



Tonic Industries Holdings Limited
東力實業控股有限公司

Stock Code 股份代號 : 0978

ANNUAL REPORT 2012 年報

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. HUANG Peikun (Chairman)
Dr. SO Shu Fai
Mr. LIU Zhuogen
Mr. YU Zhiliang

Non-executive Director

Ms. LIU Ning

Independent Non-executive Directors

Dr. WONG Wing Kuen, Albert
Ms. CHEN Yanping
Dr. SHI Xinping

AUDIT COMMITTEE

Dr. WONG Wing Kuen, Albert (Chairman)
Ms. LIU Ning
Dr. SHI Xinping

NOMINATION COMMITTEE

Mr. HUANG Peikun (Chairman)
Ms. CHEN Yanping
Dr. SHI Xinping

REMUNERATION COMMITTEE

Ms. CHEN Yanping (Chairman)
Mr. HUANG Peikun
Dr. WONG Wing Kuen, Albert

COMPANY SECRETARY

Ms. CHAN Wing Yan

AUDITOR

ANDA CPA Limited

REGISTERED OFFICE

P.O. Box 309 GT, Uglan House
South Church Street
George Town, Grand Cayman
Cayman Islands, British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

13/F
Guangdong Investment Tower
148 Connaught Road Central
Hong Kong

董事

執行董事

黃培坤先生(主席)
蘇樹輝博士
劉卓根先生
余志良先生

非執行董事

劉寧女士

獨立非執行董事

王永權博士
陳燕萍女士
史新平博士

審核委員會

王永權博士(主席)
劉寧女士
史新平博士

提名委員會

黃培坤先生(主席)
陳燕萍女士
史新平博士

薪酬委員會

陳燕萍女士(主席)
黃培坤先生
王永權博士

公司秘書

陳穎茵女士

核數師

安達會計師事務所有限公司

註冊辦事處

P.O. Box 309 GT, Uglan House
South Church Street
George Town, Grand Cayman
Cayman Islands, British West Indies

總辦事處及主要營業地點

香港
干諾道中148號
粵海投資大廈
13樓

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

China CITIC Bank Corporation Limited
Bank of Communications Co., Ltd. Hong Kong Branch
Standard Chartered Bank (Hong Kong) Limited

SHARE REGISTRARS AND TRANSFER OFFICE

In Hong Kong

Tricor Tengis Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

In Cayman Islands

Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street
PO Box 705, George Town
Grand Cayman, Cayman Islands
British West Indies

WEBSITE

www.tonic.com.hk
www.irasia.com/listco/hk/tonic

STOCK CODE

978

主要來往銀行

中信銀行股份有限公司
交通銀行股份有限公司，香港分行
渣打銀行(香港)有限公司

股份登記過戶處

於香港

卓佳登捷時有限公司
香港
皇后大道東28號
金鐘匯中心26樓

於開曼群島

Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street
PO Box 705, George Town
Grand Cayman, Cayman Islands
British West Indies

網址

www.tonic.com.hk
www.irasia.com/listco/hk/tonic

股份代號

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CHAIRMAN'S STATEMENT

主席報告

On behalf of the Board of Directors of Tonic Industries Holdings Limited (the "Group"), I am pleased to present to you the Group's annual report and financial statements for the financial year ended 31 March 2012 (the "Year").

CONDITIONS IN THE YEAR

From 1 April 2011 to 31 March 2012, the Group recorded turnover of approximately HK\$178,214,000 and loss attributable to the equity holders of the Company of approximately HK\$62,620,000, as compared to the turnover of HK\$77,394,000 and the profit of HK\$388,444,000 for the same period last year.

The global economy during last year was challenging. The roll-out of the Group's operations experienced tough market conditions. Against the difficulties, both the management and staff have worked hard to accomplish missions of several tasks and do everything possible to strive for breakthroughs including but not limited to cost cut, adjust the operation model and more importantly, strengthen the cooperation with strategic partners to work out plans for diversification. The Group has successfully introduced new investors and management team at the end of the Year.

COMPLETION OF RESTRUCTURING

Following the voluntary winding-up of Total Ally under the Group commencing from 19 April 2012, the Group was able to dispose the manufacturing operation of the high-cost set top boxes and related products, which market demand was gradually shrunk. This provides us the opportunity to build a more cost-effective business structure by subcontracting manufacturing operation to subcontractors that will reduce our unnecessary overheads.

7 May 2012 marked a milestone in the Group's development. China Merchants Property Development Co. Ltd. ("CMPD"), the leading property developer in Mainland China, has become the controlling shareholder of the Group, providing a strong backup for the Group to explore new ventures. The Group instantly begins a new phase towards rapid growth.

