他公司通訊及刊物。

本公司之股東大會提供董事會與股東直接溝通之機會。本公司鼓勵彼等藉股東大會積極發言，使彼等與董事會會面及交流意見，並於股東大會上行使其投票權。

Corporate Governance Report (continued)

企業管治報告(續)

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS (continued)

To promote the communication between the Company and its Shareholders, the Company has established a Shareholders' communication policy which will be reviewed on a regular basis to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

An up-to-date consolidated version of the Memorandum of Association and Bye-laws of the Company is published on the websites of the Company and the Stock Exchange. There have been no changes to such constitutional documents during the year under review.

與股東通訊及投資者關係(續)

為加強本公司與其股東之溝通，本公司已制訂股東通訊政策，並會作定期檢討，以確保其成效及符合通行監管及其他規定。

本公司組織章程大綱及公司細則之最新綜合版本已於本公司及聯交所網站登載。於回顧年度，該等憲章文件並無任何改動。

Independent Auditor's Report

獨立核數師報告



TO THE MEMBERS OF
CHINA BAOLI TECHNOLOGIES HOLDINGS LIMITED
中國寶力科技控股有限公司
(Incorporated in Bermuda with limited liability)

致中國寶力科技控股有限公司
(於百慕達註冊成立之有限公司)
股東

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of China Baoli Technologies Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 71 to 228, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss, 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.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

(a) Scope limitation on share of results and impairment loss on interests in associates

As stated in Note 21 to the consolidated financial statements, the Group has equity accounted for its interest in Yota and its subsidiaries (the "Yota Group"), associates of the Group. As at 31 March 2019, the carrying amount of the interests in associates is zero and the Group's share of profit of associates and the impairment loss on interests in associates for the year ended 31 March 2019 were approximately HK\$474,000 and HK\$331,352,000 respectively. On 15 March 2019, a winding up order was granted by the Grand Court of the Cayman Islands against Yota, accordingly, the interests in associates were fully impaired as at 31 March 2019. However, we were unable to obtain sufficient financial information of Yota Group from the directors of the Company (the "Directors") and the liquidator of associates that we considered necessary, and there were no other satisfactory audit procedure that we could adopt to ascertain the financial position of Yota Group as at 31 March 2019 and its result of operations for the year then ended.

不發表意見

本核數師(以下簡稱「我們」)獲委聘審計中國寶力科技控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於第71至第228頁之綜合財務報表，此綜合財務報表包括於二零一九年三月三十一日之綜合財務狀況表、截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

我們對 貴集團之綜合財務報表不發表意見。由於我們報告中不發表意見之基準一節內所述事項的重要性，我們並未能取得充足適當審核憑據以就該等財務報表發表之審核意見提供基準。在所有其他方面，我們認為綜合財務報表已根據香港公司條例妥為編製。

不發表意見之基準

(a) 對分佔業績及聯營公司權益減值虧損的範圍限制

誠如綜合財務報表附註21所述。貴集團擁有列賬為於Yota及其附屬公司(「Yota集團」，貴集團之聯營公司)權益之股權。於二零一九年三月三十一日，於聯營公司權益之賬面值為零，而 貴集團於截至二零一九年三月三十一日止年度分佔聯營公司之利潤及於聯營公司權益之減值虧損分別約為474,000港元及331,352,000港元。於二零一九年三月十五日，開曼群島大法院向Yota發出清盤令，因此，於二零一九年三月三十一日，於聯營公司的權益悉數減值。然而，我們無法從 貴公司董事(「董事」)及聯營公司之清盤人獲取我們認為必要的Yota集團的充足財務資料，且並無任何其他令人滿意的審核程序可供我們採納以查明Yota集團於二零一九年三月三十一日的財務狀況及截至該日止年度經營業績。

Independent Auditor's Report (continued)

獨立核數師報告(續)

BASIS FOR DISCLAIMER OF OPINION (continued)

(a) Scope limitation on share of results and impairment loss on interests in associates (continued)

Any adjustment found to be necessary to the financial position of associates as at 31 March 2019 and its result of operations for the year then ended will have a consequential impact on the Group's share of results of associates and thus the impairment loss on interests in associates for the year ended 31 March 2019 and the related note disclosures to the consolidated financial statements.

(b) Multiple fundamental uncertainties relating to going concern

As stated in Note 2 to the consolidated financial statements, the Group reported loss attributable to owners of the Company of approximately HK\$1,298,305,000 and had significant net cash used in operating activities of approximately HK\$43,576,000 for the year ended 31 March 2019. As at 31 March 2019, the Group's current liabilities exceeded its current assets by approximately HK\$541,673,000 and the Group had net liabilities of approximately HK\$364,456,000, in which total borrowings amounted to approximately HK\$238,790,000, while its cash and cash equivalents amounted to approximately HK\$7,317,000 only.

In addition, as detailed in Note 34 to the consolidated financial statements, the Group defaulted on the repayment of the interest on placing notes on their respective due dates during the year ended 31 March 2019. One creditor had taken legal actions against the Group to recover the debts as disclosed in Note 34 to the consolidated financial statements.

These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As explained in Note 2 to the consolidated financial statements, the consolidated financial statements have been prepared by the Directors on a going concern basis, the validity of which is dependent on the Group's ability to obtain sufficient future funding. Due to the uncertainty of the Group's ability to maintain adequate future cash flows, we were unable to ascertain whether the assumptions made by the Directors in preparing the consolidated financial statements on a going concern basis are proper and appropriate.

不發表意見之基準(續)

(a) 對分佔業績及聯營公司權益減值虧損的範圍限制(續)

所發現對於聯營公司於二零一九年三月三十一日之財務狀況及其截至該日止年度經營業績屬必要之任何調整，將對 貴集團於截至二零一九年三月三十一日止年度分佔聯營公司業績及於聯營公司權益之減值虧損，以及綜合財務狀況表之相關附註披露造成相應影響。

(b) 有關持續經營之多項基本不明朗因素

誠如綜合財務報表附註2所述，截至二零一九年三月三十一日止年度，貴集團呈報 貴公司擁有人應佔虧損約1,298,305,000港元及用於重大經營活動之現金淨額約43,576,000港元。於二零一九年三月三十一日，貴集團的流動負債超過其流動資產約541,673,000港元，且 貴集團有負債淨額約364,456,000港元，其中借款總額約為238,790,000港元，而現金及現金等額項目僅約為7,317,000港元。

此外，誠如綜合財務報表附註34詳述者，截至二零一九年三月三十一日止年度，貴集團於各到期日拖欠配售票據的利息還款。誠如綜合財務報表附註34所披露者，一名債權人已對 貴集團採取法律行動以追回有關債務。

該等情況顯示存在重大不明朗因素可能對 貴集團持續經營能力產生重大質疑，因此，貴集團未必可以在日常業務過程中變現其資產及償還其負債。

誠如綜合財務報表附註2所闡述，綜合財務報表乃由董事按持續經營基準編製，其有效性取決於 貴集團獲取足夠未來資金之能力。鑒於 貴集團維持充足未來現金流量之能力存在不明朗因素，我們未能確定董事於按持續經營基準編製綜合財務報表過程中所作之假設是否屬妥善及恰當。

Independent Auditor's Report (continued)

獨立核數師報告(續)

BASIS FOR DISCLAIMER OF OPINION (continued)

(b) Multiple fundamental uncertainties relating to going concern (continued)

Should the going concern assumption be inappropriate, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities respectively, write-down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements have not incorporated any of these adjustments. However, the uncertainty surrounding the Group's future cash flows raises significant doubt about the Group's ability to continue as a going concern. We consider that appropriate disclosures have been made in the consolidated financial statements concerning this situation, but we are unable to obtain adequate evidence concerning the Group's ability to meet any financial obligations as and when they fall due and we consider that the material uncertainties relating to going concern basis and their cumulative effect on the consolidated financial statements is so extreme that we have disclaimed our opinion.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE 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 ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

不發表意見之基準(續)

(b) 有關持續經營之多項基本不明朗因素(續)

倘持續經營假設不適用，必須作出調整以分別將所有非流動資產及非流動負債重新分類為流動資產及流動負債，將資產價值撇銷至其可收回金額，及為可能產生的進一步負債計提撥備。綜合財務報表並無納入任何該等調整。然而，有關貴集團未來現金流量的不明朗因素對貴集團持續經營能力產生重大質疑。我們認為，綜合財務報表已就有關情況作出適當披露，惟我們無法獲得有關貴集團有能力履行任何到期財務責任的充分憑證，且基於有關持續經營基準之該等重大不明朗因素及其可能對綜合財務報表之累計影響實屬非常，我們已作出保留意見。

董事及治理層就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)及香港公司條例之披露規定擬備真實而中肯之綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致之重大錯誤陳述所需之內部監控負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，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，或別無其他實際之替代方案。

治理層負責監督貴集團之財務申報過程。

Independent Auditor's Report (continued)

獨立核數師報告(續)

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Section 90 of the Bermuda Companies Act 1981 and Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, in accordance with the terms of our engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

核數師就審計綜合財務報表承擔之責任

我們的責任為按照一九八一年百慕達公司法第90條及香港會計師公會頒佈之香港審計準則審計 貴集團之綜合財務報表並出具核數師報告。本報告乃根據我們的委聘條款僅向 閣下(作為整體)作出而別無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。然而，由於我們報告不發表意見之基準一節所述之事項，我們並未能夠取得充足適當審核憑據以就該等財務報表發表之審核意見提供基準。

按照香港會計師公會頒佈之專業會計師道德守則(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。

Asian Alliance (HK) CPA Limited

Certified Public Accountants (Practising)

Chan Mei Mei

Practising Certificate Number: P05256

Suites 313-316, 3/F
Shui On Centre
6-8 Harbour Road
Wan Chai
Hong Kong

12 July 2019

華融(香港)會計師事務所有限公司

執業會計師

陳美美

執業證書編號：P05256

香港
灣仔
港灣道6-8號
瑞安中心
3樓313-316室

二零一九年七月十二日

Consolidated Statement of Profit or Loss

綜合損益表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		Notes 附註		
Revenue	收入	8	44,580	53,482
Cost of revenue	收入成本		(103,149)	(42,278)
Gross (loss) profit	(毛損)毛利		(58,569)	11,204
Other income, gains and losses, net	其他收入、收益及虧損淨額	10	30,024	34,595
Impairment losses on financial assets, net of reversal	金融資產之減值虧損(扣除撥回值)	12	(612,901)	6,411
Impairment loss on interests in associates	聯營公司權益之減值虧損	21	(331,352)	—
Impairment loss on goodwill	商譽之減值虧損	22	(87,196)	(56,901)
Administrative expenses	行政費用		(203,888)	(220,564)
Selling and distribution expenses	銷售及分銷支出		(19,576)	(37,597)
Finance costs	融資成本	11	(25,468)	(15,679)
Share of profit (loss) of associates	應佔聯營公司之溢利(虧損)	21	474	(13,332)
Share of loss of a joint venture	應佔一間合營企業之虧損		—	(9,652)
Loss before tax	除稅前虧損		(1,308,452)	(301,515)
Income tax credit	所得稅抵免	13	2,502	1,821
Loss for the year	本年度虧損	14	(1,305,950)	(299,694)
Loss for the year attributable to:	以下人士應佔本年度虧損：			
— Owners of the Company	— 本公司擁有人		(1,298,305)	(294,509)
— Non-controlling interests	— 非控股權益		(7,645)	(5,185)
			(1,305,950)	(299,694)
				(Restated) (重列)
Loss per share	每股虧損			
— Basic and diluted	— 基本及攤薄	18	(36.29) cents 仙	(8.54) cents 仙

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss for the year	本年度虧損	(1,305,950)	(299,694)
Other comprehensive (expense) income:	其他全面(支出)收入：		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可重新分類至損益之項目：</i>		
Exchange differences arising on translation of foreign operations	換算海外業務時產生之匯兌差額	(25)	(1,219)
Release of exchange reserve of a joint venture upon step-acquisition	於逐步收購時解除一間合營企業之匯兌儲備	—	(89)
Share of other comprehensive expense of a joint venture	應佔一間合營企業之其他全面支出	—	(172)
Share of other comprehensive (expense) income of associates	應佔聯營公司之其他全面(支出)收入	(3,168)	1,305
Other comprehensive expense for the year, net of income tax	本年度其他全面支出(除所得稅後)	(3,193)	(175)
Total comprehensive expense for the year	本年度全面支出總額	(1,309,143)	(299,869)
Total comprehensive expense attributable to:	以下人士應佔全面支出總額：		
Owners of the Company	本公司擁有人	(1,301,645)	(294,687)
Non-controlling interests	非控股權益	(7,498)	(5,182)
		(1,309,143)	(299,869)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2019 於二零一九年三月三十一日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註			
Non-current assets		非流動資產		
Property, plant and equipment	19	物業、廠房及設備	9,986	11,936
Land use rights	20	土地使用權	8,328	9,392
Intangible asset		無形資產	19	27
Goodwill	22	商譽	185,285	271,675
Interests in associates	21	於聯營公司之權益	—	334,003
Deferred tax assets	30	遞延稅項資產	2,524	—
			<u>206,142</u>	<u>627,033</u>
Current assets		流動資產		
Inventories	23	存貨	11,638	89,650
Trade and other receivables	24	應收貿易及其他賬項	36,005	58,334
Amounts due from associates	21	應收聯營公司款項	—	579,614
Financial assets at fair value through profit or loss	25	按公平值計入損益之金融資產	778	2,155
Bank balances and cash	26	銀行結餘及現金	7,317	33,271
			<u>55,738</u>	<u>763,024</u>
Current liabilities		流動負債		
Trade and other payables	27	應付貿易及其他賬項	387,047	278,133
Contract liabilities	28	合約負債	469	—
Bank and other borrowings	29	銀行及其他借貸	209,895	198,637
			<u>597,411</u>	<u>476,770</u>
Net current (liabilities) assets		流動(負債)資產淨值	<u>(541,673)</u>	<u>286,254</u>
Total assets less current liabilities		總資產減流動負債	<u>(335,531)</u>	<u>913,287</u>
Non-current liabilities		非流動負債		
Bank and other borrowings	29	銀行及其他借貸	28,895	29,083
Deferred tax liabilities	30	遞延稅項負債	30	30
			<u>28,925</u>	<u>29,113</u>
Net (liabilities) assets		(負債)資產淨值	<u>(364,456)</u>	<u>884,174</u>

Consolidated Statement of Financial Position (continued)

綜合財務狀況表(續)

As at 31 March 2019 於二零一九年三月三十一日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		Notes 附註		
Capital and reserves	資本及儲備			
Share capital	股本	31	363,823	352,251
Reserves	儲備		(716,627)	535,975
Equity attributable to owners of the Company	本公司擁有人應佔權益		(352,804)	888,226
Non-controlling interests	非控股權益	45	(11,652)	(4,052)
Total (deficit) equity	(虧黽)權益總額		(364,456)	884,174

The consolidated financial statements on pages 71 to 228 were approved and authorised for issue by the Board of Directors on 12 July 2019 and are signed on its behalf by:

第71頁至第228頁的綜合財務報表於二零一九年七月十二日獲董事會批准及授權刊發，並由以下人士代表簽署：

Zhang Yi
張依
Director
董事

Chu Wei Ning
祝蔚寧
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		Attributable to the owner of the Company 本公司擁有人應佔																
		Share capital	Share premium	Capital redemption reserve	Other reserve	Contingent consideration reserve	Share options reserve	Shares held under share award scheme reserve	Share-based payment reserve	Exchange reserve	Special reserve	Contributed surplus	Accumulated losses	Total	Non-controlling interests	Total		
		股本	股份溢價	資本贖回儲備	其他儲備	或然代價儲備	購股權儲備	根據股份獎勵計劃儲備持有之股份	以股份為基礎之付款儲備	匯兌儲備	特別儲備	撥入盈餘	累計虧損	總額	非控股權益	總額		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元		
											(Note a) (附註a)	(Note b) (附註b)						
At 1 April 2017	於二零一七年四月一日	340,864	1,877,093	13,878	—	95,442	28,232	—	—	14,147	78,176	684,966	(2,098,958)	1,033,840	2,625	1,036,465		
Loss for the year	本年度虧損	—	—	—	—	—	—	—	—	—	—	—	(294,509)	(294,509)	(5,185)	(299,694)		
Other comprehensive (expense) income for the year	本年度其他全面(支出)收入	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益之項目：																	
Exchange differences arising on translation of foreign operations	換算海外業務時產生之匯兌差額	—	—	—	—	—	—	—	—	(1,222)	—	—	—	(1,222)	3	(1,219)		
Release of exchange reserve of a joint venture upon step-acquisition	於逐步收購時解除一間合營企業之匯兌儲備	—	—	—	—	—	—	—	—	(89)	—	—	—	(89)	—	(89)		
Share of other comprehensive expense of a joint venture	應佔一間合營企業之其他全面支出	—	—	—	—	—	—	—	—	(172)	—	—	—	(172)	—	(172)		
Share of other comprehensive income of associates	應佔聯營公司之其他全面收入	—	—	—	—	—	—	—	—	1,305	—	—	—	1,305	—	1,305		
Other comprehensive (expense) income for the year, net of income tax	本年度其他全面(支出)收入(除所得稅後)	—	—	—	—	—	—	—	—	(178)	—	—	—	(178)	3	(175)		
Total comprehensive expense for the year	本年度全面支出總額	—	—	—	—	—	—	—	—	(178)	—	—	(294,509)	(294,687)	(5,182)	(299,869)		
Issuance of shares for the further acquisition of an associate (Note 31(c))	就進一步收購一間聯營公司發行股份(附註31(c))	5,933	75,757	—	—	—	—	—	—	—	—	—	—	81,690	—	81,690		
Issuance of shares for the acquisition of a subsidiary	就收購一間附屬公司發行股份	4,186	91,256	—	—	(95,442)	—	—	—	—	—	—	—	—	—	—		
Step acquisition of a subsidiary (Note 37)	分階段收購一間附屬公司(附註37)	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,495)	(1,495)		
Capital injection from an investor (Note c)	一名投資者注資(附註c)	—	—	—	46,962	—	—	—	—	—	—	—	—	46,962	—	46,962		
Issuance of shares under share award scheme (Note 31(b))	根據股份獎勵計劃發行股份(附註31(b))	1,268	—	—	—	—	—	(1,268)	—	—	—	—	—	—	—	—		
Equity settled share-based transaction (Note 36)	以權益結算以股份為基礎之交易(附註36)	—	—	—	—	—	—	—	20,421	—	—	—	—	20,421	—	20,421		
Lapse of share options (Note 35)	購股權失效(附註35)	—	—	—	—	—	(16)	—	—	—	—	—	16	—	—	—		
At 31 March 2018	於二零一八年三月三十一日	352,251	2,044,106	13,878	46,962	—	28,216	(1,268)	20,421	13,969	78,176	684,966	(2,393,451)	888,226	(4,052)	884,174		

Consolidated Statement of Changes in Equity (continued)
綜合權益變動表(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		Attributable to the owner of the Company 本公司擁有人應佔												
		Share capital	Share premium	Capital redemption reserve	Other reserve	Share options reserve	Shares held under share award scheme	Share-based payment reserve	Exchange reserve	Special reserve	Contributed surplus	Accumulated losses	Total	Non-controlling interests
		股本	股份溢價	資本贖回儲備	其他儲備	購股權儲備	根據股份獎勵計劃儲備持有之股份	以股份為基礎之付款儲備	匯兌儲備	特別儲備	繳入盈餘	累計虧損	總額	非控股權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
										(Note a) (附註a)	(Note b) (附註b)			
At 31 March 2018	於二零一八年三月三十一日	352,251	2,044,106	13,878	46,962	28,216	(1,268)	20,421	13,969	78,176	684,966	(2,393,451)	888,226	(4,052)
Adjustment (Note 3)	調整(附註3)	—	—	—	—	—	—	—	—	—	—	(26,748)	(26,748)	(102)
At 1 April 2018 (Restated)	於二零一八年四月一日(經重列)	352,251	2,044,106	13,878	46,962	28,216	(1,268)	20,421	13,969	78,176	684,966	(2,420,199)	861,478	(4,154)
Loss for the year	本年度虧損	—	—	—	—	—	—	—	—	—	—	(1,298,305)	(1,298,305)	(7,645)
Other comprehensive (expense) income for the year	本年度其他全面(支出)收入	—	—	—	—	—	—	—	—	—	—	—	—	—
Items that may be reclassified subsequently to profit or loss	其後可重新分類至損益之項目:	—	—	—	—	—	—	—	—	—	—	—	—	—
Exchange differences arising on translation of foreign operations	換算海外業務時產生之匯兌差額	—	—	—	—	—	—	—	(172)	—	—	—	(172)	147
Share of other comprehensive expense of associates	應佔聯營公司之其他全面支出	—	—	—	—	—	—	—	(3,168)	—	—	—	(3,168)	—
Other comprehensive (expense) income for the year, net of income tax	本年度其他全面(支出)收入(除所得稅後)	—	—	—	—	—	—	—	(3,340)	—	—	—	(3,340)	147
Total comprehensive expense for the year	本年度全面支出總額	—	—	—	—	—	—	—	(3,340)	—	—	(1,298,305)	(1,301,645)	(7,498)
Issuance of shares for the further acquisition of an associate (Note 31(c))	就進一步收購一間聯營公司發行股份(附註31(c))	2,543	32,452	—	—	—	—	—	—	—	—	—	34,995	—
Issuance of shares under share award scheme (Note 31(b))	根據股份獎勵計劃發行股份(附註31(b))	9,029	—	—	—	—	(9,029)	—	—	—	—	—	—	—
Equity settled share-based transaction (Note 36)	以權益結算以股份為基礎之交易(附註36)	—	—	—	—	—	—	52,368	—	—	—	—	52,368	—
Allotment of awarded shares to trustee (Note 36)	向受託人配發獎勵股份(附註36)	—	62,258	—	—	—	10,281	(72,539)	—	—	—	—	—	—
Share award forfeited (Notes 36)	沒收獎勵股份(附註36)	—	—	—	—	—	—	(250)	—	—	—	250	—	—
Lapse of share options (Note 35)	購股權失效(附註35)	—	—	—	—	(28,216)	—	—	—	—	—	28,216	—	—
At 31 March 2019	於二零一九年三月三十一日	363,823	2,138,816	13,878	46,962	—	(16)	—	10,629	78,176	684,966	(3,690,038)	(352,804)	(11,652)

Notes:

附註:

- (a) The special reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal amount of share capital of its subsidiaries acquired at the date of the group reorganisation.
- (a) 本集團之特別儲備指本公司為交換於集團重組當日所收購附屬公司之股本面額而發行之股本面額之差額。
- (b) The contributed surplus of the Group represents the difference between the consolidated shareholders' funds of the subsidiaries at the date on which they were acquired by the Company, and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation; the cancellation of an amount of approximately HK\$48,000,000 from the share premium account of the Company and the credit of an amount of approximately HK\$610,247,000 of the Company's share capital cancelled in 2002 and the contribution of approximately HK\$26,719,000 from the placing of warrants in 2002 that had expired in 2003.
- (b) 本集團之繳入盈餘指附屬公司於獲本公司收購當日之綜合股東資金與於集團重組之時為收購發行之本公司股份面值之差額;從本公司之股份溢價賬註銷約48,000,000港元及於二零零二年註銷之本公司股本之進賬額約610,247,000港元,以及於二零零二年配售並於二零零三年到期之認股權證所得貢獻約26,719,000港元。
- Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:
- 根據百慕達一九八一年公司法(經修訂),本公司之繳入盈餘賬可供分派。然而,倘出現下列情況,則本公司不可宣派或派付股息,或從繳入盈餘作出分派:
- (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (i) 本公司無法或將於付款後無法支付其到期負債;或
- (ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.
- (ii) 本公司資產之可變現價值將因此而小於本公司負債及已發行股本和股份溢價賬之總額。
- (c) The other reserve of the Group represents the capital injection from an investor in relation to the disposal of certain equity interest in a subsidiary not resulting in the Group losing control over that subsidiary, in which the disposal had not yet been completed at the reporting date.
- (c) 本集團之其他儲備指一名投資者就出售一間附屬公司若干股本權益(並無導致本集團喪失該附屬公司之控制權,而有關出售於報告日期尚未完成)所作注資。
- (d) In the opinion of the directors of the Company, the Company had no reserves available for distribution to shareholders as at 31 March 2019 and 31 March 2018.
- (d) 本公司董事認為,本公司於二零一九年三月三十一日及二零一八年三月三十一日並無可供分派予股東之儲備。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Loss before tax	除稅前虧損	(1,308,452)	(301,515)
Adjustments for:	就下列項目調整：		
Interest income	利息收入	(32,988)	(30,492)
Finance cost	融資成本	25,468	15,679
Impairment losses recognised in respect of interests in associate	就聯營公司權益確認之減值虧損	331,352	—
Impairment losses recognised in respect of trade receivables	就應收貿易賬項確認之減值虧損	792	—
Impairment losses recognised in respect of other receivables	就應收其他賬項確認之減值虧損	2,126	231
Impairment loss recognised in respect of amounts due from associates	就應收聯營公司款項確認之減值虧損	610,077	—
Reversal of impairment loss recognised in respect of trade receivables	撥回就應收貿易賬項確認之減值虧損	(64)	(642)
Reversal of impairment loss recognised in respect of other receivables	撥回就應收其他賬項確認之減值虧損	(30)	(6,000)
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	87,196	56,901
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,029	3,758
Written off of property, plant and equipment	物業、廠房及設備撇銷	63	—
Written-down of inventories	存貨撇減	21,426	—
Amortisation of land use rights	土地使用權攤銷	463	463
Amortisation of intangible asset	無形資產攤銷	8	8
Net unrealised losses on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之未變現虧損淨額	1,377	1,077
Loss on disposal of available-for-sale financial asset	出售可供出售金融資產之虧損	—	1,300
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)虧損	(149)	45
Share of (profit) loss of associates	應佔聯營公司之(溢利)虧損	(474)	13,332
Share of loss of a joint venture	應佔一間合營企業之虧損	—	9,652
Share-based payments	以股份為基礎之付款	52,368	20,421
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(206,412)	(215,782)
Decrease (increase) in inventories	存貨減少(增加)	64,010	(76,777)
Decrease (increase) in trade and other receivables	應收貿易及其他賬項減少(增加)	27,062	(24,555)
Increase in trade and other payables	應付貿易及其他賬項增加	72,703	139,988
Decrease in contract liabilities	合約負債減少	(939)	—
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額	(43,576)	(177,126)

Consolidated Statement of Cash Flows (continued)

綜合現金流量表(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	24	555
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備之付款	(3,619)	(1,206)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	2,032	—
Acquisition of additional investment in an associate	增購於一間聯營公司之投資	—	(3,890)
Advance to associates	向聯營公司墊款	(20,895)	(46,550)
Net cash inflow from step acquisition of a subsidiary	逐步收購一間附屬公司之現金流入淨額	—	3,393
Capital injection from an investor	一名投資者注資	—	46,962
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(22,458)	(736)
FINANCING ACTIVITIES	融資活動		
Interest paid	已付利息	(2,034)	(3,729)
New bank and other borrowings raised	新增銀行及其他借貸	20,528	118,926
Repayment of bank and other borrowings	償還銀行及其他借貸	(9,144)	(235)
Advance from directors	董事墊款	26,903	18,175
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	36,253	133,137
NET DECREASE IN BANK BALANCES AND CASH	銀行結餘及現金減少淨額	(29,781)	(44,725)
BANK BALANCES AND CASH AT BEGINNING OF THE YEAR	年初之銀行結餘及現金	33,271	83,424
Effect of foreign exchange rate changes	匯率變動之影響	3,827	(5,428)
BANK BALANCES AND CASH AT END OF THE YEAR, represented by bank balances and cash	年終之銀行結餘及現金 以銀行結餘及現金表示	7,317	33,271

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

1. GENERAL INFORMATION

China Baoli Technologies Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business in Hong Kong is located at Suites 3103-04, 31/F., Oxford House, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries (together with Company collectively referred to as “Group”) are set out in Note 44 to the consolidated financial statements. The principal activities of the Group are mobile and multi-media technologies business, tourism and hospitality business, gamma ray irradiation services and securities trading and investment.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

Going concern basis

As stated in the consolidated financial statements, the Group reported loss attributable to owners of the Company of approximately HK\$1,298,305,000 and had net cash used in operating activities of approximately HK\$43,576,000 for the year ended 31 March 2019. As at 31 March 2019, the Group’s current liabilities exceeded its current assets by approximately HK\$541,673,000 and the Group had net liabilities of approximately HK\$364,456,000, in which total borrowings amounted to approximately HK\$238,790,000, while its cash and cash equivalents amounted to approximately HK\$7,317,000 only.

The Group’s net liabilities as at 31 March 2019 are mainly attributable to (i) impairment of interests in associates; and (ii) impairment of amounts due from associates during the year ended 31 March 2019.

1. 一般資料

中國寶力科技控股有限公司(「本公司」)乃於百慕達註冊成立之獲豁免有限公司，其股份在香港聯合交易所有限公司(「聯交所」)主板上市。本公司之註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda，而其香港主要營業地點位於香港鰂魚涌英皇道979號太古坊濠豐大廈31樓3103-04室。

本公司之主要業務為投資控股且其附屬公司(連同本公司統稱「本集團」)之主要業務載列於綜合財務報表附註44。本集團之主要業務為手機技術業務、旅遊及消閒業務、伽瑪射線照射服務以及證券買賣及投資。

綜合財務報表以本公司之功能貨幣港元(「港元」)呈列。

2. 編製基準

持續經營基準

誠如綜合財務報表所述，本集團呈報本公司擁有人應佔虧損約1,298,305,000港元及截至二零一九年三月三十一日止年度經營活動中動用淨現金約43,576,000港元。於二零一九年三月三十一日，本集團的流動負債較其流動資產超逾約541,673,000港元，且本集團擁有負債淨額約364,456,000港元，其中借款總額約為238,790,000港元，而其現金及現金等價物僅約為7,317,000港元。

本集團於二零一九年三月三十一日的負債淨額主要可歸因於(i)於聯營公司的權益減值；及(ii)於截至二零一九年三月三十一日止年度內應收聯營公司的款項減值。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

2. BASIS OF PREPARATION (continued)

Going concern basis (continued)

On 15 March 2019, the Grand Court of the Cayman Islands granted a winding up order (the "Order") against Yota, an associate of the Company. The winding-up petition was filed by Hi-P Electronics Pte. Ltd., a manufacturing partner of Yota in respect of the older version of Yotaphone with respect to a principal sum of USD1,000,000 said to be due by Yota to the petitioner. After the acquisition of Yota, the Company has allocated resources including funding to Yota for the development of the mobile technologies business. As at the date of the Order, the Company owned 40% equity interest of Yota and was also a creditor of Yota Group (the gross amount due from Yota and its subsidiaries to the Group as at 31 March 2019 was approximately HK\$633,551,000). The Company has been in touch with the appointed liquidator of Yota to explore the possibility of conducting an audit for Yota. However the process is slow and there are uncertainties relating to such. As at 31 March 2019, the total net liabilities of Yota and its subsidiaries were approximately HK\$760,282,000, which exceeds the amount of shareholder loans of approximately HK\$633,551,000 provided by the Company. Taking into account of the above facts, the Company is of the view that a full impairment on interests in associates and amounts due from associates of the Company should be made to reflect the current conditions of Yota.

In the past three years, the Group allocated resources to Yota including funding to support the research and development of the electronic paper display ("EPD") screens and the integration and applications of the dual-screen functions. Both the engineering team from Yota and the subsidiaries of the Company in the People's Republic of China (the "PRC") have worked together to develop the third generation of the dual-screen mobile device Yota 3.

After the launch of Yota 3, the Company has also accumulated technologies, expertise, network and hardware and software resources in the construction of multi-media sharing and advertising platform and the dissemination and transmission of information via such platforms. Previously, the Company mainly focuses on the development of hardware in the mobile technologies business which requires a huge amount of working capital. The Company is shifting its strategy to be more software oriented such as the construction of multi-media sharing and advertising platform and trying to become an asset-light company with less potential fluctuation in cash flow.

2. 編製基準(續)

持續經營基準(續)

於二零一九年三月十五日，開曼群島大法院就本公司聯營公司Yota發出清盤令(「命令」)，蓋因Hi-P Electronics Pte. Ltd. (Yota有關舊款Yota手機的製造合作夥伴)就聲稱Yota結欠呈請人之本金額1,000,000美元提起清盤呈請。收購Yota之後，本公司已向Yota分配資源(包括提供資金)以便發展手機技術業務。於命令發出日期，本公司擁有Yota之40%股權，亦為Yota集團之債權人(截至二零一九年三月三十一日Yota及其附屬公司結欠本集團之總金額為約633,551,000港元)。本公司一直與獲委任的Yota清盤人接觸以探索為Yota展開審核的可能性。然而，該過程緩慢，且存在相關不確定性。於二零一九年三月三十一日，Yota及其附屬公司的總負債淨額約為760,282,000港元，超過本公司提供的股東貸款的金額約633,551,000港元。考慮到上述事實，本公司認為，於聯營公司的權益及應收本公司聯營公司之金額應作出悉數減值以反映Yota的當前狀況。

於過往三年內，本集團向Yota分配資源，包括提供資金以支持電子紙顯示(「EPD」)屏的研發和雙屏功能的整合與應用。來自Yota及本公司位於中華人民共和國(「中國」)的附屬公司的工程團隊已共同合作開發第三代雙屏移動設備Yota 3。

於推出Yota 3後，本公司亦在建設多媒體共享及廣告平台以及透過有關平台發佈及傳輸信息方面積累豐富技術、專業知識、網絡及軟硬件資源。過往，本公司主要專注於手機技術業務之硬件開發，此要求大量營運資本。本公司正將其策略向軟件方面傾斜，例如建設多媒體共享及廣告平台，並正嘗試成為現金流潛在波動較小的輕資產公司。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

2. BASIS OF PREPARATION (continued)

Going concern basis (continued)

Given the current situation, the management has taken the following actions to improve the financial position of the Group. The management has been in discussions with the major creditors to extend the loans and potentially part of them will be repaid by equity. The Group will make further announcements once agreement has been reached.

On 24 June 2019, a placing noteholder has taken legal action at the court and claimed for the repayment of principal and outstanding note interests of the placing notes from the Company. The Company is going to negotiate with the noteholder and ask for the extension of the repayment date of the entire or partial amount of the placing notes which are demanded by the noteholders to repay the principal and note interests immediately.

As at 31 March 2019, the total loan from the directors of the Company (the "Directors") to the Company was approximately HK\$45,078,000. Taking into account the current situation of the Group, most of the Directors have confirmed in writing that they will not require the Company to repay the loan until such time when repayment will not affect the ability of the Group to repay other creditors in the normal course of business. In addition, the substantial shareholder has executed a letter of support and will continue to provide financial support to the Company to meet its financial obligations including payment of interests on bank borrowings, professional fees and other operating expenses, and will not demand for repayment of the loan to the Group.

In addition, the management of the Company has been actively looking for potential investors. Through fund-raising exercises, the Group would be able to meet its financial obligations and obtain additional financing resources in pursuing other business and fulfilling the operational needs.

The Directors have prepared a cash flow forecast covering a period up to 31 March 2020 on the basis that the Group's aforementioned plans and measures will be successful, and are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the twelve months from 31 March 2019. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. 編製基準(續)

持續經營基準(續)

鑒於當前情況，管理層已採取以下行動改善本集團的財務狀況。管理層一直在與主要債權人討論續借貸款，且其中部分貸款可能會以股權方式償還。一旦達成協議，本集團將另行公告。

於二零一九年六月二十四日，一名配售票據持有人於法院起訴，向本公司索償配售票據的本金及未償還的票據利息。本公司將與該名票據持有人協商，並要求延長票據持有人要求立即償還本金及票據利息的配售票據全部或部分金額的償還日期。

於二零一九年三月三十一日，本公司董事（「董事」）向本公司提供的貸款總額約為45,078,000港元。經考慮本集團的現狀，大多數董事以書面形式確認，表示彼等將不會要求本公司償還貸款，直至有關還款不會影響本集團在正常業務過程中償還其他債權人的能力時為止。此外，主要股東已簽署支持函並將繼續向本公司提供財務支持以履行其財務義務（包括支付銀行借款的利息、專業費用及其他經營開支），且將不會要求償還本集團的貸款。

此外，本公司管理層正積極尋求潛在投資者。透過籌款活動，本集團將能夠履行其財務義務及在物色其他業務及滿足運營需求時獲得額外財務資源。

董事已編製涵蓋直至二零二零年三月三十一日之期間之現金流量預測，相關依據為本集團之上述計劃及措施將會成功，並信納本集團將擁有足夠營運資金履行自二零一九年三月三十一日起計十二個月內之到期財務責任。因此，董事認為按持續經營基準編製綜合財務報表屬適宜之舉。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

2. BASIS OF PREPARATION (continued)

Going concern basis (continued)

However, there are significant uncertainties as to the outcomes of the above events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Should the use of the going concern basis in preparation of the consolidated financial statements be inappropriate, adjustments would have to be made to reflect the situation that assets may need to be realised at the amounts other than which they are currently recorded in the consolidated statement of financial position at as 31 March 2019. In addition, the Group may have to recognise further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS")

New and amendments to HKFRSs that are mandatorily effective for the current year

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

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

2. 編製基準(續)

持續經營基準(續)

然而，有關上述事件或狀況之結果之重大不明朗因素可能令本集團持續經營能力嚴重成疑，因此，本集團將可能無法於一般業務過程中變現資產及解除負債。如在編製綜合財務報表時使用持續經營基準屬不當，將必須作出調整以反映資產可能需要按其目前於二零一九年三月三十一日綜合財務狀況表入賬金額以外之金額變現之情況。此外，本集團可能須確認可能產生之進一步負債以及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。

3. 應用新訂香港財務報告準則及其修訂(「香港財務報告準則」)

於本年度強制生效之新訂香港財務報告準則及其修訂

在本年度，本集團首次應用以下由香港會計師公會(「香港會計師公會」)頒佈之新訂香港財務報告準則及其修訂：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收入及相關修訂
香港(國際財務報告詮釋委員會)一詮釋(「詮釋」)第22號	外幣交易及預付代價
香港財務報告準則第2號之修訂	以股份為基礎之付款交易之分類及計量
香港財務報告準則第4號之修訂	於香港財務報告準則第4號保險合約下應用香港財務報告準則第9號金融工具
香港會計準則(「香港會計準則」)第28號之修訂	作為二零一四年至二零一六年週期之香港財務報告準則年度改進之一部分
香港會計準則第40號之修訂	轉移投資物業

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3.1 HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018. According, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and HKAS 11 *Construction Contracts* and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Sales of mobile phones and related products
- Provision of online travel product booking service
- Gamma ray irradiation service

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in Notes 4 to 8 to the consolidated financial statements respectively.

3. 應用新訂香港財務報告準則及其修訂(「香港財務報告準則」)(續)

於本年度強制生效之新訂香港財務報告準則及其修訂(續)

除下述者外，於本年度應用新訂香港財務報告準則及其修訂對本集團本年度及過往年度之財務表現及狀況及／或該等綜合財務報表所載披露信息並無重大影響。

3.1 香港財務報告準則第15號客戶合約收入

本集團於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋。

本集團回溯應用香港財務報告準則第15號，而初始應用該準則之累積影響於初始應用日期二零一八年四月一日予以確認。初始應用日期之任何差額於期初累計虧損(或權益之其他部分，如適用)確認，而並無重列比較資料。此外，根據香港財務報告準則第15號之過渡條文，本集團選擇僅對於二零一八年四月一日尚未完成之合約回溯應用該準則。因此，由於比較資料乃根據香港會計準則第18號收入及香港會計準則第11號建築合約及相關詮釋進行編製，因此若干比較資料可能無法比較。

本集團客戶合約確認所產生之以下主要資金來源之所得收入：

- 手機及相關產品銷售
- 提供網上旅遊產品預訂服務
- 伽瑪射線照射服務

有關本集團因應用香港財務報告準則第15號而產生之履約責任及會計政策之資料，乃分別披露於綜合財務報表附註4至8。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

3.1 HKFRS 15 Revenue from Contracts with Customers (continued)

Summary of effects arising from initial application of HKFRS 15

The adoption of HKFRS 15 did not have any impact on accumulated losses at 1 April 2018.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

3. 應用新訂香港財務報告準則及其修訂(「香港財務報告準則」)(續)

於本年度強制生效之新訂香港財務報告準則及其修訂(續)

3.1 香港財務報告準則第15號客戶合約收入(續)

初始應用香港財務報告準則第15號所產生之影響概要

應用香港財務報告準則第15號對於二零一八年四月一日之累計虧損並無任何影響。

於二零一八年四月一日之綜合財務狀況表內確認之數額調整如下。不受變動影響之行項目不予載列。

		Carrying amounts previously reported at 31 March 2018	Reclassification	Carrying amounts under HKFRS 15 at 1 April 2018*
		先前 於二零一八年 三月三十一日 呈報之賬面值 HK\$'000 千港元	重新分類 HK\$'000 千港元	根據香港財務 報告準則第15號 於二零一八年 四月一日 之賬面值* HK\$'000 千港元
Current Liabilities	流動負債			
Trade and other payables	應付貿易及其他賬項	278,133	(4,267)	273,866
Contract liabilities	合約負債	—	4,267	4,267

* The amounts in this column are before the adjustments from the application of HKFRS 9.

As at 1 April 2018, advances from customers of approximately HK\$4,267,000 in respect of sales of mobile phones and related products previously included in trade and other payables were reclassified to contract liabilities.

* 本欄之數額為應用香港財務報告準則第9號作出調整前之數額。

於二零一八年四月一日，有關手機及相關產品銷售之客戶預付款約4,267,000港元自先前之應付貿易及其他賬項重新分類為合約負債。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

3.1 HKFRS 15 Revenue from Contracts with Customers (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

The following tables summarise the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 31 March 2019 and its consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

		As reported	Adjustments	Amounts without application of HKFRS 15
		經呈報	調整	未應用香港財務報告準則第15號之數額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Current Liabilities	流動負債			
Trade and other payables	應付貿易及其他賬項	387,047	469	387,516
Contract liabilities	合約負債	469	(469)	—

Impact on the consolidated statement of cash flows

		As reported	Adjustments	Amounts without application of HKFRS 15
		經呈報	調整	未應用香港財務報告準則第15號之數額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
OPERATING ACTIVITIES	經營活動			
Increase in trade and other payables	應付貿易及其他賬項增加	72,703	(939)	71,764
Decrease in contract liabilities	合約負債減少	(939)	939	—

3. 應用新訂香港財務報告準則及其修訂(「香港財務報告準則」)(續)

於本年度強制生效之新訂香港財務報告準則及其修訂(續)

3.1 香港財務報告準則第15號客戶合約收入(續)

初始應用香港財務報告準則第15號所產生之影響概要(續)

下表就受影響之各行項目概述應用香港財務報告準則第15號對本集團於二零一九年三月三十一日的綜合財務狀況表及其本年度綜合現金流量表之影響。不受變動影響之行項目不予載列。

對綜合財務狀況表之影響

對綜合現金流量表的影響

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

3.2 HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of HKFRS 9 are disclosed in Note 4 to the consolidated financial statements.

3. 應用新訂香港財務報告準則及其修訂(「香港財務報告準則」)(續)

於本年度強制生效之新訂香港財務報告準則及其修訂(續)

3.2 香港財務報告準則第9號金融工具

本集團於本年度應用香港財務報告準則第9號金融工具及其他香港財務報告準則之相關後續修訂。香港財務報告準則第9號為以下各項引入新規定：1)金融資產及金融負債之分類及計量，2)金融資產之預期信貸虧損(「預期信貸虧損」)及3)一般對沖會計處理。

本集團根據香港財務報告準則第9號所載之過渡條文應用香港財務報告準則第9號，即對於二零一八年四月一日(初始應用日期)未終止確認之金融工具回溯應用分類及計量規定(包括預期信貸虧損模型下之減值)，而對於二零一八年四月一日已終止確認之工具則不應有關規定。賬面值於二零一八年三月三十一日及二零一八年四月一日之差額乃於期初累計虧損及權益之其他部分確認，不重列比較資料。

因此，由於比較資料乃根據香港會計準則第39號金融工具：確認及計量編製，若干比較資料或不具可比性。

應用香港財務報告準則第9號產生之會計政策乃於綜合財務報表附註4披露。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

3.2 HKFRS 9 Financial Instruments (continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

		Financial assets at amortised cost (previously classified as loans and receivables) 按攤銷成本 (以往歸為貸款及 應收賬款)計量之 金融資產	Deferred tax assets 遞延稅項資產	Accumulated loss 累計虧損	Non- controlling interests 非控股 權益
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Closing balance at 31 March 2018	於二零一八年三月三十一日 之期末結餘				
— HKAS 39	— 香港會計準則第39號	655,236	—	(2,393,451)	(4,052)
Effect arising from initial application of HKFRS 9:	初始應用香港財務報告準則 第9號產生之影響：				
Remeasurement	重新計量				
Impairment under ECL model	預期信貸虧損模型下之減值	(26,872)	22	(26,748)	(102)
Opening balance at 1 April 2018	於二零一八年四月一日 之期初結餘	628,364	22	(2,420,199)	(4,154)

Impairment under ECL model

The Group applies HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the historical observed default rates adjusted by forward looking estimates.

3. 應用新訂香港財務報告準則及其修訂 ([「香港財務報告準則」])(續)

於本年度強制生效之新訂香港財務報告準則
及其修訂(續)

3.2 香港財務報告準則第9號金融工具(續)

初始應用香港財務報告準則第9號所產生之
影響概要

下表載列於初始應用日期(二零一八年四月
一日)香港財務報告準則第9號及香港會計準
則第39號項下受預期信貸虧損規限之金融資
產及其他項目之分類及計量。

預期信貸虧損模型下之減值

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，就所有應收貿易賬項採用全期預期信貸虧損。為計量預期信貸虧損，我們基於共同的信貸風險特徵及按前瞻性估計進行調整之過往觀察到的違約率對應收貿易賬項分組。

Notes to the Consolidated Financial Statements (continued)
綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

3.2 HKFRS 9 Financial Instruments (continued)

Impairment under ECL model (continued)

Loss allowances for financial assets at amortised cost other than trade receivable mainly comprise of other receivables and deposit paid, amounts due from associates and bank balances, are measured on 12-month ECL (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition. Certain other receivables which are measured on lifetime ECL basis as those credit risk had increased significantly since initial recognition. For bank balances, the Group transacts with reputable banks with high credit rating assigned by international credit-rating agencies and consider the risk of default is low and 12m ECL is insignificant.

As at 1 April 2018, additional credit loss allowance of approximately HK\$26,872,000 and increase in deferred tax assets of approximately HK\$22,000 have been recognised against accumulated losses and non-controlling interests. The additional loss allowance is charged against the respective asset.

All loss allowances, including trade receivables, other receivables and deposit paid and amounts due from associates, as at 31 March 2018 reconciled to the opening loss allowances as at 1 April 2018 are as follows:

3. 應用新訂香港財務報告準則及其修訂
（「香港財務報告準則」）（續）於本年度強制生效之新訂香港財務報告準則
及其修訂（續）

3.2 香港財務報告準則第9號金融工具（續）

預期信貸虧損模型下之減值（續）

按攤銷成本而非按應收貿易賬項計量之金融資產虧損撥備主要包括其他應收賬項及已付按金、應收聯營公司款項及銀行結餘，且由於信貸風險自初始確認後並無大幅增長，乃按十二個月預期信貸虧損（「十二個月預期信貸虧損」）的基準計量。若干其他應收賬項乃按全期預期信貸虧損的基準計量，乃由於彼等信貸風險自初始確認後大幅增長。就銀行結餘而言，本集團交易對象為國際信貸評級機構認為高信貸評級的知名銀行，因而認為違約風險低且十二個月預期信貸虧損並不重大。

於二零一八年四月一日，約26,872,000港元之額外信貸虧損撥備及遞延稅項資產增加約22,000港元已就累計虧損及非控股權益進行確認。額外虧損撥備乃就各項資產扣除。

於二零一八年三月三十一日，所有虧損撥備，包括應收貿易賬項、其他應收賬項及已付按金以及應收聯營公司款項，與於二零一八年四月一日之期初虧損撥備對賬如下：

		Trade receivables	Other receivables and deposit paid	Amounts due from associates
		應收貿易賬項	其他應收賬項及已付按金	應收聯營公司款項
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 31 March 2018 — HKAS 39	於二零一八年三月三十一日			
	— 香港會計準則第39號	34,714	28,231	—
Amounts remeasured through opening accumulated losses	透過期初累計虧損重新計量之款項	78	3,320	23,474
At 1 April 2018	於二零一八年四月一日	34,792	31,551	23,474

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

3.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group’s accounting policies above, the opening consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each of the line items affected. Line items that were not affected by the changes have not been included.

3. 應用新訂香港財務報告準則及其修訂(「香港財務報告準則」)(續)

於本年度強制生效之新訂香港財務報告準則及其修訂(續)

3.3 應用所有新準則對期初綜合財務狀況表之影響

由於本集團上述會計政策之變動，期初綜合財務狀況表須予以重列。下表列示就各受影響之行項目確認之調整。不受變動影響之行項目不予載列。

		31 March 2018 二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)	HKFRS 15 香港財務報告 準則第15號 HK\$'000 千港元	HKFRS 9 香港財務報告 準則第9號 HK\$'000 千港元	1 April 2018 二零一八年 四月一日 HK\$'000 千港元 (Restated) (經重列)
Non-Current Assets	非流動資產				
Deferred tax assets	遞延稅項資產	—	—	22	22
Current Assets	流動資產				
Trade and other receivables	應收貿易及其他賬項	58,334	—	(3,398)	54,936
Amounts due from associates	應收聯營公司款項	579,614	—	(23,474)	556,140
Current Liabilities	流動負債				
Trade and other payables	應付貿易及其他賬項	278,133	(4,267)	—	273,866
Contract liabilities	合約負債	—	4,267	—	4,267
Capital and Reserves	資本及儲備				
Reserves	儲備	535,975	—	(26,748)	509,227
Non-controlling interests	非控股權益	(4,052)	—	(102)	(4,154)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (continued)

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of Business ²
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKAS 1 and HKAS 8	Definition of Material ³
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interest In Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle ¹

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

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after 1 January 2020.

⁴ Effective for annual periods beginning on or after 1 January 2021.

⁵ Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRSs and interpretations mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. 應用新訂香港財務報告準則及其修訂(「香港財務報告準則」)(續)

已頒佈但尚未生效之新訂香港財務報告準則及其修訂

本集團並無提早應用下列已頒佈但尚未生效之新訂香港財務報告準則及其修訂：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ⁴
香港(國際財務報告詮釋委員會)一詮釋第23號	所得稅處理之不確定性 ¹
香港財務報告準則第3號之修訂	業務之定義 ²
香港財務報告準則第9號之修訂	具有負補償之提前償付特徵 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業間之資產出售或投入 ⁵
香港會計準則第1號及香港會計準則第8號之修訂	重大之定義 ³
香港會計準則第19號之修訂	計劃修訂、縮減或支付 ¹
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益 ¹
香港財務報告準則之修訂	二零一五年至二零一七年週期之香港財務報告準則年度改進 ¹

¹ 於二零一九年一月一日或之後開始之年度期間生效。

² 收購日期為於二零二零年一月一日或之後開始之首個年度期間開始當日或之後之業務合併及資產收購期間生效。

³ 於二零二零年一月一日或之後開始之年度期間生效。

⁴ 於二零二一年一月一日或之後開始之年度期間生效。

⁵ 於其待定期限或之後開始之年度期間生效。

除下文所述之新訂香港財務報告準則及其修訂以及詮釋外，董事預期應用所有其他新訂香港財務報告準則及其修訂於可見將來對綜合財務報表並無重大影響。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (continued)

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront land use rights as investing cash flows in relation to leasehold lands for owned use while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

3. 應用新訂香港財務報告準則及其修訂(「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號為識別出租人及承租人之租賃安排及會計處理引入一個綜合模型。香港財務報告準則第16號於生效後，將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號以所識別資產是否由客戶控制為基準區分租賃及服務合約。

除短期租賃及低值資產租賃外，經營租賃及融資租賃之差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債之模型替代。

使用權資產初步按成本計量，隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。租賃負債初步按當日尚未支付之租賃款項之現值計量。隨後，租賃負債會就(其中包括)利息及租賃付款以及租賃修訂之影響作出調整。現金流量分類方面，本集團現時將前期土地使用權呈列為與自用租賃土地有關的投資現金流量，而其他經營租賃付款則呈列為經營現金流量。應用香港財務報告準則第16號時，有關租賃負債之租賃付款將分攤為本金及利息部分，由本集團呈列為融資現金流量。

除亦適用於出租人之若干要求以外，香港財務報告準則第16號大致沿用香港會計準則第17號內出租人之會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

再者，香港財務報告準則第16號要求作出更廣泛披露。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (continued)

HKFRS 16 Leases (continued)

As at 31 March 2019, the Group has non-cancellable operating lease commitments of approximately HK\$7,774,000 as disclosed in Note 41 to the consolidated financial statements. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$1,644,000 as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening accumulated losses without restating comparative information.

3. 應用新訂香港財務報告準則及其修訂(「香港財務報告準則」)(續)

香港財務報告準則第16號「租賃」(續)

如綜合財務報表附註41所披露，本集團於二零一九年三月三十一日有不可撤銷之經營租賃承擔約7,774,000港元。初步評估顯示此等安排將符合租賃之定義。應用香港財務報告準則第16號時，除非該等租賃合資格列作低值或短期租賃，否則本集團將就所有該等租賃確認使用權資產及相應負債。

此外，本集團現時認為已付可退回租賃按金1,644,000港元為香港會計準則第17號所適用的租賃下權利。根據香港財務報告準則第16號下的租賃付款定義，有關按金並非與相關資產使用權有關的付款，故此，該等按金的賬面值可能調整至攤銷成本。對已付可退回租賃按金作出的調整會視作額外租賃付款及計入使用權資產的賬面值。

如上文所示，應用新規定可能導致計量、呈列及披露出現變動。本集團擬選擇可行權宜方法，對先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)詮釋第4號「釐定安排是否包含租賃」時識別為租賃的合約應用香港財務報告準則第16號，而不會將該準則用於先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)詮釋第4號時並無識別為包含租賃的合約。因此，本集團不會重新評估有關合約是否屬於或包含在首次應用日期前已經存在的租賃。此外，本集團(作為承租人)擬選擇經修訂追溯法應用香港財務報告準則第16號，並於期初累計虧損確認首次應用的累計影響，而並無重列比較資料。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

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

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

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

4. 主要會計政策

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則(「上市規則」)及香港公司條例(「公司條例」)規定之適用披露事項。

綜合財務報表乃按歷史成本基準編製，惟如下文所載之會計政策所闡釋，若干於各報告期末按公平值計量之金融工具除外。

歷史成本一般以為交換貨品及服務給予之代價之公平值為基礎。

公平值為市場參與者之間在計量日進行有序交易時就出售資產收取或就轉移負債支付之價格，而不論該價格乃直接觀察所得還是利用其他估值技術估計。於估計資產或負債之公平值時，本集團會考慮市場參與者在計量日為該資產或負債定價時考慮之特徵。在該等綜合財務報表中計量及／或披露之公平值均按此基準釐定，惟香港財務報告準則第2號「以股份為基礎之付款」範圍內之以股份為基礎之付款交易、香港會計準則第17號「租賃」範圍內之租賃交易，以及與公平值類似但並非公平值之計量(例如香港會計準則第2號「存貨」中之可變現淨值或香港會計準則第36號「資產減值」中之使用價值)除外。

按公平值交易之金融工具，凡於其後期間應用以不可觀察之輸入數據計量公平值之估值方法，估值方法應予校正，以致於初步確認時估值方法之結果相等於交易價格。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

4. 主要會計政策(續)

此外，就財務報告而言，公平值計量基於公平值計量之輸入數據可觀察程度及公平值計量之輸入數據對其整體之重要性分類為第一層、第二層或第三層，詳情如下：

- 第一層輸入數據為實體於計量日可就相同資產或負債於活躍市場獲得之報價(未經調整)；
- 第二層輸入數據為就資產或負債可直接或間接地觀察得出之輸入數據(第一層內包括之報價除外)；及
- 第三層輸入數據為資產或負債之不可觀察輸入數據。

主要會計政策列載於下文。

綜合基準

綜合財務報表包括本公司、其控制之實體及其附屬公司之財務報表。當出現以下情況時，即表示本公司獲得控制權：

- 可對被投資方行使權力；
- 因參與被投資方之業務而可獲得或有權獲得可變回報；及
- 有能力運用其權力影響其回報。

倘有事實或情況顯示上述三項控制權因素中一項或以上有變，則本集團會重新評估其是否控制被投資方。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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

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

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4. 主要會計政策(續)

綜合基準(續)

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止綜合入賬。具體而言，於年內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益表。

損益及各個其他全面收入項目歸屬於本公司擁有人及非控股權益。附屬公司之全面收入總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

附屬公司之財務報表會於必要時作出調整，使其會計政策與本集團會計政策一致。

與本集團成員公司間進行之交易有關之所有集團內公司間資產、負債、權益、收入、開支及現金流量於綜合賬目時全部對銷。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are 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 assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9/HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. 主要會計政策(續)

綜合基準(續)

附屬公司的非控股權益與本集團於當中的權益分開呈列，而該等權益代表其持有人於清盤時有權按相關附屬公司的資產淨值比例分配現有所有權權益。

本集團於現有附屬公司之權益變動

並無導致本集團失去對附屬公司控制權之本集團於附屬公司之權益變動按權益交易入賬。本集團相關權益組成部分及非控股權益之賬面值會作調整，以反映彼等於附屬公司相對權益之變動，包括按照本集團與非控股權益之權益比例於本集團與非控股權益之間重新分配相關儲備。

非控股權益之調整金額與已付或已收代價公平值之任何差額，乃直接於權益確認並歸屬於本公司擁有人。

當本集團失去對附屬公司之控制權時，會終止確認該附屬公司之資產及負債以及非控股權益(如有)。本集團於損益確認收益或虧損，而收益或虧損乃按(i)已收代價之公平值及任何保留權益之公平值之總額；與(ii)本公司擁有人應佔該附屬公司資產(包括商譽)及負債之賬面值之差額計算。過往於其他全面收入所確認有關該附屬公司之所有金額按本集團已直接出售該附屬公司相關資產或負債之方法入賬(即按適用香港財務報告準則所指定/允許重新分類至損益或轉撥至另一權益類別)。失去控制權當日於前附屬公司保留之任何投資公平值，於其後根據香港財務報告準則第9號/香港會計準則第39號入賬時視為初始確認時之公平值，或(如適用)初始確認於聯營公司或合營企業之投資之成本。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

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

4. 主要會計政策(續)

業務合併

收購業務採用收購法入賬。於業務合併中轉讓之代價按公平值計量，而公平值之計算方法為本集團所轉讓資產、本集團向被收購方前擁有人承擔之負債及本集團為交換被收購方控制權所發行之股權於收購日期之公平值總和計量。收購相關成本一般於產生時在損益確認。

於收購日期，所收購之可識別資產及所承擔之負債按公平值確認，惟以下情況除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別按照香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 於收購日期，與被收購方以股份為基礎之付款安排或為取代被收購方以股份為基礎之付款安排而作出之本集團以股份為基礎之付款安排相關之負債或股本工具，根據香港財務報告準則第2號「以股份為基礎之付款」計量；及
- 按照香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產(或出售組別)根據該準則計量。

商譽按所轉讓代價、任何非控股股東權益於被收購方中所佔金額及收購方過往所持被收購方股權(如有)之公平值之總和，超出所收購可識別資產與所承擔負債於收購日期之淨值之差額計量。倘經重新評估後，所收購可識別資產與所承擔負債之淨值超出所轉讓代價、任何非控股股東權益於被收購方中所佔金額及收購方過往所持被收購方股權(如有)之公平值之總和，則差額即時於損益確認為議價購買收益。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9/HKAS 39 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

4. 主要會計政策(續)

業務合併(續)

屬現時擁有權權益且於清盤時賦予持有人權利按比例應佔相關附屬公司淨資產之非控股權益，初始按非控股權益按比例應佔被收購方可識別淨資產或按公平值之已確認金額計量。計量基準視乎每項交易而作出選擇。其他非控股權益類別按公平值計量。

當本集團於業務合併中轉移之代價包括或然代價安排時，或然代價會按收購日期之公平值計量，並計入作為業務合併中轉移之代價之一部分。合資格作計量期調整之或然代價之公平值變動會追溯調整。計量期調整為於「計量期」(不得超過由收購日期起計一年)因取得於收購日期已存在之事實及情況之額外資料而作出之調整。

不合資格作為計量期調整之或然代價之其後會計處理，取決於或然代價之分類方式。分類為權益之或然代價不會於其後報告日期重新計量，其後結算於權益內入賬。分類為資產或負債之或然代價於其後報告日期重新計量至公平值，而相應收益或虧損於損益確認。

當業務合併分階段完成時，本集團過往所持被收購方之股權重新計量至於收購日期(即本集團獲得控制權當日)之公平值，而所產生之收益或虧損(如有)會於損益或其他全面收入(如適用)確認。於收購日期前已於其他全面收入確認及根據香港財務報告準則第9號／香港會計準則第39號計量之收購日前於被收購方之權益所產生之金額將會按照所需要的相同基準進行考量，倘本集團先前所持有的股本權益被直接出售。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

4. 主要會計政策(續)

商譽

因收購業務而產生之商譽按於收購業務當日確立之成本(參閱上文會計政策)扣除累計減值虧損(如有)列賬。

就減值測試而言，商譽乃分配至本集團各個預期可受惠於合併協同效益之現金產生單位(或現金產生單位組別)，代表於就內部管理而言商譽受監察之最低層級但不大於經營分部。

獲分配商譽之現金產生單位(或現金產生單位組別)每年或於有跡象顯示單位可能已出現減值時更頻密地進行減值測試。就於某一報告期間進行收購所產生之商譽而言，本集團會於該報告期末前為獲分配商譽之現金產生單位(或現金產生單位組別)進行減值測試。倘可收回金額少於其賬面值，則減值虧損會先分配至減少任何商譽之賬面值，然後基於該單位(或現金產生單位組別)內各項資產之賬面值按比例分配至其他資產。

出售相關現金產生單位或現金產生單位組別內任何現金產生單位時，釐定出售損益金額時會計入商譽應佔金額。當本集團出售現金產生單位(或現金產生單位組別內現金產生單位)內的業務時，所出售商譽金額按所出售業務(或現金產生單位)與所保留現金產生單位(或現金產生單位組別)部分的相對價值計量。

本集團有關收購聯營公司及合營企業而產生之商譽之政策載於下文。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

4. 主要會計政策(續)

於聯營公司及合營企業之投資

聯營公司為本集團對其擁有重大影響力之實體。重大影響力指有權參與被投資方之財務及營運決策，惟對該等政策並無控制權或共同控制權。

合營企業為一項合營安排，據此，共同控制一項安排之訂約方對該項安排之資產淨值擁有權利。共同控制指按照合約協定分享某項安排之控制權，並且僅在對相關活動之決策要求分享控制權之各方一致同意時存在。

聯營公司及合營企業之業績及資產與負債按權益會計法計入綜合財務報表。聯營公司及合營企業用於權益會計處理之財務報表按與本集團於類似情況就同類交易及事件所遵循者一致之會計政策編製。根據權益法，於一間聯營公司或一間合營企業之投資初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該聯營公司或合營企業之損益及其他全面收入作出調整。聯營公司／合營企業淨資產(損益及其他全面收入除外)之變動除非導致本集團持有之擁有權權益有變，否則不予入賬。當本集團應佔一間聯營公司或合營企業之虧損超出本集團於該聯營公司或合營企業之權益(包括實質上構成本集團於該聯營公司或合營企業投資淨額一部分之任何長遠權益)時，本集團會終止確認其應佔之進一步虧損。僅於本集團產生法定或推定責任或代表該聯營公司或合營企業付款時，方會確認額外虧損。

於一間聯營公司或一間合營企業之投資自被投資方成為聯營公司或合營企業當日起使用權益法入賬。收購於一間聯營公司或一間合營企業之投資時，投資成本超出本集團應佔被投資方可識別資產與負債公平淨值之差額會確認為商譽，並計入該投資之賬面值。本集團應佔可識別資產與負債之公平淨值超出投資成本之任何差額，於重新評估後即時於收購投資期間之損益確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (continued)

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9/HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

4. 主要會計政策(續)

於聯營公司及合營企業之投資(續)

本集團會評估是否存在客觀證據證明於一間聯營公司或合營企業的權益將會減值。於存在客觀證據時，投資(包括商譽)的全部賬面值將會根據香港會計準則第36號作為單一資產透過比較可收回金額(使用價值及公平值減出售成本之較高者)與其賬面值進行減值測試。任何確認之減值虧損屬投資賬面值之一部分。減值虧損之任何撥回乃按香港會計準則第36號確認，惟僅限於投資之可收回金額隨後增加。

當本集團不再對聯營公司擁有重大影響力或對合營企業擁有共同控制權時，會入賬列作出售於被投資方之全部權益，所產生之盈虧於損益確認。當本集團保留於前聯營公司或合營企業之權益，且該保留權益為香港財務報告準則第9號／香港會計準則第39號範圍內之金融資產時，本集團會於該日按公平值計量保留權益，而該公平值會視為於初步確認時之公平值。聯營公司或合營企業之賬面值與任何保留權益及出售聯營公司或合營企業相關權益之任何所得款項之公平值之間的差額，會於釐定出售聯營公司或合營企業之盈虧計算在內。此外，本集團會將過往於其他全面收入內該聯營公司或合營企業確認之所有金額按該聯營公司或合營企業直接出售相關資產或負債所用之相同基準入賬。因此，倘該聯營公司或合營企業過往於其他全面收入確認之盈虧會於出售相關資產或負債時重新分類至損益，則本集團會於出售／部分出售相關聯營公司或合營企業將該盈虧由權益重新分類至損益(作為重新分類調整)。

當於一間聯營公司之投資成為於一間合營企業之投資或於一間合營企業之投資成為於一間聯營公司之投資時，本集團會繼續採用權益法。於擁有權益出現變動時不會重新計量公平值。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (continued)

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in Note 3)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

4. 主要會計政策(續)

於聯營公司及合營企業之投資(續)

當本集團削減於一間聯營公司或一間合營企業之擁有權權益但繼續採用權益法時，倘過往於其他全面收入所確認與削減擁有權權益有關之部分盈虧會於出售相關資產或負債時重新分類至損益，則本集團會將該盈虧重新分類至損益。

當集團實體與本集團一間聯營公司或一間合營企業進行交易時，與該聯營公司或合營企業交易所產生之損益會於本集團之綜合財務報表確認，惟僅以該聯營公司或合營企業與本集團無關之權益所涉者為限。

客戶合約收入(根據附註3的過渡條文應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，本集團於完成履約責任時(即當特定的履約責任涉及的貨品或服務的「控制權」轉移至客戶時)確認收入。

履約責任指一項明確貨品或服務(或一批明確貨品或服務)或一系列大致相同的明確貨品或服務。

倘符合以下標準之一，則控制權隨時間轉移，而收入經參考相關履約責任的完成進度按時間確認：

- 於本集團履約時，客戶同時收取及消耗本集團履約所提供的利益；
- 本集團的履約創建及提升客戶於本集團履約時控制的資產；或
- 本集團的履約並未創建對本集團具有替代用途的資產，而本集團可強制執行權利以收取至今已完成履約部分的款項。

否則，收入於客戶取得明確貨品或服務控制權的時間點確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in Note 3) (continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Sale with a right of return/exchange

For a sale of products with a right of return/exchange for dissimilar products, the Group recognises all of the following:

- (a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognised for the products expected to be returned/exchanged);
- (b) a refund liability/contract liability; and
- (c) an asset (and corresponding adjustment to cost of revenue) for its right to recover products from customers.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

4. 主要會計政策(續)

客戶合約收入(根據附註3的過渡條文應用香港財務報告準則第15號後)(續)

合約資產指本集團就已轉讓予客戶的貨品或服務收取相應代價的權利(尚未成為無條件)。根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即只需待時間推移代價即須到期支付。

合約負債指本集團因已自客戶收取代價(或已到期收取代價)，而須向客戶轉讓貨品或服務的責任。

與合約相關的合約資產及合約負債按淨額基準入賬及呈列。

具有退貨／換貨權的銷售

對於具有退回／交換不同產品權利的產品銷售，本集團確認以下各項：

- (a) 轉讓產品的收入，即本集團預期有權獲得的代價金額(因此，不會確認預期退回／交換的產品收入)；
- (b) 退款負債／合約負債；及
- (c) 從客戶收回產品的權利(以及對收入成本的相應調整)。

委託人與代理人

當另一方從事向客戶提供商品或服務，本集團釐定其承諾之性質是否為提供指定商品或服務本身之履約義務(即本集團為委託人)或安排由另一方提供該等商品或服務(即本集團為代理人)。

倘本集團在向客戶轉讓商品或服務之前控制指定商品或服務，則本集團為委託人。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in Note 3) (continued)

Principal versus agent (continued)

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Revenue recognition (prior to 1 April 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

- (i) Revenue from gamma ray irradiation services are recognised when the services are rendered.

- (ii) Cruise ship leasing and management fee income

Cruise ship leasing income is recognised on an accrual basis in accordance with the terms of the leasing agreement.

Cruise ship management fee income is recognised when the management service is rendered.

- (iii) Revenue from the sale of passenger tickets is recognised when the tickets are issued.

- (iv) Revenues from onboard services and other related services, including food and beverage and entertainment are recognised when the services are provided.

4. 主要會計政策(續)

客戶合約收入(根據附註3的過渡條文應用香港財務報告準則第15號後)(續)

委託人及代理人(續)

倘本集團之履約義務為安排另一方提供指定的商品或服務，則本集團為代理人。在此情況下，在將商品或服務轉讓予客戶之前，本集團不控制另一方提供的指定商品或服務。當本集團為代理人時，應就為換取安排另一方提供的指定商品或服務預期有權取得之任何收費或佣金之金額確認收益。

收入確認(於二零一八年四月一日之前)

收入按已收或應收代價之公平值計量。收入已就估計客戶退貨、回扣及其他類似折讓作出扣減。

當收入金額能可靠地計量、當未來經濟利益有可能流入本集團，而本集團各業務符合下述特定條件時，本集團會確認收入。

- (i) 伽瑪射線照射服務之收入於提供服務時確認。

- (ii) 郵輪租賃及管理費收入。

郵輪租賃收入按照租賃協議之條款按應計基準確認。

郵輪管理費收入於提供管理服務時確認。

- (iii) 乘客船票銷售收入於發出船票時確認。

- (iv) 船上服務及其他相關服務(包括餐飲及娛樂)收入於提供服務時確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Revenue recognition (prior to 1 April 2018) (continued)**

- (v) Income from provision of ancillary travel related services, sale of air tickets, hotel accommodation and hotel packages is recognised when the services are rendered by the Group as an agent on a net basis. Where the Group acts as a principal in certain transactions, including sales of tickets and merchandise, revenue is recognised upon transfer of the significant risks and rewards of ownership to the customers. This is usually taken at the time when the tickets and merchandise are delivered and the customers have accepted the tickets and merchandise.

- (vi) Sales of mobile phones and related products are recognised when the goods are delivered and titles have passed.

Dividend income from investments is recognised when the rights to receive payment have been established.

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

Leases

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

The Group as lessor

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

4. 主要會計政策(續)**收入確認(於二零一八年四月一日之前)(續)**

- (v) 提供配套旅遊服務、銷售機票、酒店住宿及酒店套票之收入於本集團作為代理提供服務時按淨額基準確認，而於本集團就若干交易(包括銷售門票及商品)擔任主事人時，收入於所有權之重大風險及回報轉移至客戶時確認，通常指交付門票及商品且客戶接受門票及商品之時。

- (vi) 手機及相關產品銷售額於交付產品及轉移所有權時確認。

投資股息收入於收取款項之權利確立時確認。

利息收入參照未償還本金按適用之實際利率(即於金融資產預計年內將估計未來現金收入準確折現至資產於初始確認時之賬面淨額之利率)及時間比例計算。

租賃

每當租賃條款將擁有權之絕大部分風險及回報轉移至承租人時，有關租賃會列為融資租賃。所有其他租賃分類為經營租賃。

本集團作為出租人

經營租約租金收入乃於損益按有關租約之年期以直線法確認。

本集團作為承租人

經營租賃款項於租期內以直線法確認為費用，惟倘另一系統性基準更能代表耗用租賃資產經濟利益之時間模式則作別論。根據經營租賃產生之或然租金於產生之期間確認為費用。

倘收取租賃獎勵以訂立經營租賃，則該等獎勵確認為負債。獎勵的總利益按直線法確認為扣減租金開支。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasehold land and building

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

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “land use rights” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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. Nonmonetary 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

4. 主要會計政策(續)

租賃土地及樓宇

當本集團就包括租賃土地及樓宇部分之物業權益付款時，本集團會基於對各部分擁有權附帶之絕大部分風險及回報是否已轉移予本集團之評估，分開評估各部分之分類，惟倘該兩部分明顯為經營租賃，則整項物業會入賬列為經營租賃。具體而言，整筆代價(包括任何一筆過前期款項)於初始確認時按租賃土地部分及樓宇部分中之租賃權益相對公平值比例於土地與樓宇部分間分配。

在相關款項能可靠地分配之情況下，入賬列為經營租賃之租賃土地權益於綜合財務狀況表呈列為「土地使用權」，並於租期內以直線法攤銷。當款項不能可靠地於租賃土地與樓宇部分之間分配時，整項物業一般按租賃土地屬融資租約之方式分類。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)計價之交易按交易日期之通行匯率確認。於報告期末，以外幣計值之貨幣項目按該日之通行匯率重新換算。以外幣計值並以公平值列賬之非貨幣項目按釐定公平值當日之通行匯率重新換算。以外幣計值並以歷史成本計量之非貨幣項目不作重新換算。

結算及重新換算貨幣項目所產生之匯兌差額於產生之期間在損益確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. 主要會計政策(續)

外幣(續)

於呈列綜合財務報表時，本集團業務之資產及負債利用各報告期末之通行匯率換算為本集團之呈列貨幣(即港元)。收入及費用項目按期內之平均匯率換算，惟倘匯率於期內大幅波動，則使用交易日期之通行匯率。所產生之匯兌差額(如有)於其他全面收入確認，並於權益內之換算儲備(在適用情況下歸屬於非控股權益)下累計。

出售海外業務(即出售本集團於海外業務之全部權益，或涉及失去包含海外業務之附屬公司之控制權之出售事項，或部分出售於包含海外業務(其保留權益成為金融資產)之聯營公司之權益)時，於權益累計有關該海外業務之匯兌差額累計金額全部重新分類至損益。

收購海外業務所產生之已收購可識別資產商譽及公平值調整被視作該海外業務的資產及負債，並按各報告期末的匯率重新換算。產生之匯兌差額於其他全面收入確認。

借貸成本

借貸成本均於產生之期間在損益確認。

政府補助金

政府補助金在未有合理保證本集團將遵從政府補助金所有附帶條件並收取補助金前不予確認。應收作補償已產生之開支或虧損或向本集團提供即時財務資助而無未來相關成本之政府補助金於應收期間於損益確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Share-based payments

Equity settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

4. 主要會計政策(續)

僱員福利

退休福利成本

向強制性公積金計劃(「強積金計劃」)及國家管理退休福利計劃支付之款項於僱員提供服務而有權獲得供款時確認為費用。

短期及其他長期僱員福利

短期僱員福利於僱員提供服務時預期支付之福利之未折現金額確認。短期僱員福利均確認為開支，惟倘另一項香港財務報告準則規定或允許將福利納入資產成本則作別論。

負債於扣除任何已付金額後確認為僱員應計福利(例如工資及薪金、年假及病假)。

就其他長期僱員福利確認之負債按本集團就僱員截至報告日期止所提供服務預期將作出之估計未來現金流出之現值計量。因服務成本、利息及重新計量而產生之負債賬面值之任何變動於損益確認，惟倘另一項香港財務報告準則規定或允許將該等項目納入資產成本則作別論。

以股份為基礎之付款

以權益結算以股份為基礎之付款交易

授予僱員之購股權

向僱員及提供類似服務之其他人士作出以權益結算以股份為基礎之付款，按授出日期股本工具之公平值計量。

於授出日期所釐定以權益結算以股份為基礎之付款之公平值(並無考慮所有非市場歸屬條件)，會基於本集團所估計最終歸屬之股本工具數目，於歸屬期內以直線法支銷，而權益(購股權儲備)則作出相應增加。於各報告期末，本集團會基於對所有相關非市場歸屬條件之評估，修訂對預期歸屬之股本工具數目之估計。修訂原先估計數目(如有)之影響在損益確認，致使累計費用反映經修訂估計，而購股權儲備亦作相應調整。就於授出日期即時歸屬之購股權而言，所授出購股權之公平值會即時於損益支銷。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Share-based payment arrangements (continued)

Share options granted to employees (continued)

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

Share options granted to suppliers/consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

Share award

The Group also grants shares of the Company to employees under its share award scheme, under which the awarded shares are either newly issued or are purchased from the open market. The net consideration paid, including any directly attributable incremental costs, is presented as "Shares held under share award scheme reserve" and deducted from equity.