本人謹代表東力實業控股有限公司(以下簡稱「本集團」)董事會，欣然提呈本集團截止二零一二年三月三十一日止財政年度(以下簡稱「本年度」)之年報及財務報表。

本年度狀況

二零一一年四月一日至二零一二年三月三十一日，本集團錄得營業額約港幣178,214,000元及本公司權益持有人應佔虧損約為港幣62,620,000元，去年同期則分別為港幣77,394,000元及利潤港幣388,444,000元。

過去的一年，全球經濟發展困難重重。本集團的業務開展也經受了市場形勢的嚴峻挑戰。面對困難，管理層及全體員工盡全力完成多項工作，千方百計力爭突破。主要包括但不限於壓縮開支、調整業務模式，更重要的是加強與戰略合作夥伴共究多元的合作機會。本集團於本年度末，順利引入新的投資者及管理團隊。

完成重組計劃

隨著本集團旗下Total Ally公司於二零一二年四月十九日起自願清盤，原成本高昂、市場需求逐步萎縮的機頂盒及相關產品製造業務被剝離出集團，從而有機會建立更具成本效益的業務架構，藉分包製造業務予分包商以降低不必要的日常開支。

二零一二年五月七日，可謂是本集團發展過程中里程碑式的一天。中國境內知名房地產發展商招商局地產控股股份有限公司(「招商局地產控股」)入主本集團，成為集團探索新業務的堅強後盾。本集團也隨之將開啟快速成長的新篇章。

CHAIRMAN'S STATEMENT

主席報告

BUSINESS STRATEGY

The Group will strive to operate and expand the existing businesses, optimize the consolidation of internal resources as well as further adjust the business strategies to cater for changes in market demand so as to enhance the overall operating efficiency of the company. The Group will also explore into other business. As is permitted by law, it will be fully leverage the competitive edge of the dual platforms and multi-channel of the Group in the domestic and international markets to secure a higher return as well as business with more growing potential.

FINAL DIVIDEND

The Board does not recommend payment of a final dividend in respect of the year ended 31 March 2012 (2011: Nil).

APPRECIATION

On behalf of the Board, I wish to thank our customers, business partners and staff for their trust and support during last year and would appreciate your continued support for the Group's development in the future.

As the Chairman of the Board, I would also like to express our sincere gratitude to our shareholders for their unfailing support and in approving the major changes of the Group. I believe and have confidence that we will create better return for the shareholders in the future.

Huang Peikun
Chairman

29 June 2012

業務策略

本集團將積極致力於現有業務的經營和拓展，最大程度地整合內部資源，並順應市場需求的變化而進一步調整業務策略，努力提升公司的整體運營效率。本集團亦將仔細研究並開拓其他業務，在法律允許的範圍內，充分發揮集團境內外雙平台、多渠道的優勢，尋求更多更高回報、更富成長性的業務的機會。

末期股息

董事會不建議派付截至二零一二年三月三十一日止年度之末期股息(二零一一年：無)。

致謝

本人謹代表公司董事會，對客戶、合作夥伴及員工在過去一年中對本集團的信任與支持深表謝意，並期待大家往後繼續支持本集團的發展。

作為董事會主席，本人對各位股東對本集團的大力支持並批准本集團的重大變革表示衷心的感謝。我相信，也有信心在未來為股東創造更好的回報。

主席
黃培坤

二零一二年六月二十九日

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. Huang Peikun, (Chairman), aged 50, joined the Company as an executive Director on 2 June 2012 and was elected Chairman of the Company on 29 June 2012.

Mr. Huang has been serving as the chief financial officer and the director of CMPD since July 2005. Mr. Huang is a chief financial officer of Shenzhen China Merchants Real Estate Co., Ltd. (深圳招商房地產有限公司) and CMPD. He is also a director of Eureka Investment Company Limited. ("Eureka"). Prior to joining CMPD, Mr. Huang worked as a manager of the finance department and a chief accountant at Shenzhen China Merchants Petrol Chemical Co., Ltd. (深圳招商石化有限公司), a chief accountant at Shenzhen China Merchants Real Estate Co., Ltd.* (深圳招商房地產有限公司) and a chief financial officer and a deputy general manager at China Merchants Landmark (Shenzhen) Co., Ltd. (深圳市招商創業有限公司). Mr. Huang received a master degree in management from Zhejiang University (浙江大學) and is a Senior Accountant of the People's Republic of China (the "PRC").

Mr. Huang obtained the degree of Executive Master of Business Administration with The Hong Kong University of Science and Technology in June 2012.

Dr. So Shu Fai, aged 61, joined the Company as an executive Director and chairman of the Executive Committee on 11 December 2010 and was elected Chairman of the Company on 31 December 2010.

Dr. So is an executive director of SJM Holdings Limited (listed on the Stock Exchange) and is currently the Chairman of Shenzhen Super Perfect Optics Limited. He is an independent non-executive director of SHK Hong Kong Industries Limited (formerly known as Yu Ming Investments Limited) (listed on the Stock Exchange), a director of the Euronext Lisbon listed Estoril Sol, SGPS, S.A., and the chairman of the board of directors of MACAUPORT – Sociedade de Administracao de Portos, S.A. Dr. So was an executive director of Shun Tak Holdings Limited (listed on the Stock Exchange) from 1991 to 2009.