For the shares granted under the share award scheme, the fair value of shares granted to employees is recognised as share-based payment expenses with a corresponding increase in share-based payment reserve within equity. The fair value is based on the closing price of the Company's shares on grant date plus any directly attributable incremental costs. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares, the total fair value of the shares is spread over the vesting period, taking into account the probability that the shares will vest.

During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of shares that vest with corresponding adjustment to the share-based payment reserve

4. 主要會計政策(續)

僱員福利(續)

以股份為基礎之付款安排(續)

授予僱員之購股權(續)

當購股權獲行使時，過往於購股權儲備確認之數額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於到期日仍未獲行使，則過往於購股權儲備確認之數額將轉撥至累計虧損。

授予供應商／顧問之購股權

與僱員以外之人士進行之以權益結算以股份為基礎之付款交易，按已收貨品或服務之公平值計量，惟倘公平值未能可靠地計量，則按已授出股本工具之公平值計量。已授出股本工具之公平值於實體取得貨品或對手方提供服務當日計量。已收貨品或服務之公平值確認為費用，惟有關貨品或服務符合資格確認為資產，則作別論。

股份獎勵

此外，本集團根據其股份獎勵計劃向僱員授出本公司股份，據此，獎勵股份乃新發行或於公開市場購回。已付代價淨額(包括任何直接應佔增加成本)以「根據股份獎勵計劃持有之股份儲備」呈列，並於權益扣除。

就根據股份獎勵計劃授出之股份而言，向僱員授出之股份之公平值確認為以股份為基礎之付款開支，而相應增加於權益內之以股份為基礎之付款儲備內確認。公平值乃根據本公司股份於授出日期之收市價加任何直接應佔增加成本計算。倘僱員於無條件享有股份前須符合歸屬條件，則股份之公平值總額將於歸屬期內攤分，並計及歸屬股份之可能性。

預期歸屬之股份數目於歸屬期內會作審閱。就此對過往年度已確認累計公平值所作之任何調整，扣自／計入回顧年度之損益，除非原有僱員開支合資格確認為資產，則會對以股份為基礎之付款儲備作相應調整。於歸屬日期，已確認為開支之金額會作調整，以反映所歸屬之實際股份數目，並對以股份為基礎之付款儲備作相應調整。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Share-based payment arrangements (continued)

Share award (continued)

When the awarded shares are transferred to the awardees upon vesting, the related acquisition cost of the awarded shares vested are credited to the "Shares held under share award scheme reserve", and the grant date fair value of the awarded shares vested are debited to the share-based payment reserve. The difference between the related weighted average acquisition cost and the grant date fair value of the awarded shares vested is transferred to accumulated losses directly.

Taxation

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

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

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

4. 主要會計政策(續)

僱員福利(續)

以股份為基礎之付款安排(續)

股份獎勵(續)

當獎勵股份於歸屬時轉讓予領獎人，已歸屬獎勵股份之相關收購成本計入「根據股份獎勵計劃持有之股份儲備」，而已歸屬獎勵股份於授出日期之公平值則於以股份為基礎之付款儲備中扣除。相關加權平均收購成本與已歸屬獎勵股份於授出日期之公平值之差額直接轉撥至累計虧損。

稅項

所得稅開支指當期應付稅項與遞延稅項之總和。

當期應付稅項基於年內應課稅溢利計算。由於其他年度之應課稅收入或可扣稅支出以及無須課稅或不可扣稅之項目，故應課稅溢利有別於綜合損益表內呈報之「除稅前虧損」。本集團當期稅項負債以報告期末或之前已頒佈或實質上已頒佈之稅率計算。

遞延稅項按綜合財務報表內資產及負債之賬面值與用於計算應課稅溢利之相應稅基之間之暫時差異確認。本集團一般會就所有應課稅暫時差異確認遞延稅項負債，亦會在可能有應課稅溢利可用於抵銷可扣稅暫時差異時就所有可扣稅暫時差異確認遞延稅項資產。倘暫時差異乃因初始確認(於業務合併中除外)某項不影響應課稅溢利及會計溢利之交易資產及負債而產生，則不會確認該等遞延稅項資產及負債。此外，倘暫時差異乃因初始確認商譽而產生，則不會確認遞延稅項負債。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

4. 主要會計政策(續)

稅項(續)

本集團會就與於附屬公司及聯營公司之投資相關之應課稅暫時差異確認遞延稅項負債，惟倘本集團能夠控制暫時差異之撥回及暫時差異不可能於可見將來轉回之情況則作別論。與該等投資及權益相關之可扣稅暫時差異所產生之遞延稅項資產，僅於可能有足夠應課稅溢利以供動用暫時差異之利益，並預期可於不久將來撥回之情況下確認。

本集團會於各報告期末審閱遞延稅項資產之賬面價值，並於不再可能有足夠應課稅溢利以收回該項資產之全部或部分時作出扣減。

遞延稅項資產及負債按預期清償負債或變現資產期間適用之稅率，基於報告期末或之前已頒佈或實質上頒佈之稅率(及稅法)計算。

遞延稅項負債及資產之計量方式反映按照本集團預期之方式於報告期末收回資產及清償負債賬面值之稅務結果。

當有合法執行權利許可將現時稅項資產與現時稅項負債抵銷並涉及與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其現時稅項資產及負債時，則遞延稅項資產及負債可相互對銷。

即期及遞延稅項於損益確認，惟當其與於其他全面收入確認之項目或直接於權益確認之項目有關時，即期及遞延稅項亦分別於其他全面收入確認或直接於權益確認。倘因對業務合併進行初始會計處理而產生即期稅項或遞延稅項，則稅務影響會於將業務合併入賬時計算在內。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment including buildings, leasehold land (classified as finance leases) and freehold land held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

4. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備(包括持作生產或供應貨品或服務或作行政用途之樓宇、租賃土地(分類為融資租賃)及永久業權土地)按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

本集團會確認折舊，以於估計可使用年期內以直線法撇銷資產之成本減剩餘價值。本集團於各報告期末檢討估計可使用年期、剩餘價值及折舊方法，而任何估計變動之影響按未來適用法入賬。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何未來經濟利益時終止確認。出售物業、廠房及設備項目或有關項目報廢所產生之任何收益或虧損按該資產之銷售所得款項與賬面值間之差額釐定，並於損益確認。

無形資產

獨立收購之無形資產

獨立收購而具有有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有有限可使用年期之無形資產之攤銷按資產估計可使用年期以直線法確認。本集團於各報告期末檢討估計可使用年期及攤銷方法，而任何估計變更之影響會按未來適用法入賬。獨立收購而具有無限可使用年期之無形資產按成本減任何其後累計減值虧損列賬。

於業務合併收購之無形資產

於業務合併收購之無形資產與商譽分開確認，初始按收購日期之公平值(被視為其成本)確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Intangible assets acquired in a business combination (continued)

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the assets are derecognised.

Impairment on tangible and intangible assets other than goodwill

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

The recoverable amount of tangible and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

4. 主要會計政策(續)

無形資產(續)

於業務合併收購之無形資產(續)

於初始確認後，於業務合併收購之無形資產如具有限可使用年期，乃按另行收購之無形資產之相同基準按成本減累計攤銷及任何累計減值虧損呈報。於業務合併中所收購之無形資產具無限可使用年期乃按成本減任何其後累計減值虧損列賬。

無形資產於出售或預期不會從使用或出售產生未來經濟利益時終止確認。終止確認無形資產產生之盈虧按出售所得款項淨額與資產賬面值之差額計量，並於資產終止確認時於損益確認。

有形及無形資產(商譽除外)之減值

本集團於報告期末審閱其有形及具有有限可使用年期之無形資產之賬面值，以釐定是否有跡象顯示該等資產已出現減值虧損。如存在任何有關跡象，則會估計相關資產之可收回金額以釐定減值虧損之程度(如有)。

有形及無形資產之可收回金額乃作為個別估計，倘當無法個別估計可收回金額時，本集團會估計資產所屬現金產生單位之可收回金額。當可識別合理及一致之分配基準時，公司資產亦會分配至個別之現金產生單位，否則會分配至可識別合理及一致之分配基準之最小現金產生單位組別。

可收回金額為公平值減出售成本與使用價值之較高者。於評估使用價值時，估計未來現金流量乃使用除稅前折現率(反映市場現時對貨幣時間價值之評估及未調整估計未來現金流量之資產(或現金產生單位)之特定風險)折現至現值。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment on tangible and intangible assets other than goodwill (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value-in-use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

4. 主要會計政策(續)

有形及無形資產(商譽除外)之減值(續)

倘資產(或現金產生單位)之可收回金額估計少於其賬面值，則該資產(或現金產生單位)之賬面值會撇減至其可收回金額。分配減值虧損時，減值虧損會先分配至減少任何商譽(如適用)之賬面值，然後基於該單位內各項資產之賬面值按比例分配至其他資產。資產之賬面值不會撇減至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零三者之最高者。分配至資產之減值虧損金額按該單位之其他資產比例分配。減值虧損即時於損益確認。

倘其後撥回減值虧損，則資產(或現金產生單位)之賬面值會增至經修訂估計之可收回金額，惟增加後之賬面值不得超過假設過往年度並無就資產(或現金產生單位)確認減值虧損而釐定之賬面值。減值虧損之撥回即時於損益確認。

存貨

存貨按成本與可變現淨值之較低者列賬。存貨成本按加權平均成本法釐定。可變現淨值指存貨之估計售價減所有估計完成成本及作出銷售所需之成本。

撥備

倘本集團因過往事件而須承擔現時責任(法律或推定)，而本集團可能須履行該責任且該責任之金額能可靠地估計，則確認撥備。

確認為撥備之金額乃經計及有關責任之風險及不確定因素後，對於報告期末履行現時責任所需代價作出之最佳估計。當撥備按履行現時責任估計所需之現金流量計量時，其賬面值為有關現金流量之現值(倘貨幣時間價值之影響屬重大)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 April 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

Interest/dividend income which are derived from the Group's ordinary course of business are presented as revenue.

4. 主要會計政策(續)

金融工具

當集團實體成為金融資產及金融負債合約條文之訂約方時，便會確認該項工具。金融資產之所有一般買賣按交易日基準確認及終止確認。一般買賣指於市場規例或慣例設定之期限內交付資產之金融資產買賣。

金融資產及金融負債初始按公平值計量(除與客戶簽訂合約產生的應收貿易款項自二零一八年四月一日初步根據香港財務報告準則第15號計量外)。直接歸屬於購入或發行金融資產及金融負債(按公平值計入損益之金融資產或金融負債除外)之交易成本於初始確認時計入金融資產或金融負債(視適用情況而定)之公平值或從中扣除。直接歸屬於購入按公平值計入損益之金融資產或金融負債之交易成本即時於損益確認。

實際利息法為計算金融資產或金融負債攤銷成本及於相關期間分配利息收入及利息開支之方法。實際利率為於金融工具或金融負債預計年期或(倘適用)較短期間將估計未來現金收款及付款(包括所有組成實際利率完整部分之已付或已收之全部費用及基點、交易成本以及其他溢價或折讓)準確折現至初始確認時之賬面淨值之利率。

源自本集團日常業務範圍的利息／股息收入呈列為收入。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 3)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is classified as held for trading if:

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

4. 主要會計政策(續)

金融工具(續)

金融資產

金融資產的分類及其後計量(根據附註3過渡條文應用香港財務報告準則第9號後)

滿足下列條件之金融資產於其後按攤銷成本計量:

- 金融資產以目標為收取合約現金流量之業務模式下持有;及
- 合約條款令於特定日期產生之現金流量僅為支付本金及未償還本金之利息。

符合下述條件之金融資產其後按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量:

- 金融資產以目標為收取合約現金流量及出售金融資產之業務模式下持有;及
- 合約條款令於特定日期產生之現金流量僅為支付本金及未償還本金之利息。

所有其他金融資產其後會按公平值計入損益,惟於初始應用日期/初始確認金融資產之日,倘股權投資並非持作買賣用途或收購方於香港財務報告準則第3號業務合併適用的業務合併確認的或然代價,則本集團可不可撤銷地選擇於其他全面收益(「其他全面收益」)中呈列有關股權投資公平值的其後變動。

在下列情況下,金融資產分類為持作買賣:

- 主要為於近期銷售而購入;或
- 該金融資產於初始確認時構成本集團一併管理且具有近期實際短期獲利模式之已識別金融工具組合之一部分;或
- 金融資產為未被指定及有效作為對沖工具之衍生工具。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables and other receivables, amounts due from associates and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

此外，倘如此可消除或大幅減少會計錯配，則本集團可不可撤銷地指定符合按攤銷成本或按公平值計入其他全面收益(透過損益按公平值列賬計量)計量的金融資產。

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產乃使用實際利息法予以確認利息收入。利息收入乃對一項金融資產賬面總額應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總額應用實際利率予以確認。

(ii) 按公平值計入損益之金融資產

不符合按攤銷成本或按公平值計入其他全面收益或指定為按公平值計入其他全面收益計量的準則的金融資產乃按公平值透過損益入賬計量。

按公平值透過損益入賬之金融資產按各報告期末的公平值計量，而任何公平值收益或虧損均於損益確認。於損益確認的收益或虧損淨額並不包括就金融資產賺取的任何股息或利息並計入「其他收益及虧損」行項目內。

金融資產減值(根據附註3過渡條文應用香港財務報告準則第9號後)

本集團根據香港財務報告準則第9號就須予減值的金融資產確認預期信貸虧損的虧損撥備，包括應收貿易及其他賬項、應收聯營公司款項及銀行結餘。預期信貸虧損金額於各報告日期更新，以反映自初步確認以來的信貸風險變動。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註3過渡條文應用香港財務報告準則第9號後)(續)

全期預期信貸虧損指於相關工具預期年內發生的所有可能違約事件所導致的預期信貸虧損。與此相對，12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事件所導致的部分全期預期信貸虧損。評估根據本集團過往信貸虧損經驗進行，並根據應收賬款特定因素、整體經濟狀況以及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

本集團始終確認並無重大融資部分的應收貿易款項的全期預期信貸虧損。該等資產的預期信貸虧損全部採用具有適當組別的撥備矩陣進行估算。

就所有其他工具而言，本集團計量的虧損撥備相等於12個月預期信貸虧損，除非信貸風險自初步確認以來顯著上升，在此情況下，本集團確認全期預期信貸虧損。應否確認全期預期信貸虧損乃基於自初步確認以來發生違約的可能性或風險有否顯著上升而進行評估。

(i) 信貸風險顯著上升

於評估信貸風險是否自初步確認以來顯著上升時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初步確認日期出現違約的風險。作此評估時，本集團會考慮合理及有理據的定量及定性資料，包括歷史經驗及毋須花費不必要成本或精力即可獲得的前瞻性資料。

尤其是，評估信貸風險是否顯著上升時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)****Financial assets (continued)**

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (continued)

(i) Significant increase in credit risk (continued)

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

4. 主要會計政策(續)**金融工具(續)****金融資產(續)**

金融資產減值(根據附註3過渡條文應用香港財務報告準則第9號後)(續)

(i) 信貸風險顯著上升(續)

- 信貸風險的外界市場指標的重大惡化，例如信貸息差大幅增加、債務人的信貸違約掉期價；
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；
- 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

無論上述評估結果如何，本集團假定合約付款逾期超過30日時，信貸風險自初步確認以來已顯著上升，除非本集團有合理及有理據的資料證明可予收回則當別論。

儘管上文所述，倘債務工具於報告日期被釐定為具有較低信貸風險，則本集團假設該債務工具之信貸風險自初始確認以來並無顯著上升。債務工具於以下情況下被釐定為具有較低信貸風險：(i) 具有低違約風險；(ii) 借款人有足夠能力於短期內履行其合約現金流量責任；及(iii) 經濟及業務狀況之長期不利變動可能但未必會削弱借款人履行其合約現金流量責任之能力。倘債務工具之內部或外部信貸評級屬國際通用釋義所界定之「投資級別」，則本集團認為該債務工具具有較低信貸風險。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (continued)

(i) *Significant increase in credit risk* (continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) *Definition of default*

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註3過渡條文應用香港財務報告準則第9號後)(續)

(i) 信貸風險顯著上升(續)

就財務擔保合約而言，本集團成為不可撤銷承擔一方的日期被視為就金融工具減值評估進行初始確認之日期，故於估計信貸風險自財務擔保合約初始確認起是否有顯著上升時，本集團考慮指定債務人違約風險的變動。

本集團定期監控用於識別信貸風險是否顯著上升的標準是否有效及適時修訂該等標準，以確保有關標準能於款項逾期前識別信貸風險的顯著上升。

(ii) 違約的定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制定或取自外界來源的資料顯示債務人不大可能悉數向其債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

無論上述情形如何，本集團認為，倘金融資產逾期超過90天，則發生違約事件，除非本集團有合理及有理據的資料證明更寬鬆的違約標準更為合適，則作別論。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)****Financial assets (continued)**

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

4. 主要會計政策(續)**金融工具(續)****金融資產(續)**

金融資產減值(根據附註3過渡條文應用香港財務報告準則第9號後)(續)

(iii) 信貸減值之金融資產

金融資產在一件或多件違約事件(對該金融資產估計未來現金流量構成不利影響)發生時出現信貸減值。金融資產出現信貸減值的證據包括有關以下事件的可觀察數據：

- (a) 發行人或借款人出現重大財務困難；
- (b) 違約，如拖欠或逾期事件；
- (c) 借款人的貸款人因有關借款人出現財務困難的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；
- (d) 借款人可能破產或進行其他財務重組；或
- (e) 該金融資產的活躍市場因財政困難而消失。

(iv) 撇銷政策

本集團於有資料顯示交易對手處於嚴重財務困難且無實際復甦前景時，例如交易對手處於清盤程序或已進入破產程序時，或者就應收貿易款項而言，相關金額逾期超過兩年(以較早者為準)撇銷金融資產。於計及適用法律意見的情況下，已撇銷的金融資產可仍然受限於根據本集團的收回程序進行的強制執行工作。撇銷構成終止確認事項。任何後續收回款項將於損益確認。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (continued)

(v) *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註3過渡條文應用香港財務報告準則第9號後)(續)

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量乃違約概率、違約損失率(即發生違約的損失程度)及違約風險之函數。違約概率及違約損失率之評估立足於按前瞻性資料進行調整之歷史數據。預期信貸虧損之估計體現了不偏不倚之概率加權數，其取決於作為加權數之各種違約風險。

一般而言，預期信貸虧損估計為根據合約應付本集團的所有合約現金流量與本集團預期收取的現金流量之間的差額，並按初始確認時釐定之實際利率貼現。

就財務擔保合約而言，本集團僅在債務人違約之情況下須根據所擔保金融工具之條款付款。據此，預計虧損為就所引致信貸虧損賠償予持有人之預期付款現值減去本集團預計收取持有人、債務人或任何其他各方之任何款項所得。

對於無法釐定實際利率財務擔保合約之預期信貸虧損，本集團將採用體現當前市場對貨幣時間價值之評估之貼現率及現金流量之特定風險，唯一條件是有關風險乃經調整貼現率而納入，而非調整貼現之現金缺口。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (continued)

(v) Measurement and recognition of ECL (continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivables);
- Past-due status;
- Nature, size and industry of debtors; or
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註3過渡條文應用香港財務報告準則第9號後)(續)

(v) 預期信貸虧損之計量及確認(續)

在預期信貸虧損按統一基準計量或因應單個金融工具尚未有虧損跡象之各個情況而定之下，金融工具按以下基準分組：

- 金融工具性質(如本集團之應收貿易賬項)；
- 逾期情況；
- 應收賬項之性質、規模及行業；或
- 外部信貸評級(倘有)。

管理層定期檢討分組情況，以確保各分組的組成部分繼續共有相似之信貸風險特征。

利息收入按金融資產之總賬面值計量，除非金融資產入賬記為減值，於此情況下將按金融資產之攤銷成本計量。

就財務擔保合約而言，虧損撥備按以下者中之較高數額進行確認：根據香港財務報告準則第9號釐定之虧損撥備款項及初始確認之款項減去(倘適用)於擔保期間確認之累計收入款項。

除財務擔保合約外，本集團透過調整所有金融工具之賬面值於損益確認彼等之減值收益或虧損，而應收貿易賬項除外，其相應調整乃透過虧損撥備賬確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 April 2018)

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"), available-for-sale ("AFS") financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading, (ii) it is designated as at FVTPL or (iii) contingent consideration that may be received by an acquirer as part of a business combination.

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading (or contingent consideration that may be received by an acquirer as part of a business combination) may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(於二零一八年四月一日應用香港財務報告準則第9號之前)

金融資產具體歸類如下：按公平值計入損益之金融資產(「按公平值計入損益」)、可供出售(「可供出售」)金融資產以及貸款及應收賬項。分類取決於金融資產之性質及用途，且於初始確認時釐定。所有常規金融資產買賣均根據交易日期確認及終止確認。常規買賣指須在市場規定或市場慣例確定之時間框架內交割資產之金融資產買賣。

(i) 按公平值計入損益之金融資產

當金融資產(i)乃持作買賣；(ii)乃指定為按公平值計入損益；或(iii)為收購方可能收取作為業務合併一部分之或然代價，本集團會將之分類為按公平值計入損益之金融資產。

在下列情況下，金融資產分類為持作買賣：

- 主要為於近期銷售而購入；或
- 該金融資產於初始確認時構成本集團一併管理且具有近期實際短期獲利模式之已識別金融工具組合之一部分；或
- 金融資產為未被指定及有效作為對沖工具之衍生工具。

倘出現下列情況，則持作買賣之金融資產(或收購方可能收取作為業務合併一部分之或然代價除外)可於初始確認時指定為按公平值計入損益：

- 該指定消除或大幅減少可能會出現之計量或確認方面之不一致性；或
- 該金融資產構成一組金融資產或金融負債或金融資產及金融負債組合之一部分，而按照本集團明文載列之風險管理或投資策略，該項資產乃以公平值基準管理及評估績效，且有關分組之資料乃按此基準向內部提供；或

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)****Financial assets (continued)**

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 April 2018) (continued)

(i) Financial assets at FVTPL (continued)

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets. Fair value is determined in the manner described in Note 7(c).

(ii) AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL. The Group designated unlisted equity investment as AFS financial assets on initial recognition of those items.

Equity and debt securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

4. 主要會計政策(續)**金融工具(續)****金融資產(續)**

金融資產之分類及後續計量(於二零一八年四月一日應用香港財務報告準則第9號之前)(續)

(i) 按公平值計入損益之金融資產(續)

- 其構成包含一項或多項嵌入衍生工具之合約之一部分，而香港會計準則第39號允許將整份合併合約(資產或負債)指定為按公平值計入損益。

按公平值計入損益之金融資產按公平值列賬，而重新計量時產生之任何收益或虧損於損益確認。於損益確認之收益或虧損淨額不包括就金融資產賺取之任何股息或利息。公平值按附註7(c)所述之方式釐定。

(ii) 可供出售金融資產

可供出售金融資產乃指定為可供出售或並非分類為(a)貸款及應收賬項、(b)持至到期投資或(c)按公平值計入損益之金融資產之非衍生工具。於初始確認時，本集團將非上市股本投資指定為可供出售金融資產。

於各報告期末，本集團所持分類為可供出售金融資產之股本及債務證券按公平值計量，惟公平值無法可靠地計量之無報價股本投資除外。與利息收入有關之可供出售債務工具賬面值之變動利用實際利息法計算，並於損益確認。可供出售股本工具之股息於本集團收取股息之權利確立時在損益確認。可供出售金融資產賬面值之其他變動於其他全面收入確認，並於投資重估儲備累計。當投資被出售或釐定為減值時，過往於投資重估儲備累計之累計收益或虧損會重新分類至損益。

並無於活躍市場所報市價且公平值無法可靠地計量之可供出售股本投資於各報告期末按成本減任何已識別減值虧損計量。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 April 2018) (continued)

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from associates and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets (before application of HKFRS 9 on 1 April 2018)

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

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(於二零一八年四月一日應用香港財務報告準則第9號之前)(續)

(iii) 貸款及應收款賬項

貸款及應收賬項為並無活躍市場報價並具有固定或可釐定款額之非衍生金融資產。於初始確認後，貸款及應收賬項(包括應收貿易及其他賬項、應收聯營公司款項及銀行結餘及現金)以實際利息法按攤銷成本減任何減值計量。

利息收入採用實際利率確認，惟倘確認之利息微乎其微，則短期應收賬項除外。

金融資產減值(於二零一八年四月一日應用香港財務報告準則第9號之前)

本集團於各報告期末評估金融資產(按公平值計入損益者除外)之減值跡象。當有客觀證據證明金融資產於初始確認後出現一項或多項事項導致金融資產之估計未來現金流量受到影響時，金融資產會被視為出現減值。

就可供出售股本投資而言，倘下列證券之公平值顯著下降或長期低於其成本，將被視為減值之客觀證據。

就所有其他金融資產而言，減值之客觀證據可包括：

- 發行人或對手方出現重大財政困難；或
- 違反合約，如拖欠利息或本金之償還；或
- 債務人可能破產或進行財務重組；或
- 因財政困難而導致該金融資產失去活躍市場。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (before application of HKFRS 9 on 1 April 2018) (continued)

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period of 30 to 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於二零一八年四月一日應用香港財務報告準則第9號之前)(續)

應收賬項組合之客觀減值證據可包括本集團之過往收款經驗、組合內逾期30至90天信貸期之延遲付款宗數增加、與拖欠應收賬項有關之國家或地方經濟狀況明顯轉變。

就按攤銷成本列賬之金融資產而言，已確認之減值虧損金額為資產賬面值與按金融資產原實際利率折現之估計未來現金流量現值之差額。

就按成本列賬之金融資產而言，本集團按資產賬面值與按類似金融資產現時市場回報率折現之估計未來現金流量現值之差額計量減值虧損之金額。該等減值虧損不會於往後期間撥回。

就所有金融資產而言，本集團按減值虧損直接扣除金融資產之賬面值，惟應收貿易及其他賬項之賬面值透過利用撥備賬扣除。撥備賬之賬面值變動於損益確認。當應收貿易及其他賬項被視為無法收回時，有關款項與撥備賬對銷。其後收回過往所撇銷款項會計入損益。

當可供出售金融資產被視為已減值時，過往於其他全面收入確認之累計收益或虧損會於期內重新分類至損益。

就按攤銷成本計量之金融資產而言，倘減值虧損之數額於其後期間減少，而此情況可客觀地與減值確認後發生之某一事件聯繫，則過往確認之減值虧損會於損益撥回，惟於撥回減值當日之投資賬面值不得超過假設並無確認減值時原應有之攤銷成本。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (before application of HKFRS 9 on 1 April 2018) (continued)

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於二零一八年四月一日應用香港財務報告準則第9號之前)(續)

就可供出售股本投資而言，過往於損益確認之減值虧損不會透過損益撥回。如出現減值虧損後公平值有所增加，則會於其他全面收入確認，並於投資重估儲備累計。就可供出售債務投資而言，如投資之公平值增加可客觀地與減值虧損確認後發生之某一事件聯繫，則減值虧損其後會透過損益撥回。

金融資產之終止確認

僅當金融資產現金流量之合約權利屆滿，或本集團將金融資產連同其擁有之絕大部分風險及回報轉讓予另一實體，本集團方會終止確認該項資產。本集團如並無轉讓或保留擁有之絕大部分風險及回報，並繼續控制已轉讓之資產，則會確認其於資產之保留權益及可能須支付之相關負債款項。本集團如保留已轉讓金融資產擁有之絕大部分風險及回報，則會繼續確認金融資產並同時就所得款項確認已抵押借貸。

於終止確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價之總和之差額於損益確認。

金融負債及股本

根據合約安排之內容及金融負債及股本工具之定義，債務及股本工具乃分類為金融負債或股本。

股本工具

股本工具為任何證明某一實體在扣除一切負債後於資產中有剩餘權益之合約。本公司發行之股本工具按已收所得款項(已扣除直接發行成本)確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Equity instruments (continued)

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

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder in accordance with the terms and conditions. Financial guarantee contracts liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9 (since 1 April 2018)/HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (before application of HKFRS 9 on 1 April 2018); and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

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

4. 主要會計政策(續)

金融工具(續)

股本工具(續)

購回之本公司自身股本工具直接於股本確認及扣減。概無就購入、銷售、發行或註銷本公司自有之股本工具而於損益確認收益或虧損。

按攤銷成本計量之金融負債

金融負債(包括應付貿易及其他賬項以及銀行及其他借貸)隨後使用實際利息法按攤銷成本計量。

財務擔保合約

財務擔保合約乃發行人根據條款及條件須支付特定款項以彌償持有人之合約。財務擔保合約負債初步按彼等公平值計量，之後按以下各項中之最高者計量：

- 按照香港財務報告準則第9號(自二零一八年四月一日起)／香港會計準則第37號「撥備、或然負債及或然資產」(於二零一八年四月一日應用香港財務報告準則第9號之前)釐定之虧損撥備額；及
- 初始確認之金額減(如適用)於擔保期內之已確認累計攤銷。

終止確認金融負債

本集團於(且僅於)本集團之義務解除、取消或已到期時終止確認金融負債。已終止確認之金融負債之賬面值與已付及應付代價之間之差額會於損益確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, 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 may differ from these estimates.

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

Critical judgements in applying accounting policies

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

Going concern and liquidity

As explained in Note 2 to the consolidated financial statements, the financial position of the Group indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The assessment of the going concern assumptions involves making judgement by the management, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The management considers that the Group has ability to continue as a going concern and the major conditions that may cast significant doubt about the going concern assumptions are set out in Note 2 to the consolidated financial statements.

Key sources of estimation uncertainty

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

5. 關鍵會計判斷及估計不確定性之主要來源

於應用附註4所述本集團之會計政策時，董事須就無法即時從其他途徑獲取之資產及負債賬面值作出判斷、估計及假設。有關估計及相關假設乃基於過往經驗及其他被視為相關之因素作出。實際結果或會有別於該等估計。

本集團會持續檢討該等估計及相關假設。會計估計之修訂如僅影響作出修訂之期間，則於該期間確認；有關修訂如影響當前及未來期間，則於修訂期間及未來期間確認。

應用會計政策時的關鍵判斷

以下為管理層已於應用本集團會計政策的過程中作出且對綜合財務報表中確認的金額造成最重大影響的關鍵判斷(涉及估計(見下文)者除外)。

持續經營及流動資金

誠如綜合財務報表附註2所說明，本集團的財務狀況表明存在可能導致對本集團持續經營的能力提出嚴重質疑的重大不確定性。評估持續經營假設涉及管理層於特定的時間點對就內在而言乃屬不確定的事件或條件的未來結果作出判斷。管理層認為，本集團有能力持續經營，且可能對持續經營假設提出嚴重質疑的主要條件載列於綜合財務報表附註2。

估計不確定性之主要來源

以下為於報告期末有關未來之關鍵假設及估計不確定性之其他主要來源，該等假設可能存在導致對下個財年之資產及負債之賬面值作出重大調整之重大風險。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment loss recognised in respect of interests in associates

Determining whether the interests in associates are impaired requires an estimation of the future cash flows expected to arise and expected dividend yield from the associates and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of interests in associates as at 31 March 2019 was approximately HK\$Nil (2018: HK\$334,003,000). Impairment loss on interests in associates was recognised approximately HK\$331,352,000 for the year ended 31 March 2019 (2018: HK\$Nil).

Provision of ECL for trade and other receivables and amounts due from associates

The Group uses provision matrix to calculate ECL for the trade receivable under simplified approach. The provision rates are based on aging analysis as groupings of various debtors that have similar loss patterns. The provision matrix are based on internal credit ratings and the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The Group calculate the ECL for the other receivables by grouping the counterparties with similar nature under general approach. The provision rate are based on internal credit ratings and taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, changes in the forward-looking information are considered.

The Group use individual assessment to calculate ECL for the amounts due from associates under general approach. The provision rate are based on internal credit ratings which is determined by financial metrics and taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, changes in the forward-looking information are considered.

5. 關鍵會計判斷及估計不確定性之主要來源(續)

就於聯營公司之權益確認之減值虧損

釐定於聯營公司之權益是否減值須估計預期從聯營公司產生之未來現金流量、預期股息率及合適折現率，以計算現值。當實際未來現金流量少於預期，則可能產生重大減值虧損。

於二零一九年三月三十一日於聯營公司之權益之賬面值為約零港元(二零一八年：334,003,000港元)。截至二零一九年三月三十一日止年度，於聯營公司之權益之減值虧損經確認為約331,352,000港元(二零一八年：零港元)。

應收貿易及其他賬項及應收聯營公司之款項之預期信貸虧損撥備

本集團根據簡化方法使用撥備矩陣計算應收貿易賬項的預期信貸虧損。撥備率乃基於賬齡分析將具有類似虧損模式的多個債務人分類組別。撥備矩陣基於內部信用評級及本集團的歷史違約率計算，並考慮無需過度的成本或努力而可獲得的合理及有理據的前瞻性資料。在各報告日期，歷史觀測到的違約率會重新評估，並考慮前瞻性資料的變動。

本集團根據一般方法對類似性質的對手方進行分組，計算其他應收賬項的預期信貸虧損。撥備率乃基於內部信用評級及計及無需過度的成本或努力即可獲得的合理及有理據的前瞻性資料。於各報告日期，均考慮到前瞻性資料的變動。

本集團根據一般方法採用個別評估計算應收聯營公司款項的預期信貸虧損。撥備率乃基於內部信用評級，該等評級乃透過財務指標予以釐定且計及無需過度的成本或努力即可獲得的合理及有理據的前瞻性資料。於各報告日期，均考慮到前瞻性資料的變動。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Provision of ECL for trade and other receivables and amount due from associates (continued)

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade and other receivables and amount due from associates are disclosed in Notes 7(b), 21 and 24 respectively.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer taste or competitor actions. Management reassesses these estimates at each reporting date. As at 31 March 2019, inventories of approximately HK\$11,638,000 are stated at net realisable value. No inventories are stated at net realisable as at 31 March 2018.

5. 關鍵會計判斷及估計不確定性之主要來源(續)

應收貿易及其他賬項及應收聯營公司之款項之預期信貸虧損撥備(續)

預期信貸虧損的撥備對估計的變化比較敏感。有關預期信貸虧損以及本集團應收貿易及其他賬項及應收聯營公司款項的資料分別載於附註7(b)、21及24。

存貨之可變現淨值

存貨之可變現淨值乃於日常業務過程中作出之估計售價減估計完工成本及作出銷售的必要估計成本。該等估計乃根據現時市況及出售同類產品的過往經驗而作出。其會由於客戶品味或競爭對手的行動變化而發生重大變化。管理層於各報告日期重新評估該等估計。於二零一九年三月三十一日，約11,638,000港元的存貨乃按可變現淨值列賬。於二零一八年三月三十一日，概無存貨按可變現淨值列賬。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit to which goodwill has been allocated, which is the higher of the value-in-use or fair value less costs of disposal. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash, a material impairment loss may arise. As at 31 March 2019, the carrying amount of goodwill is HK\$185,285,000 (2018: HK\$271,675,000) (net of accumulated impairment loss of HK\$167,689,000 (2018: HK\$80,493,000)). Details of the recoverable amount calculation are disclosed in Note 22.

Deferred tax asset

As at 31 March 2019, a deferred tax asset of approximately HK\$2,489,000 (2018: HK\$Nil) in relation to the unused tax losses of approximately HK\$15,085,000 (2018: HK\$Nil) has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of approximately HK\$551,961,000 (2018: approximately HK\$504,639,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

5. 關鍵會計判斷及估計不確定性之主要來源(續)

商譽之估計減值

釐定商譽是否減值須估計獲分配商譽之現金產生單位之可收回金額，即使用價值或公平值減出售成本之較高者。計算使用價值須本集團估計預期從現金產生單位產生之未來現金流量以及合適折現率，以計算現值。當實際未來現金流量少於預期，或事實或情況有變致使未來現金向下修訂，則可能產生重大減值虧損。於二零一九年三月三十一日，商譽之賬面值為185,285,000港元(二零一八年：271,675,000港元)(扣除累計減值虧損167,689,000港元(二零一八年：80,493,000港元))。可收回金額計算詳情於附註22披露。

遞延稅項資產

於二零一九年三月三十一日，有關未動用稅項虧損約15,085,000港元(二零一八年：零港元)之遞延稅項資產約2,489,000港元(二零一八年：零港元)已於本集團之綜合財務狀況表內確認。由於未來溢利來源不可預測，故並無就稅項虧損約551,961,000港元(二零一八年：約504,639,000港元)確認遞延稅項資產。遞延稅項資產之變現主要取決於是否有足夠未來溢利或未來有可利用之應課稅暫時性差額。倘若實際產生之未來應課稅溢利少於或多於預期，或事實及情況有變導致對未來應課稅溢利估計作出修訂，則可能會引起遞延稅項資產之重大撥回或進一步確認，並於有關撥回或進一步確認發生之期間於損益內確認。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

6. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose the Group defines net debt as total debt (which include trade and other payables and bank and other borrowings) less bank balances and cash. Adjusted capital comprises all components of equity. The Group's policy is to keep that ratio at a reasonable level.

The net debt-to-adjusted capital ratios as at 31 March 2019 and 2018 are as follows:

6. 資本風險管理

本集團資本管理之主要目的是通過對產品及服務作出與風險水平相稱之定價，以及以合理成本取得融資，來保障本集團按持續經營基準繼續營運之能力，以持續為股東帶來回報，同時兼顧其他持份者之利益。

本集團積極地定期檢討及管理其資本架構，以在為股東帶來較高回報(可能產生較高水平借貸)與良好資本狀況之優勢及穩定性之間保持平衡，並按照經濟狀況之變動調整其資本架構。

與行業慣例一致，本集團按照債務淨額對經調整資本比率基準監控其資本架構。就此而言，本集團將債務淨額界定為債務總額(其包括應付貿易及其他賬項以及銀行及其他借貸)減去銀行結餘及現金。經調整資本包括所有權益部分。本集團之政策乃將該比率保持在合理水平。

於二零一九年及二零一八年三月三十一日之債務淨額對經調整資本比率如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade and other payables	應付貿易及其他賬項	387,047	278,133
Contract liabilities	合約負債	469	—
Bank and other borrowings	銀行及其他借貸	238,790	227,720
Total debt	債務總額	626,306	505,853
Less: bank balances and cash	減：銀行結餘及現金	7,317	33,271
Net debt	債務淨額	618,989	472,582
Adjusted capital — Total (deficit) equity	經調整資本 — (虧拙)權益總額	(364,456)	884,174
Net debt-to-adjusted capital ratio	債務淨額對經調整資本比率	(170%)	53%

Neither the Company nor any of its subsidiaries are subject to either internally or externally imposed capital requirements.