* For identification purposes only

執行董事

黃培坤先生，(主席)，現年50歲，自二零一二年六月二日加入本公司為執行董事，並於二零一二年六月二十九日獲選為公司主席。

黃先生自二零零五年七月起擔任招商局地產控股財務總監兼董事。黃先生為深圳招商房地產有限公司及招商局地產控股之財務總監。彼亦為瑞嘉投資實業有限公司(「瑞嘉」)董事。於加入招商局地產控股前，黃先生為深圳招商石化有限公司財務部經理兼總會計師、深圳招商房地產有限公司總會計師及深圳市招商創業有限公司財務總監兼副總經理。黃先生獲浙江大學管理碩士學位並為中華人民共和國(「中國」)高級會計師。

黃先生於二零一二年六月獲香港科技大學授予高層管理人員工商管理碩士。

蘇樹輝博士，現年61歲，於二零一零年十二月十一日加入本公司出任執行董事兼執行委員會主席，並於二零一零年十二月三十一日獲選為本公司主席。

蘇博士為聯交所上市公司澳門博彩控股有限公司之執行董事，目前為深圳超多維光電子有限公司主席。彼為聯交所上市公司新工投資有限公司(前稱禹銘投資有限公司)之獨立非執行董事、Euronext里斯本上市公司Estoril Sol, SGPS, S.A.董事，以及MACAUPORT-Sociedade de Administracao de Portos, S.A.董事會主席。蘇博士由一九九一年至二零零九年期間出任聯交所上市公司信德集團有限公司之執行董事。

DIRECTORS AND SENIOR MANAGEMENT PROFILE 董事及高級管理人員履歷

Dr. So is a member of the 11th National Committee of the Chinese People's Political Consultative Conference ("CPPCC"), a member of the Committee of Foreign Affairs of the National Committee of CPPCC, a consultant to the Committee for Liaison with Hong Kong, Macau, Taiwan and Overseas Chinese of the Beijing Municipal Committee of CPPCC, the honorary consul of the Republic of Portugal in the Hong Kong SAR, as well as a member of the Economic Development Council and of the Cultural Consultative Council of the Macau SAR Government.

Dr. So is the president of Clube Militar de Macau, a member of the board of directors of The University of Hong Kong Foundation for Educational Development and Research, as well as a committee member of the 8th China Federation of Literary and Art Circles.

He graduated with a Bachelor of Science degree from The University of Hong Kong in 1973, and received a doctoral degree in Management Studies from IMC/Southern Cross University in 2001.

Dr. So resigned his position as chairman of the Board and all his Board Committee positions on 23 June 2012 but remains an executive Director of the Company.

Mr. Liu Zhuogen, aged 49, joined the Company as an executive Director on 2 June 2012 and appointed as Deputy Group General Manager with effect from 29 June 2012.

Mr. Liu has been serving as a director of Eureka since 3 September 2009. Prior to joining Eureka, he worked as a deputy general manager at Commercial Property Division of CMPD (招商地產商業地產中心), an engineer of the Wharf (Holdings) Limited, a project manager at Kenworth Engineering Limited (香港太元堅穩工程公司, 現稱“穩堅工程有限公司”), a sales manager at Sanko Technology Limited (香港德萊工程公司) and an engineer at Shekou Industrial Zone of China Merchants Group (招商局蛇口工業區). Mr. Liu received a bachelor degree in engineering from the South China University of Technology (華南理工大學), a master degree in engineering from University of New South Wales, Australia, an MBA under a distance learning programme jointly offered by Deakin University and the Association of Professional Engineers, Scientists and Managers, Australia and a master degree in accounting under a distance learning programme from Curtin University of Technology, Australia.

蘇博士為中國人民政治協商會議(「政協」)第十一屆全國委員會委員、全國政協外事委員會委員、北京市政協港澳台僑委員會顧問、葡萄牙共和國駐香港特區名譽領事，以及澳門特區政府經濟發展委員會及文化諮詢委員會成員。

蘇博士為澳門陸軍俱樂部主席、香港大學教研發展基金董事局成員，以及第八屆中國文學藝術界聯合會全國委員會委員。

彼於一九七三年畢業於香港大學，獲授理學士學位，並於二零零一年獲IMC/Southern Cross University授予管理學博士學位。

蘇博士於二零一二年六月二十三日辭任董事會主席及於董事委員會之全部職位，但留任本公司執行董事。

劉卓根先生，現年49歲，自二零一二年六月二日加入本公司為執行董事及獲委任為集團副總經理，自二零一二年六月二十九日起生效。

劉先生自二零零九年九月三日擔任瑞嘉董事。於加入瑞嘉前，彼擔任招商地產商業地產中心副總經理、九龍倉集團有限公司工程師、香港太元堅穩工程公司(現稱「穩堅工程有限公司」)項目經理、香港德萊工程公司銷售經理及招商局蛇口工業區工程師。劉先生獲得華南理工大學工程學士學位、澳大利亞新南威爾士大學工程碩士學位及由澳大利亞Deakin University及澳大利亞專業工程師、科學家及經理人協會(Association of Professional Engineers, Scientists and Managers, Australia)聯合授予之遠程教育項目的工商管理碩士學位及澳大利亞Curtin University of Technology之遠程教育項目的會計碩士學位。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Mr. Yu Zhiliang, aged 34, joined the Company as an executive Director on 2 June 2012 and appointed as Group Chief Financial Officer with effect from 29 June 2012.

Mr. Yu has been serving as a chief financial officer of China Merchants Property (Xiamen) Co. Ltd. (招商局地產(廈門)有限公司) since 2010. Mr. Yu worked as a director of China Merchants Properties Development Ltd. (招商局置業有限公司) and he was a director of Wahsheung Finance Ltd. (華商財務有限公司). He received a bachelor degree in accounting from Xiamen University (廈門大學) and studied an MBA degree in finance at the Chinese University of Hong Kong. Mr. Yu is an accountant of the PRC.