本公司或其任何附屬公司概無受內部或外界施加之資本規定所規限。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS**(a) Categories of financial instruments****7. 金融工具****(a) 金融工具類別**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
FVTPL	按公平值計入損益：		
Mandatorily measured at FVTPL	強制按公平值計入損益計量		
— Held-for-trading	— 持作買賣	778	2,155
 Loan and receivables (including bank balances and cash):	 貸款及應收賬項(包括銀行結餘及現金)：		
— Trade and other receivables	— 應收貿易及其他賬項	25,746	42,351
— Amounts due from associates	— 應收聯營公司款項	—	579,614
— Bank balances and cash	— 銀行結餘及現金	7,317	33,271
		33,063	655,236
		33,841	657,391
 Financial liabilities	 金融負債		
At amortised cost:	按攤銷成本：		
— Trade and other payables	— 應付貿易及其他賬項	387,047	273,866
— Bank and other borrowings	— 銀行及其他借貸	238,790	227,720
		625,837	501,586

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, trade and other receivables, amounts due from associates, bank balances and cash, trade and other payables and bank and other borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(b) 財務風險管理目標及政策

本集團之主要金融工具包括按公平值計入損益之金融資產、應收貿易及其他賬項、應收聯營公司款項、銀行結餘及現金、應付貿易及其他賬項以及銀行及其他借貸。該等金融工具之詳情於各附註披露。與該等金融工具相關之風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。有關如何減低該等風險之政策載於下文。管理層管理及監控有關風險，以確保能適時有效地採取適當措施。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)****Market risk****(i) Currency risk**

The Group mainly operates in Hong Kong and PRC with most of the transactions denominated and settled in HK\$ and Renminbi ("RMB").

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of reporting period, that are denominated in currencies other than the functional currency of the relevant group entities, are as follows:

7. 金融工具(續)**(b) 財務風險管理目標及政策(續)****市場風險****(i) 貨幣風險**

本集團主要於香港及中國運作，大部分交易以港元及人民幣(「人民幣」)計值及結算。

本集團目前並無外幣對沖政策。然而，管理層會監察所面對之外幣風險，並將於有需要時考慮對沖重大外幣風險。

本集團以外幣(即相關集團實體功能貨幣以外之貨幣)計值之貨幣資產及貨幣負債於報告期末之賬面值如下：

	Liabilities 負債		Assets 資產	
	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
United States Dollar ("USD")	153,406	123,334	—	606,964

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to the foreign currency risk of USD.

The following table details the Group's sensitivity to a 5% (2018: 5%) increase and decrease in HK\$ against USD. A 5% (2018: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translations at the end of the reporting period for a 5% (2018: 5%) change in foreign currency rates. A positive number below indicates a decrease in post tax loss where HK\$ strengthens 5% (2018: 5%) against USD. For a 5% (2018: 5%) weakening of HK\$ against USD there would be an equal and opposite impact on the post-tax loss and the balances below would be negative.

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Decrease (increase) in loss	虧損減少(增加)		
— USD Impact	— 美元影響	7,670	(24,182)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances, margin account payable, royalty fee payable and variable-rate other borrowings, and exposed to fair value interest rate risk in relation to fixed-rate bank borrowing, fixed-rate other borrowings and fixed-rate placing notes.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析

本集團主要面對美元之外幣風險。

下表詳述本集團對港元兌美元升值及貶值5% (二零一八年：5%) 之敏感度。5% (二零一八年：5%) 為內部向主要管理人員匯報外幣風險時使用之敏感度比率，亦即管理層對匯率可能出現之合理變動之評估。敏感度分析僅包括未結算之以外幣計值貨幣項目，並於報告期末按5% (二零一八年：5%) 之外幣匯率變動調整換算。下文正數顯示倘港元兌美元升值5% (二零一八年：5%)，則稅後虧損減少。倘港元兌美元貶值5% (二零一八年：5%)，則稅後虧損將出現相等而相反之影響，而下文之結餘將為負數。

(ii) 利率風險

本集團面對有關浮息銀行結餘、應付孖展賬戶款項、應付專利權費及其他浮息借貸之現金流量利率風險，並面對有關定息銀行借貸、定息其他借貸及定息配售票據之公平值利率風險。

本集團目前並無利率對沖政策。然而，管理層會監察所面對之利率風險，並將於有需要時考慮對沖重大利率風險。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) *Interest rate risk* (continued)

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for margin account payable, royalty fee payable and variable rate other borrowings at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2018: 50 basis points) increase or decrease in variable rates of other borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the Directors consider that the exposure of cash flow interest rate risk arising from variable rate bank balances is insignificant.

If interest rates had been 50 basis points (2018: 50 basis points) higher/lower for margin account payable, royalty fee payable and variable-rate other borrowings and all other variables were held constant, the post-tax loss for the year ended 31 March 2019 would increase/decrease by approximately HK\$1,478,000 (2018: HK\$1,153,000).

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險 (續)

(ii) *利率風險* (續)

本集團所面對有關金融負債之利率風險於本附註流動資金風險管理一節詳述。

敏感度分析

以下敏感度分析乃基於報告期末所面對應付孖展賬戶款項、應付專利權費及其他浮息借貸之利率風險釐定。編製該分析時乃假設於報告期末之未結算金融工具於整個年度均未結算。內部向主要管理人員匯報利率風險時已使用50個基點(二零一八年：50個基點)之其他借貸浮動利率升幅或跌幅，而此亦為管理層對利率可能出現之合理變動之評估。由於董事認為浮息銀行結餘所產生之現金流量利率風險並不重大，故敏感度分析已剔除有關銀行結餘。

倘應付孖展賬戶款項、應付專利權費及其他浮息借貸利率上調／下調50個基點(二零一八年：50個基點)，而所有其他變數維持不變，則截至二零一九年三月三十一日止年度之稅後虧損將增加／減少約1,478,000港元(二零一八年：1,153,000港元)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) *Other price risk*

The Group is exposed to equity price risk through its investments in listed equity securities. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date. If the prices of the respective equity instruments had been 10% higher/lower, post-tax loss for the year ended 31 March 2019 would decrease/increase by approximately HK\$78,000 (2018: HK\$216,000) as a result of the changes in fair value of financial assets at fair value through profit or loss.

Credit risk and impairment assessment

At 31 March 2019, other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's credit risk is primarily attributable to trade and other receivables, amounts due from associates and bank balances. The carrying amounts of financial assets at amortised cost stated in Note 7(a) represented the Group's maximum exposure to credit risk in relation to financial assets which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties. The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by international creditrating agencies.

At 31 March 2019, the Group has concentration of credit risk on trade receivables from the largest customer amounting to approximately HK\$3,985,000 (2018: HK\$6,113,000), representing approximately 40.91% (2018: 14.40%) of the total gross trade receivables. At 31 March 2019, trade receivables from the five largest customers amounting to approximately HK\$5,211,000 (2018: HK\$6,978,000), representing approximately 53.49% (2018: 16.44%) of the total gross trade receivables.

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險 (續)

(iii) *其他價格風險*

本集團就其於上市股本證券之投資面對股本價格風險。此外，本集團已委派一支特別團隊監察價格風險，並將於有需要時考慮對沖所面對之風險。

敏感度分析

以下敏感度分析乃基於報告日期所面對之股本價格風險釐定。倘各項股本工具之價格上升／下跌10%，則截至二零一九年三月三十一日止年度之稅後虧損將減少／增加約78,000港元(二零一八年：216,000港元)，是源於按公平值計入損益之金融資產之公平值變動。

信貸風險及減值評估

於二零一九年三月三十一日，除該等賬面值最能反映所承受最大信貸風險之金融資產外，本集團之信貸風險主要來自應收貿易及其他應收賬項、應收聯營公司款項及銀行結餘。附註7(a)所述按攤銷成本的金融資產賬面值指本集團因交易方未能履行責任而承受將引致本集團招致財務虧損的有關金融資產的最大信貸風險。本集團並無持有任何抵押品或其他信貸升級以應付其與金融資產相關的信貸風險。

由於對手方為獲國際信貸評級機構給予高信貸評級之銀行，故銀行結餘之信貸風險有限。

於二零一九年三月三十一日，本集團擁有來自最大客戶的應收貿易賬項的信貸集中風險為約3,985,000港元(二零一八年：6,113,000港元)，相當於應收貿易賬項總額的約40.91%(二零一八年：14.40%)。於二零一九年三月三十一日，來自五名最大客戶的應收貿易賬項為約5,211,000港元(二零一八年：6,978,000港元)，相當於應收貿易賬項總額的約53.49%(二零一八年：16.44%)。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

At 31 March 2019, the Group's concentration of credit risk by geographical location is in the PRC as 63.90% (2018: 54.41%) of total gross trade receivables are arisen in the PRC.

To manage risk arising from trade receivable, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors. Credit limits granted to customers are reviewed periodically. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances collectively using provision matrix with appropriate groupings. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

For all other instruments including other receivables and amounts due from associates, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised based on significant increases in the likelihood or risk of a default occurring since initial recognition. The Group have assessed and concluded that the risk of default rate for the other instruments are steady based on the Group assessment of the financial health of the counterparties.

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估 (續)

於二零一九年三月三十一日，本集團按地理位置劃分的信貸集中風險位於中國，原因是應收貿易賬項總額的63.90% (二零一八年：54.41%)乃在中國引起。

為管理應收貿易賬項引起的風險，本集團已實施政策，確保信貸條款從具有適當信貸記錄的交易對手獲得，而管理層持續對交易對手進行信貸評估。本集團對授予客戶的信貸期及該等客戶的信貸質素進行評估，當中考慮彼等的財務狀況、過往經驗及其他因素。授予客戶的信貸限額乃定期檢討。本集團實施其他監控程序以確保對收回逾期債務採取跟進行動。此外，本集團根據預期信貸虧損模式對貿易結餘全部採用具有適當組別的撥備矩陣進行減值評估。就此而言，董事認為本集團的信貸風險已大幅減少。

就所有其他工具(包括其他應收賬項及應收聯營公司款項)而言，本集團計量的虧損撥備與12個月預期信貸虧損相同，除非自初步確認以來信貸風險已大幅增加，則本集團會確認全期預期信貸虧損。是否需要確認全期預期信貸虧損的評估乃以自初步確認以來出現違約的可能性或風險是否大幅上升而定。本集團已評估及得出結論，認為根據本集團對交易對手的財務穩健性的評估，其他工具的違約率風險乃屬穩定。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)*****Credit risk and impairment assessment (continued)***

The Group's internal credit risk grading assessment comprises the following categories:

7. 金融工具(續)**(b) 財務風險管理目標及政策(續)*****信貸風險及減值評估(續)***

本集團的內部信貸風險評級評估包括以下類別：

Internal credit rating 內部信貸評級	Description 描述	Trade receivables 應收貿易賬項	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手的違約風險較低，且並無任何逾期款項	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值	12m ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle after due date 債務人經常於到期日後償還款項，但通常於到期日後結算	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值	12m ECL 12個月預期信貸虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 內部或外部資料來源所得信息顯示信貸風險自初始確認以來顯著增加	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示有關資產已發生信貸減值	Lifetime ECL — credit-impaired 全期預期信貸虧損 — 已信貸減值	Lifetime ECL — credit-impaired 全期預期信貸虧損 — 已信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重財務困難，且本集團並無實際可收回預期	Amount is written-off 撇銷金額	Amount is written-off 撇銷金額

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment.

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估 (續)

下表詳述本集團須進行預期信貸虧損評估的金融資產的信貸風險承擔。

2019	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	
二零一九年	附註	外部信貸評級	內部信貸評級	12個月或全期預期信貸虧損	賬面總額	
					HK\$'000	HK\$'000
					千港元	千港元
Financial assets at amortised costs						
按攤銷成本計量的金融資產						
Bank balances	26	AA+	N/A	12m ECL		7,317
銀行結餘			不適用	12個月預期信貸虧損		
Other receivables and deposits paid	24	N/A	(Note 1)	12m ECL	16,860	
其他應收賬項及已付按金		不適用	(附註1)	12個月預期信貸虧損	2,324	19,184
				Lifetime ECL		
				全期預期信貸虧損		
				(credit-impaired)		
				(信貸減值)		
Trade receivables	24	N/A	(Note 2)	Lifetime ECL		9,742
應收貿易賬項		不適用	(附註2)	(Provision matrix)		
				全期預期信貸虧損		
				(撥備矩陣)		
Amounts due from associates	21	N/A	(Note 3)	Lifetime ECL		633,551
應收聯營公司款項		不適用	(附註3)	(credit-impaired)		
				全期預期信貸虧損		
				(信貸減值)		

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)*****Credit risk and impairment assessment (continued)******Notes***

- 1) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.
- 2) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the historical observed default rates adjusted by forward looking estimates.
- 3) To measure the ECL, amounts due from associates have been assessed individually. As stated in Note 2 to the consolidated financial statements, after taking into account of the Order, the winding up petition and the net liabilities of Yota, the Directors are of the view that a full impairment on amounts due from associates of the Group should be made to reflect the current conditions of Yota.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

31 March 2019**7. 金融工具(續)****(b) 財務風險管理目標及政策(續)*****信貸風險及減值評估(續)******附註***

- 1) 就內部信貸風險管理而言，本集團使用逾期資料評估信貸風險自初步確認以來是否已大幅上升。
- 2) 就應收貿易賬項而言，本集團已應用香港財務報告準則第9號中的簡化方法以按全期預期信貸虧損計量虧損撥備。為計量預期信貸虧損，應收貿易賬項已基於共同信貸風險特徵及經前瞻性估計調整的過往觀察到的違約率作出分組。
- 3) 為計量預期信貸虧損，應收聯營公司款項已個別評估。誠如綜合財務報表附註2所述，考慮到命令、清盤呈請及Yota的負債淨額，董事認為，應收本集團聯營公司之款項應作出悉數減值以反映Yota的現狀。

下文載列有關本集團採用撥備矩陣計量的應收貿易賬項的信貸風險承擔的資料：

二零一九年三月三十一日

		Trade receivables 應收貿易賬項			
		Days past due 逾期天數			
		Current 即期	1-90days 1至90天	>90days >90天	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Total gross carrying amount	賬面總值	1,604	4,948	3,190	9,742
Average loss rate	平均虧損率	0.69%	1.74%	22.23%	
Expected credit loss	預期信貸虧損	11	86	709	806

Notes to the Consolidated Financial Statements (continued)
綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The following tables shows the reconciliation of loss allowance that has been recognised for trade receivables under simplified approach:

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估 (續)

下表顯示已根據簡化方法就應收貿易賬項確認的虧損撥備對賬：

		Lifetime ECL (not credit- impaired) 全期預期信貸 虧損(並無信貸 減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期信貸 虧損(信貸 減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2018 under HKAS 39	於二零一八年三月三十一日 根據香港會計準則第39號	—	34,714	34,714
Adjustment upon application of HKFRS 9	於香港財務報告準則第9號 獲採用時調整	48	30	78
At 1 April 2018 — As restated	於二零一八年四月一日 – 經重列	48	34,744	35,792
Changes due to financial instruments recognised as at 1 April 2018:	因於二零一八年四月一日 確認的金融工具而發生變動：			
— Transfer to credit-impaired	— 轉撥至信貸減值	(4)	4	—
— Impairment losses recognised	— 已確認減值虧損	—	619	619
— Impairment losses reversed	— 已撥回減值虧損	(44)	(20)	(64)
— Written-off	— 撇銷	—	(34,714)	(34,714)
New financial assets originated or purchased	源生或購買的新金融資產	97	76	173
As at 31 March 2019	於二零一九年三月三十一日	97	709	806

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)*****Credit risk and impairment assessment* (continued)**

Changes in the loss allowance for trade receivables are mainly due to:

7. 金融工具(續)**(b) 財務風險管理目標及政策(續)*****信貸風險及減值評估* (續)**

應收貿易賬項虧損撥備的變動主要因以下各項所致：

		2019 Increase 二零一九年 增加	
		Lifetime ECL (not credit- impaired) 全期預期信貸 虧損(並無信貸 減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期信貸 虧損(信貸 減值) HK\$'000 千港元
Further impairment made for credit-impaired trade receivables	就信貸減值的應收貿易賬項作出的進一步減值	—	619
No realistic prospect of recovery of trade receivables	並無實際收回應收貿易賬項的可能	—	(34,713)
New financial assets originated or purchased	源生或購買的新金融資產	97	76

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The following tables shows the reconciliation of loss allowance that has been recognised for other receivables:

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估 (續)

下表顯示已就其他應收賬項確認的虧損撥備對賬：

		12m ECL (not credit- impaired) 12個月預期信貸 虧損(並無信貸 減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期信貸 虧損(信貸 減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2018 under HKAS 39	於二零一八年三月三十一日 根據香港會計準則第39號	—	28,231	28,231
Adjustment upon application of HKFRS 9	於香港財務報告準則第9號 獲採用時調整	50	3,270	3,320
At 1 April 2018 — As restated	於二零一八年四月一日 — 經重列	50	31,501	31,551
Changes due to financial instruments recognised as at 1 April 2018:	因於二零一八年四月一日確認的 金融工具而發生變動：			
— Transfer to credit-impaired	— 轉撥至信貸減值	(20)	20	—
— Impairment losses recognised	— 已確認減值虧損	—	2,076	2,076
— Impairment losses reversed	— 已撥回減值虧損	(30)	—	(30)
— Written-off	— 撇銷	—	(31,273)	(31,273)
New financial assets originated or purchased	源生或購買的新金融資產	50	—	50
As at 31 March 2019	於二零一九年三月三十一日	50	2,324	2,374

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies**
(continued)**Credit risk and impairment assessment** (continued)

Changes in the loss allowance for other receivables are mainly due to:

7. 金融工具(續)**(b) 財務風險管理目標及政策(續)****信貸風險及減值評估(續)**

其他應收賬項虧損撥備的變動主要因以下各項所致：

		2019 Increase 二零一九年 增加	
		12m ECL (not credit- impaired) 12個月預期信貸虧損 (並無信貸減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期信貸虧損 (信貸減值) HK\$'000 千港元
Further impairment made for credit-impaired other receivables	就信貸減值的其他應收賬項作出的進一步減值	—	2,076
No realistic prospect of recovery of other receivables	並無實際收回其他應收賬項的可能	—	(31,273)
New financial assets originated or purchased	源生或購買的新金融資產	50	—

The following tables shows the reconciliation of loss allowance that has been recognised for amounts due from associates:

下表顯示已應收聯營公司款項確認的虧損撥備的對賬：

		Lifetime ECL (credit- impaired) 全期預期信貸虧損 (信貸減值) HK\$'000 千港元
At 31 March 2018 under HKAS 39	於二零一八年三月三十一日根據香港會計準則第39號	—
Adjustment upon application of HKFRS 9	於香港財務報告準則第9號獲採用時調整	23,474
At 1 April 2018 – As restated	於二零一八年四月一日 — 經重列	23,474
Changes due to financial instruments recognised as at 1 April 2018:	因於二零一八年四月一日確認的金融工具而發生變動：	
- Impairment losses recognised	— 已確認減值虧損	610,077
As at 31 March 2019	於二零一九年三月三十一日	633,551

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)***Credit risk and impairment assessment (continued)*

Changes in the loss allowance for amounts due from associates are mainly due to:

7. 金融工具(續)**(b) 財務風險管理目標及政策(續)***信貸風險及減值評估(續)*

應收聯營公司賬款虧損撥備的變動主要因以下各項所致：

	2019 Increase in 二零一九年 增加 Lifetime ECL (credit- impaired) 全期預期信貸虧損 (信貸減值) HK\$'000 千港元
Further impairment made to credit-impaired amounts due from associates 應收聯營公司款項之信貸減值作出進一步減值	610,077

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 management when the borrowings exceed certain pre-determined levels of authority. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping committed credit lines available and sufficient bank deposits to meet short-term cash requirements.

The Group is exposed to liquidity risk as the Group had net current liabilities of approximately HK\$541,673,000 as at 31 March 2019. The liquidity of the Group primarily depends on the future funding being available and the ability of the Group to meet its financial obligations as they fall due. Details of which are set out in Note 2 to the consolidated financial statements.

流動資金風險

本集團旗下各營運實體須各自負責現金管理，包括現金盈餘之短期投資和籌借貸款以應付預期中之現金需求，惟倘借貸超逾獲授權之若干預定水平，則須經管理層批准，方可作實。審慎之流動資金風險管理意味着維持充裕現金及有價抵押品、透過充足之已承諾信貸融資金額提供資金及有能力將市場倉盤平倉。本集團旨在透過維持可供動用之已承諾信貸，以保持資金之靈活性，並具備充裕之銀行存款，以應付短期現金需要。

本集團面臨流動資金風險，原因是本集團於二零一九年三月三十一日擁有流動負債淨額約541,673,000港元。本集團的流動資金主要取決於可獲得的未來資金及本集團償還到期金融負債的能力。其詳情載於綜合財務報表附註2。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, margin payable, amount due to an associate and fixed-rate other borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the lenders choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table below includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscovered amount is derived from interest rate at the end of the reporting period.

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

下表詳列本集團非衍生金融負債之餘下合約年限。下表乃基於本集團可被要求付款之最早日期及金融負債之未折現現金流量編製。具體而言，附帶應要求還款條文之應付孖展款項、應付一家聯營公司款項及其他定息借貸計入最早到期時段，而不論貸款人選擇行使其權利之可能性。其他非衍生金融負債之到期日基於協定還款日期計算。

下表包括利息及本金現金流量。倘利息流量按浮動利率計算，則未發現金額按於報告期末之利率計算得出。

2019	Weighted average interest rate	On demand or less than 1 year	1-2 years	2-5 years	Total undiscounted cash flow	Carrying amount at 31 March 2019
二零一九年	加權平均利率	應要求或少於1年	1至2年	2至5年	未折現現金流量總額	於二零一九年三月三十一日之賬面值
	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	%	千港元	千港元	千港元	千港元	千港元
Non-derivative financial liabilities 非衍生金融負債						
Trade and other payables (excluding amount due to an associate)	應付貿易及其他賬項 (不包括應付一家聯營公司款項)	N/A				
		不適用	252,007	—	252,007	252,007
Amount due to an associate	應付一間聯營公司款項	9.35	135,040	—	135,040	135,040
Bank borrowing	銀行借貸					
— fixed rate	— 定息	5.15	—	246	9,467	9,238
Margin payable	應付孖展款項	8.00	39,214	—	39,214	39,214
Other borrowing	其他借貸					
— fixed rate	— 定息	8.43	40,119	—	40,119	39,433
— variable rate	— 浮息	4.75	121,248	—	121,248	121,248
Placing notes	配售票據	5.00	11,000	10,808	10,294	29,657
			598,628	11,054	19,761	629,443
						625,837

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

2018		Weighted average interest rate	On demand or less than 1 year	1-2 years	2-5 years	Total undiscounted cash flow	Carrying amount at 31 March 2018
二零一八年		加權平均利率	應要求或 少於1年	1至2年	2至5年	未折現現金 流量總額	於二零一八年 三月三十一日 之賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	千港元	千港元	千港元	千港元	千港元
Non-derivative financial liabilities	非衍生金融負債						
Trade and other payables (excluding amounts due to associates)	應付貿易及其他賬項 (不包括應付聯營公司款項)	N/A	204,503	—	—	204,503	204,503
Amount due to an associate	應付一間聯營公司款項	9.35	69,363	—	—	69,363	69,363
Bank borrowing	銀行借貸						
— fixed rate	— 定息	5.70	9,863	—	—	9,863	9,621
Margin payable	應付孖展款項	8.00	36,179	—	—	36,179	36,179
Other borrowing	其他借貸						
— fixed rate	— 定息	12.00	27,706	—	—	27,706	27,706
— variable rate	— 浮息	4.75	131,018	—	—	131,018	125,131
Placing notes	配售票據	5.00	1,500	1,500	31,334	34,334	29,083
			480,132	1,500	31,334	512,966	501,586

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of financial assets.

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market observable data to the extent it is available.

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

(c) 金融工具之公平值計量

本附註提供有關本集團如何釐定金融資產之公平值之資料。

本集團部分金融工具就財務申報目的按公平值計量。

於估計公平值時，本集團會使用可取得之市場可觀察數據。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)**(c) Fair value measurements of financial instruments (continued)***(i) Financial assets that are measured at fair value on a recurring basis*

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and input used).

7. 金融工具(續)**(c) 金融工具之公平值計量(續)***(i) 經常性金融資產公平值計量*

本集團部分金融資產於各報告期末按公平值計量。下表提供有關如何釐定該等金融資產之公平值(尤其是所用估值技術及輸入數據)之資料。

		Fair value hierarchy 公平值層級			
		Fair value as at 31 March 於三月三十一日 之公平值 HK\$'000 千港元	Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元
2019	二零一九年				
Financial assets:	金融資產：				
Financial assets at FVTPL	按公平值計入損益 之金融資產	778	778	—	—
2018	二零一八年				
Financial assets:	金融資產：				
Financial assets at FVTPL	按公平值計入損益 之金融資產	2,155	2,155	—	—

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

7. FINANCIAL INSTRUMENTS (continued)**(c) Fair value measurements of financial instruments (continued)**

- (i) *Financial assets that are measured at fair value on a recurring basis (continued)*

7. 金融工具(續)**(c) 金融工具之公平值計量(續)**

- (i) *經常性金融資產公平值計量(續)*

	Fair value as at 於以下日期之公平值		Fair value hierarchy	Valuation technique(s) and key input(s) 估值技術及 主要輸入數據
	31 March 2019 二零一九年 三月三十一日	31 March 2018 二零一八年 三月三十一日		
Financial assets				
金融資產				
Financial assets at FVTPL	Assets — approximately HK\$778,000	Assets — approximately HK\$2,155,000	Level 1	Quoted bid prices in an active market
按公平值計入損益之金融資產	資產約778,000 港元	資產約2,155,000 港元	第一層	活躍市場所 報價入價

During the years ended 31 March 2019 and 2018, there was no transfer between investments in Level 1 and Level 2, or transfer into or out of Level 3.

- (ii) *Fair value of financial assets and liabilities carried at other than fair value*

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 March 2019 and 2018.

截至二零一九年及二零一八年三月三十一日止年度，第一層與第二層的投資之間並無出現轉移，亦未有第三層之轉入或轉出。

- (ii) *非按公平值列賬之金融資產及負債之公平值*

本集團按成本或攤銷成本列賬之金融工具之賬面值，與其於二零一九年及二零一八年三月三十一日之公平值並無重大差異。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

8. REVENUE

A. For the year ended 31 March 2019

(i) Disaggregation of revenue from contracts with customers

8. 收入

A. 截至二零一九年三月三十一日止年度

(i) 客戶合約收入之分類

		Sales of mobile phones and related products 手機及相關產品之銷售額 HK\$'000 千港元	Provision of online travel product booking service 提供網上旅遊產品預訂服務 HK\$'000 千港元	Gamma ray irradiation service 伽瑪射線照射服務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Geographical markets	地理市場				
Hong Kong	香港	—	5,227	—	5,227
PRC	中國	34,610	—	4,743	39,353
Total	總計	34,610	5,227	4,743	44,580
Timing of revenue recognition	收入確認時間				
A point in time	於某時間點	34,610	5,227	4,743	44,580
Sales channel/type of customer	銷售渠道／客戶類型				
Retail	零售	—	5,227	—	5,227
Wholesale	批發	34,610	—	—	34,610
Corporate	公司	—	—	4,743	4,743
Total	總計	34,610	5,227	4,743	44,580

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

下文載列客戶合約收入與分部資料所披露金額之對賬。

	Segment Revenue 分部收入 HK\$'000 千港元
Sales of mobile phones and related products	34,610
Provision of online travel product booking service (Note)	5,227
Gamma ray irradiation service	4,743
Revenue from contracts with customers and total revenue	44,580

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

8. REVENUE (continued)

A. For the year ended 31 March 2019 (continued)

(ii) *Performance obligations for contracts with customers*

Sales of mobile phones and related products

The performance obligation is satisfied upon delivery of the mobile phones and related products. The payment is generally due within 30 to 90 days from delivery.

Under the contract terms, certain customers have a right to exchange for dissimilar products within 7 days. The Group uses its accumulated historical experience to estimate the number of exchange on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. A contract liability is recognised for sales in which revenue has yet been recognised. The Group's right to recover the product when customers exercise their right is recognised as a right to returned goods asset and a corresponding adjustment to cost of revenue.

Provision of online travel product booking service

The performance obligation is satisfied when services are rendered and the payment is normally due immediately upon completion of the service. However, certain customers are granted credit period from 30 to 60 days.

Gamma ray irradiation service

The performance obligation is satisfied when services are rendered and the credit period granted to the customers is normally 30 to 90 days.

(iii) *Transaction price allocated to the remaining performance obligation for contracts with customers*

All revenue contracts are for period of one year or less. As permitted by HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

8. 收入(續)

A. 截至二零一九年三月三十一日止年度(續)

(ii) 客戶合約之履約責任

銷售手機及相關產品

履約責任於交付手機及相關產品後履行。付款一般於交付起30至90日到期。

根據合約條款，客戶有權於7日內換取不同的產品。本集團運用其積累的歷史經驗，使用預期價值法估算投資組合層面的換貨數量。就銷售而言，當認為已確認累計收入很可能不會發生重大撥回時，會確認收入。就尚未確認收入的銷售而言，會確認合約負債。當客戶行使其權利時，本集團收回產品的權利會被確認為擁有被退回貨品資產的權利及對收入成本作出的相應調整。

提供網上旅遊產品預訂服務

履約責任於提供服務時履行及付款通常於完成服務後立即到期。然而，若干客戶獲授予30至60日之信貸期。

伽瑪射線照射服務

履約責任於提供服務時履行及授予客戶之信貸期通常為30至90日。

(iii) 分配至客戶合約餘下履約責任之交易價格

所有收入合約之期限為一年或以下。誠如香港財務報告準則第15號所許可，並無披露分配至該等未履約合約之交易價格。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

8. REVENUE (continued)**B. For the year ended 31 March 2018**

An analysis of the Group's revenue for the year is as follows:

8. 收入(續)**B. 截至二零一八年三月三十一日止年度**

本集團於本年度之收入分析如下：

		Segment Revenue 分部收入 HK\$'000 千港元
Sales of mobile phones and related products	手機及相關產品之銷售額	40,925
Provision of online travel product booking service (Note)	提供在線旅遊產品預定服務(附註)	7,364
Gamma ray irradiation service income	伽瑪射線照射服務收入	5,090
Cruise ship leasing and management fee income	郵輪租賃及管理費收入	36
Passenger ticket revenue	乘客船票收入	64
Onboard and other revenues	船上及其他收入	3
		53,482

Note:

附註：

Total customer sales proceeds

客戶銷售所得款項總額

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Gross sales proceeds related to passenger tickets revenue*	217,160	164,334

* The Group's gross sales proceeds from provision of online travel product booking service, including air tickets, hotel accommodation and other travel products, are considered as cash collected on behalf of a principal as an agent. The gross sales proceeds from these sales, which do not represent revenue, represent the price at which the products have been sold inclusive of service fees. The related service income is recorded by the Group on net basis.

* 本集團來自提供在線旅遊產品預定服務(包括機票、酒店住宿及其他旅遊產品)之銷售所得款項總額被視為以代理身份代表主事人收取之現金。該等銷售之銷售所得款項總額(並非指收入)指已售產品之價格(包括服務費)。相關服務收入由本集團按淨額基準記賬。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

9. OPERATING SEGMENTS

Information reported to the board of directors (the “Board”), being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments under HKFRS 8 Operating Segments are as follows:

- (a) Mobile technologies business — research and development, production, distribution and sale of dual-screen mobile handsets in the PRC.
- (b) Tourism and hospitality business — provision of online travel product booking platform and provision of management services for a cruise ship.
- (c) Gamma ray irradiation services — provision of irradiation services by utilising gamma ray technologies.
- (d) Other operations — securities trading and investment — trading of securities.

9. 經營分部

向董事會(「董事會」)(即主要經營決策者(「主要經營決策者」))呈報以作資源分配及分部表現評估之資料聚焦於所交付或提供之貨品或服務類別。於編製本集團之可申報分部時，經主要經營決策者確定之營運分部並無綜合呈報。

具體而言，本集團在香港財務報告準則第8號營運分部下之可申報及營運分部如下：

- (a) 手機技術業務—在中國研究及開發、生產、分銷及銷售雙屏手機。
- (b) 旅遊及消閒業務—提供網上旅遊產品預訂平台及為郵輪提供管理服務。
- (c) 伽瑪射線照射服務—應用伽瑪射線技術提供照射服務。
- (d) 其他業務—證券買賣及投資—買賣證券。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

9. OPERATING SEGMENTS (continued)

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the year ended 31 March 2019

9. 經營分部(續)

(a) 分部收入及業績

按申報及營運分部劃分之本集團收入及業績分析呈列如下：

截至二零一九年三月三十一日止年度

		Mobile technologies business 手機技術業務 HK\$'000 千港元	Tourism and hospitality business 旅遊及消閒業務 HK\$'000 千港元	Gamma ray irradiation services 伽瑪射線照射服務 HK\$'000 千港元	Other operations – securities trading and investment 其他業務 – 證券買賣及投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收入	34,610	5,227	4,743	—	44,580
Segment results	分部業績	(1,180,876)	(86,039)	(2,515)	(4,420)	(1,273,850)
Unallocated corporate income	未分配公司收入					24
Unallocated corporate expenses	未分配公司開支					(26,922)
Finance costs	融資成本					(7,704)
Loss before tax	除稅前虧損					(1,308,452)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

9. OPERATING SEGMENTS (continued)

(a) Segment revenues and results (continued)

For the year ended 31 March 2018

9. 經營分部(續)

(a) 分部收入及業績(續)

截至二零一八年三月三十一日止年度

		Mobile technologies business	Tourism and hospitality business	Gamma ray irradiation services	Other operations – securities trading and investment	Total
		手機技術業務	旅遊及消閒業務	伽瑪射線照射服務	其他業務 – 證券買賣及投資	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	收入	40,925	7,467	5,090	—	53,482
Segment results	分部業績	(146,999)	(77,575)	(2,497)	(3,867)	(230,938)
Unallocated corporate income	未分配公司收入					7,080
Unallocated corporate expenses	未分配公司開支					(75,863)
Finance costs	融資成本					(1,794)
Loss before tax	除稅前虧損					(301,515)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4 to the consolidated financial statements. Segment results represent the loss from each segment without allocation of central administration cost, certain other income, gains and losses, net, certain finance costs and directors' emoluments. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

營運分部之會計政策與綜合財務報表附註4所述本集團之會計政策相同。分部業績指在未分配中央行政費用、若干其他收入、收益及虧損淨額、若干融資成本及董事酬金前，由各分部產生之虧損。此為向主要經營決策者呈報以作資源分配及表現評估之方法。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

9. OPERATING SEGMENTS (continued)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

As at 31 March 2019

9. 經營分部(續)

(b) 分部資產及負債

以下為按可申報及營運分部劃分之本集團資產及負債分析。

於二零一九年三月三十一日

		Mobile technologies business	Tourism and hospitality business	Gamma ray irradiation services	Other operations – securities trading and investment	Total
		手機技術業務	旅遊及消閒業務	伽瑪射線照射服務	其他業務 – 證券買賣及投資	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS	資產					
Segment assets	分部資產	43,428	193,254	14,647	778	252,107
Unallocated corporate assets	未分配公司資產					9,773
Consolidated total assets	綜合資產總值					261,880
LIABILITIES	負債					
Segment liabilities	分部負債	413,257	18,354	9,623	39,214	480,448
Unallocated corporate liabilities	未分配公司負債					145,888
Consolidated total liabilities	綜合負債總額					626,336

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

9. OPERATING SEGMENTS (continued)

(b) Segment assets and liabilities (continued)

As at 31 March 2018

9. 經營分部(續)

(b) 分部資產及負債(續)

於二零一八年三月三十一日

		Mobile technologies business	Tourism and hospitality business	Gamma ray irradiation services	Other operations– securities trading and investment 其他業務– 證券買賣 及投資	Total
		手機 技術業務 HK\$'000 千港元	旅遊及 消閒業務 HK\$'000 千港元	伽瑪射線 照射服務 HK\$'000 千港元	總計 HK\$'000 千港元	
ASSETS	資產					
Segment assets	分部資產	1,053,937	268,748	18,781	3,755	1,345,221
Unallocated corporate assets	未分配公司資產					44,836
Consolidated total assets	綜合資產總值					1,390,057
LIABILITIES	負債					
Segment liabilities	分部負債	297,292	56,261	9,795	36,179	399,527
Unallocated corporate liabilities	未分配公司負債					106,356
Consolidated total liabilities	綜合負債總額					505,883

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

9. OPERATING SEGMENTS (continued)

(b) Segment assets and liabilities (continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain other receivables, bank balances and cash, certain corporate property, plant and equipment and deferred tax assets; and
- all liabilities are allocated to operating segments other than certain other payables and accruals, amounts due to directors and placing notes.