Mr. Mak Bing Kau, aged 62, joined the Company as an executive Director on 11 December 2010 and is also a member of the Executive Committee of the Company.

He joined the Hongkong Electric Co., Ltd. ("HEC"), one of the two power companies in Hong Kong, in 1973 and had since held various key engineering positions in HEC, including Chief Engineer in technical services and Acting General Manager (Transmission & Distribution). He retired from HEC in late 2009 and has since been appointed as an honorary lecturer of the Electrical & Electronic Engineering Department of the University of Hong Kong.

Mr. Mak is a Chartered Engineer, a Fellow of the Institution of Electrical Engineers and also a Corporate Member of the Hong Kong Institution of Engineers. He is active in engineering and community services, including serving as the Chairman of the UK's Institution of Electrical Engineers (Hong Kong Branch), an adviser of the Electrical Engineering Department of the Hong Kong Polytechnic University as well as a member of the Electrical Safety Advisory Committee of the Government of the Hong Kong Special Administrative Region.

Mr. Mak graduated from the University of Hong Kong with a First Class Honours Bachelor of Science degree in Electrical Engineering in 1973, and subsequently obtained a Master of Science degree in Electrical Engineering from the same University.

Mr. Mak resigned as a Director and all his Board Committee positions on 23 June 2012.

余志良先生，現年34歲，自二零一二年六月二日加入本公司為執行董事及獲委任為集團財務總監，自二零一二年六月二十九日生效。

余先生自二零一零年擔任招商局地產(廈門)有限公司財務總監。余先生曾擔任招商局置業有限公司董事以及華商財務有限公司董事。彼獲得廈門大學會計學士學位，並在香港中文大學研修工商管理(財務方向)碩士學位。余先生為中國會計師。

麥炳球先生，現年62歲，於二零一零年十二月十一日加入本公司出任執行董事，亦為本公司執行委員會成員。

彼於一九七三年加入香港兩間電力公司其中之一的香港電燈集團有限公司(「港燈」)，自此在港燈曾出任多個工程要職，包括技術服務總工程師及輸配電署理總經理。彼於二零零九年底從港燈退休，之後獲委任為香港大學電機及電子工程系榮譽講師。

麥先生為特許工程師、電機工程師學會資深會員及香港工程師學會會員。彼活躍於工程界及社區服務，包括出任英國電機工程師學會香港分會會長、香港理工大學電機工程系顧問及香港特別行政區電氣安全諮詢委員會成員。

麥先生於一九七三年畢業於香港大學，獲電機工程學士一級榮譽學位，其後更取得香港大學之電機工程學碩士學位。

麥先生於二零一二年六月二十三日辭任董事及於董事委員會之全部職位。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Mr. Ng Wai Hung, aged 63, joined the Company as an executive Director and a member of the Executive Committee on 11 December 2010.

Mr. Ng is a co-founder of SAE Magnetics (H.K.) Ltd. in 1980 which began from a manufacturer of recording heads for floppy disk drives, Mr. Ng transformed the company to now the largest independent manufacturer of state-of-the-art magnetic recording heads for hard disk drives (HDD). In Dongguan where SAE's manufacturing facility locates, Mr. Ng has established close working relationships with foreign investors and government officials of the city. Furthermore, Mr. Ng plays many active roles in community services in various institutions. For example, he founded the Hong Kong Critical Components Manufacturers Association (HKCCMA) in 1998, serves the business and professional communities including the Chairman of the Science and Technology Committee of the Asia Pacific Academy for Productivity and Innovation, the Board of Governors of the East-West Strategic Development Commission, and the council member of the Better Hong Kong Foundation.

Mr. Ng graduated from the Hong Kong Technical College in 1976, and received his MBA degree from the Asia International Open University in 1993.

Mr. Ng resigned as a Director and all his Board Committee positions on 23 June 2012.

Mr. Lau Cheuk Lun, aged 57, joined the Company as executive Director and a member of the Executive Committee on 11 December 2010. He is also the Chief Financial Officer and Company Secretary of the Company.

Mr. Lau has worked in Toronto, Canada for CIBA Vision Canada Inc. for 16 years until 2005, the latest position being its Chief Financial Officer. In January 2006, Mr. Lau joined Bio Treat Technology Limited, a publicly listed company on Singapore Stock Exchange, as Chief Financial Officer, until June 2010.

伍偉雄先生，現年63歲，於二零一零年十二月十一日加入本公司出任執行董事兼執行委員會成員。

伍先生為香港新科實業有限公司之聯合創辦人，該公司於一九八零年創立，初期從事生產軟盤磁碟機讀寫磁頭。伍先生已將該公司轉型，現為最大規模之先進硬碟讀寫磁頭獨立生產商。香港新科在東莞設有生產設施，伍先生已與海外投資者及東莞市官員建立緊密工作關係。此外，伍先生積極參與多個機構之社區服務，包括於一九九八年創立香港關鍵性零部件製造業協會，服務商界及專業界別，包括出任亞太創新生產力學會科技事務委員會主席、國際發展策略局理事及「香港明天更好基金」理事。

伍先生於一九七六年畢業於香港工業專門學院，及於一九九三年獲亞洲(澳門)國際公開大學工商管理碩士學位。

伍先生於二零一二年六月二十三日辭任董事及於董事委員會之全部職位。

劉卓麟先生，現年57歲，於二零一零年十二月十一日加入本公司出任執行董事兼執行委員會成員。彼亦為本公司財務總監兼公司秘書。

劉先生曾在加拿大多倫多工作，任職於加拿大視康(CIBA Vision Canada Inc.)達十六年，直至二零零五年為止，離職前之職位為財務總監。於二零零六年一月，劉先生加盟新加坡證券交易所上市公司Bio Treat Technology Limited，出任財務總監，直至二零一零年六月為止。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Mr. Lau holds several accounting designations namely, A.C.A (England and Wales), C.P.A. (Hong Kong) and F.C.C.A. (U.K.).

Mr. Lau resigned as a Director and all his Board Committee positions on 23 June 2012 and the position of Company Secretary on 29 June 2012.

NON-EXECUTIVE DIRECTOR

Ms. Liu Ning, aged 44, joined the Company as a non-executive Director on 2 June, 2012.

Ms. Liu has been serving as the secretary of the board of directors of CMPD since 2008. Ms. Liu has 14 years' experience in securities industry. She was appointed as a representative for securities affairs of CMPD in 2001 and a director of secretariat of the board of CMPD in 2004. Ms. Liu is currently an independent director of three companies which are listed on Shenzhen Stock Exchange, including Tianjin Zhonghuan Semiconductor Co., Ltd. (天津中環半導體股份有限公司) (Stock Code: 002129), Shenzhen Jinxinnong Feed Co., Ltd. (深圳金新農飼料股份有限公司) (Stock Code: 002548) and Shenzhen Changfang Light Emitting Diode Lighting Co., Ltd. (深圳市長方半導體照明股份有限公司) (Stock Code: 300301).

Ms. Liu received a bachelor degree in mechanical manufacturing from Central South University of Forestry and Technology (中南林業科技大學). She completed a post-graduate course in Department of Business Administration of Business School of Nankai University (南開大學國際商學院工商管理專業研究生課程) in 2000 and subsequently obtained an MBA from Macau University of Science and Technology. Ms. Liu is a Certified Economist of the PRC.

劉先生持有多個會計專業資格，為英格蘭及威爾士特許會計師公會、香港會計師公會會員，以及英國特許公認會計師公會資深會員。

劉先生於二零一二年六月二十三日辭任董事及於董事委員會之全部職位，並於二零一二年六月二十九日辭任公司秘書。

非執行董事

劉寧女士，現年44歲，自二零一二年六月二日加入本公司為非執行董事。

劉女士自二零零八年擔任招商局地產控股董事會秘書。劉女士於證券業擁有14年經驗。彼於二零零一年獲委任為招商局地產控股證券事務代表，並於二零零四年獲委任為招商局地產控股董事會秘書處主任。劉女士目前為三間深圳證券交易所上市公司，包括天津中環半導體股份有限公司(股份代號：002129)、深圳金新農飼料股份有限公司(股份代號：002548)及深圳市長方半導體照明股份有限公司(股份代號：300301)之獨立董事。

劉女士獲得中南林業科技大學機械製造學士學位。彼於二零零零年完成南開大學國際商學院工商管理專業研究生課程，並隨後獲得澳門科技大學工商管理碩士學位。劉女士為中國註冊經濟師。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Wong Wing Kuen, Albert, aged 61, joined the Company as an independent non-executive Director on 2 June 2012.

Dr. Wong is currently the managing director of Charise Financial Planning Limited, a private professional consulting firm in Hong Kong. He is also serving as an independent non-executive director of APAC Resources Limited, a company listed on the Stock Exchange (Stock Code: 1104), an independent non-executive director of Solargiga Energy Holdings Limited, a company listed on the Stock Exchange (Stock Code: 757) and a non-executive director of Rare Earths Global Limited, a company listed in AIM market of the London Stock Exchange.

Dr. Wong holds a Doctor of Philosophy in Business Administration degree from the Bulacan State University, Republic of the Philippines. Dr. Wong received a bachelor degree in commerce from a joint programme of Shenzhen University (深圳大學) and Clayton University, Missouri, USA. He also received both a bachelor degree and a master degree in business administration from Nottingham Trent University, UK. Dr. Wong is a fellow member of the Institute of Chartered Secretaries and Administrators, a fellow member of the Hong Kong Institute of Chartered Secretaries, a fellow member of the Taxation Institute of Hong Kong, a member of the Hong Kong Securities Institute, a fellow member of Association of International Accountants, a fellow member of Society of Registered Financial Planners, Hong Kong, a member of the Chartered Institute of Arbitrators, an associate member of the Chartered Institute of Bankers in Scotland and a full member of Macau Society of Certified Practising Accountants. Dr. Wong is a Registered Financial Planner of Hong Kong, a certified tax adviser of Hong Kong, a certified accountant of Australia and Ireland and a Registered Financial Planner (level two) of the PRC.