(c) Other segment information

Year ended 31 March 2019

Amounts included in the measure of segment result or segment assets:

9. 經營分部(續)

(b) 分部資產及負債(續)

就監察分部表現及於分部間分配資源而言：

- 除若干應收其他賬項、銀行結餘及現金、若干公司物業、廠房及設備以及遞延稅項資產外，所有資產分配至營運分部；及
- 除若干應付其他賬項及應計款項、應付董事款項及配售票據外，所有負債分配至營運分部。

(c) 其他分部資料

截至二零一九年三月三十一日止年度

計量分部業績或分部資產時計入之金額：

	Mobile technologies business 手機技術業務 HK\$'000 千港元	Tourism and hospitality business 旅遊及消閒業務 HK\$'000 千港元	Gamma ray irradiation services 伽瑪射線照射服務 HK\$'000 千港元	Other operations—securities trading and investment 其他業務—證券買賣及投資 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interest income from associates	來自聯營公司之利息收入	32,964	—	—	—	32,964
Reversal of impairment loss recognised in respect of trade receivables	撥回就應收貿易賬項確認之減值虧損	53	—	11	—	64
Reversal of impairment loss recognised in respect of other receivables	撥回就應收其他賬項確認之減值虧損	30	—	—	—	30
Impairment loss recognised in respect of trade receivables	就應收貿易賬項確認之減值虧損	(792)	—	—	—	(792)
Impairment loss recognised in respect of other receivables	就應收其他賬項確認之減值虧損	(1,478)	—	(639)	(9)	(2,126)
Written off of property, plant and equipment	撤銷物業、廠房及設備	—	—	—	(63)	(63)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	149	—	—	—	149
Net unrealised losses on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之未變現虧損淨額	—	—	—	(1,377)	(1,377)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(759)	(80)	(1,207)	(983)	(3,029)
Amortisation of intangible asset	無形資產攤銷	—	(8)	—	—	(8)
Amortisation of land use rights	土地使用權攤銷	—	—	(463)	—	(463)
Written-down of inventories as cost of revenue	撇減存貨作為收入成本	(21,426)	—	—	—	(21,426)
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	(9,316)	(77,880)	—	—	(87,196)
Addition of property, plant and equipment	添置物業、廠房及設備	822	—	9	2,788	3,619
Share of profit of associates	應佔聯營公司溢利	474	—	—	—	474
Finance cost	融資成本	(14,168)	—	(560)	(7,704)	(25,468)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

9. OPERATING SEGMENTS (continued)

(c) Other segment information (continued)

Year ended 31 March 2019

Amounts regularly provided to the CODM but not included in the measure of segment result:

9. 經營分部(續)

(c) 其他分部資料(續)

截至二零一九年三月三十一日止年度

定期向主要經營決策者呈列但於計量分部業績時並無計入之金額：

		Mobile technologies business 手機技術業務 HK\$'000 千港元	Tourism and hospitality business 旅遊及消閒業務 HK\$'000 千港元	Gamma ray irradiation services 伽瑪射線照射服務 HK\$'000 千港元	Other operations—securities trading and investment 其他業務—證券買賣及投資 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interest income from financial institutions	來自金融機構之利息收入	21	—	3	—	—	24
Exchange gain (loss), net	匯兌收益(虧損)淨額	(1,654)	—	—	—	(209)	(1,863)

Year ended 31 March 2018

截至二零一八年三月三十一日止年度

		Mobile technologies business 手機技術業務 HK\$'000 千港元	Tourism and hospitality business 旅遊及消閒業務 HK\$'000 千港元	Gamma ray irradiation services 伽瑪射線照射服務 HK\$'000 千港元	Other operations—securities trading and investment 其他業務—證券買賣及投資 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interest income from associates	來自聯營公司之利息收入	29,937	—	—	—	—	29,937
Reversal of impairment loss on trade receivables	撥回就應收貿易賬項確認之減值虧損	—	642	—	—	—	642
Reversal of impairment loss on other receivables	撥回就應收其他賬項確認之減值虧損	—	6,000	—	—	—	6,000
Loss on disposal on available-for-sale financial asset	出售可供出售金融資產之虧損	—	(1,300)	—	—	—	(1,300)
Impairment loss on other receivables	應收其他賬項之減值虧損	—	(231)	—	—	—	(231)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	(45)	—	—	—	(45)
Net unrealised losses on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之未變現虧損淨額	—	—	—	(1,077)	—	(1,077)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(731)	(478)	(2,376)	—	(173)	(3,758)
Amortisation of intangible asset	無形資產攤銷	—	(8)	—	—	—	(8)
Amortisation of land use rights	土地使用權攤銷	—	—	(463)	—	—	(463)
Impairment loss on goodwill	商譽之減值虧損	—	(56,901)	—	—	—	(56,901)
Further acquisition of an associate	進一步收購一間聯營公司	120,615	—	—	—	—	120,615
Addition of property, plant and equipment	添置物業、廠房及設備	1,182	—	11	—	13	1,206
Addition of property, plant and equipment and intangible asset through step acquisition of a subsidiary	透過逐步收購一間附屬公司添置物業、廠房及設備以及無形資產	754	—	—	—	—	754
Share of loss of associates	應佔聯營公司虧損	(13,332)	—	—	—	—	(13,332)
Share of loss of a joint venture	應佔一間合營企業虧損	(9,652)	—	—	—	—	(9,652)
Finance cost	融資成本	(5,437)	(5,098)	(567)	(2,783)	(1,794)	(15,679)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

9. OPERATING SEGMENTS (continued)

(c) Other segment information (continued)

Amounts regularly provided to the CODM but not included in the measure of segment result:

	Mobile technologies business 手機技術業務 HK\$'000 千港元	Tourism and hospitality business 旅遊及消閒業務 HK\$'000 千港元	Gamma ray irradiation services 伽瑪射線照射服務 HK\$'000 千港元	Other operations—securities trading and investment 其他業務—證券買賣及投資 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interest income from financial institutions 來自金融機構之利息收入	61	—	5	—	489	555
Exchange gain (loss), net 匯兌收益(虧損)淨額	1,198	(23)	—	—	5,350	6,525

(d) Geographical information

The Group's operations are located in Hong Kong and the PRC.

Information about the Group's revenue from external customers is presented based on the location of customers.

9. 經營分部(續)

(c) 其他分部資料(續)

定期向主要經營決策者呈列但於計量分部業績時並無計入之金額：

(d) 地區資料

本集團之業務位於香港及中國。

有關本集團來自外部客戶之收入資料乃基於客戶位置呈列。

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong 香港	5,227	7,467
The PRC 中國	39,353	46,015
	<u>44,580</u>	<u>53,482</u>

Information about the Group's non-current assets (excluded financial instruments) is presented based on the geographical locations of the assets.

有關本集團非流動資產(不包括金融工具)之資料乃基於資產地理位置呈列。

Notes to the Consolidated Financial Statements (continued)
綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

9. OPERATING SEGMENTS (continued)
(d) Geographical information (continued)9. 經營分部(續)
(d) 地區資料(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	190,887	274,259
The PRC	中國	15,255	18,771
Russian Federation	俄羅斯聯邦	—	334,003
		<u>206,142</u>	<u>627,033</u>

Information about major customers

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

有關主要客戶之資料

於相應年度佔本集團總收入超過10%之客戶收入如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A ¹	客戶甲 ¹	6,334	12,510
Customer B ¹	客戶乙 ¹	<u>4,471</u>	<u>9,452</u>

¹ Revenue from mobile technologies business¹ 來自手機技術業務之收入

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

10. OTHER INCOME, GAINS AND LOSSES, NET**10. 其他收入、收益及虧損淨額**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income from financial institutions	來自金融機構之利息收入	24	555
Loss on disposal of available-for-sale financial asset	出售可供出售金融資產之虧損	—	(1,300)
Gain (loss) on disposal of property, plant and equipment	出售物業、廠房及設備之收益(虧損)	149	(45)
Written-off of property, plant and equipment	物業、廠房及設備之撇銷	(63)	—
Interest income from associates	來自聯營公司之利息收入	32,964	29,937
Net unrealised losses on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之未變現虧損淨額	(1,377)	(1,077)
Exchange (loss) gain, net	匯兌(虧損)收益淨額	(1,863)	6,525
Government grants	政府補貼	190	—
		30,024	34,595

11. FINANCE COSTS**11. 融資成本**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interests on:	下列項目之利息：		
Bank borrowings	銀行借貸	560	567
Margin account payable	應付孖展賬戶款項	3,036	2,783
Placing notes at effective interest rates	按實際利率計息之配售票據	1,812	1,794
Early redemption of placing notes	提前贖回配售票據	261	—
Overdue royalty fee payable	逾期應付專利權費	7,939	2,570
Other borrowings	其他借貸	11,860	7,965
		25,468	15,679

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

12. IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET OF REVERSAL

12. 金融資產之減值虧損(扣除撥回)

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註			
Reversal of impairment losses on:		下列款項減值虧損之撥回：		
Trade receivables	7(b)&24	應收貿易賬項	64	642
Other receivables	7(b)&24	其他應收賬項	30	6,000
Impairment losses on:		下列款項之減值虧損：		
Trade receivables	7(b)&24	應收貿易賬項	(792)	—
Other receivables	7(b)&24	其他應收賬項	(2,126)	(231)
Amounts due from associates	7(b)&21	應收聯營公司賬款	(610,077)	—
			(612,901)	6,411

13. INCOME TAX CREDIT

13. 所得稅抵免

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred taxation (Note 30)	遞延稅項(附註30)	(2,502)	(1,821)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，其引入兩級利得稅稅率制度。條例草案於二零一八年三月二十八日簽署成為法律並於翌日刊登憲報。根據兩級利得稅稅率制度，合資格集團實體的首2百萬港元溢利將按8.25%的稅率徵稅，而超過2百萬港元的溢利將按16.5%的稅率徵稅。不符合兩級利得稅稅率制度的集團實體的溢利將繼續按16.5%的標準稅率徵稅。

董事認為，實行兩級利得稅稅率制度所涉及之金額對綜合財務報表的影響而言並不重大。該兩個年度的香港利得稅乃按估計應課稅溢利之16.5%計算。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

13. INCOME TAX CREDIT (continued)

No provision for taxation in Hong Kong has been made for both years ended 31 March 2019 and 2018 as the Group did not generate any assessable profits arising in Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years ended 31 March 2019 and 2018.

The income tax credit for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss as follows:

13. 所得稅抵免(續)

由於本集團於截至二零一九年及二零一八年三月三十一日止兩個年度均無在香港產生任何應課稅溢利，故並無作出香港稅項撥備。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於截至二零一九年及二零一八年三月三十一日止兩個年度之稅率為25%。

本年度所得稅抵免可與綜合損益表內除稅前虧損對賬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before tax	除稅前虧損	(1,308,452)	(301,515)
Tax at applicable domestic income tax rate of 16.5% (2018: 16.5%)	按適用本地所得稅稅率16.5% (二零一八年：16.5%)計算之稅項	(215,895)	(49,750)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	198,660	33,046
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(5,541)	(7,186)
Tax effect of temporary differences not recognised for the year	本年度未確認之暫時差異之稅務影響	—	1
Tax effect of tax losses not recognised	未確認之稅務虧損之稅務影響	31,131	25,099
Tax effect of share of (profit) loss of associates	應佔聯營公司之(溢利)虧損之稅務影響	(78)	2,200
Tax effect of share of loss of a joint venture	應佔一間合營企業之虧損之稅務影響	—	1,593
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區營業之附屬公司不同稅率之影響	(10,779)	(6,824)
Income tax credit for the year	本年度所得稅抵免	(2,502)	(1,821)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

14. LOSS FOR THE YEAR

14. 本年度虧損

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss for the year has been arrived at after charging:	本年度虧損乃於扣除下列項目後得出：		
Staff costs	員工成本		
— directors' emoluments (excluding share-based payments) (Note 15)	— 董事酬金(不包括以股份為基礎之付款)(附註15)	7,777	7,731
— salaries and bonus	— 薪金及獎金	16,850	25,851
— retirement benefits scheme contributions (Note 33)	— 退休福利計劃供款(附註33)	1,328	1,388
— share-based payments (Note 36)	— 以股份為基礎之付款(附註36)	52,368	20,421
		<u>78,323</u>	<u>55,391</u>
Auditors' remuneration	核數師酬金		
— audit services	— 審核服務	1,824	1,510
— non-audit services	— 非審核服務	—	80
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,029	3,758
Amortisation of intangible asset	無形資產攤銷	8	8
Amortisation of land use rights	土地使用權攤銷	463	463
Operating lease payments	經營租賃付款	7,810	12,589
Cost of inventories recognised as an expense	確認為開支之存貨成本	69,600	30,311
Written-down of inventories recognised as cost of revenue	確認為收入成本之存貨撇減	21,426	—
Royalty fee	專利權費	<u>57,448</u>	<u>54,865</u>

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the years, disclosed pursuant to the applicable Listing Rules and the CO, is as follows:

For the year ended 31 March 2019

15. 董事及行政總裁酬金

根據適用上市規則及公司條例披露之董事及行政總裁本年度酬金如下：

截至二零一九年三月三十一日止年度

		Salaries and other benefits	Retirement benefits scheme	Shared-based payments		Total	
		Fees	in kind	contributions	Sub-total		
		袍金	薪金及其他實物利益	退休福利計劃供款	小計	以股份為基礎之付款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事						
Mr. Zhang Yi (Chairman)	張依先生(主席)	30	330	18	378	46	424
Mr. Yeung Chun Wai, Anthony	楊俊偉先生	—	3,582	18	3,600	17,400	21,000
Ms. Chu Wei Ning (Chief Executive Officer)	祝蔚寧女士(行政總裁)	—	2,640	18	2,658	17,400	20,058
Mr. Wong King Shiu, Daniel	黃景兆先生	360	—	—	360	46	406
Independent non-executive directors	獨立非執行董事						
Mr. Wong Hoi Kuen (Note e)	黃海權先生(附註e)	35	—	—	35	—	35
Mr. Chan Chi Yuen	陳志遠先生	120	—	—	120	46	166
Mr. Chan Kee Huen, Michael (Note c)	陳記煊先生(附註c)	240	—	—	240	15	255
Mr. Han Chunjian (Note c)	韓春劍先生(附註c)	240	—	—	240	15	255
Mr. Chan Fong Kong, Francis (Note f)	陳方剛先生(附註f)	146	—	—	146	—	146
		1,171	6,552	54	7,777	34,968	42,745

Notes to the Consolidated Financial Statements (continued)
綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

15. DIRECTORS' AND CHIEF EXECUTIVE'S
EMOLUMENTS (continued)
For the year ended 31 March 2018

15. 董事及行政總裁酬金(續)

截至二零一八年三月三十一日止年度

		Fees	Salaries and other benefits in kind 薪金及其他 實物利益	Retirement benefits scheme contributions 退休福利 計劃供款	Total
		袍金 HK\$ ' 000 千港元	HK\$ ' 000 千港元	HK\$ ' 000 千港元	總計 HK\$ ' 000 千港元
Executive directors	執行董事				
Mr. Zhang Yi (Chairman)	張依先生(主席)	30	330	18	378
Mr. Yeung Chun Wai, Anthony	楊俊偉先生	—	3,582	18	3,600
Ms. Chu Wei Ning (Chief Executive Officer)	祝蔚寧女士(行政總裁)	—	2,640	18	2,658
Mr. Wong King Shiu, Daniel	黃景兆先生	210	218	9	437
Independent non-executive directors	獨立非執行董事				
Mr. Wong Hoi Kuen (Note e)	黃海權先生(附註e)	120	—	—	120
Mr. Chan Chi Yuen	陳志遠先生	120	—	—	120
Mr. Lee Chi Ming (Note d)	李志明先生(附註d)	120	—	—	120
Mr. Chan Kee Huen, Michael (Note c)	陳記煊先生(附註c)	149	—	—	149
Mr. Han Chunjian (Note c)	韓春劍先生(附註c)	149	—	—	149
		898	6,770	63	7,731

Notes:

- (a) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (b) The independent non-executive directors' emoluments shown above were for their services as the Directors.
- (c) Appointed on 18 August 2017
- (d) Retired on 26 September 2017
- (e) Resigned on 16 July 2018
- (f) Appointed on 23 August 2018

There were no arrangement under which a director or the chief executive waived or agreed to waive any emoluments during the years ended 31 March 2019 and 2018.

附註:

- (a) 上文所示執行董事之酬金乃為彼等提供有關管理本公司及本集團事務之服務而支付。
- (b) 上文所示獨立非執行董事之酬金乃為彼等以董事身份提供服務而支付。
- (c) 於二零一七年八月十八日獲委任
- (d) 於二零一七年九月二十六日退任
- (e) 於二零一八年七月十六日辭任
- (f) 於二零一八年八月二十三日獲委任

於截至二零一九年及二零一八年三月三十一日止年度，並無董事或行政總裁放棄或同意放棄任何酬金之安排。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

During the year ended 31 March 2019, certain directors were granted awarded shares, in respect of their services to the Group under the share award scheme of the Company. Details of the share award scheme are set out in Note 36 to the consolidated financial statements. The amount of the awarded shares is determined according to their seniority and contributions to the mobile technologies business and expected future contributions.

16. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year include two (2018: two) directors, details of whose remuneration are set out in Note 15 to the consolidated financial statements above. Details of the remuneration for the year of the remaining three (2018: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

15. 董事及行政總裁酬金(續)

於截至二零一九年三月三十一日止年度，若干董事根據本公司之股份獎勵計劃就彼等向本集團提供之服務獲授獎勵股份。股份獎勵計劃詳情載於綜合財務報表附註36。獎勵股份數額乃按照彼等之年資、對手機技術業務之貢獻及預期日後之貢獻釐定。

16. 五名最高薪僱員

本集團年內五名最高薪僱員包括兩名(二零一八年：兩名)董事，彼等之薪酬詳情載於上文綜合財務報表附註15。其餘三名(二零一八年：三名)並非本公司董事或行政總裁之最高薪僱員本年度之薪酬詳情如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and bonus	薪金及花紅	3,359	3,525
Share-based payments	以股份為基礎之付款	17,400	16,744
Retirement benefits scheme contributions	退休福利計劃供款	51	37
		20,810	20,306

The number of the highest paid employees who are not the Directors whose remuneration fell within the following bands is as follows:

薪酬介乎以下範圍之非董事最高薪僱員人數如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Up to HK\$1,000,000	1,000,000港元以下	1	—
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	—	1
HK\$16,000,001 to HK\$16,500,000	16,000,001港元至16,500,000港元	—	1
HK\$18,500,001 to HK\$19,000,000	18,500,001港元至19,000,000港元	1	—

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

17. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2019, nor has any dividend been proposed since the end of the reporting period (2018: Nil).

17. 股息

截至二零一九年三月三十一日止年度並無就本公司普通股派付或擬派任何股息，自報告期末以來亦無擬派任何股息(二零一八年：無)。

18. LOSS PER SHARE

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

18. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據下列數據計算：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	(1,298,305)	(294,509)

計算每股基本及攤薄虧損所用之
本公司擁有人應佔本年度虧損

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 (Restated) 千港元 (經重列)

Number of shares

股份數目

Weighted average number of ordinary shares for the purpose of basic and diluted loss per share

計算每股基本及攤薄虧損所用之普通股
加權平均數

3,577,097

3,446,888

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share has been adjusted for the share consolidation on 3 August 2018.

每股基本及攤薄虧損之普通股加權平均數已就於二零一八年八月三日所進行的股份合併而作出調整。

The computation of diluted loss per share for the year ended 31 March 2018 and 2019 does not assume the conversion of the Company's outstanding share options because the exercise price of those options was higher than the average market price for shares.

由於該等購股權之行使價高於股份平均市價，計算截至二零一八年及二零一九年三月三十一日止年度之每股攤薄虧損並無假設本公司的尚未行使購股權已獲轉換。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

19. PROPERTY, PLANT AND EQUIPMENT

19. 物業、廠房及設備

		Leasehold buildings 租賃樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Furniture, and fixtures 傢俬及裝置 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本						
At 1 April 2017	於二零一七年四月一日	7,199	2,571	26,410	4,837	1,938	42,955
Additions	添置	—	—	11	—	1,195	1,206
Acquired on step acquisition of a subsidiary (Note 37)	逐步收購一間附屬公司時購入者 (附註37)	—	—	—	—	782	782
Disposals	出售	—	—	—	—	(115)	(115)
Written-off	撇銷	—	(39)	—	(810)	(126)	(975)
Exchange adjustments	匯兌調整	781	56	2,971	103	66	3,977
At 31 March 2018	於二零一八年三月三十一日	7,980	2,588	29,392	4,130	3,740	47,830
Additions	添置	—	2,627	9	735	248	3,619
Disposals	出售	—	—	—	(3,134)	(328)	(3,462)
Written-off	撇銷	—	—	—	—	(101)	(101)
Exchange adjustments	匯兌調整	(512)	—	(1,879)	(68)	(168)	(2,627)
At 31 March 2019	於二零一九年三月三十一日	7,468	5,215	27,522	1,663	3,391	45,259
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值						
At 1 April 2017	於二零一七年四月一日	2,422	1,937	22,291	2,476	983	30,109
Provided for the year	本年度撥備	374	281	1,916	687	500	3,758
Step acquisition of a subsidiary (Note 37)	逐步收購一間附屬公司(附註37)	—	—	—	—	34	34
Disposals	出售	—	—	—	—	(70)	(70)
Written-off	撇銷	—	(39)	—	(810)	(126)	(975)
Exchange adjustments	匯兌調整	285	56	2,539	94	64	3,038
At 31 March 2018	於二零一八年三月三十一日	3,081	2,235	26,746	2,447	1,385	35,894
Provided for the year	本年度撥備	329	711	809	423	757	3,029
Disposals	出售	—	—	—	(1,470)	(109)	(1,579)
Written-off	撇銷	—	—	—	—	(38)	(38)
Exchange adjustments	匯兌調整	(198)	—	(1,719)	(64)	(52)	(2,033)
At 31 March 2019	於二零一九年三月三十一日	3,212	2,946	25,836	1,336	1,943	35,273
NET CARRYING VALUES	賬面淨值						
At 31 March 2019	於二零一九年三月三十一日	4,256	2,269	1,686	327	1,448	9,986
At 31 March 2018	於二零一八年三月三十一日	4,899	353	2,646	1,683	2,355	11,936

The Group's leasehold buildings are situated in the PRC held under medium term lease.

本集團之租賃樓宇位於中國，根據中期租賃持有。

As at 31 March 2019, the Group's leasehold buildings with carrying value of approximately HK\$4,256,000 (2018: HK\$4,899,000) are pledged to secure a bank borrowing granted to the Group (Note 29).

於二零一九年三月三十一日，本集團賬面值約4,256,000港元(二零一八年：4,899,000港元)之租賃樓宇已作質押，以擔保本集團獲授之銀行借貸(附註29)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

19. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation expense of approximately HK\$1,016,000 (2018: HK\$2,304,000) has been included in cost of revenue and approximately HK\$2,013,000 (2018: HK\$1,454,000) included in administrative expenses, respectively.

The above items of property, plant and equipment, are depreciated on a straight-line basis over their estimated useful life as follows:

Leasehold buildings	20 years
Leasehold improvements	2–3 years
Plant and machinery	3–20 years
Motor vehicles	4–8 years
Furniture and fixtures	3–10 years

20. LAND USE RIGHTS**19. 物業、廠房及設備(續)**

折舊開支中，約1,016,000港元(二零一八年：2,304,000港元)已計入收入成本，而約2,013,000港元(二零一八年：1,454,000港元)則計入行政費用。

以上物業、廠房及設備項目於以下估計可使用年期內以直線法計算折舊：

租賃樓宇	20年
租賃物業裝修	2至3年
廠房及機器	3至20年
汽車	4至8年
傢俬及裝置	3至10年

20. 土地使用權

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
COST	成本		
At 1 April	於四月一日	13,370	12,065
Exchange adjustments	匯兌調整	(858)	1,305
At 31 March	於三月三十一日	12,512	13,370
ACCUMULATED AMORTISATION	累計攤銷		
At 1 April	於四月一日	3,978	3,146
Charged for the year	本年度扣除	463	463
Exchange adjustments	匯兌調整	(257)	369
At 31 March	於三月三十一日	4,184	3,978
NET CARRYING VALUES	賬面淨值		
At 31 March	於三月三十一日	8,328	9,392

The Group's land use rights are situated in the PRC with medium term leases.

As at 31 March 2019, the Group's land use rights with carrying value of approximately HK\$8,328,000 (2018: HK\$9,392,000) are pledged to secure a bank borrowing granted to the Group (Note 29).

本集團之土地使用權位於中國境內，屬中期租賃。

於二零一九年三月三十一日，本集團賬面值約8,328,000港元(二零一八年：約9,392,000港元)之土地使用權已作質押，以擔保本集團獲授之銀行借貸(附註29)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

21. INTERESTS IN ASSOCIATES

21. 於聯營公司之權益

		2019 HK\$'000	2018 HK\$'000
Unlisted cost of investment	非上市投資成本	361,830	361,830
Share of post acquisition loss of associates	應佔聯營公司之收購後虧損	(33,578)	(34,052)
Exchange adjustments	匯兌調整	3,100	6,225
		331,352	334,003
Less: Accumulated impairment loss (Note ii)	減：累計減值虧損(附註ii)	(331,352)	—
		—	334,003
Amounts due from associates (Note i)	應收聯營公司款項(附註i)	633,551	579,614
Less: Allowance for credit loss (Note ii)	減：信貸虧損備抵(附註ii)	(633,551)	—
		—	579,614
		—	913,617

The Company entered into an original sale and purchase agreement dated 8 October 2015, the deed of amendment dated 23 December 2015 and the second deed of amendment dated 29 March 2016, with an independent third party (the "First Seller") in relation to acquisition of 30% equity interest in Yota, a company incorporated in the Cayman Islands with limited liability (the "First Acquisition"). The total cash consideration of USD46,225,000 (equivalent to approximately HK\$358,891,000) was paid by the Group, among which USD31,068,000 (equivalent to approximately HK\$241,215,000) was cost of acquisition for 30% equity interest in Yota and USD15,157,000 (equivalent to approximately HK\$117,676,000) was the cost of acquisition for a balance owed by a subsidiary of Yota to the First Seller, the balance was repayable on demand and classified as current assets. The First Acquisition was completed on 29 April 2016.

本公司與一名獨立第三方(「第一賣方」)訂立日期為二零一五年十月八日之原有買賣協議、日期為二零一五年十二月二十三日之修訂契據及日期為二零一六年三月二十九日之第二份修訂契據，內容有關收購Yota(於開曼群島註冊成立之有限公司)30%股本權益(「第一收購事項」)。總現金代價46,225,000美元(相等於約358,891,000港元)已由本集團支付，其中31,068,000美元(相等於約241,215,000港元)為收購Yota 30%股本權益之成本，而15,157,000美元(相等於約117,676,000港元)為收購Yota之一間附屬公司欠第一賣方之結餘的成本，有關結餘須應要求償還並分類為流動資產。第一收購事項於二零一六年四月二十九日完成。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

21. INTERESTS IN ASSOCIATES (continued)

On 9 February 2018, China Baoli Technologies Services Limited ("Baoli Services"), a wholly-owned subsidiary of the Company, entered into an agreement (the "Second Agreement") with an independent third party (the "Second Seller") in relation to acquisition of 10% equity interest in Yota at a consideration of USD15,500,000 (equivalent to approximately HK\$120,615,000) (the "Second Acquisition"). Pursuant to the Second Agreement, the consideration will be satisfied by cash and the issuance of shares of the Company in the following manner:

- (i) USD140,000 (equivalent to approximately HK\$1,089,000) by payment in cash within 3 business days of the date of the Second Agreement which shall be applied towards the consideration upon the completion;
- (ii) USD360,000 (equivalent to approximately HK\$2,801,000) by payment in cash upon the completion;
- (iii) the settlement of USD10,500,000 (equivalent to approximately HK\$81,690,000) by way of allotment and issue of the first tranche consideration shares; and
- (iv) the settlement of the remaining USD4,500,000 (equivalent to approximately HK\$35,035,000) on the date falling 180 days after the completion date. Baoli Services shall provide a notice to the Second Seller in writing no later than 3 business days before the 180th day after the completion date electing whether the remaining payment will be settled by way of allotment and issue of the second tranche consideration shares or in cash.

The Second Acquisition was completed on 29 March 2018. On the same date, the first tranche of consideration shares of 593,246,187 have been duly issued and allotted to the Second Seller. On 26 September 2018, the second tranche of consideration shares of 25,424,836 (adjusted to take into account of the Share Consolidation as defined in Note 31) have been duly issued and allotted to the Second Seller. The details are set out in the announcements of the Company dated 11 February 2018, 9 March 2018, 29 March 2018 and 26 September 2018 respectively.

21. 於聯營公司之權益(續)

於二零一八年二月九日，中國寶力科技服務有限公司(「寶力服務」，本公司之全資附屬公司)與一名獨立第三方(「第二賣方」)訂立協議(「第二份協議」)，內容有關收購Yota 10%股本權益，代價為15,500,000美元(相等於約120,615,000港元)(「第二收購事項」)。根據第二份協議，代價將按下列方式以現金及發行本公司股份支付：

- (i) 140,000美元(相等於約1,089,000港元)於第二份協議日期後三個營業日內以現金支付，其將於完成後用作代價；
- (ii) 360,000美元(相等於約2,801,000港元)於完成時以現金支付；
- (iii) 10,500,000美元(相等於約81,690,000港元)以配發及發行第一批代價股份之方式支付；及
- (iv) 餘額4,500,000美元(相等於約35,035,000港元)於完成日期後第180日支付。寶力服務應於完成日期後第180日前不少於三個營業日向第二賣方發出書面通知，選擇以配發及發行第二批代價股份或以現金支付餘額。

第二收購事項於二零一八年三月二十九日完成。同日，第一批代價股份593,246,187股已妥為向第二賣方發行及配發。於二零一八年九月二十六日，第二批代價股份25,424,836股(經調整以計及附註31所界定的股份合併)已向第二賣方悉數發行及配發。詳情載於本公司日期分別為二零一八年二月十一日、二零一八年三月九日、二零一八年三月二十九日及二零一八年九月二十六日之公告。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

21. INTERESTS IN ASSOCIATES (continued)

Given the Group does not control the majority composition of the board of directors of Yota, the Group has no control over Yota. However, the Directors consider that the Group can exercise significant influence over Yota as the Group has appointed representatives to the board of directors of Yota. Yota and its subsidiaries (collectively referred to as the "Yota Group") is therefore classified as associates of the Group.

Notes:

- (i) The amounts due from associates are unsecured, repayable on demand and interest bearing at the following rates:

Interest free borrowing	免息借貸
7% borrowing	7厘借貸
8% borrowing	8厘借貸

Included in the amounts due from associates is the following amount denominated in currency other than the group entities' functional currencies:

USD	美元
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- (ii) As stated in Note 2 to the consolidated financial statements, after taking into account of the Order, the winding-up petition and the net liabilities of Yota, the Directors is of the view that a full impairment on interests in associates and amounts due from associates of the Group should be made.

Details of impairment assessment of amounts due from associates for the year ended 31 March 2019 are set out in Note 7(b).

21. 於聯營公司之權益(續)

鑑於本集團並無控制Yota董事會之大部分成員組合，因此本集團對Yota並無控制權。然而，由於本集團已委派代表至Yota董事會，故董事認為本集團可對Yota行使重大影響力。因此，Yota及其附屬公司(統稱「Yota集團」)被分類為本集團之聯營公司。

附註：

- (i) 應收聯營公司款項為無抵押、須應要求償還及按下列利率計息：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
119,329	119,312
127,723	120,423
386,499	339,879
633,551	579,614

應收聯營公司款項中包括以下以集團實體功能貨幣以外貨幣計值之金額：

2019 二零一九年 '000 千元	2018 二零一八年 '000 千元
80,714	73,853

- (ii) 誠如綜合財務報表附註2所述，經計及命令、清盤請求及Yota的負債淨額，董事認為，應對於聯營公司的權益及應收本集團聯營公司款項作出充分減值。

截至二零一九年三月三十一日止年度之應收聯營公司款項之減值評估詳情載於附註7(b)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

21. INTERESTS IN ASSOCIATES (continued)

Details of each of the Group's material associates at the end of the reporting period are as follows:

Name of entities 實體名稱	Place of incorporation/ Principal place of operation 註冊成立地點/ 主要營業地點	Proportion of ownership interest held by the Group 本集團所持 擁有權益之比例		Proportion of voting rights held by the Group 本集團所持表決權之比例		Principal activities 主要業務
		2019	2018	2019	2018	
		二零一九年	二零一八年	二零一九年	二零一八年	
Yota [^]	Cayman Islands/ Cayman Islands 開曼群島/開曼群島	40%	40%	40%	40%	Investment Holding 投資控股
Yota Device Ltd ^{^#}	Republic of Cyprus/ Republic of Cyprus 塞浦路斯共和國/ 塞浦路斯共和國	40%	40%	40%	40%	Research and development of Yota Devices hardware and software, marketing, certification, selling goods, management of supply chain and production Yota Devices 硬件和軟件研發、市場營銷、認證、銷售貨物、供應鏈及生產管理
Yota Device IPR Ltd ^{^#}	British Virgin Islands/ British Virgin Islands 英屬處女群島/英屬處女群島	40%	40%	40%	40%	Asset holding and management 資產持有及管理
Yota Device LLC ^{^#}	Russian Federation/ Russian Federation 俄羅斯聯邦/俄羅斯聯邦	40%	40%	40%	40%	Research and development of Yota Devices software, marketing, certification and selling goods Yota Devices 軟件研發、市場營銷、認證及銷售貨物
Yota Device Oy ^{^#}	Finland/Finland 芬蘭/芬蘭	40%	40%	40%	40%	Research and development of Yota Devices hardware and software Yota Devices 硬件及軟件研發

[^] Not audited by Asian Alliance (HK) CPA Limited

[#] Wholly-owned subsidiary of Yota

All of the above associates are accounted for using the equity method in the consolidated financial statements.

21. 於聯營公司之權益(續)

於報告期末，本集團各間重大聯營公司之詳情如下：

[^] 並非由華融(香港)會計師事務所有限公司審核

[#] Yota 之全資附屬公司

上述所有聯營公司乃使用權益法於綜合財務報表入賬。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

21. INTERESTS IN ASSOCIATES (continued)

The following table summarised the recognised amounts of the associates' assets acquired and liabilities assumed at the date of the Second Acquisition.

21. 於聯營公司之權益(續)

下表概述於第二收購事項日期所收購聯營公司資產及所承擔聯營公司負債之已確認金額。

		Recognised values on Second Acquisition 進行第二 收購事項時之 已確認價值 HK\$ '000 千港元
Intangible assets — Trademarks	無形資產 — 商標	1,750,125
Other non-current assets	其他非流動資產	494
Current assets	流動資產	77,940
Current liabilities	流動負債	(841,217)
Non-current liabilities	非流動負債	(1,758)
Deferred tax liabilities	遞延稅項負債	(347,592)
Net assets	淨資產	637,992
Consideration for the Second Acquisition	第二收購事項之代價	120,615
Less: The Group's 10% share of the fair value of the identifiable net assets of the associates at the date of the Second Acquisition	減：於第二收購事項日期本集團應佔該等聯營公司可識別淨資產公平值之10%	(63,799)
Goodwill arising on Second Acquisition	第二收購事項產生之商譽	56,816

Note:

Intangible assets represent the trademarks owned by an associate. At the dates of the Second Acquisition, the fair value of the intangible asset of USD222,997,000 (equivalent to approximately HK\$1,750,125,000) was determined based on valuations carried out by an independent professional valuer. The valuer has recent experience in the category of assets being valued. The management had discussed with the valuer on the valuation assumptions and results when the valuation was performed at the date of the Second Acquisition.

In the opinion of the Directors, Yota Group is well recognised as a renowned dual screen always-on smartphone developer and the management of the Yota Group has the intention and ability to maintain the trademarks, the economic useful life of the trademarks has been estimated as indefinite.

附註：

無形資產指由一間聯營公司擁有之商標。於進行第二收購事項之日，無形資產之公平值222,997,000美元(相等於約1,750,125,000港元)乃基於獨立專業估值師進行之估值釐定。估值師擁有近期為所估值資產類別進行估值之經驗。管理層已與估值師討論於進行第二收購事項之日作出估值時之估值假設及結果。

董事認為，Yota集團為廣受認可之知名雙屏持續顯示智能手機開發商，Yota集團之管理層有意亦有能力繼續持有該等商標，而商標之經濟可使用年期估計為無限期。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

21. INTERESTS IN ASSOCIATES (continued)**Summarised financial information of associates**

The associates are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's associates is set out below. The summarised financial information below represents amounts shown in the Yota Group's consolidated financial statements prepared in accordance with International Financial Reporting Standards.

21. 於聯營公司之權益(續)**聯營公司之財務資料概要**

該等聯營公司乃使用權益法於綜合財務報表入賬。

本集團聯營公司之財務資料概要載列如下。以下財務資料概要為按照國際財務報告準則編製之Yota集團綜合財務報表所示之金額。

		Yota Group Yota 集團	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	106,594	77,940
Non-current assets	非流動資產	11,805	11,772
Current liabilities	流動負債	(878,681)	(841,217)
Non-current liabilities	非流動負債	—	(1,758)
		Yota Group Yota 集團	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收入	27,653	55,682
Profit (loss) for the year	本年度溢利(虧損)	1,185	(44,441)
Other comprehensive (expense) income for the year	本年度其他全面(支出)收入	(7,920)	4,351
Total comprehensive expense for the year	本年度全面支出總額	(6,735)	(40,090)
Dividends received by the Group	本集團收取之股息	—	—

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

21. INTERESTS IN ASSOCIATES (continued)**Summarised financial information of associates (continued)**

Reconciliation of the above summarised financial information to the carrying amount of the interests in associates recognised in the consolidated financial statements:

21. 於聯營公司之權益(續)**聯營公司之財務資料概要(續)**

上述財務資料概要與綜合財務報表內確認之聯營公司權益之賬面值之對賬：

		Yota Group Yota集團	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net liabilities attributable to the owners	擁有人應佔淨負債	(760,282)	(753,263)
Proportion of the Group's ownership interest	本集團擁有權權益之比例	40%	40%
Goodwill	商譽	(304,113)	(301,305)
Effect of fair value adjustments at acquisition	於收購時作出公平值調整之影響	301,735	301,695
Pre-acquisition loss	收購前虧損	234,262	234,262
		99,468	99,351
Carrying amount of the Group's interest	本集團權益之賬面值	331,352	334,003

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

22. GOODWILL

22. 商譽

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
COST	成本		
At 1 April	於四月一日	352,168	343,658
Arising on step acquisition of a subsidiary (Note 37)	因逐步收購一間附屬公司而產生 (附註37)	—	9,233
Exchange adjustments	匯兌調整	806	(723)
At 31 March	於三月三十一日	352,974	352,168
ACCUMULATED IMPAIRMENT LOSSES	累計減值虧損		
At 1 April	於四月一日	80,493	23,592
Impairment loss recognised for the year	年內確認之減值虧損	87,196	56,901
At 31 March	於三月三十一日	167,689	80,493
NET CARRYING AMOUNT	賬面淨值	185,285	271,675

For the purpose of impairment testing, goodwill has been allocated to three cash generating units ("CGUs"), comprising the gamma ray irradiation services segment, tourism and hospitality business segment and mobile technologies business segment. The carrying amounts of goodwill (net of accumulated impairment losses) allocated to these units are as follows:

就減值測試而言，商譽已分配至三個現金產生單位（「現金產生單位」），包括伽瑪射線照射服務分部、旅遊及消閒業務分部以及手機技術業務分部。分配至該等單位之商譽賬面值（已扣除累計減值虧損）如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Gamma ray irradiation services segment	伽瑪射線照射服務分部	—	—
Tourism and hospitality business segment	旅遊及消閒業務分部	185,285	263,165
Mobile technologies business segment	手機技術業務分部	—	8,510
		185,285	271,675

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

22. GOODWILL (continued)**Impairment tests for goodwill***Gamma ray irradiation services segment*

The Group's goodwill from its gamma ray irradiation services segment had been fully impaired in prior years.

Tourism and hospitality business segment

As at 31 March 2019, the Group performed an impairment review for a CGU of tourism and hospitality business segment which was contributed by We Fly Travel Limited ("We Fly"), with reference to a valuation carried out by an independent professional valuer. The recoverable amount of We Fly has been determined based on a value-in-use calculation, which uses a cash flow projection based on financial forecast approved by management covering a 5-year period (2018: 10-year period). As at 31 March 2018, 10-year period financial forecast is adopted for We Fly and is considered appropriate to take into account the growth plans for the business which is still in the start-up stage. The pre-tax discount rate applied to cash flow projection is 13.52% (2018: 13.6%) and cash flow beyond the 5-year period (2018: 10-year period) is extrapolated using a steady 3% (2018: 3%) per annum growth rate. The growth rate used does not exceed the long-term average growth rate for the business in which the CGU operates. Due to the fierce competition in on-line ticketing in travel industry and delay in launching the on-line booking system of hotel rooms, We Fly cannot meet the performance of financial forecast estimated last year. After adjusting above factor, the carrying amount of this CGU exceeds its recoverable amount of HK\$77,880,000. Accordingly, the Group recognised an impairment loss on goodwill in relating to the Group's tourism and hospitality business of approximately HK\$77,880,000 (2018: HK\$56,901,000) for the year ended 31 March 2019.

Mobile technologies business segment

As at 31 March 2018, the Group performed an impairment review for a CGU of mobile technologies business segment which was contributed by 寶力優特科技(深圳)有限公司 (Baoli Yota Technologies (Shenzhen) Limited**) ("Baoli Yota") with reference to a valuation carried out by an independent professional valuer. The recoverable amount of Baoli Yota has been determined based on a value-in-use calculation, which uses a cash flow projection based on financial forecast approved by management covering a 5-year period. The pre-tax discount rate applied to cash flow projection is 15.0% and cash flow beyond the 5-year period is extrapolated using a steady 3% per annum growth rate. The growth rate used does not exceed the long-term average growth rate for the business in which the CGU operates. The recoverable amount of Baoli Yota is higher than the carrying amount. The management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying value of the Baoli Yota to exceed the recoverable amount. Therefore, no impairment loss on goodwill in relating to the Group's mobile technologies business is recognised for the year ended 31 March 2018.

22. 商譽(續)**商譽減值測試***伽瑪射線照射服務分部*

本集團來自其伽瑪射線照射服務分部的商譽已於之前年度悉數減值。

旅遊及消閒業務分部

於二零一九年三月三十一日，本集團已參照由獨立專業估值師進行之估值為旅遊及消閒業務分部之現金產生單位愛飛旅遊有限公司(「愛飛」)進行減值檢討。愛飛之可收回金額乃按使用價值計算法釐定，而使用價值計算法採用經管理層批准之五年期(二零一八年：十年期)財務預測進行之現金流量預測。於二零一八年三月三十一日，本集團為愛飛採納十年期財務預測，而於考慮到仍處於初成立階段之業務之增長計劃後，該預測乃被視為適當。現金流量預測所應用之稅前折現率為13.52% (二零一八年：13.6%)，超過五年期(二零一八年：十年期)之現金流量採用3% (二零一八年：3%) 穩定年增長率推算。就該現金產生單位經營之業務所應用之增長率並不超出長遠平均增長率。由於旅遊業網上售票的激烈競爭及酒店客房網上預訂系統的延遲推出，愛飛無法達成去年估計之財務表現預測。於就上述因素作出調整後，該現金產生單位之賬面值高於可收回金額77,880,000港元。因此，於截至二零一九年三月三十一日止年度，本集團已就與旅遊及消閒業務有關之商譽確認減值虧損約77,880,000港元(二零一八年：56,901,000港元)。

手機技術業務分部

於二零一八年三月三十一日，本集團已參照由獨立專業估值師進行之估值為手機技術業務分部之現金產生單位寶力優特科技(深圳)有限公司(「寶力優特」)進行減值檢討。寶力優特之可收回金額乃按使用價值計算法釐定，而使用價值計算法採用經管理層批准之五年期財務預測進行之現金流量預測。現金流量預測所應用之稅前折現率為15.0%，超過五年期之現金流量採用3% 穩定年增長率推算。就該現金產生單位經營之業務所應用之增長率並不超出長遠平均增長率。寶力優特之可收回金額高於賬面值。管理層相信，任何該等假設之合理可能變動均不會導致寶力優特之賬面總值高於可收回金額。因此，於截至二零一八年三月三十一日止年度，本集團並無就與手機技術業務有關之商譽確認減值虧損。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

22. GOODWILL (continued)

Impairment tests for goodwill (continued)

Mobile technologies business segment (continued)

During the year ended 31 March 2019, the smartphone industry in PRC was under great pressure amid the impact of negative factors including the United States of America and the PRC trade war coupled with the slowing down of economy in the PRC, and the saturation of the smartphone market with the retailers having excessive inventory all played a part in the poor performance of the smartphone market. We have seen smaller smartphone players being forced to exit the market due to the cut-throat competition in the PRC. As such, the management of Baoli Yota determined to switch its business focus on the software development such as internet of things solutions in the future. Due to the change in business model, the future income generated by Baoli Yota is not the same as the CGU arising from step acquisition of Baoli Yota during the year ended 31 March 2018 which is focused on the research and development and sales of dual screen mobile phone. Therefore, the management of the Company considered that the carrying amount of the CGU arising from step acquisition of Baoli Yota is greater than recoverable amount and goodwill impairment of approximately HK\$9,316,000 have been recognised in profit or loss for the year ended 31 March 2019.

Management determined the budgeted sales and gross margins based on past performance, expectation for the market development and planned business strategy. The discount rate used is pre-tax and reflects specific risks relating to gamma ray irradiation services, tourism and hospitality business and mobile technologies business.

23. INVENTORIES

Mobile technologies business

- Raw materials
- Work in progress
- Finished goods

手機技術業務

- 原材料
- 在製品
- 製成品

22. 商譽(續)

商譽減值測試(續)

手機技術業務分部(續)

截至二零一九年三月三十一日止年度，中國智能手機行業被包括中美貿易戰及中國經濟放緩在內的負面因素所影響，面臨巨大壓力。中國智能手機市場飽和，擁有過多存貨的零售商對智能手機市場的糟糕表現有一定的影響。我們目睹了小規模智能手機市場參與者因中國的競爭激烈而被迫退出市場。據此，寶力優特管理層決定將其業務重點轉向軟件開發，例如未來的物聯網解決方案。由於業務模式改變，寶力優特的未來收入與截至二零一八年三月三十一日止年度期間逐步收購寶力優特產生的現金產生單位不一致，其當時主要研發及銷售雙屏手機。因此，本公司管理層認為逐步收購寶力優特產生的現金產生單位之賬面值大於可收回金額及截至二零一九年三月三十一日止年度確認為損益之商譽減值約9,316,000港元。

管理層按過往表現、對市場發展之預期及計劃業務策略決定預算銷售額及毛利率。所用折現率屬稅前折現率，反映與伽瑪射線照射服務、旅遊及消閒業務以及手機技術業務相關之特種風險。

23. 存貨

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Mobile technologies business	手機技術業務		
— Raw materials	— 原材料	4,297	29,254
— Work in progress	— 在製品	2,679	51,175
— Finished goods	— 製成品	4,662	9,221
		<u>11,638</u>	<u>89,650</u>

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

24. TRADE AND OTHER RECEIVABLES

24. 應收貿易及其他賬項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables	應收貿易賬項	9,742	42,457
Less: Allowance for credit losses	減：信貸虧損備抵	(806)	(34,714)
Trade receivables, net (Note a)	應收貿易賬項，淨額(附註a)	8,936	7,743
Other receivables	其他應收賬項	16,838	62,205
Prepayments and deposit paid	預付款項及已付按金	12,605	16,617
		29,443	78,822
Less: Allowance for credit losses (Note b)	減：信貸虧損備抵(附註b)	(2,374)	(28,231)
Other receivables, prepayments and deposit paid, net	其他應收賬項、預付款項及已付按金，淨額	27,069	50,591
		36,005	58,334

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

24. TRADE AND OTHER RECEIVABLES (continued)

Notes:

- (a) The Group allows an average credit period of 30 days to 90 days (2018: 30 days to 180 days) to its trade customers. The following is an aged analysis of trade receivables net of allowance for credit losses, presented based on the invoice date:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 to 30 days	0至30天	1,433	6,568
31 to 90 days	31至90天	2,273	244
91 to 180 days	91至180天	2,798	—
181 to 365 days	181至365天	2,432	931
		8,936	7,743

At 31 March 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$5,230,000 which are past due as at the reporting date. Out of the past due balances, approximately HK\$2,432,000 has been past due 90 days or more are not considered as default by considering the ongoing business relationship, repayment history and expected future settlement. The Group does not hold any collateral over these balances.

At 31 March 2018, the trade receivables are neither past due nor impaired have the best credit scoring attributable under the internal credit scoring system used by the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances and the balances are still considered fully recoverable.

At 31 March 2018, included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK\$1,175,000 which are past due as at the reporting date for which the Group has not provided for impairment loss since the amounts are mainly related to large corporations that have strong financial position and are considered to have good credit quality so that the balance are still considered to be fully recoverable.

24. 應收貿易及其他賬項(續)

附註：

- (a) 本集團給予其貿易客戶平均介乎30天至90天(二零一八年：30天至180天)之信貸期。以下為基於發票日期呈列之應收貿易賬項(已扣除信貸虧損備抵)賬齡分析：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 to 30 days	1,433	6,568
31 to 90 days	2,273	244
91 to 180 days	2,798	—
181 to 365 days	2,432	931
	8,936	7,743

於二零一九年三月三十一日，本集團的應收貿易賬項結餘包括於報告日期已逾期的賬面總值約為5,230,000港元的應收賬項。在逾期結餘中，經考慮持續的業務關係、還款記錄及逾期的未來結算，約2,432,000港元已逾期90天或以上，並無被視為違約。本集團並無就該等結餘持有任何抵押品。

於二零一八年三月三十一日，應收貿易賬項並無逾期或減值，有歸屬於本集團使用的內部評分系統的最佳信用評分。基於過往的經驗，管理層認為，就該等結餘而言減值備抵乃屬不必要，且結餘仍被視為可悉數收回。

於二零一八年三月三十一日，本集團的應收貿易賬項結餘包括於報告日期已逾期的賬面總值約為1,175,000港元的應收賬項，本集團並無就其計提減值虧損撥備，因為該等款項主要涉及財務狀況穩健且被視為信貸素質良好之大型企業，致使該結餘仍被視為可全數收回。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

24. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

(a) (continued)

At 31 March 2018, the aging analysis of trade receivables which are past due but not impaired are as follows:

		2018 二零一八年 HK\$'000 千港元
Neither past due nor impaired	並無逾期或減值	6,568
Less than 6 months	不到6個月	1,119
6 months to 1 year	6個月至1年	56
		<u>7,743</u>

At 31 March 2018, trade receivables of approximately HK\$34,714,000 was individually determined to be impaired. The individually impaired receivable mainly related to a customer that was in financial difficulty due to unfavourable business environment and management assessed that the receivable was generally not recoverable.

The movements of accumulated impairment loss recognised inspect of trade receivables are as follows:

		2018 二零一八年 HK\$'000 千港元
At 1 April	於四月一日	35,356
Reversal of impairment losses	撥回減值虧損	(642)
At 31 March	於三月三十一日	<u>34,714</u>

24. 應收貿易及其他賬項(續)

附註：(續)

(a) (續)

於二零一八年三月三十一日，已逾期但並無減值之應收貿易賬項之賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元
Neither past due nor impaired	並無逾期或減值	6,568
Less than 6 months	不到6個月	1,119
6 months to 1 year	6個月至1年	56
		<u>7,743</u>

於二零一八年三月三十一日，應收貿易賬項約34,714,000港元個別釐定為已減值。個別減值的應收賬項主要涉及及由於不利的商業環境而處於財務困境的客戶，且管理層評定該應收賬項一般無法收回。

就應收貿易賬項確認之累計減值虧損之變動如下：

		2018 二零一八年 HK\$'000 千港元
At 1 April	於四月一日	35,356
Reversal of impairment losses	撥回減值虧損	(642)
At 31 March	於三月三十一日	<u>34,714</u>

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

24. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (b) The movements of accumulated impairment losses recognised in respect of other receivables are as follows:

		2018 二零一八年 HK\$'000 千港元
At 1 April	於四月一日	34,000
Impairment losses recognised	已確認減值虧損	231
Reversal of impairment losses	撥回減值虧損	(6,000)
At 31 March	於三月三十一日	<u>28,231</u>

During the year ended 31 March 2018, the Group has made impairment allowance in full for amount due from certain debtors of HK\$231,000 that was in financial difficulty and generally considered not be recoverable.

During the year ended 31 March 2018, the Group had entered into an set off agreement with certain debtors and certain creditors with the amount of HK\$11,000,000 in which the other receivable of HK\$6,000,000 was impaired by the Group in previous year. Such other receivables of HK\$6,000,000 is recovered through the set off agreement, a reversal of impairment losses of approximately HK\$6,000,000 has been recognised in profit or loss. Details of the set off arrangement are set out in Note 32 to the consolidated financial statements.

Detail of impairment assessment of trade and other receivables for the year ended 31 March 2019 are set out in Note 7(b).

24. 應收貿易及其他賬項(續)

附註：(續)

- (b) 就其他應收賬項確認之累計減值虧損之變動如下：

於截至二零一八年三月三十一日止年度，本集團已就應收若干面對財政困難之債務人且認為大致不能收回之賬項全數計提231,000港元之減值撥備。
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於截至二零一八年三月三十一日止年度，本集團與若干債務人及若干債權人訂立抵銷協議，涉及款項11,000,000港元，其中6,000,000港元為本集團已於去年計提減值之其他應收賬項。該6,000,000港元之其他應收賬項已通過抵銷協議收回，並於損益確認撥回減值虧損約6,000,000港元。抵銷安排詳情載於綜合財務報表附註32。

截至二零一九年三月三十一日止年度應收貿易及其他賬項之減值評估詳情載列於附註7(b)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

25. 按公平值計入損益之金融資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Listed securities held for trading:	持作買賣之上市證券：		
Equity securities listed in Hong Kong	於香港上市之股本證券	778	2,155

As at 31 March 2019, the Group's listed securities of aggregate carrying amount of HK\$759,000 (2018: HK\$2,115,000) were pledged by the Group to secure margin account payable (Note 29).

於二零一九年三月三十一日，本集團賬面總值為759,000港元(二零一八年：2,115,000港元)之上市證券已由本集團作質押，以擔保其應付孖展賬戶款項(附註29)。

26. BANK BALANCES AND CASH

Bank balances carry interest at market rates which ranged from 0.01% to 0.35% (2018: from 0.01% to 0.35%) per annum.

26. 銀行結餘及現金

銀行結餘按市場年利率0.01厘至0.35厘(二零一八年：0.01%厘至0.35厘)計息。

Included in bank balances and cash are the following amounts denominated in currencies other than the group entities' functional currencies:

銀行結餘及現金包括下列以集團實體功能貨幣以外貨幣為單位之金額：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
USD	美元	—	3,485
Japanese Yen	日圓	28	27
Malaysian Ringgit	馬來西亞元	2	2
Russian Ruble	俄羅斯盧布	1	8

Included in the bank balances and cash are the following amounts which are subject to foreign exchange control regulations and not freely transferable:

銀行結餘及現金包括下列受外匯管理規定規限及不可自由兌換之金額：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Amounts denominated in RMB	以人民幣為單位之款項	6,248	2,813

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

27. TRADE AND OTHER PAYABLES

27. 應付貿易及其他賬項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade payables (Note a)	應付貿易賬項(附註a)	85,257	80,656
Other payables and accruals (Note b)	其他應付賬項及應計款項(附註b)	76,726	71,283
Receipt in advance	預收款項	—	4,267
Deposit received (Note c)	已收按金(附註c)	15,640	15,640
Amounts due to directors (Note d)	應付董事款項(附註d)	45,078	18,175
Amount due to an associate (Note e)	應付一間聯營公司款項(附註e)	135,040	69,363
Amount due to a non-controlling shareholder (Note d)	應付一名非控股股東款項(附註d)	29,306	18,749
		387,047	278,133

Notes:

附註：

- (a) The following is an aged analysis of trade payables presented based on the invoice date:

- (a) 以下為基於發票日期呈列之應付貿易賬項賬齡分析：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 to 30 days	0至30天	11,547	41,902
31 to 90 days	31至90天	490	10,629
91 to 180 days	91至180天	4,634	20,120
181 to 365 days	181至365天	18,322	3,372
Over 365 days	365天以上	50,264	4,633
		85,257	80,656

The average credit period granted by the trade creditors is 30 to 45 days (2018: 30 to 45 days).

貿易賬項債權人給予之平均信貸期介乎30至45天(二零一八年：30至45天)。

- (b) As at 31 March 2018, included in the Group's other payables and accruals are consideration payable with aggregated carrying amount of HK\$35,035,000 (equivalent to USD4,500,000) in relation to Second Acquisition of Yota (Note 21). The consideration payable is fully settled during the year ended 31 March 2019.

- (b) 於二零一八年三月三十一日，本集團其他應付賬項及應計款項包括有關Yota第二收購事項(附註21)之應付代價(賬面總值為35,035,000港元(相等於4,500,000美元))。應付代價於截至二零一九年三月三十一日止年度內悉數結算。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

27. TRADE AND OTHER PAYABLES (continued)

Notes: (continued)

- (c) As at 31 March 2019, USD2,000,000 (equivalent to approximately HK\$15,640,000) (2018: USD2,000,000 (equivalent to approximately HK\$15,640,000)) was received from an employee of the Group (the "Employee") as a deposit for the Proposed Disposal (as defined below).

During the year ended 31 March 2018, the Group and the Employee entered into a sale and purchase agreement pursuant to which the Group conditionally agreed to sell and the Employee conditionally agreed to buy 10% equity interest in Yota at a consideration of USD3,000,000 (equivalent to approximately HK\$23,460,000) (the "Proposed Disposal").

Pursuant to the sale and purchase agreement, the Employee shall provide or shall procure all necessary assistance to the Group in obtaining financing on terms favorable to the Group for the purpose of paying the royalty fee required to be paid under the intellectual property license agreement.

The Directors are of the opinion that the consideration of USD3,000,000 (equivalent to approximately HK\$23,460,000) for the Proposed Disposal was arrived at after arm's length negotiation.

As at the date of this annual report, the completion conditions has not been satisfied and the Proposed Disposal has not been completed. However, neither the Group and the Employee have exercised their rights to terminate the Proposed Disposal.

- (d) The amount(s) due to directors/a non-controlling shareholder are unsecured, interest free and repayable on demand. The amounts due to directors are non-trade in nature and the amounts due to a non-controlling shareholder is both trade and non-trade in nature.
- (e) The amount due to an associate represent royalty fee payable, which is unsecured, carried interest rate of the 1-year People's Bank of China Benchmark rate, plus 5% but not more than 12% per annum, and repayable on demand.
- (f) Included in trade and other payables are the following amounts denominated in currencies other than the group entities' functional currencies:

27. 應付貿易及其他賬項(續)

附註：(續)

- (c) 於二零一九年三月三十一日，本集團從其一名僱員(「該名僱員」)收取2,000,000美元(相等於約15,640,000港元)(二零一八年：2,000,000美元(相等於約15,640,000港元))，作為建議出售事項(定義見下文)之按金。

於截至二零一八年三月三十一日止年度，本集團與該名僱員訂立買賣協議，據此，本集團有條件同意出售而該名僱員有條件同意購買Yota之10%股本權益，代價為3,000,000美元(相等於約23,460,000港元)(「建議出售事項」)。

根據買賣協議，該名僱員須向本集團提供或促使他人向本集團提供一切所需協助，以就支付根據知識產權授權協議須支付之專利權費取得條款有利於本集團之融資。

董事認為，建議出售事項之代價3,000,000美元(相等於約23,460,000港元)乃經公平磋商達致。

於本年報日期，完成條件並無獲滿足且建議出售事項並無完成。然而，本集團及該名僱員概無行使其終止建議出售事項之權利。

- (d) 應付董事／一名非控股股東款項為無抵押、免息及應要求償還。應付董事款項為非貿易性質，且應付一名非控股股東款項為貿易及非貿易性質。
- (e) 應付一間聯營公司款項指應付專利權費，為無抵押、按中國人民銀行一年期基準利率加5厘(惟年利率不得超過12厘)計息及應要求償還。
- (f) 應付貿易及其他賬項包括下列以集團實體功能貨幣以外貨幣為單位之金額：

	2019	2018
	二零一九年	二零一八年
	'000	'000
	千元	千元
USD	19,555	15,715
美元		

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

28. CONTRACT LIABILITIES

28. 合約負債

	31 March 2019 二零一九年 三月三十一日 HK\$'000 千港元	1 April 2018 二零一八年 四月一日* HK\$'000 千港元
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Current	流動		
Sales of mobile phone	銷售手機	469	4,267

* The amounts in this column are after adjustments from the application of HKFRS 15.

* 本列中之金額乃自應用香港財務報告準則第15號起計作出調整後之金額。

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current liabilities based on the Group's earliest obligation to transfer goods or services to the customers.

基於本集團向客戶轉讓商品或服務之最早義務，預期不會於本集團之正常經營週期內結算之合約負債分類為流動及非流動負債。

The following table shows how much of the revenue recognised in the current year relates to carried forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

下表顯示於本年度確認之多少收益涉及結轉之合約負債及多少收益涉及於之前期間履行之履約義務。

	Sales of mobile phones and related products 銷售手機及 相關產品 HK\$'000 千港元
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Revenue recognised that was included in the contract liability balance at the beginning of the year	於年初計入合約負債結餘之已確認收益	1,408
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During the year ended 31 March 2019, a sale contract is cancelled and the deposit of approximately HK\$2,859,000 received by the Group is reclassified from contract liabilities to other payables.

於截至二零一九年三月三十一日止年度，銷售合約已取消且本集團收取之按金約2,859,000港元自合約負債重新分類為其他應付賬項。

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

影響確認之合約負債金額之典型付款條款如下：

Sales of mobile phone

When the Group receives a deposit before the production activity commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit. The Group typically receives a deposit ranged from 10% to 50% of the sales amount on acceptance of the engagements.

銷售手機

當本集團於生產活動開始之前收取按金時，此將於合約開始時產生合約負債，直至就相關合約確認之收益超過按金之金額。本集團通常於接納委聘時收取介乎銷售額10%至50%之按金。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

29. BANK AND OTHER BORROWINGS**29. 銀行及其他借貸**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current	流動		
Bank borrowing — secured (Note a)	銀行借貸 — 有抵押(附註a)	—	9,621
Margin account payable (Note b)	應付孖展賬戶款項(附註b)	39,214	36,179
Other borrowings — unsecured (Notes d, e & f)	其他借貸 — 無抵押(附註d、e及f)	160,681	152,837
Placing notes (Note c)	配售票據(附註c)	10,000	—
		<u>209,895</u>	<u>198,637</u>
Non-current	非流動		
Bank borrowing — secured (Note a)	銀行借貸 有抵押(附註a)	9,238	—
Placing notes (Note c)	配售票據(附註c)	19,657	29,083
		<u>28,895</u>	<u>29,083</u>
Total bank and other borrowings	銀行及其他借貸總額	<u>238,790</u>	<u>227,720</u>

The Group's borrowings were payable as follows:

本集團之借貸應於下列期間償還：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank borrowing repayable	應於下列期間償還之銀行借貸		
Within one year	一年內	—	9,621
After one year but within two years	一年後但於兩年內	234	—
After two years but within five years	兩年後但於五年內	9,004	—
		<u>9,238</u>	<u>9,621</u>
Other borrowings repayable	應於下列期間償還之其他借貸		
Within one year	一年內	209,895	189,016
After two years but within five years	兩年後但於五年內	19,657	29,083
		<u>229,552</u>	<u>218,099</u>
Total bank and other borrowings	銀行及其他借貸總額	<u>238,790</u>	<u>227,720</u>

Notes to the Consolidated Financial Statements (continued)
綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

29. BANK AND OTHER BORROWINGS (continued)

Notes:

- (a) As at 31 March 2018, the bank borrowing is secured by the entire equity interests of 淄博利源高科技輻照技術有限公司 (Zibo Liyuan Gamma Ray Technologies Co. Limited**) ("Zibo Liyuan"), a non-wholly-owned subsidiary of the Company, including leasehold buildings and land use right (Notes 19 and 20). The bank borrowing is mature on 7 September 2018, carries fixed interest rate of 5.7% per annum and fully settled during the year ended 31 March 2019.

During the year ended 31 March 2019, the Group obtained another bank borrowing which is secured by the entire equity interests of Zibo Liyuan, including leasehold buildings and land use right (Notes 19 and 20). The bank borrowing will be mature on 2 September 2020 and carries fixed interest rate of 5.15% per annum.

- (b) Margin account payable is secured by certain listed securities held by the Group (Note 25) and carry interest at prime rate plus 3% per annum.
- (c) On 20 August 2013, the Company entered into a placing agreement (the "2013 Placing Agreement") with a placing agent (the "Placing Agent"), pursuant to which the Company agreed to place, through the Placing Agent, on a best effort basis, the placing notes up to an aggregate amount of HK\$300,000,000 to be issued by the Company in the denomination of HK\$2,000,000 each (the "Placing Notes") to independent third parties. Pursuant to the 2013 Placing Agreement, the Placing Notes carry interest at 5% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the Placing Notes. The Company may early redeem in whole the Placing Notes at a redemption price equal to the principal amount together with accrued interest after the third anniversary date from the respective issue dates of the Placing Notes.

On 15 August 2014, the Company and the Placing Agent renewed the placing period and agreed to place the notes in the remaining principal amount of up to HK\$280,000,000. Details of the placing and the renewal were set out in the Company's announcements dated 20 August 2013 and 15 August 2014 respectively.

During the year ended 31 March 2014, the Company issued placing notes to two placees with aggregate principal amount of HK\$20,000,000. During the year ended 31 March 2015, the Company issued placing notes to another placee with aggregate principal amount of HK\$10,000,000. The placing notes carried at amortised cost and the effective interest rate ranged from 5.9% to 6.9% per annum.

As detailed in Note 34 to the consolidated financial statements. The Group defaulted on the repayment of the interest on Placing Notes on their respective due dates during the year ended 31 March 2019. One creditor had taken legal actions against the Company to recover the placing note with principal amount of HK\$10,000,000 and outstanding interests of approximately HK\$1,264,000.

- (d) Included in other borrowings of HK\$27,706,000 (2018: HK\$27,706,000) represent loans from an independent third party. The other borrowings are mature on 15 August 2018, unsecured and carry fixed interest rate of 12% per annum.
- (e) Included in other borrowings of HK\$121,248,000 (equivalent to RMB103,690,000) (2018: HK\$125,131,000 (equivalent to RMB100,145,000)) represent loans from an independent third party. The loan is mature on 27 March 2019, unsecured and carry interest rate of the People's Bank of China Benchmark Rate.
- (f) Included in other borrowings of HK\$11,727,000 (equivalent to RMB10,029,000) represent loans from an independent third party during the year ended 31 March 2019. The loan is mature on 31 March 2019, unsecured and carry fixed interest rate of 5% per annum.

** For identification purpose only

29. 銀行及其他借貸(續)

附註:

- (a) 於二零一八年三月三十一日，銀行借貸以本公司之非全資附屬公司淄博利源高科技輻照技術有限公司(「淄博利源」)全部股本權益(包括租賃樓宇及土地使用權)作抵押(附註19及20)。銀行借貸於二零一八年九月七日期到期，按固定年利率5.7厘計息及於截至二零一九年三月三十一日止年度悉數結清。

截至二零一九年三月三十一日止年度，本集團獲得另一銀行借貸，其以淄博利源全部股本權益(包括租賃樓宇及土地使用權)作抵押(附註19及20)。銀行借貸將於二零二零年九月二日期到期並按固定年利率5.15厘計息。

- (b) 應付孖展賬戶款項以本集團所持之若干上市證券作抵押(附註25)，按最優惠利率加3厘計息。
- (c) 於二零一三年八月二十日，本公司與一名配售代理(「配售代理」)訂立配售協議(「二零一三年配售協議」)，據此，本公司同意透過配售代理按盡力基準配售本公司將予發行本金總額最多300,000,000港元及每份面值2,000,000港元之配售票據(「配售票據」)予獨立第三方。根據二零一三年配售協議，配售票據按年利率5厘計息，並將於由每份配售票據之發行日期起計第七週年贖回。本公司可於由每份配售票據之發行日期起計第三週年日期後以相等於本金總額連同應計利息之贖回價提前悉數贖回配售票據。

於二零一四年八月十五日，本公司與配售代理重續配售期，並同意配售餘下本金總額最多280,000,000港元之票據。有關配售事項及重續事項之詳情，分別載於本公司日期為二零一三年八月二十日及二零一四年八月十五日之公告。

於截至二零一四年三月三十一日止年度，本公司向兩名承配人發行配售票據，本金總額為20,000,000港元。於截至二零一五年三月三十一日止年度，本公司向另一承配人發行配售票據，本金總額為10,000,000港元。配售票據按攤銷成本列賬及按實際年利率5.9厘至6.9厘計息。

誠如綜合財務報表附註34所述，截至二零一九年三月三十一日止年度，本集團拖欠償還配售票據於各到期日的利息。一名債權人已對本公司採取法律行動以追回本金總額10,000,000港元之配售票據及約1,264,000港元之未償還利息。

- (d) 其他借貸包括27,706,000港元(二零一八年: 27,706,000港元)向一名獨立第三方借取之貸款。其他借貸於二零一八年八月十五日期到期，為無抵押及按固定年利率12厘計息。
- (e) 其他借貸包括121,248,000港元(相等於人民幣103,690,000元)(二零一八年: 125,131,000港元(相等於人民幣100,145,000元))向一名獨立第三方取得之貸款。貸款於二零一九年三月二十七日到期，為無抵押及按中國人民銀行基準利率計息。
- (f) 於截至二零一九年三月三十一日止年度，其他借貸包括11,727,000港元(相等於人民幣10,029,000元)向一名獨立第三方借取之貸款。貸款於二零一九年三月三十一日期到期，為無抵押及按固定年利率5厘計息。

** 僅供識別

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

30. DEFERRED TAXATION

For the purpose of presentation in consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

30. 遞延稅項

為呈列綜合財務狀況表，已抵銷若干遞延稅項資產及負債。以下為作財務報告目的之遞延稅項結餘分析：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	2,524	—
Deferred tax liabilities	遞延稅項負債	(30)	(30)
		2,494	(30)

Details of the deferred tax assets and liabilities recognised and movement thereon during the current and prior years:

已確認遞延稅項資產及負債以及其於本年度及過往年度之變動詳情：

		ECL provision 預期信貸 虧損撥備 HK\$'000 千港元	Tax loss 稅項虧損 HK\$'000 千港元	Accelerated tax depreciation 加快 稅項折舊 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	—	—	(30)	(1,745)	(1,775)
Exchange adjustments	匯兌調整	—	—	—	(76)	(76)
Credit to profit or loss (Note 13)	計入損益表(附註13)	—	—	—	1,821	1,821
At 31 March 2018	於二零一八年三月三十一日	—	—	(30)	—	(30)
Adjustment (Note 3)	調整(附註3)	22	—	—	—	22
At 1 April 2018 (Restated)	於二零一八年四月一日(經重列)	22	—	(30)	—	(8)
Credit to profit or loss (Note 13)	計入損益表(附註13)	13	2,489	—	—	2,502
At 31 March 2019	於二零一九年三月三十一日	35	2,489	(30)	—	2,494

As at 31 March 2019, the Group has unutilised tax losses of approximately HK\$567,046,000 (2018: approximately HK\$504,639,000), part of which has not yet been agreed with the Hong Kong Inland Revenue Department, available for offset against future profits. A deferred tax asset of approximately HK\$2,489,000 (2018: HK\$Nil) in relation to the unused tax loss of approximately HK\$15,085,000 (2018: HK\$Nil) has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of approximately HK\$551,961,000 (2018: approximately HK\$504,639,000) due to the unpredictability of future profit streams.

於二零一九年三月三十一日，本集團可供抵扣未來溢利之未動用稅務虧損約為567,046,000港元(二零一八年：約504,639,000港元)，部分金額尚未獲得香港稅務局同意。本集團之綜合財務狀況表已就有關未動用稅務虧損約15,085,000港元(二零一八年：零港元)確認遞延稅項資產約2,489,000港元(二零一八年：零港元)。由於不能預計未來溢利來源，故並未就該等稅務虧損551,961,000港元(二零一八年：約504,639,000港元)確認遞延稅項資產。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

30. DEFERRED TAXATION (continued)

Included in unutilised tax losses as at 31 March 2019 were losses of approximately HK\$184,598,000 (2018: approximately HK\$80,271,000) that would expire in five years and the remaining balance would not expire under the current tax legislation.

30. 遞延稅項(續)

於二零一九年三月三十一日，未動用稅務虧損包括虧損約184,598,000港元(二零一八年：約80,271,000港元)，根據現行稅務法例，其將於五年內到期及剩下結餘並無到期日。

31. SHARE CAPITAL

31. 股本

		Par value per share 每股股份面值 HK\$ 港元	Number of shares 股份數目 '000 千股	Amount 金額 HK\$ '000 千港元
Ordinary shares:	普通股：			
Authorised:	法定：			
At 1 April 2017, 31 March 2018 and 1 April 2018	於二零一七年四月一日、二零一八年三月三十一日及二零一八年四月一日	0.01	65,000,000	650,000
Share consolidation (Note d)	股份合併(附註d)	N/A	(58,500,000)	—
At 31 March 2019	於二零一九年三月三十一日	0.10	6,500,000	650,000
Issued and fully paid:	已發行及繳足：			
At 1 April 2017	於二零一七年四月一日	0.01	34,086,440	340,864
Issuance of shares for the acquisition of a subsidiary (Note a)	就收購一間附屬公司發行股份(附註a)	0.01	418,605	4,186
Issuance of shares under share award scheme (Note b)	根據股份獎勵計劃發行股份(附註b)	0.01	126,840	1,268
Issuance of shares for the further acquisition of an associate (Note c)	就進一步收購一間聯營公司發行股份(附註c)	0.01	593,246	5,933
At 31 March 2018	於二零一八年三月三十一日	0.01	35,225,131	352,251
Share consolidation (Note d)	股份合併(附註d)	N/A	(31,702,618)	—
Issuance of shares for the further acquisition of an associate (Note c)	就進一步收購一間聯營公司發行股份(附註c)	0.10	25,425	2,543
Issuance of shares under Share award scheme (Note b)	根據股份獎勵計劃發行股份(附註b)	0.10	90,290	9,029
At 31 March 2019	於二零一九年三月三十一日	0.10	3,638,228	363,823

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

31. SHARE CAPITAL (continued)

Notes:

- (a) On 26 January 2017, a wholly-owned subsidiary of the Company, Fine Sky Developments Limited, as purchaser, entered into a sale and purchase agreement with an independent third party, as vendor, to acquire 75% equity interest of We Fly, which is engaged in the business of travel agent, at an aggregate consideration of HK\$300,000,000, subject to profit guarantee and adjustments on consideration (the "Conditions"). The consideration shall be satisfied by allotment and issue of 1,395,348,837 new shares of the Company at an issue price of HK\$0.215 per share to the vendor or her nominees.

The Conditions are fulfilled on 8 May 2017, 418,604,651 ordinary shares of the Company, with aggregate nominal value of approximately HK\$4,186,000, were issued and allotted for settlement of the second tranche of consideration shares in relation to the acquisition of a subsidiary. Details of the acquisition were set out in the announcements of the Company dated 26 January 2017, 31 March 2017 and 8 May 2017, respectively.

- (b) On 28 March 2018, the Company had issued and allotted 126,840,000 ordinary shares, with aggregate nominal value of HK\$1,268,000 to the trustee of the share award scheme for the purpose of granting awarded shares to the participants under the share award scheme. On 15 October 2018, the Company had issued and allotted 90,290,000 ordinary shares, with aggregate nominal value of HK\$9,029,000 to 8 Selected Employees (defined in Note 36) granted under the share award scheme. Details are set out in Note 36 to the consolidated financial statements.
- (c) On 29 March 2018, 593,246,187 ordinary shares of the Company, with aggregate nominal value of approximately HK\$5,933,000, were issued and allotted for settlement of the first tranche of the consideration shares in relation to the Second Acquisition. On 26 September 2018, 25,424,836 ordinary shares of the Company, with aggregate nominal value of approximately HK\$2,543,000, were issued and allotted for settlement of the second tranche of the consideration shares in relation to the Second Acquisition. Details are set out in Note 21 to the consolidated financial statements.
- (d) Pursuant to an ordinary resolution passed in the special general meeting of the Company held on 2 August 2018, the share consolidation on the basis that every ten issued and unissued ordinary shares of the Company with par value of HK\$0.01 per share have been consolidated into one consolidated share with par value of HK\$0.10 per share (the "Consolidated Share"). The Consolidated Shares rank pari passu in all respects with each other and the share consolidation have been effective on 3 August 2018.

All the ordinary shares issued during the years ended 31 March 2019 and 2018 ranked pari passu with the existing ordinary shares in all respects.

31. 股本(續)

附註：

- (a) 於二零一七年一月二十六日，本公司的全資附屬公司Fine Sky Developments Limited（作為買方）與獨立第三方（作為賣方）訂立買賣協議，以按300,000,000港元的總代價收購愛飛（該公司從事旅行社業務）75%的股權，須受到溢利保證的規限及對代價作出調整（「該等條件」）。代價須透過按每股股份0.215港元的發行價向賣方或其代名人配發及發行1,395,348,837股本公司新股份的方式進行支付。

該等條件於二零一七年五月八日獲滿足。418,604,651股本公司普通股（總面值約為4,186,000港元）乃為結算與收購一間附屬公司有關係的第二批代價股份而發行及配發。收購事項的詳情分別載列於本公司日期為二零一七年一月二十六日、二零一七年三月三十一日及二零一七年五月八日之公告。

- (b) 於二零一八年三月二十八日，本公司向股份獎勵計劃之受託人發行及配發126,840,000股普通股（總面值1,268,000港元），以向股份獎勵計劃之參與者授出獎勵股份。於二零一八年十月十五日，本公司已發行及配發根據股份獎勵計劃授出的90,290,000股普通股（總面值9,029,000港元）予8名選定僱員（定義見附註36）。詳情載於綜合財務報表附註36。
- (c) 於二零一八年三月二十九日，593,246,187股本公司普通股（總面值約5,933,000港元）已予發行及配發，以清償第二收購事項之第一批代價股份。於二零一八年九月二十六日，25,424,836股本公司普通股（總面值約2,543,000港元）已予發行及配發，以清償第二收購事項之第二批代價股份。詳情載於綜合財務報表附註21。
- (d) 根據於本公司於二零一八年八月二日舉行的股東特別大會通過的普通決議案，股份合併按每10股已發行及未發行本公司普通股（面值為每股股份0.01港元）合併為1股合併股份（面值為每股股份0.10港元）（「合併股份」）之基準進行。合併股份在所有方面彼此享有同等權益且股份合併已於二零一八年八月三日生效。

於截至二零一九年及二零一八年三月三十一日止年度內發行之所有普通股於各方面均與現有普通股享有同等權益。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

32. MAJOR NON-CASH TRANSACTION

On 5 December 2017, Century Crest Limited, Oceanic Eagle Limited, Silver Wind International Limited, Oceanic Horizon Limited, wholly-owned subsidiaries of the Company, Star Sail Investments Limited, an investee company of the Company, and an independent third party (the "Parties") entered into a set off agreement, pursuant to which the Parties agreed to offset the amounts due to each others. After the offset, the Group's certain other payables of approximately HK\$11,000,000 was set off against with the certain other receivables (including but not limited to consideration receivable of HK\$5,000,000 arise from disposal of available-for-sale financial asset).