獨立非執行董事

王永權博士，現年61歲，自二零一二年六月二日加入本公司為獨立非執行董事。

王博士目前為卓昇財務策劃有限公司(為一間香港私人專業顧問公司)的董事總經理。彼亦為聯交所上市公司亞太資源有限公司(股份代號：1104)之獨立非執行董事、聯交所上市公司陽光能源控股有限公司(股份代號：757)之獨立非執行董事以及在英國倫敦交易所AIM市場上市的Rare Earths Global Limited之非執行董事。

王博士於菲律賓比立勤國立大學獲得工商管理哲學博士學位。王博士獲得深圳大學及美國密蘇里Clayton University聯合項目學士學位。彼亦獲得英國Nottingham Trent University工商管理學士學位及碩士學位。王博士為英國特許秘書及行政人員公會資深會員、香港特許秘書公會資深會員、香港稅務學會資深會員、香港證券專業學會會員、國際會計師公會資深會員、註冊財務策劃師協會資深會員、英國特許仲裁員公會會員、蘇格蘭特許銀行家學會會員及澳門執業會計師公會會員。王博士為香港註冊財務策劃師、香港註冊稅務師、澳大利亞及愛爾蘭註冊會計師以及中國註冊財務策劃師(二級)。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Ms. Chen Yanping, aged 54, joined the Company as an independent non-executive Director on 2 June 2012.

Ms. Chen is currently a professor of Architecture and Urban Planning School of Shenzhen University (深圳大學建築與規劃學院). From October 2007 to November 2011, she was an independent director of CMPD. Ms. Chen received both a bachelor degree and a master degree in architecture and urban planning from Tongji University (同濟大學). Ms. Chen has worked at University of California, Los Angeles as a visiting scholar. Ms. Chen is a Certified Metropolitan Planner of the PRC.

Dr. Shi Xinping, aged 54, joined the Company as an independent non-executive Director on 2 June 2012.

Dr. Shi is currently the associate professor of Department of Finance and Decision Sciences at the Hong Kong Baptist University. He is also an independent non-executive director of China Technology Development Group Corporation (中國科技集團), a company listed on Nasdaq (Stock Code: CTDC). From July 2001 to October 2007, he was an independent director of CMPD. Dr. Shi received a bachelor degree from North-western Polytechnic University (Xi'an, the PRC) in 1982, an MBA from Lancaster University, UK in 1990 and a PhD degree from Middlesex University, UK in 1995.

Mr. Pang Hon Chung, aged 61, was appointed an independent non-executive Director of the Company on 3 September 1997.

A qualified professional accountant for many years, Mr. Pang has long and extensive experience in the areas of finance and business management in serving clients and international corporations. He is a director of Genetron Engineering Co., Limited and the Senior Director of Grace HK CPA Limited, an independent member firm of the worldwide UHY group of practising accountants.

Mr. Pang is a member of both the Association of Chartered Certified Accountants of the UK and the Hong Kong Institute of Certified Public Accountants.

Mr. Pang resigned as a Director and all his Board Committee positions on 23 June 2012.

陳燕萍女士，現年54歲，自二零一二年六月二日加入本公司為獨立非執行董事。

陳女士目前為深圳大學建築與規劃學院教授。自二零零七年十月至二零一一年十一月，彼為招商局地產控股獨立董事。陳女士獲得同濟大學建築及城市規劃學士及碩士學位。陳女士曾作為訪問學者於加州大學洛杉磯分校工作。陳女士為中國註冊城市規劃師。

史新平博士，現年54歲，自二零一二年六月二日加入本公司為獨立非執行董事。

史博士目前為香港浸會大學財務及決策學系副教授。彼亦為納斯達克上市公司中國科技集團(股份代號：CTDC)獨立非執行董事。自二零零一年七月至二零零七年十月，彼為招商局地產控股獨立董事。史博士於一九八二年獲得西北工業大學(中國西安)學士學位、於一九九零年獲得英國Lancaster University工商管理碩士學位及於一九九五年獲得英國Middlesex University博士學位。

彭漢中先生，現年61歲，於一九九七年九月三日獲委任為本公司獨立非執行董事。

彭先生作為合資格專業會計師多年，於為客戶及國際公司提供服務方面具有資深豐富財務及商業管理經驗。彼為Genetron Engineering Co., Limited董事及天恩香港會計師事務所有限公司(國際會計公司UHY集團之獨立成員公司)之高級董事。

彭先生為英國特許公認會計師公會及香港會計師公會會員。

彭先生於二零一二年六月二十三日辭任董事及於董事委員會之全部職位。

DIRECTORS AND SENIOR MANAGEMENT PROFILE 董事及高級管理人員履歷

Mr. Cheng Tsang Wai, aged 56, was appointed an independent non-executive Director of the Company on 27 September 2004.

Mr. Cheng has over 32 years' experience in the garment industry and is a director of Vicka Limited, a well-known sweater manufacturing company.

Apart from that, he is also the director of retail shops in Hong Kong and China; "Man Wah Watch" & "CuteTime Watch", and chain retail stores of an international kid's brand "Give Me Five".

Mr. Cheng resigned as a Director and all his Board Committee positions on 23 June 2012.

Dr. Chung Hing Wah, Paul, aged 66, was appointed an independent non-executive Director of the Company on 26 June 2006.

Dr. Chung has over 38 years' experiences with public service in administration, operation, discipline, nursing and management. He also has over 19 years' experiences in training and development and management consultancy with various local and PRC Mainland providers and corporations. Apart from being appointed as the consultant or principal consultant of many major local and PRC training providers, he is also the director and principal consultant of PC Consultancy Ltd.

Dr. Chung holds a Doctor of Business Administration degree from Newport University, USA, in 2002.

Dr. Chung resigned as a Director and all his Board Committee positions on 23 June 2012.