33. RETIREMENT BENEFITS SCHEME

The Group operates a MPF scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs capped at HK\$1,500 (2018: HK\$1,500) per month to MPF scheme, in which the contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefits scheme operated by the government of PRC. The subsidiaries in the PRC are required to contribute a certain percentage of the payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

For the years ended 31 March 2018 and 2019, the amounts of contributions recognised by the Group are approximately HK\$1,388,000 and HK\$1,328,000, respectively.

34. LITIGATIONS AND CONTINGENT LIABILITIES

(1) In April 2016, the Company completed a placing pursuant to the terms of the placing agreement with a placing agent and allotted and issued 25,000,000,000 new shares to various placees (the "Placing"). Pursuant to the terms of the placing agreement, each placee undertook to the Company that the shares issued and allotted to it under the Placing would be subject to a lock-up period of 24 months from the date of allotment and issue of such shares.

32. 主要非現金交易

於二零一七年十二月五日，本公司之全資附屬公司城保有限公司、Oceanic Eagle Limited、Silver Wind International Limited及Oceanic Horizon Limited、本公司之投資對象Star Sail Investments Limited與一名獨立第三方(「訂約各方」)訂立抵銷協議，據此，訂約各方同意抵銷彼此結欠對方之賬項。經抵銷後，本集團約11,000,000港元之若干其他應付賬項與若干其他應收賬項(包括但不限於出售可供出售金融資產所產生之應收代價5,000,000港元)抵銷。

33. 退休福利計劃

本集團為其全部合資格香港僱員推行強積金計劃。計劃之資產與本集團之資產分開，由受託人控制之基金持有。本集團每個月向強積金計劃供款相關工資成本的5%，上限為1,500港元(二零一八年：1,500港元)，其中供款與僱員相稱。

本集團位於中國之附屬公司僱員為中國政府運作之國家管理之退休福利計劃成員。中國之附屬公司須向退休福利計劃提供工資成本一定百分比之供款，以便為福利提供資金。本集團有關退休福利計劃之唯一義務為根據計劃作出所需之供款。

截至二零一八年及二零一九年三月三十一日止年度，本集團確認之供款金額分別為約1,388,000港元及1,328,000港元。

34. 訴訟及或然負債

(1) 於二零一六年四月，本公司根據與一名配售代理訂立之配售協議之條款完成一項配售，向多名承配人配發及發行25,000,000,000股新股份(「配售事項」)。根據配售協議之條款，每名承配人向本公司承諾，彼根據配售事項獲發行及配發之股份將受限於由該等股份配發及發行日期起計24個月之禁售期。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

34. LITIGATIONS AND CONTINGENT LIABILITIES

(continued)

(1) (continued)

In May 2016, three placees under the Placing were found to have breached their lock-up undertakings to the Company under the Placing by pledging their shares to two lenders as security for loans. An interlocutory injunction order (the "Injunction Order") was obtained by the Company from the High Court of Hong Kong (the "Court") on 27 May 2016, which was subsequently continued by a court order given on 3 June 2016, restraining the three placees from breaching the lock-up undertakings by, among other things, directly or indirectly selling, mortgaging, charging, pledging, hypothecating, lending, granting or selling any option, warrant, contract or right to purchase, transferring, disposing of, creating any right over, or agreeing or offering to do any of the aforesaid in relation to the 1,667 million shares allotted and issued to them under the Placing until trial or further order. Further details of the court orders are set out in the announcements of the Company dated 29 May 2016 and 7 June 2016. The two lenders then took out applications in the Court in June 2016 and July 2016 respectively seeking declarations that they are beneficially entitled to the shares being the subject matter of the Injunction Order and later for variation of the Injunction Order to the effect that those shares shall no longer be the subject matter of the Injunction Order. The three placees disputed the contention that the lenders are the beneficial owners of the shares and legal proceedings regarding the ownership of those shares were brought in foreign jurisdictions. On 12 June 2017, the Court ordered that one of the lenders' application be adjourned pending the decision of the legal proceedings in foreign jurisdiction and the other lender's application be dismissed with costs to the Company. The lockup period has already expired in April 2018 and the Injunction Order has been automatically discharged upon expiry of the lock-up period. As at the date of this annual report, the litigation is still in progress against the three placees for their breach of the lock-up undertakings.

34. 訴訟及或然負債(續)

(1) (續)

於二零一六年五月，三名配售事項之承配人被發現向兩名貸款人質押彼等之股份作為貸款之抵押品，已違反彼等於配售事項下向本公司作出之禁售承諾。於二零一六年五月二十七日，本公司已取得香港高等法院(「法院」)發出之臨時禁制令(「禁制令」)，其後藉於二零一六年六月三日作出之法院命令延續，限制該三名承配人不可違反禁售承諾(其中包括)直接或間接銷售、按揭、押記、質押、抵押、借出、轉讓、處置彼等根據配售事項獲配發及發行之1,667,000,000股股份，或授出或出售涉及該等股份之任何購股權、認股權證、合約或購買權、設立任何涉及該等股份之權利或同意或要約進行上述任何事項，直至審訊或進一步頒令為止。法院命令之進一步詳情載於本公司日期為二零一六年五月二十九日及二零一六年六月七日之公告內。該兩名貸款人其後分別於二零一六年六月及二零一六年七月向法院申請宣告彼等為禁制令所涉股份之實益擁有人，繼而申請修改禁制令，致使該等股份不再受禁制令限制。該三名承配人反對貸款人為該等股份之實益擁有人之主張，並於境外司法權區提出有關該等股份擁有權之法律程序。於二零一七年六月十二日，法院命令將其中一名貸款人之申請擱置，等待境外司法權區之法律程序裁決，而另一名貸款人之申請則被駁回，且本公司獲得訟費。禁售期已於二零一八年四月屆滿，而禁制令已於禁售期屆滿後自動解除。於本年報日期，該訴訟仍在就違反禁售承諾而對三名承配人進行。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

34. LITIGATIONS AND CONTINGENT LIABILITIES

(continued)

- (2) On 20 August 2013, the Company entered into a placing agreement with a placing agent. Pursuant to the 2013 Placing Agreement, the Placing Notes carry interest at 5% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the Placing Notes. (Note 29(c))

The Company defaulted on the repayment of the interest on Placing Notes on their respective due dates during the year ended 31 March 2019. One creditor had taken legal actions against the Company to recover the debts. The total debts amount which includes the principal of HK\$10,000,000 and outstanding interests of approximately HK\$1,264,000 became due immediately.

35. SHARE OPTION SCHEME

On 22 August 2011, the Company adopted a share option scheme (the "Share Option Scheme") which will expire on 21 August 2021. The primary purpose of the Share Option Scheme is to provide incentives or reward to the eligible persons for their contribution to, and continuing efforts to promote the interests of the Group. Under the Share Option Scheme and subject to its terms and conditions, the Board may at its discretion offer to any eligible employee, director, consultant, agent, supplier, customer or contractor of the Group options to subscribe for shares in the Company. Such offer shall be opened for acceptance on a day specified in the letter of grant which shall be no longer than 30 days from the date of the letter of grant. The share options shall be deemed to have been granted and accepted and taken effect when the duplicate letter of grant is signed by the eligible person and returned to the Company together with a remittance in favour of the Company of HK\$1 for each acceptance of grant of the share options.

The exercise price is determined by the Directors, which shall be at least the highest of (i) the closing price of the shares on the date of offer, (ii) the average closing price of the shares for the five business days immediately preceding the date of offer, and (iii) the nominal value of the Company's shares.

34. 訴訟及或然負債(續)

- (2) 於二零一三年八月二十日，本公司與一名配售代理訂立配售協議。根據二零一三年配售協議，配售票據按年利率5厘計息，並將於自配售票據各自之發行日期起計第七週年贖回。(附註29(c))

於截至二零一九年三月三十一日止年度內之各到期日，本公司拖欠配售票據之利息還款。一名債權人已對本公司提起法律訴訟以收回債務。債務總額包括立即到期之本金10,000,000港元及尚未償還之利息約1,264,000港元。

35. 購股權計劃

於二零一一年八月二十二日，本公司採納將於二零二一年八月二十一日到期之購股權計劃(「購股權計劃」)。購股權計劃之主要目的在於向合資格人士就彼等對本集團之貢獻及推動本集團利益之不懈努力提供激勵或獎勵。根據購股權計劃及受其條款及條件所限，董事會可酌情向本集團任何合資格僱員、董事、顧問、代理、供應商、客戶或承包商提呈授出可認購本公司股份之購股權。有關提呈將於授出函件指定之日期(不遲於授出函件日期起計30日)可供接納。當授出函件副本獲合資格人士簽署及交回本公司，並就接納每次授出購股權向本公司匯款1港元，購股權將被視為已獲授出並接納及生效。

行使價由董事釐定，將不低於以下各項之最高者：(i) 提呈日期之股份收市價；(ii) 緊接提呈日期前五個營業日之股份平均收市價；及(iii) 本公司股份面值。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

35. SHARE OPTION SCHEME (continued)

The maximum aggregate number of shares which may be issued upon the exercise of all outstanding vested or unvested options granted and yet to be exercised under the Share Option Scheme and any other schemes must not, in aggregate, exceed 30% of the total number of shares of the Company in issue from time to time (the "Overriding Limit").

The aggregate number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other schemes shall not exceed in aggregate 10% of the shares of the Company in issue as at the date of shareholders' approval of the Share Option Scheme (the "Share Option Scheme Mandate Limit"). Subject to the Overriding Limit, the Company may refresh the Share Option Scheme Mandate Limit by ordinary resolution of the shareholders in general meeting, provided that the Share Option Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued shares as at the date of shareholders' approval of the refreshment.

The maximum number of shares (issued and to be issued) in respect of which options may be granted under the Share Option Scheme and any other schemes to any eligible person in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue, unless a shareholders' approval has been obtained.

Any grant of share options to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors. Where share options are proposed to be granted to a substantial shareholder or an independent non-executive director, or any of their respective associates, and the grant would result in the aggregate of shares issued and to be issued upon exercise of all options granted or to be granted under the Share Option Scheme and any other schemes to such person in the 12-month period up to and including the date of offer of the relevant share options to (i) represent in aggregate over 0.1% of the total number of issued shares for the time being; and (ii) have an aggregate value, based on the closing price of the shares, in excess of HK\$5,000,000, the proposed grant shall be subject to the approval of the shareholders in general meeting with the connected persons abstaining from voting in favour.

35. 購股權計劃(續)

因根據購股權計劃及任何其他計劃授出及仍未行使之所有尚未行使已歸屬或未歸屬購股權獲行使而可能發行之股份總數，合共最多不得超過本公司不時已發行股份總數之30%（「最高上限」）。

因根據購股權計劃及任何其他計劃將授出之所有購股權獲行使而可能發行之股份總數合計不得超過於股東批准購股權計劃當日本公司已發行股份數目之10%（「購股權計劃授權上限」）。受限於最高上限，本公司可透過於股東大會上通過股東普通決議案更新購股權計劃授權上限，惟經更新之購股權計劃授權上限不得超過於股東批准更新當日已發行股份總數之10%。

除已獲股東批准外，於任何十二個月期間根據購股權計劃及任何其他計劃可能授予任何合資格人士之購股權所涉及之已發行及將予發行股份數目，最多不得超過本公司已發行股份總數之1%。

授予本公司之董事、最高行政人員或主要股東或任何彼等各自之聯繫人任何購股權，必須獲得獨立非執行董事之批准。倘建議向主要股東或獨立非執行董事或任何彼等各自之聯繫人授出購股權，而建議授出購股權將導致於截至提呈有關購股權之日（包括該日）止十二個月期間，因根據購股權計劃及任何其他計劃已授予或將授予有關人士之所有購股權獲行使而已發行及將予發行之股份總數(i)合共超過當時已發行股份總數之0.1%；及(ii)總價值（根據股份收市價計算）超過5,000,000港元，則建議授出須獲股東於股東大會上批准後，方可作實，且關連人士須放棄投贊成票。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

35. SHARE OPTION SCHEME (continued)

An option may be exercised in accordance with the terms of the Share Option Scheme during such period as may be determined by the Board (which shall not be more than 10 years commencing on the date on which the share option is granted and accepted). Unless otherwise determined by the Board, there is no minimum period for which a share option must be held before it can be exercised. Subject to early termination by the Company in general meeting or the Board, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on its date of adoption.

The following tables disclose details of the Company's share options held by Directors and employees and movements in the share options granted under the Share Option Scheme:

For the year ended 31 March 2019

Grantee	Date of grant	Exercise price per share	Exercisable Period	Outstanding at 1 April 2018 於二零一八年四月一日尚未行使	Lapsed during the year	Outstanding at 31 March 2019 於二零一九年三月三十一日尚未行使
承授人	授出日期	每股行使價 HK\$ 港元	可行使期間		年內失效	
Directors						
董事						
Chu Wei Ning 祝蔚寧	27 June 2016 二零一六年六月二十七日	0.239	27 June 2016 - 26 June 2018 二零一六年六月二十七日至二零一八年六月二十六日	300,000,000	(300,000,000)	—
Yeung Chun Wai, Anthony 楊俊偉	27 June 2016 二零一六年六月二十七日	0.239	27 June 2016 - 26 June 2018 二零一六年六月二十七日至二零一八年六月二十六日	200,000,000	(200,000,000)	—
Employees						
僱員						
	27 June 2016 二零一六年六月二十七日	0.239	27 June 2016 - 26 June 2018 二零一六年六月二十七日至二零一八年六月二十六日	200,500,000	(200,500,000)	—
		0.239	二零一六年六月二十七日至二零一八年六月二十六日	700,500,000	(700,500,000)	—
Exercisable at the end of the year						
於年終可行使						
Weighted average contractual life						
加權平均合約年期						
						N/A 不適用
Weighted average exercise price						
加權平均行使價						
				0.239	0.239	—

35. 購股權計劃(續)

購股權可於董事會釐定之期間(不得超過自購股權授出及獲接納之日起計十年)內根據購股權計劃之條款行使。除董事會另行釐定外，並無設定可行使前必須持有購股權之最短期限。受本公司於股東大會或董事會提早終止所限，購股權計劃將於採納日期起計十年期間內有效及生效。

下表披露董事及僱員所持有之本公司購股權及根據購股權計劃授出之購股權變動詳情：

截至二零一九年三月三十一日止年度

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

35. SHARE OPTION SCHEME (continued)

For the year ended 31 March 2018

35. 購股權計劃(續)

截至二零一八年三月三十一日止年度

Grantee	Date of grant	Exercise price per share	Exercisable Period	Outstanding at 1 April 2017 於二零一七年四月一日 尚未行使	Lapsed during the year	Outstanding at 31 March 2018 於二零一八年三月三十一日 尚未行使
承授人	授出日期	每股行使價 HK\$ 港元	可行使期間		年內失效	
Directors 董事						
Chu Wei Ning 祝蔚寧	27 June 2016 二零一六年六月二十七日	0.239	27 June 2016 - 26 June 2018 二零一六年六月二十七日至 二零一八年六月二十六日	300,000,000	—	300,000,000
Yeung Chun Wai, Anthony 楊俊偉	27 June 2016 二零一六年六月二十七日	0.239	27 June 2016 - 26 June 2018 二零一六年六月二十七日至 二零一八年六月二十六日	200,000,000	—	200,000,000
Employees 僱員	27 June 2016 二零一六年六月二十七日	0.239	27 June 2016 - 26 June 2018 二零一六年六月二十七日至 二零一八年六月二十六日	200,820,000	(320,000)	200,500,000
				<u>700,820,000</u>	<u>(320,000)</u>	<u>700,500,000</u>
Exercisable at the end of the year 於年終可行使						700,500,000
Weighted average contractual life 加權平均合約年期						0.24 year 0.24 年
Weighted average exercise price 加權平均行使價				0.239	0.239	0.239

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

35. SHARE OPTION SCHEME (continued)

The fair value of equity-settled share options granted is estimated at the date of grant using the Black-Scholes option pricing model (the "Model"), taking into account the terms and conditions upon which the options were granted. Details of the fair values of share options determined at the date of grant using the Model with significant variables and assumptions are as follows:

		Date of share options grant 27 June 2016 購股權授出日期 二零一六年 六月二十七日
Exercise price (HK\$)	行使價(港元)	0.239
Dividend yield	股息收益	0%
Expected volatility	預期波幅	52.61% — 63.90%
Risk-free interest rate	無風險利率	0.248% — 0.292%
Expected life of option (year)	預期購股權有效期(年)	0.79–1.01
Closing share price at grant date (HK\$)	授出日期之股份收市價(港元)	0.224

The expected volatility, which is based on the approximate historical volatility of closing prices of the share of the Company in the past one year immediately before the date of grant, reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The risk-free interest rate represents the yields to maturity of respective Hong Kong Exchange Fund Note as at the share options grant date. The expected life of the options are based on the historical data and are not necessarily indicative of exercise patterns that may occur.

No other features of options grant were incorporated into the measurement of fair value.

35. 購股權計劃(續)

所授出以股本結算之購股權的公平值於授出日期以柏力克舒爾斯期權定價模型(「該模型」)估計，並已考慮授出購股權之條款及條件。有關購股權於授出日期以該模型釐定之公平值及重大變量及假設詳情如下：

預期波幅是按本公司股份於緊接授出日期前過去一年之收市價概約歷史波幅計算，反映歷史波動可標示未來趨勢之假設，未必為實際結果。無風險利率指於購股權授出日期香港外匯基金債券之到期收益率。預期購股權有效期乃基於歷史數據而釐定，故未必反映可能出現之行使規律。

計量公平值時並無計及授出購股權之其他特性。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

36. SHARE AWARD SCHEME

On 15 January 2018 (the “Adoption Date”), the Company has adopted the share award scheme (the “Share Award Scheme”), in which the employees selected by the Board for participation in the Share Award Scheme (the “Selected Employee(s)”) will be entitled to participate and pursuant to which awards will be satisfied by (i) new shares to be allotted and issued to the trustee appointed by the Company for the purpose of the trust, and initially, Bank of Communications Trustee Limited (the “Trustee”) under a General Mandate or Specific Mandate, or (ii) existing shares to be acquired by the Trustee from the market, the costs of which will be borne by the Company, and the shares of which will be held on trust by the Trustee for the Selected Employees before vesting.

The purposes of the Share Award Scheme are (i) to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Subject to any early termination as may be determined by the Board in accordance with the scheme rules, the Share Award Scheme shall be valid and effective for 10 years from the Adoption Date.

The Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the scheme rules and the trust deed dated 15 January 2018 entered into between the Company and the Trustee (the “Trust Deed”). The Trustee shall hold the funds and properties held under the trust and managed by the Trustee for the benefit of the employees (other than the excluded employees) (the “Trust Fund”) in accordance with the terms of the Trust Deed.

During the term of the Share Award Scheme, the Board may, from time to time, at its absolute discretion select any employee (other than any excluded employee) to be a Selected Employee and grant an award to such Selected Employee at no consideration in accordance with the scheme rules. No award shall be granted by the Board to Selected Employees and no instructions to acquire any shares shall be given by the Board to the Trustee pursuant to the scheme rules where dealings in the shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

36. 股份獎勵計劃

於二零一八年一月十五日(「採納日期」)，本公司採納一項股份獎勵計劃(「股份獎勵計劃」)，由董事會挑選參與股份獎勵計劃之僱員(「經選定僱員」)將有權參與該計劃，據此，獎勵將以(i)本公司根據一般授權或特別授權將向本公司就信託委任之受託人(初步為交通銀行信託有限公司)(「受託人」)配發及發行之新股份，或(ii)受託人將從市場上購入之現有股份(有關費用將由本公司承擔)及於歸屬前將由受託人以信託方式代經選定僱員持有之股份兌現。

股份獎勵計劃旨在(i)表彰若干僱員作出之貢獻，並給予彼等獎勵以挽留彼等為本集團之持續營運及發展而努力；及(ii)為本集團之進一步發展吸引合適人才。

股份獎勵計劃之有效期及生效期自採納日期起計為期十年，惟可由董事會根據計劃規則決定提早終止。

股份獎勵計劃須由董事會及受託人根據計劃規則及本公司與受託人於二零一八年一月十五日訂立之信託契據(「信託契據」)進行管理。受託人須根據信託契據之條款持有根據信託持有並由受託人為僱員(不包括除外僱員)之利益管理之資金及財產(「信託基金」)。

於股份獎勵計劃之年期內，董事會可不時全權酌情挑選任何僱員(不包括任何除外僱員)作為經選定僱員，並根據計劃規則向有關經選定僱員無償授出獎勵。倘上市規則及所有適用法例不時之任何守則或規定禁止進行股份交易，則董事會不得根據計劃規則向經選定僱員授出獎勵，亦不得向受託人發出購入任何股份之指示。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

36. SHARE AWARD SCHEME (continued)

Where any grant of awarded shares is proposed to be made to any Selected Employee who is a director (including an independent non-executive director), such grant must first be approved by all the members of the remuneration committee, or in the case where the grant is proposed to be made to any member of the remuneration committee of the Company, by all of the other members of the remuneration committee of the Company.

In the event that the grant of an award to any connected person of the Company constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, the Company shall comply with the applicable reporting, announcement or independent shareholders' approval requirements.

Subject to the scheme rules, the Board shall determine from time to time such vesting criteria and conditions or periods for an award to be vested. Prior to the vesting date, any award made hereunder shall be personal to the Selected Employee to whom it is made and shall not be assignable and no Selected Employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the awarded shares referable to him/her pursuant to such award.

In the event that prior to or on the vesting date, a Selected Employee is found to be an excluded employee or is deemed to cease to be an employee, the relevant award made to such Selected Employee shall automatically lapse forthwith and the relevant awarded shares shall not vest on the relevant vesting date but shall remain part of the Trust Fund.

In the event that prior to or on the vesting date, a Selected Employee dies or retires by agreement with a member of the Group, all the awarded shares of the relevant Selected Employee shall be deemed to be vested on the day immediately prior to his/her death or the day immediately prior to his/her retirement with the relevant member of the Group.

The Board may at its discretion, with or without further conditions, grant additional shares or cash award out of the Trust Fund representing all or part of the income or distributions (including but not limited to cash income or dividends, cash income or net proceeds of sale of non-cash and non-scrip distribution, bonus shares and scrip dividends) declared by the Company or derived from such awarded shares during the period from the date of award to the vesting date to a Selected Employee upon the vesting of any awarded shares. Subject to such discretion of the Board, a Selected Employee shall not have any interest or rights (including the right to receive dividends) in the awarded shares prior to the vesting date.

36. 股份獎勵計劃(續)

倘建議向任何身為董事(包括獨立非執行董事)之經選定僱員授出任何獎勵股份,有關授出須首先獲得薪酬委員會全體成員之批准,或在建議向任何本公司薪酬委員會之成員授出之情況下,則須獲得本公司薪酬委員會所有其他成員之批准。

倘向本公司之任何關連人士授出獎勵根據上市規則第十四A章構成本公司之關連交易,本公司應遵守適用申報、公告或獨立股東批准規定。

根據計劃規則,董事會應不時釐定將歸屬獎勵之相關歸屬標準及條件或期限。於歸屬日期前,據此作出之任何獎勵屬獲得作出之經選定僱員個人所有且不得轉讓,而經選定僱員概不得以任何形式以任何其他人士為受益人出售、轉讓、抵押、按揭彼根據有關獎勵獲得之獎勵股份或就此設置產權負擔或增設任何權益。

倘於歸屬日期前或當日,經選定僱員被發現為除外僱員或被視為不再為僱員,向有關經選定僱員作出之有關獎勵應立即自動失效且有關獎勵股份於有關歸屬日期將不會歸屬,但仍為信託基金之一部分。

倘於歸屬日期前或當日,經選定僱員身故或與本集團成員公司協議退休,相關經選定僱員之所有獎勵股份將被視為於緊接其身故前一日或緊接其自本集團相關成員公司退休前一日歸屬。

於任何獎勵股份歸屬後,董事會可酌情決定在施加或不施加進一步條件之情況下,自信託基金向經選定僱員授出額外股份或現金獎勵,而有關額外股份或現金獎勵相當於在獎勵日期至歸屬日期期間本公司所宣派或有關獎勵股份所產生之全部或部分收入或分派(包括但不限於現金收入或股息、出售非現金及非以股代息分派之現金收入或所得款項淨額、紅利股份及代息股份)。在董事會有權決定之規限下,經選定僱員於歸屬日期前不會於獎勵股份擁有任何權益或權利(包括收取股息之權利)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

36. SHARE AWARD SCHEME (continued)

A Selected Employee shall have no rights in the cash in the Trust Fund which has not been applied in the acquisition of any shares (the "Residual Cash") or shares or such other Trust Fund or properties held by the Trustee.

No instructions shall be given by a Selected Employee (including without limitation to voting rights) to the Trustee in respect of the awarded shares that have not been vested, and such other properties in the Trust Fund managed by the Trustee. The Trustee shall not exercise the voting rights in respect of any shares held under the Trust.

The Board shall not make any further grant of awards which will result in the nominal value of the shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a Selected Employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

The Share Award Scheme shall terminate on the earlier of (i) the tenth (10th) anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board, provided that such termination shall not affect any subsisting rights of any Selected Employee under the Share Award Scheme.

On 26 January 2018, the Board has resolved to award an aggregate of 1,030,540,000 awarded shares to 38 Selected Employees under the Share Award Scheme, of which, (i) 126,840,000 awarded shares will be awarded to 29 independent Selected Employees ("Independent Selected Employees") by way of issue and allotment of new shares pursuant to the general mandate; and (ii) 903,700,000 connected awarded shares will be awarded to 9 Connected Selected Employees ("Connected Selected Employees") by way of issue and allotment of new shares pursuant to the specific mandate.

The 1,550,000 pre adjusted shares awarded to an Independent Selected Employees, had been forfeited following his resignation during the vesting period.

36. 股份獎勵計劃(續)

經選定僱員不得於信託基金中尚未用於購入任何股份之現金(「剩餘現金」)或股份或受託人持有之其他信託基金或財產中擁有任何權利。

經選定僱員不得就尚未歸屬之獎勵股份及受託人管理之信託基金之其他財產向受託人發出任何指示(包括但不限於投票權)。受託人不得行使根據信託持有之任何股份之投票權。

在任何進一步授出獎勵將導致董事會根據股份獎勵計劃獎勵之股份面值超出本公司不時已發行股本之10%之情況下，董事會不得授出任何進一步獎勵。根據股份獎勵計劃可獎勵予一名經選定僱員之最高股份數目不得超過本公司不時已發行股本之1%。

股份獎勵計劃將於以下日期(以較早者為準)終止：(i)採納日期十(10)週年當日；及(ii)董事會決定之提早終止日期，惟有關終止不得影響任何經選定僱員根據股份獎勵計劃存續之任何權利。

於二零一八年一月二十六日，董事會議決根據股份獎勵計劃向38名經選定僱員授出合共1,030,540,000股獎勵股份，其中(i)126,840,000股獎勵股份將透過依據一般授權發行及配發新股份之方式授予29名獨立經選定僱員(「獨立經選定僱員」)；及(ii)903,700,000股關連獎勵股份將透過依據特別授權發行及配發新股份之方式授予9名關連經選定僱員(「關連經選定僱員」)。

獎勵予獨立經選定僱員之1,550,000股調整前股份已於彼於歸屬期辭任後被沒收。

Notes to the Consolidated Financial Statements (continued)
綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

36. SHARE AWARD SCHEME (continued)

Details of awarded shares granted by the Company pursuant to the Share Award Scheme and are as follows:

For the year ended 31 March 2019

Grant date	Fair value per share HK\$ 每股公平值 港元	Vesting date 歸屬日期	Number of Awarded Shares 獎勵股份數目				At 31 March 2019 於二零一九年 三月三十一日
			At 1 April 2018 於二零一八年 四月一日	Adjustment due to Share Consolidation# 由於股份合併 進行調整#	Granted 授出	Vested 歸屬	
2 February 2018 二零一八年二月二日	0.161	3 April 2018 二零一八年四月三日	126,840,000	(114,156,000)	—	(12,529,000)	155,000
8 October 2018 二零一八年十月八日	0.580	15 October 2018 二零一八年十月十五日	—	—	90,290,000#	(90,290,000)	—
		Total 總計	126,840,000	(114,156,000)	90,290,000	(102,819,000)	155,000

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

Grant date	Fair value per share HK\$ 每股公平值 港元	Vesting date 歸屬日期	Number of Awarded Shares 獎勵股份數目				At 31 March 2018 於二零一八年 三月三十一日
			At 1 April 2017 於二零一七年 四月一日	Granted 授出	Vested 歸屬	Unvested/ forfeited 未歸屬/沒收	
2 February 2018 二零一八年二月二日	0.161	3 April 2018 二零一八年四月三日	—	126,840,000	—	—	126,840,000
		Total 總計	—	126,840,000	—	—	126,840,000

Note:

The fair value of the award shares was calculated based on the closing price of the Company's shares at the respective grant date.

126,840,000 pre adjusted awarded shares have been granted to 29 Independent Selected Employees on 2 February 2018, of which 108,300,000 pre adjusted awarded shares to 5 Independent Selected Employees are subject to lock-up period. The vesting period is from 2 February 2018 to 3 April 2018. The awarded shares will become vested to the Independent Selected Employees if the Independent Selected Employees remain as employees of the Group as on 3 April 2018.

Following the Share Consolidation on 3 August 2018, the number of outstanding Award Shares to Independent Selected Employees and Connected Selected Employee was adjusted from 126,840,000 to 12,684,000 and 902,900,000 to 90,290,000, respectively.

附註:

獎勵股份之公平值乃按照本公司股份於相關授出日期之收市價計算。

於調整前之126,840,000股獎勵股份已於二零一八年二月二日授予29名獨立經選定僱員，其中於調整前授予5名獨立經選定僱員之108,300,000股獎勵股份受禁售期限制。歸屬期為二零一八年二月二日至二零一八年四月三日。倘獨立經選定僱員於二零一八年四月三日仍為本集團之僱員，則該等獎勵股份將歸屬予彼等。

緊隨於二零一八年八月三日股份合併，授予獨立經選定僱員及關連經選定僱員之未償付獎勵股份數目分別自126,840,000股調整至12,684,000股及自902,900,000股調整至90,290,000股。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

36. SHARE AWARD SCHEME (continued)

90,290,000 awarded shares have been granted to 8 Connected Selected Employees on 8 October 2018, of which 90,240,000 awarded shares to 6 Connected Selected Employees are subject to lock-up period. All the awarded shares is vested to the Connected Selected Employees upon the allotment and issue of the awarded shares.

During the year ended 31 March 2018, the fair value of the awarded shares granted was approximately HK\$20,421,000 and the Group recognised share-based payments expenses of approximately HK\$20,421,000. No awarded share is vested either by the independent Selected Employees or connected Selected Employees during the year ended 31 March 2018.

During the year ended 31 March 2019, the fair value of the awarded shares granted was approximately HK\$52,368,000 and the Group recognised share-based payments expenses of approximately HK\$52,368,000. 12,684,000 awarded Shares are vested to the Independent Selected Employees and 90,290,000 awarded Shares are vested to the Connected Selected Employees during the year ended 31 March 2019. Awarded Shares that are not vested and/or are forfeited in accordance with the terms of the Share Award Scheme are held by the Trustee to be applied towards future awards in accordance with the provisions of the Share Award Scheme.

37. STEP ACQUISITION OF A SUBSIDIARY

Baoli Yota was a wholly-owned subsidiary of the Group before 6 January 2017. Baoli Yota is principally engaged in mobile technologies business in the PRC. On 2 November 2016, Allied Jumbo Investments Limited ("Allied Jumbo"), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement and a capital increase agreement (the "Agreements") with Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd.** ("Yulong Shenzhen"), an indirect wholly-owned subsidiary of Coolpad Group Limited ("Coolpad", stock code: 2369), in relation to the formation of a joint venture, Baoli Yota, pursuant to which, the registered capital of Baoli Yota was increased from RMB10,000,000 to RMB200,000,000. According to the Agreements, the increase in capital is to be contributed by Allied Jumbo and Yulong Shenzhen as to RMB92,000,000 and RMB98,000,000 respectively. Immediately after the capital injection, the registered capital contribution in Baoli Yota by Allied Jumbo and Yulong Shenzhen was changed from 100% and 0% to 51% and 49% respectively.

36. 股份獎勵計劃(續)

於二零一八年十月八日，90,290,000股獎勵股份已授予8名關連經選定僱員，當中授予6名關連經選定僱員的90,240,000股獎勵股份受禁售期限制。所有獎勵股份於配發及發行獎勵股份後歸屬予關連經選定僱員。

於截至二零一八年三月三十一日止年度，已授出獎勵股份之公平值約為20,421,000港元，而本集團確認以股份為基礎之付款開支約20,421,000港元。於截至二零一八年三月三十一日止年度，概無獎勵股份歸屬予獨立經選定僱員或關連經選定僱員。

截至二零一九年三月三十一日止年度，已授出獎勵股份之公平值約為52,368,000港元，且本集團確認以股份為基礎之付款開支約為52,368,000港元。於截至二零一八年三月三十一日止年度，12,684,000股獎勵股份歸屬予獨立經選定僱員及90,290,000股獎勵股份歸屬予關連經選定僱員。根據股份獎勵計劃之條款未歸屬及／或已沒收之獎勵股份由受託人持有，以根據股份獎勵計劃之條文用於未來獎勵。

37. 逐步收購一間附屬公司

寶力優特於二零一七年一月六日前為本集團的一間全資附屬公司。寶力優特主要於中國從事手機技術業務。於二零一六年十一月二日，悅眺投資有限公司(「悅眺」，本公司之間接全資附屬公司)與宇龍計算機通信科技(深圳)有限公司(「宇龍深圳」，酷派集團有限公司(「酷派」，股份代號：2369)之間接全資附屬公司)就成立合營企業寶力優特訂立合營協議及增資協議(「該等協議」)，據此，寶力優特之註冊資本由人民幣10,000,000元增至人民幣200,000,000元。根據該等協議，所增加之資本中人民幣92,000,000元及人民幣98,000,000元分別由悅眺及宇龍深圳出資。緊隨注資後，悅眺及宇龍深圳向寶力優特註冊資本出資之比例由100%及0%分別變為51%及49%。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

37. STEP ACQUISITION OF A SUBSIDIARY (continued)

Immediately prior to the revision of the articles of association of Baoli Yota, the board of directors of Baoli Yota comprised one director who was appointed by the Group. The revised articles of association of Baoli Yota which became effective on 6 January 2017 has stipulated that the board of directors of Baoli Yota comprises of four directors, of which two directors were appointed by Allied Jumbo and another two directors were appointed by Yulong Shenzhen.

The board of directors of Baoli Yota is involved in daily operations, majority votes of the directors are required for making relevant operating decisions. According to the revised articles of association and Agreements, decisions about relevant activities require an unanimous consent of the parties sharing control. The Group is not able to control the activities without co-operation of the other party, and each party cannot individually control Baoli Yota.

After considering the above fact and circumstances, the Directors concluded that the Group lost the control of Baoli Yota. On 6 January 2017, the Group was deemed to have disposed of its 100% equity interest in Baoli Yota. The 51% equity interest in Baoli Yota was therefore accounted for interest in as a joint venture since 6 January 2017.

On 19 May 2017, Allied Jumbo and Yulong Shenzhen entered into an amended and restated agreement (the "Amended and Restated Agreement") to amend certain terms of the Agreements in respect of, among other things, the capital contribution by each party to Baoli Yota, the board composition and the operations of Baoli Yota. Under the Amended and Restated Agreement, the total investment amount of Baoli Yota was changed from RMB500,000,000 to RMB300,000,000, the registered capital of Baoli Yota was changed from RMB200,000,000 to RMB100,000,000. The capital contributions of Allied Jumbo and Yulong Shenzhen were changed from RMB102,000,000 and RMB98,000,000 to RMB80,000,000 and RMB20,000,000 respectively. Therefore, Allied Jumbo's equity interest in Baoli Yota was increased from 51% to 80%. Hence, the Group would have better control of Baoli Yota as the Group would have a higher equity stake in Baoli Yota and the Group could nominate a majority of the board of directors of Baoli Yota thereafter.

The step acquisition was completed on 3 August 2017. After the completion, the Group is able to exercise control over Baoli Yota and Baoli Yota became an 80% owned subsidiary of the Company from that date.

37. 逐步收購一間附屬公司(續)

緊接修訂寶力優特之組織章程細則前，寶力優特之董事會僅由一名董事組成，由本集團委任。寶力優特之經修訂組織章程細則已於二零一七年一月六日生效，規定寶力優特之董事會由四名成員組成，其中兩名將由悅眺委任，另外兩名由宇龍深圳委任。

寶力優特之董事會參與日常營運，營運事宜之決策須經由董事以過半數表決通過。根據經修訂之組織章程細則及該等協議，相關活動之決策須經由分享控制權之訂約方一致同意。未得到另一方合作，本集團無法控制有關活動，各方均無法單獨控制寶力優特。

經考慮上述事實及情況，董事認為，本集團已失去對寶力優特之控制權。於二零一七年一月六日，本集團被視作已出售其於寶力優特之全部股本權益。因此，於寶力優特之51%股本權益自二零一七年一月六日起入賬列作於一間合營企業之權益。

於二零一七年五月十九日，悅眺與宇龍深圳訂立一份經修訂及重列協議(「經修訂及重列協議」)，以修訂該等協議有關(其中包括)訂約各方向寶力優特出資以及寶力優特董事會成員組合及營運之若干條款。根據經修訂及重列協議，寶力優特之總投資額由人民幣500,000,000元更改為人民幣300,000,000元，寶力優特之註冊資本由人民幣200,000,000元更改為人民幣100,000,000元。悅眺及宇龍深圳之出資額分別由人民幣102,000,000元及人民幣98,000,000元更改為人民幣80,000,000元及人民幣20,000,000元。故此，悅眺於寶力優特之股本權益由51%增加至80%。因此，本集團擁有更多寶力優特股權，且本集團其後可提名寶力優特董事會多數成員，使本集團擁有寶力優特更大控制權。

有關逐步收購已於二零一七年八月三日完成。完成後，本集團擁有對寶力優特之控制權，而寶力優特由當日起成為本公司擁有80%權益之附屬公司。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

37. STEP ACQUISITION OF A SUBSIDIARY (continued)

Details of net liabilities acquired and goodwill arising on the acquisition were as follows:

37. 逐步收購一間附屬公司(續)

所收購淨負債及因收購而產生之商譽詳情如下：

		HK\$'000 千港元
Net liabilities acquired:	所收購淨負債：	
Property, plant and equipment (Note 19)	物業、廠房及設備(附註19)	748
Intangible asset	無形資產	6
Inventories	存貨	5,669
Other receivables	其他應收賬項	5,208
Bank balances and cash	銀行結餘及現金	3,393
Other payables	其他應付賬項	(22,500)
		<u>(7,476)</u>
Goodwill arising on step acquisition:	因逐步收購而產生之商譽：	
Purchase consideration	購買代價	3,252
Less: Non-controlling interests	減：非控股權益	(1,495)
Add: Net liabilities acquired	加：所收購淨負債	7,476
		<u>9,233</u>
Goodwill (Note 22)	商譽(附註22)	<u>9,233</u>
Net cash inflow arising on step acquisition:	因逐步收購而產生之現金流入淨額：	
Bank balances and cash acquired	所收購銀行結餘及現金	<u>3,393</u>

No acquisition-related costs arising from the step acquisition have been incurred.