鄭曾偉先生，現年56歲，於二零零四年九月二十七日獲委任為本公司之獨立非執行董事。

鄭先生於成衣業積逾32年經驗，為知名毛衣生產公司敏興有限公司之董事。

此外，彼亦為「文華表行」及「喜樂時表行」中港兩地多家零售店之董事以及國際兒童品牌「Give Me Five」連鎖零售店之董事。

鄭先生於二零一二年六月二十三日辭任董事及於董事委員會之全部職位。

鍾慶華博士，現年66歲，於二零零六年六月二十六日獲委任為本公司出任獨立非執行董事。

鍾博士擁有逾38年公共服務之行政、營運、紀律、護理及管理經驗。彼亦擁有超過19年於不同本地及中國內地機構及公司之培訓及發展及管理諮詢範疇之經驗。除擔任眾多主要本地及中國培訓機構之顧問或首席顧問外，彼亦為PC Consultancy Ltd.之董事及首席顧問。

鍾博士於二零零二年獲美國Newport University頒授工商管理博士學位。

鍾博士於二零一二年六月二十三日辭任董事及於董事委員會之全部職位。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

SENIOR MANAGEMENT

Ms. Chan Wing Yan, aged 32 joined the Company on 18 June 2012 and was appointed Company Secretary with effect from 29 June 2012 in addition to her role as Deputy Group Chief Financial Officer and General Manager-Finance Department of the Company.

Ms. Chan is a professional accountant with ten years' experience in various accounting, finance and management positions. These include more than seven years with Deloitte Touche Tohmatsu to the rank of accountant, senior accountant and manager before taking up the position of Senior Finance Manager at Apollo Solar Energy Technology Holdings Limited immediately before joining the Company.

Ms. Chan graduated from City University of Hong Kong with a bachelor's degree in accounting in July 2002. She is a member of both Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants of the United Kingdom.

高級管理人員

陳穎茵女士，現年32歲，於二零一二年六月十八日加入本公司，除擔任集團副財務總監及本公司財務部總經理外，亦獲委任為公司秘書，自二零一二年六月二十九日起生效。

陳女士為專業會計師，於多個會計、財務及管理職務擁有十年經驗，其中包括於德勤•關黃陳方會計師事務所服務逾七年擔任會計師、高級會計師及經理，及於緊接加入本公司前於鉑陽太陽能技術控股有限公司擔任高級財務經理一職。

陳女士於二零零二年七月畢業於香港城市大學，獲授會計學學士學位，並為香港會計師公會及英國特許公認會計師公會會員。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

Group Results

During the year, the Group recorded a turnover of HK\$178.2 million (2011: HK\$77.4 million) and a loss attributable to equity holders of the Company of HK\$62.6 million (2011: profit attributable to equity holders of the Company of HK\$388.4 million).

However, the loss was mainly arrived at after debiting non-cash provision of impairment on assets of HK\$26.9 million and crediting a gain of HK\$8.9 million for the deconsolidation of a liquidating subsidiary. As there was a net credit of HK\$460.6 million of non-cash items for the previous year, like for like comparison and before such non-cash debit/credit for the year would be loss of HK\$44.6 million for the year ended 31 March 2012 and loss of HK\$72.2 million for the year before.

Post-Group Restructuring

Following the successful completion to restructure the Group at the end of December 2010, as detailed in the circular of the Company dated 28 June 2010 to shareholders, the Group was in a much leaner and healthier position free from litigations and under a new management.

Starting from the beginning of the year under review, the policy to shift market emphasis to the Middle East was proved the correct move. Annual turnover increased to HK\$178.2 million for the year ended 31 March 2012 (2011: HK\$77.4 million). However, the very high fixed production costs resulted in the net loss before non-cash extraordinary items, finance costs and tax to HK\$31.3 million (2011: HK\$34.3 million).

業務回顧

本集團業績

本集團年內錄得營業額港幣178,200,000元(二零一一年：港幣77,400,000元)及本公司權益持有人應佔虧損港幣62,600,000元(二零一一年：本公司權益持有人應佔溢利港幣388,400,000元)。

然而，虧損主要經扣除資產減值之非現金撥備港幣26,900,000元及計入取消一家清盤附屬公司綜合入賬所產生收益港幣8,900,000元後所致。由於上一年度有非現金項目之收益淨額港幣460,600,000元，同比比較及不計年內有關非現金借項／貸項，截至二零一二年三月三十一日之虧損應為港幣44,600,000元，上一年度之虧損則為港幣72,200,000元。

集團重組後

本集團於二零一零年十二月底成功完成重組後，誠如本公司日期為二零一零年六月二十八日致股東之通函所闡述，在新管理層領導下，本集團之架構更為精簡及穩健，不受任何訴訟威脅。

自回顧年度初起，將重點市場轉移至中東的政策證明屬正確。截至二零一二年三月三十一日止年度之全年營業額上升至港幣178,200,000元(二零一一年：港幣77,400,000元)。然而，固定生產成本高昂，致使除非現金非經常性項目、融資成本及稅項前虧損淨額為港幣31,300,000元(二零一一年：港幣34,300,000元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business Development

Apart from attempts in marketing and product diversification to increase revenue, the Group also looked into ways to rectify the high costs situation caused by the idle capacity of the production arm of the Group.