逐步收購並無產生任何收購相關成本。

Goodwill arose in the step acquisition of Baoli Yota because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies, revenue growth, future market development and the assembled workforce of Baoli Yota. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. In addition, the financial results of Baoli Yota will be consolidated into the financial results of the Company. Therefore, the Group's income sources can be broadened and its financial performance can be enhanced in the long run.

由於合併成本包含控制權溢價，故逐步收購寶力優特產生商譽。此外，就合併支付之代價包括有關源自來自寶力優特預期協同效益、收入增長、未來市場發展及合併人員之利益。由於此等利益並不符合可識別無形資產之確認條件，故並無與商譽分開確認。此外，寶力優特之財務業績將於本公司之財務業績中綜合入賬。因此，長遠而言，本集團之收入來源得以擴闊，其財務表現亦得以增強。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

37. STEP ACQUISITION OF A SUBSIDIARY (continued)

The non-controlling interests recognised at the acquisition date was measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net liabilities.

Included in loss for the year is HK\$22,120,000 attributable to the additional business generated Baoli Yota. Revenue for the year includes HK\$24,660,000 generated from Baoli Yota.

Had the step acquisition of Baoli Yota been completed on 1 April 2017, the total group revenue for the year ended 31 March 2018 would have been HK\$53,482,000 and the amount of the loss for the year would have been approximately HK\$322,120,000. The pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the step acquisition been completed on 1 April 2017, nor is it intended to be a projection of future results.

38. DIRECTORS' MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the year ended 31 March 2019, rental and building management fee expenses of approximately HK\$2,006,000 (2018: HK\$4,012,000) had been paid to Great Wall Belt & Road Holdings Limited ("Great Wall"), a company in which one (2018: two) director of the Company had material interest. One of the directors of the Company ceased his interest in Great Wall since 23 November 2017.

During the year ended 31 March 2019, rental expenses of HK\$Nil (2018: HK\$600,000) had been paid to Nova Capital Advisor Limited, a company in which a connected entity of a director of the Company had a material interest.

Apart from the above mentioned, no other transactions, arrangements or contracts of significance to which the Company's holding company, subsidiaries or fellow subsidiaries was a party and in which a director or a connected entity of 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.

37. 逐步收購一間附屬公司(續)

於收購日期確認之非控股權益按非控股權益應佔被收購方可識別淨負債已確認金額之比例計量。

本年度虧損包括寶力優特所產生額外業務應佔之22,120,000港元。本年度收入包括寶力優特所產生之24,660,000港元。

倘逐步收購寶力優特於二零一七年四月一日完成，則截至二零一八年三月三十一日止年度之集團收入總額應為53,482,000港元，而本年度虧損金額應約為322,120,000港元。備考資料僅供說明之用，不一定表示假設逐步收購已於二零一七年四月一日完成之情況下，本集團實際應該取得之收入及經營業績，亦不擬作為未來業績預測。

38. 董事於重大交易、安排或合約中之重大權益

於截至二零一九年三月三十一日止年度，本集團向長城一帶一路控股有限公司(「長城」)支付租金及樓宇管理費開支約2,006,000港元(二零一八年：4,012,000港元)。本公司一名(二零一八年：兩名)董事於長城擁有重大權益。本公司其中一名董事由二零一七年十一月二十三日起不再於長城擁有權益。

於截至二零一九年三月三十一日止年度，本集團向Nova Capital Advisor Limited支付租金開支零港元(二零一八年：600,000港元)。本公司一名董事之關連實體於Nova Capital Advisor Limited擁有重大權益。

除上文所述者外，於年終或年內任何時間，概無本公司控股公司、附屬公司或同系附屬公司為訂約方而本公司董事或本公司一名董事之關連實體擁有任何直接或間接重大利益之其他重大交易、安排或合約存續。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows from financing activities.

39. 融資活動所產生負債之對賬

下表詳述本集團融資活動所產生負債之變動(包括現金及非現金變動)。融資活動所產生負債指現金流量或未來現金流量將於本集團之綜合現金流量表中列入融資活動之負債。

		Trade and other payables - amounts due to directors 應付貿易及其他賬項—應付董事款項 (Note 27) (附註27) HK\$'000 千港元	Interest payable (Included in trade and other payables) 應付利息 (計入應付貿易及其他賬項) (Note 27) (附註27) HK\$'000 千港元	Bank and other borrowings 銀行及其他借貸 (Note 29) (附註29) HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	—	—	97,343	97,343
Changes from cash flows:	現金流量之變動：				
Advance from directors	向董事貸款	18,175	—	—	18,175
Bank and other borrowings raised	新增銀行及其他借貸	—	—	118,926	118,926
Repayment of bank and other borrowings	償還銀行及其他借貸	—	—	(235)	(235)
Interest paid	已付利息	—	—	(3,729)	(3,729)
Non-cash change:	非現金變動：				
Finance costs recognised (Note 11)	已確認融資成本(附註11)	—	8,668	7,011	15,679
Foreign exchange translation	外匯換算	—	12	8,404	8,416
At 31 March 2018	於二零一八年三月三十一日	18,175	8,680	227,720	254,575
Changes from cash flows:	現金流量之變動：				
Advance from directors	向董事貸款	26,903	—	—	26,903
Bank and other borrowings raised	新增銀行及其他借貸	—	—	20,528	20,528
Repayment of bank and other borrowings	償還銀行及其他借貸	—	—	(9,144)	(9,144)
Interest paid	已付利息	—	—	(2,034)	(2,034)
Non-cash change:	非現金變動：				
Finance costs recognised (Note 11)	已確認融資成本(附註11)	—	15,070	10,398	25,468
Foreign exchange translation	外匯換算	—	(2)	(8,678)	(8,680)
At 31 March 2019	二零一九年三月三十一日	45,078	23,748	238,790	307,616

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

40. CAPITAL COMMITMENTS

40. 資本承擔

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Contracted for but not provided in the consolidated financial statement:	已訂約但未於綜合財務報表撥備：		
Unpaid registered capital for a subsidiary	於一間附屬公司之未繳註冊資本	155,848	177,772

41. OPERATING LEASES

41. 經營租賃

The Group as lessee

本集團作為承租人

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

於報告期末，本集團須按不可撤銷經營租賃承擔未來最低租賃付款，到期日如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內	3,897	6,261
After one year and within five years	一年後但於五年內	3,877	2,819
		7,774	9,080

Operating lease payments represent rentals payable by the Group for certain of its office premises and warehouses. Leases are negotiated and fixed for an average term of one to two years (2018: one to two years).

經營租賃付款指本集團就其若干寫字樓物業及倉庫應付之租金。租賃年期平均協定為一至兩年(二零一八年：一至兩年)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

42. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged for the Group's banking facilities and borrowings:

42. 資產質押

於報告期末，本集團已就其銀行融資及借貸質押以下資產：

			2019 二零一九年	2018 二零一八年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	19	4,256	4,899
Land use rights	土地使用權	20	8,328	9,392
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	25	759	2,115
			<u>13,343</u>	<u>16,406</u>

As at 31 March 2019, the Company pledged the entire equity interests of Zibo Liyuan to secure a bank borrowing of HK\$9,238,000 (2018: HK\$9,621,000) (Note 29).

於二零一九年三月三十一日，本公司已質押淄博利源全部股本權益，以取得9,238,000港元(二零一八年：9,621,000港元)之銀行借貸(附註29)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

43. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

During the year, saved as disclosed in elsewhere in the consolidated financial statements, the Group had significant transactions with the following related parties, together with balances with them at the end of the reporting period, details of which are as follows:

43. 與關連人士之交易及結餘

年內，除綜合財務報表其他部分所披露者外，本集團與以下關連人士進行重大交易，連同於報告期末與彼等之結餘，詳情如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Associates:	聯營公司：		
Royalty fees (Note a)	專利權費(附註a)	57,448	54,865
Interests on overdue royalty fee payable	逾期應付專利權費之利息	7,939	2,570
Companies controlled by the directors:	受董事控制之公司：		
Rental expenses (Note 38 & b)	租金開支(附註38及b)	2,006	4,612
Accruals	應計款項	5,096	4,093
Key management compensation of the Group:	本集團主要管理人員補償：		
Salaries and other short-term employee benefits (Note 15 & c)	薪金及其他短期僱員福利(附註15及c)	42,745	7,731

Notes:

附註：

- (a) Royalty fee was charged in accordance with the terms as determined and agreed among the Group and associates.
- (b) Rental expenses were charged on a monthly fixed amount basis as mutually agreed by the Company and companies controlled by the directors.
- (c) The remuneration of the key management personnel is determined by the remuneration committee having regard to the performance of individual and market trends.

- (a) 專利權費乃按照本集團與聯營公司釐定及相互協定之條款收取。
- (b) 租金開支乃按照本公司與受董事控制之公司相互協定之固定月租收取。
- (c) 主要管理人員之薪酬由薪酬委員會於考慮個別人士表現及市場趨勢後釐定。

The Directors are of the view that the terms of the above related party transactions are fair and reasonable, based on normal commercial terms where no charge over assets of the Group is created in respect of the above transactions.

董事會認為，上述關連人士交易之條款屬公平合理，符合正常商務條款，並無就上述交易設立有關本集團資產之押記。

Save as disclosed above, there were no other significant transactions with related parties during the year or significant balances with them at the end of the reporting period.

除上文所披露者外，年內並無與關連人士進行其他重大交易，且於報告期末亦無與彼等之重大結餘。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the principal subsidiaries at 31 March 2019 and 2018 are as follows:

44. 本公司主要附屬公司詳情

於二零一九年及二零一八年三月三十一日，主要附屬公司之詳情如下：

Name of subsidiaries 附屬公司名稱	Place of incorporation/ Principal place of operation 註冊成立地點／ 主要營業地點	Paid-up share capital/ registered capital 繳足股本／註冊資本	Proportion of ownership interest held by the Company 本公司所持擁有權權益比例				Proportion of voting power held by the Company 本公司所持投票權比例				Principal activities 主要業務
			2019 二零一九年		2018 二零一八年		2019 二零一九年		2018 二零一八年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
China Baoli Technologies Investment Limited 中國寶力科技投資有限 公司	British Virgin Islands/ British Virgin Islands 英屬處女群島／英屬處 女群島	1 ordinary share of USD1 each 1股每股面值1美元之普 通股	100	—	100	—	100	—	100	—	Investment holding 投資控股
Top Field Technology Limited 德豐科技有限公司	Hong Kong/ Hong Kong 香港／香港	1 ordinary share of HK\$1 each 1股每股面值1港元之 普通股	—	100	—	100	—	100	—	100	Investment holding 投資控股
Zibo Liyuan 淄博利源	PRC/PRC 中國／中國	RMB 29,000,000 paid-up registered Capital 人民幣29,000,000元 實繳註冊資本	—	80	—	80	—	80	—	80	Gamma ray irradiation service 伽瑪射線照射服務
China Baoli Innovation Technologies Limited 中國寶力創新科技有 限公司	British Virgin Islands/ British Virgin Islands 英屬處女群島／英屬 處女群島	1 ordinary share of USD1 each 1股每股面值1美元之 普通股	—	100	—	100	—	100	—	100	Asset management 資產管理
China Baoli Technologies Services Limited 中國寶力科技服務有 限公司	British Virgin Islands/ British Virgin Islands 英屬處女群島／英屬 處女群島	1 ordinary share of USD1 each 1股每股面值1美元之 普通股	—	100	—	100	—	100	—	100	Investment holding 投資控股
China Baoli Technologies Development Limited 中國寶力科技發展有 限公司	Hong Kong/ Hong Kong 香港／香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值1 港元之普通股	—	100	—	100	—	100	—	100	Investment holding 投資控股
Advance Star Investments Limited ("Advance Star") 進星投資有限公司 （「進星」）	British Virgin Islands/ British Virgin Islands 英屬處女群島／英屬 處女群島	80 ordinary shares of USD1 each 80股每股面值1美元 之普通股	—	100	—	100	—	100	—	100	Investment holding 投資控股

Notes to the Consolidated Financial Statements (continued)
綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Details of the principal subsidiaries at 31 March 2019 and 2018 are as follows: (continued)

44. 本公司主要附屬公司詳情(續)

於二零一九年及二零一八年三月三十一日，主要附屬公司之詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ Principal place of operation 註冊成立地點／ 主要營業地點	Paid-up share capital/ registered capital 繳足股本／註冊資本	Proportion of ownership interest held by the Company 本公司所持擁有權權益比例				Proportion of voting power held by the Company 本公司所持投票權比例				Principal activities
			2019 二零一九年		2018 二零一八年		2019 二零一九年		2018 二零一八年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Allied Jumbo 悅眺	Hong Kong/ Hong Kong 香港／香港	1 ordinary share of HK\$1 each 1股每股面值1港元之普通股	—	100	—	100	—	100	—	100	Investment holding 投資控股
Baoli Youta (Shanghai) Communication Technology Company Limited	PRC/PRC	RMB2,411,633 paid up registered capital and RMB7,588,367 unpaid registered capital	—	100	—	100	—	100	—	100	Wholesale, import and export of, and the provision of commission-agency (except auction) and other auxiliary services for, telecommunication equipment, electronic products, digital products and computer software, hardware and auxiliary equipment
寶力優塔(上海)通訊科技有限公司	中國／中國	人民幣2,411,633元實繳註冊資本及人民幣7,588,367元未繳註冊資本									通訊設備、電子產品、數碼產品、電腦軟硬體及輔助設備的批發、進出口、佣金代理(拍賣除外)及其相關配套服務

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Details of the principal subsidiaries at 31 March 2019 and 2018 are as follows: (continued)

44. 本公司主要附屬公司詳情(續)

於二零一九年及二零一八年三月三十一日，主要附屬公司之詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ Principal place of operation 註冊成立地點／主要營 業地點	Paid-up share capital/ registered capital 繳足股本／註冊資本	Proportion of ownership interest held by the Company 本公司所持擁有權權益比例				Proportion of voting power held by the Company 本公司所持投票權比例				Principal activities
			2019 二零一九年		2018 二零一八年		2019 二零一九年		2018 二零一八年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Chongqing Baoli Yota Technologies Limited**	PRC/PRC	RMB319,700,000 paid up registered capital and RMB79,800,000 unpaid registered capital	—	100	—	100	—	100	—	100	Telecommunication products and accessories, computer software, hardware and auxiliary equipment and accessories, telecommunication products and electronic products
重慶寶力優特科技有 限公司**	中國／中國	人民幣319,700,000 元實繳註冊資本及 人民幣79,800,000 元未繳註冊資本									通訊產品及配件、電 腦軟硬體及輔助設 備與配件、電訊產 品、電子產品
Baoli Yota	PRC/PRC	RMB34,114,565 paid up registered capital and RMB65,885,435 unpaid registered capital	—	80	—	80	—	80	—	80	Manufacture and sales of mobile phone
寶力優特	中國／中國	人民幣34,114,565元 實繳註冊資本及人 民幣65,885,435元 未繳註冊資本									手機生產及銷售
We Fly	Hong Kong/ Hong Kong	500,000 ordinary shares of HK\$1 each	—	75	—	75	—	75	—	75	Travel and travel related business
愛飛	香港／香港	500,000股每股面值1 港元之普通股									旅遊及旅遊相關業務
Yota Technologies IPR Limited (Note a)	British Virgin Islands/ British Virgin Islands	1 ordinary share of USD1 each	—	100	—	100	—	100	—	100	Inactive
Yota Technologies IPR Limited (附註a)	英屬處女群島／英屬 處女群島	1股每股面值1美元之 普通股									暫無業務

Note a: It was newly incorporated during the year ended 31 March 2018.

附註a：於截至二零一八年三月三十一日止年度新註冊成立。

** For identification purpose only

** 僅供識別

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

None of the subsidiaries had issued any debt securities at the end of the year.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in the British Virgin Islands, PRC and Hong Kong. The principal activities of these subsidiaries are summarised as follows:

44. 本公司主要附屬公司詳情(續)

於年終，附屬公司概無任何已發行債務證券。

上表載列董事認為對本集團業績或資產構成主要影響之本公司附屬公司。董事認為詳列其他附屬公司之資料會令篇幅過長。

於報告期末，本公司擁有其他對本集團而言並不重大之附屬公司。該等附屬公司大部分於英屬處女群島、中國及香港營業。該等附屬公司之主要業務概述如下：

Principal activities 主要業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2019 二零一九年	2018 二零一八年
Investment holding 投資控股	British Virgin Islands 英屬處女群島	12	12
	Hong Kong 香港	4	4
	Samoa 薩摩亞	1	1
		<hr/>	<hr/>
		17	17
Consulting 顧問	PRC 中國	2	2
Sales of building materials, decoration materials 銷售建築材料、裝修材料	PRC 中國	1	1
Internet service 互聯網服務	PRC 中國	1	1
Leasing 租賃	British Virgin Islands 英屬處女群島	1	1
Provision of cruise ship management services 提供郵輪管理服務	Hong Kong 香港	1	1
Securities trading 證券買賣	British Virgin Islands 英屬處女群島	1	1

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued) 44. 本公司主要附屬公司詳情(續)

Principal activities 主要業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2019 二零一九年	2018 二零一八年
Inactive 暫無業務	Hong Kong 香港	10	10
	British Virgin Islands 英屬處女群島	1	1
	PRC 中國	1	1
		<u>12</u>	<u>12</u>

45. NON-CONTROLLING INTERESTS

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows the details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

45. 非控股權益

存在重大非控股權益之非全資附屬公司之詳情

下表載列本集團存在重大非控股權益之非全資附屬公司之詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持擁有權權益及投票權比例		Total comprehensive income allocated to non-controlling interests 分配予非控股權益之全面收入總額		Accumulated non-controlling interests 累計非控股權益	
		31 March 2019 二零一九年三月三十一日	31 March 2018 二零一八年三月三十一日	31 March 2019 二零一九年三月三十一日	31 March 2018 二零一八年三月三十一日	31 March 2019 二零一九年三月三十一日	31 March 2018 二零一八年三月三十一日
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
We Fly 愛飛	HK 香港	25%	25%	(1,755)	(437)	(2,878)	(1,123)
Baoli Yota 寶力優特	PRC 中國	20%	20%	(5,081)	(4,598)	(11,178)	(6,093)
Zibo Liyuan 淄博利源	PRC 中國	20%	20%	(662)	(147)	2,404	3,164
				<u>(7,498)</u>	<u>(5,182)</u>	<u>(11,652)</u>	<u>(4,052)</u>

Summarised consolidated financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

下文載列本集團各存在重大非控股權益之附屬公司之綜合財務資料概要。以下財務資料概要指進行集團內公司間對銷前之金額。

Notes to the Consolidated Financial Statements (continued)
綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

45. NON-CONTROLLING INTERESTS (continued)
We Fly45. 非控股權益(續)
愛飛

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	5,397	4,776
Non-current assets	非流動資產	1,447	423
Current liabilities	流動負債	(18,354)	(9,663)
Non-current liabilities	非流動負債	—	(30)
Equity attributable to owners of the Company	本公司擁有人應佔權益	(8,632)	(3,371)
Non-controlling interests of We Fly	愛飛之非控股權益	(2,878)	(1,123)
Revenue	收入	5,227	7,367
Expenses	支出	(12,243)	(9,117)
Loss and total comprehensive expenses for the year	本年度虧損及全面開支總額	(7,016)	(1,750)
Loss and total comprehensive expenses attributable to owners of the Company	本公司擁有人應佔虧損及全面開支總額	(5,261)	(1,313)
Loss and total comprehensive expenses attributable to non-controlling interests of We Fly	愛飛之非控股權益應佔虧損及全面開支總額	(1,755)	(437)
Loss and total comprehensive expenses for the year	本年度虧損及全面開支總額	(7,016)	(1,750)
Dividends paid to non-controlling interests of We Fly	已付愛飛之非控股權益之股息	—	—
Net cash outflow from operating activities	經營活動現金流出淨額	(2,710)	(3,536)
Net cash inflow (outflow) from financial activities	融資活動現金流入(流出)淨額	483	(490)
Net cash outflow	現金流出淨額	(2,227)	(4,026)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

45. NON-CONTROLLING INTERESTS (continued)**Baoli Yota****45. 非控股權益(續)****寶力優特**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	12,671	35,081
Non-current assets	非流動資產	475	795
Current liabilities	流動負債	(66,101)	(63,410)
Equity attributable to owners of the Company	本公司擁有人應佔權益	(41,777)	(21,441)
Non-controlling interests of Baoli Yota	寶力優特之非控股權益	(11,178)	(6,093)
Revenue	收入	19,878	108,066
Expenses	支出	(47,019)	(129,426)
Loss for the year	本年度虧損	(27,141)	(21,360)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(21,715)	(17,088)
Loss attributable to non-controlling interests of Baoli Yota	寶力優特之非控股權益應佔虧損	(5,426)	(4,272)
Loss for the year	本年度虧損	(27,141)	(21,360)
Other comprehensive income (expenses) attributable to owners of the Company	本公司擁有人應佔其他全面收入(支出)	1,394	(1,302)
Other comprehensive income (expenses) attributable to non-controlling interests of Baoli Yota	寶力優特之非控股權益應佔其他全面收入(支出)	345	(326)
Other comprehensive income (expenses) for the year	本年度其他全面收入(支出)	1,739	(1,628)
Total comprehensive expenses attributable to owners of the Company	本公司擁有人應佔全面支出總額	(20,321)	(18,390)
Total comprehensive expenses attributable to non-controlling interests of Baoli Yota	寶力優特之非控股權益應佔全面支出總額	(5,081)	(4,598)
Total comprehensive expenses for the year	本年度全面支出總額	(25,402)	(22,988)
Dividends paid to non-controlling interests of Baoli Yota	已付寶力優特之非控股權益之股息	—	—
Net cash (outflow) inflow from operating activities	經營活動現金(流出)流入淨額	(2,457)	5,984
Net cash inflow (outflow) from investing activities	投資活動現金流入(流出)淨額	6	(5,254)
Net cash (outflow) inflow	現金(流出)流入淨額	(2,451)	730

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

45. NON-CONTROLLING INTERESTS (continued)

Zibo Liyuan

45. 非控股權益(續)

淄博利源

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	1,173	2,384
Non-current assets	非流動資產	20,455	23,219
Current liabilities	流動負債	(9,610)	(9,783)
Equity attributable to owners of the Company	本公司擁有人應佔權益	9,614	12,656
Non-controlling interests of Zibo Liyuan	淄博利源之非控股權益	2,404	3,164
Revenue	收入	4,715	5,096
Expenses	支出	(7,044)	(7,473)
Loss for the year	本年度虧損	(2,329)	(2,377)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(1,865)	(1,901)
Loss attributable to non-controlling interests of Zibo Liyuan	淄博利源之非控股權益應佔虧損	(464)	(476)
Loss for the year	本年度虧損	(2,329)	(2,377)
Other comprehensive (expenses) income attributable to owners of the Company	本公司擁有人應佔其他全面(支出)收入	(781)	1,312
Other comprehensive (expenses) income attributable to non-controlling interests of Zibo Liyuan	淄博利源之非控股權益應佔其他全面(支出)收入	(198)	329
Other comprehensive (expenses) income for the year	本年度其他全面(支出)收入	(979)	1,641
Total comprehensive expenses attributable to owners of the Company	本公司擁有人應佔全面支出總額	(2,646)	(589)
Total comprehensive expenses attributable to non-controlling interests of Zibo Liyuan	淄博利源之非控股權益應佔全面支出總額	(662)	(147)
Total comprehensive expenses for the year	本年度全面支出總額	(3,308)	(736)
Dividends paid to non-controlling interests of Zibo Liyuan	已付淄博利源之非控股權益之股息	—	—
Net cash inflow (outflow) from operating activities	經營活動現金流入(流出)淨額	539	(1,221)
Net cash inflow (outflow) from investing activities	投資活動現金流入(流出)淨額	9	(473)
Net cash outflow from financing activities	融資活動現金流出淨額	(923)	(499)
Net cash outflow	現金流出淨額	(375)	(2,193)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

46. 本公司之財務狀況表及儲備

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	2,626	525
Interests in subsidiaries	於附屬公司之權益	1	1
Amounts due from subsidiaries	應收附屬公司款項	203,336	607,399
		<u>205,963</u>	<u>607,925</u>
Current assets	流動資產		
Other receivables	其他應收賬項	9,245	10,704
Amounts due from associates	應收聯營公司款項	—	579,614
Bank balances and cash	銀行結餘及現金	178	29,067
		<u>9,423</u>	<u>619,385</u>
Current liabilities	流動負債		
Other payables	其他應付賬項	59,874	74,882
Amounts due to subsidiaries	應付附屬公司款項	50,842	46,935
Financial guarantee	財務擔保	226,154	—
Other borrowings	其他借貸	10,000	—
		<u>346,870</u>	<u>121,817</u>
Net current (liabilities) assets	流動(負債)資產淨值	<u>(337,447)</u>	<u>497,568</u>
Total assets less current liability	資產總值減流動負債	<u>(131,484)</u>	<u>1,105,493</u>
Non-current liability	非流動負債		
Other borrowings	其他借貸	19,657	29,083
Net assets	資產淨值	<u>(151,141)</u>	<u>1,076,410</u>
Capital and reserves	資本及儲備		
Share capital	股本	363,823	352,251
Reserves	儲備	(514,964)	724,159
Total equity	權益總額	<u>(151,141)</u>	<u>1,076,410</u>

The Company's statement of financial position was approved and authorised for issue by the board of directors on 12 July 2019 and are signed on its behalf by:

本公司之財務狀況表於二零一九年七月十二日獲董事會批准及授權刊發，並由以下人士代表簽署：

Zhang Yi
張依
Director
董事

Chu Wei Ning
祝蔚寧
Director
董事

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)
Movement of the Company's reserves

46. 本公司之財務狀況表及儲備(續)

本公司儲備變動

		Share premium	Capital redemption reserve	Contingent consideration reserve	Share options reserve	Share held under share award scheme reserve	Share-based payment reserve	Contributed surplus	Accumulated losses	Total
		股份溢價	資本贖回儲備	或然代價儲備	購股權儲備	根據股份獎勵計劃所持股份儲備	以股份為基礎之付款儲備	繳入盈餘	累計虧損	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2017	於二零一七年四月一日	1,877,093	13,878	95,442	28,232	—	—	907,760	(2,147,969)	774,436
Loss for the year	本年度虧損	—	—	—	—	—	—	—	(141,001)	(141,001)
Issuance of shares for the further acquisition of an associate	就進一步收購一間聯營公司發行股份	75,757	—	—	—	—	—	—	—	75,757
Issuance of shares for the acquisition of a subsidiary	就收購一間附屬公司發行股份	91,256	—	(95,442)	—	—	—	—	—	(4,186)
Issuance of shares under share award scheme	根據股份獎勵計劃發行股份	—	—	—	—	(1,268)	—	—	—	(1,268)
Equity settled share-based transaction	以權益結算以股份為基礎之交易	—	—	—	—	—	20,421	—	—	20,421
Lapse of share options	購股權失效	—	—	—	(16)	—	—	—	16	—
At 31 March 2018	於二零一八年三月三十一日	2,044,106	13,878	—	28,216	(1,268)	20,421	907,760	(2,288,954)	724,159
Adjustment	調整	—	—	—	—	—	—	—	(249,509)	(249,509)
At 1 April 2018 (Restated)	於二零一八年四月一日(經重列)	2,044,106	13,878	—	28,216	(1,268)	20,421	907,760	(2,538,463)	474,650
Loss for the year	本年度虧損	—	—	—	—	—	—	—	(1,065,405)	(1,065,405)
Issuance of shares for the further acquisition of an associate	就進一步收購一間聯營公司發行股份	32,452	—	—	—	—	—	—	—	32,452
Issuance of shares under share award scheme	根據股份獎勵計劃發行股份	—	—	—	—	(9,029)	—	—	—	(9,029)
Equity settled share-based transaction	以權益結算以股份為基礎之交易	—	—	—	—	—	52,368	—	—	52,368
Allotment of awarded shares to trustee	向受託人配發獎勵股份	62,258	—	—	—	10,281	(72,539)	—	—	—
Share award forfeited	沒收股份獎勵	—	—	—	—	—	(250)	—	250	—
Lapse of share options	購股權失效	—	—	—	(28,216)	—	—	—	28,216	—
At 31 March 2019	於二零一九年三月三十一日	2,138,816	13,878	—	—	(16)	—	907,760	(3,575,402)	(514,964)

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

47. EVENTS AFTER THE REPORTING PERIOD

References are made to the announcements of the Company dated 29 March 2019 and 10 May 2019 (the "Announcements") in relation to the acquisition of the entire issued share capital of Hong Kong Made (Media) Limited and Ample Success Limited (the "Target Companies") involving an issue of consideration shares under general mandate. Capitalised terms used herein shall have the same meanings as those defined in the Announcements. Completion took place on 6 June 2019. Upon completion, the Target Companies became wholly-owned subsidiaries of the Company and their financial results will be consolidated into the financial results of the Company. As part of the payment of the total consideration of HK\$50,000,000, the Company allotted and issued to the vendors the first tranche consideration shares, being 83,333,325 shares, representing approximately 2.24% of the issued share capital of the Company as enlarged by the allotment and issue of such shares.

48. COMPARATIVE FIGURES

During the year ended 31 March 2019, for enhancing the relevance of the presentation of the consolidated financial statements, reclassifications have been made to certain comparative figures presented in the consolidated financial statements in respect of the prior year to achieve comparability with the current year's presentation. As a result, the following line items regarding comparative figures have been amended and adjusted, together with the related notes to conform to the current year's presentations:

47. 報告期後事項

謹此提述本公司日期為二零一九年三月二十九日及二零一九年五月十日之公告(「該等公告」)，內容關於收購香港製作(媒體)有限公司及博功有限公司(「目標公司」)的全部已發行股本，涉及根據一般授權發行代價股份。本公告所用專有詞彙與該等公告所界定者具有相同涵義。交易已於二零一九年六月六日完成。完成後，目標公司成為本公司之全資附屬公司且其財務業績將綜合計入本公司之財務業績。作為總代價50,000,000港元的部分付款，本公司向賣方配發及發行第一批代價股份，即83,333,325股股份，佔本公司經配發及發行該等股份擴大之已發行股本約2.24%。

48. 比較數字

於截至二零一九年三月三十一日止年度，為加強綜合財務報表呈列方式之關連性，本集團已將若干就上一年度於綜合財務報表呈列之比較數字重新分類，以與本年度之呈列方式進行比較。因此，以下有關比較數字的項目已作出修訂及調整，並連同相關附註以符合本年度的呈列方式：

		Previous reported 先前呈報 HK\$'000 千港元	As restated 經重列 HK\$'000 千港元
Consolidated Statement of Profit or Loss	綜合損益表		
Other income, gains and losses, net	其他收入、收益及虧損淨額	(Note) (附註)	
		41,006	34,595
Impairment losses on financial assets, net of reversal	金融資產之減值虧損，扣除撥回	(Note) (附註)	
		—	6,411

Note: "Reversal of impairment loss recognised in respect of trade receivables", "Reversal of impairment loss recognised in respect of other receivables" and "Impairment loss recognised in respect of other receivables" were reclassified from "Other income, gains and losses, net" to "Impairment losses on financial assets, net of reversal".

附註：「撥回就應收貿易賬項確認之減值虧損」、「撥回就應收其他賬項確認之減值虧損」及「就應收其他賬項確認之減值虧損」已自「其他收入、收益及虧損淨額」重新分類至「金融資產之減值虧損，扣除撥回」。

Five-Year Financial Summary

五年財務摘要

RESULTS

業績

		2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue	收入	80,564	105,020	37,343	53,482	44,580
Loss attributable to equity shareholders of the Company	本公司權益股東 應佔虧損	(67,899)	(77,097)	(378,728)	(294,509)	(1,298,305)

ASSETS AND LIABILITIES

資產及負債

		2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Total assets	資產總值	374,321	356,843	1,194,630	1,390,057	261,880
Total liabilities	負債總額	(142,480)	(176,349)	(158,165)	(505,883)	(626,336)
Net(liabilities) assets	(負債)資產淨值	231,841	180,494	1,036,465	884,174	(364,456)
Non-controlling interests	非控股權益	(4,802)	(4,302)	(2,625)	4,052	11,652

Glossary

詞彙表

Adjusted Share(s) or Consolidated Share(s)	ordinary Shares of HK\$0.10 each in the share capital of the Company (being ordinary Shares with such nominal amount as resulted from the Share Consolidation taking effect)
經調整股份或合併股份	本公司股本中每股面值0.10港元之普通股(即股份合併生效產生之具有該面值之普通股)
Asian Alliance 華融	Asian Alliance (HK) CPA Limited, the external auditor of the Company 華融(香港)會計師事務所有限公司，本公司之外部核數師
Audit Committee 審核委員會	the audit committee of the Company 本公司審核委員會
Baoli Yota	寶力優特科技(深圳)有限公司 (Baoli Yota Technologies (Shenzhen) Limited **), a company incorporated under the laws of the PRC with limited liability which is a non-wholly owned subsidiary of the Company
寶力優特	寶力優特科技(深圳)有限公司，一間根據中國法律註冊成立之有限公司，為本公司之非全資附屬公司
Board 董事會	the board of Directors 董事會
Bye-laws 細則	the bye-laws of the Company and as amended from time to time 本公司不時修訂之細則
CG Code 企管守則	the Corporate Governance Code contained in Appendix 14 to the Listing Rules 上市規則附錄十四所載企業管治守則
Companies Ordinance 公司條例	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong 香港法例第622章公司條例
Company 本公司	China Baoli Technologies Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange 中國寶力科技控股有限公司，一間於百慕達註冊成立之有限公司，其股份在聯交所主板上市
connected person(s) 關連人士	as defined under the Listing Rules 定義見上市規則
CQ Baoli Yota	重慶寶力優特科技有限公司 (Chongqing Baoli Yota Technologies Limited**), a company incorporated under the laws of the PRC with limited liability which is a wholly owned subsidiary of the Company
重慶寶力優特	重慶寶力優特科技有限公司，一間根據中國法律註冊成立之有限公司，為本公司之全資附屬公司

Glossary (continued)

詞彙表 (續)

Director(s) 董事	the director(s) of the Company 本公司董事
EPD EPD	electronic paper display 電子紙顯示
FIT FIT	free independent traveller 自由行
Group 本集團	the Company and its subsidiaries 本公司及其附屬公司
HK\$ 港元	Hong Kong dollar, the lawful currency of Hong Kong 港元，香港法定貨幣
Hong Kong 香港	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
Internal Control Advisor 內部控制顧問	an independent professional advisor, to carry out the internal audit functions of the Company 獨立專業顧問，以履行本公司之內部審核職能
Listing Rules 上市規則	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
Model Code 標準守則	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules 上市規則附錄十所載上市發行人董事進行證券交易的標準守則
Nomination Committee 提名委員會	the nomination committee of the Company 本公司提名委員會
PRC or China or Mainland China 中國或中國內地	the People's Republic of China, except where the context requires, geographical references to the PRC exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國，除文義另有所指外，所提述的中國，在地理上不包括香港、中國澳門特別行政區及台灣
Pre-Adjusted Share(s) 調整前股份	ordinary Shares of HK\$0.01 each in the share capital of the Company (being ordinary Shares with such nominal amount prior to the Share Consolidation taking effect) 本公司股本中每股面值0.01港元之普通股(即股份合併生效前具有該面值之普通股)
R&D 研發	research and development 研究及開發

Glossary (continued)

詞彙表(續)

Remuneration Committee 薪酬委員會	the remuneration committee of the Company 本公司薪酬委員會
RMB 人民幣	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
Scheme Rules 計劃規則	the rules relating to the Share Award Scheme as amended from time to time 與股份獎勵計劃有關之規則(經不時修訂)
SFO 證券及期貨條例	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong 香港法例第571章證券及期貨條例
Share(s) 股份	ordinary shares with nominal value of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as will result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time) 本公司股本中每股面值0.10港元(或因本公司股本不時分拆、合併、重新分類或重組產生之有關其他面值)之普通股
Share Award Scheme 股份獎勵計劃	the share award scheme approved and adopted by the Board in accordance with the Scheme Rules on 15 January 2018 董事會根據計劃規則於二零一八年一月十五日批准及採納之股份獎勵計劃
Share Consolidation 股份合併	the consolidation of every ten (10) issued and unissued ordinary Shares of HK\$0.01 each in the share capital of the Company into one (1) issued and unissued ordinary Share of HK\$0.10 each in the share capital of the Company, which became effective on 3 August 2018 把本公司股本中每十(10)股每股面值0.01港元之已發行及未發行普通股合併為本公司股本中一(1)股每股面值0.10港元之已發行及未發行普通股，其於二零一八年八月三日生效
Share Option Scheme 購股權計劃	the share option scheme adopted by the Company on 22 August 2011 本公司於二零一一年八月二十二日採納之購股權計劃
Shareholder(s) 股東	holders of the Shares 股份持有人
Stock Exchange 聯交所	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
US or USA or United States 美國	United States of America 美利堅合眾國
USD 美元	United States dollar, the lawful currency of the US 美元，美國法定貨幣

Glossary (continued)

詞彙表 (續)

We Fly	We Fly Travel Limited, a company incorporated under the laws of Hong Kong with limited liability which is a non-wholly owned subsidiary of the Company
愛飛	愛飛旅遊有限公司，一間根據香港法例註冊成立之有限公司，為本公司之非全資附屬公司
Yota	Yota, an exempted company incorporated with limited liability under the laws of the Cayman Islands which is held as to 40% by the Company
Yota	Yota，一間根據開曼群島法律註冊成立之獲豁免有限公司，由本公司持有40%
Yota Group	Yota and its subsidiaries
Yota 集團	Yota 及其附屬公司

*** For identification purpose only*

*** 僅供識別*