Efforts on the latter only materialized on 19 April 2012 when Total Ally Holdings Limited (“Total Ally”), an indirectly wholly-owned subsidiary of the Company, which owned the manufacturing arm of the Group, was put under voluntary liquidation, as detailed in the announcement of the Company dated 19 April 2012. The Group now has the option to choose manufacturing facilities which offer better prices.

Prospects

The directors of the Company (the “Directors”) consider that the voluntary liquidation of Total Ally would provide an opportunity for the Group to have a more cost effective structure by subcontracting the manufacturing works to subcontractors in order to avoid absorbing any unnecessary idle overhead costs. In addition, it would lay a foundation for the Company to continue its existing trading and manufacturing (by way of subcontracting arrangement) of various types of consumer electronic products businesses in a more commercially feasible manner. Therefore it is the intention of the Group to continue with its existing principal businesses including but not limited to its trading and manufacturing business of consumer electronics products. However, the Group may explore other business opportunities involving but not limited to existing trading and manufacturing business and consider whether to make any acquisition or investment in assets and/or business or cooperate with other business partners of the Group in order to enhance its growth and future development.

業務發展

除着力於市場推廣及發展多元化產品以增加收益外，本集團亦尋求各種方法，務求糾正因本集團生產部門閒置產能導致成本高企的情況。

有關解決閒置產能導致成本高企之工作於二零一二年四月十九日在本公司間接全資附屬公司 Total Ally Holdings Limited (「Total Ally」)(擁有本集團製造業務)展開自願清盤(按本公司日期為二零一二年四月十九日之公佈所述)後，方始落實。本集團現時可選擇使用可提供更佳價格的生產設施。

前景

本公司董事(「董事」)認為Total Ally之自願清盤將讓本集團有機會建立更具成本效益之架構，藉分包製造業務予分包商以避免承擔任何不必要之閒置日常開支。此外，亦為本公司奠定基礎以按商業上更為可行之方式繼續進行現有買賣及製造(以分包安排之方式)多種消費電子產品業務。因此，本集團的意向為繼續進行其現有主要業務，包括但不限於買賣及製造消費電子產品的業務。然而，本集團或會探求其他商機(包括但不限於現有買賣及製造業務)及考慮是否收購或投資任何資產及／或業務或與本集團之其他業務夥伴進行合作，以提高本集團之增長及未來發展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2012, the net assets value of the Group attributable to equity holders of the Company amounted to approximately HK\$4.35 million (2011: approximately HK\$58.5 million). The reduction has been the combined results of operation loss and impairment of assets during the year.

As at 31 March 2012, the trade receivable balance was approximately HK\$9.2 million (2011: HK\$9.8 million). All trade receivables were on 30 to 90 days credit terms with strict control to minimize credit risks.

As at 31 March 2012, the Group's aggregated borrowings were approximately HK\$203.6 million (2011: HK\$268.5 million).

The Group is not exposed to material currency fluctuation as the Group's RMB receipt from domestic sales could offset RMB expenses in the PRC.

EMPLOYEE REMUNERATION AND RELATIONS

The Group remunerates the employees by reference to their qualification, experience, responsibilities, profitability of the Group and current market conditions.

As at 31 March 2012, the Group had 310 (2011:320) employees in Hong Kong and the PRC.

The Group's total expenses on salaries, wages and allowances for the year ended 31 March 2012 was approximately HK\$18.3 million (2011: HK\$16.8 million). Apart from basic salaries and wages, fringe benefits such as contributions to the mandatory provident fund, group medical insurance and group personal accident insurance also offered to the employees. The Group also operates a share option scheme to reward and encourage long term contributions from employees. No grant of such share options were made during the year.

流動資金及財務資源

於二零一二年三月三十一日，本公司權益持有人應佔本集團資產淨值約為港幣4,350,000元(二零一一年：約港幣58,500,000元)。有關減少乃由於年內經營虧損及資產減值之結合因素所致。

於二零一二年三月三十一日，貿易應收賬款結餘約為港幣9,200,000元(二零一一年：港幣9,800,000元)。所有貿易應收賬款均嚴控於30至90日之信貸期內，以盡量減少信貸風險。

於二零一二年三月三十一日，本集團之借貸合共約港幣203,600,000元(二零一一年：港幣268,500,000元)。

由於本集團自國內銷售收取之人民幣足以抵銷其於中國之人民幣開支，故本集團所面對外匯波動風險不大。

僱員薪酬及僱員關係

本集團乃根據員工之資歷、經驗、職責、本集團之盈利及現時市況釐定員工薪酬。

於二零一二年三月三十一日，本集團在香港及中國僱用310名員工(二零一一年：320名)。

本集團截至二零一二年三月三十一日止年度之薪金、工資及津貼開支總額約為港幣18,300,000元(二零一一年：港幣16,800,000元)。除基本薪金及工資外，向僱員提供的其他福利包括強制性公積金供款、團體醫療保險及團體個人意外保險。本集團亦設立購股權計劃，目的為獎勵及鼓勵僱員作出長遠貢獻。於年內，此等購股權未有授出。

REPORT OF THE DIRECTORS

董事會報告

The Directors present their report and the audited financial statements of the Group for the year ended 31 March 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The subsidiaries are engaged in the manufacture, processing and sale of electronic consumer products and related components. There were no significant changes in the nature of the Group's principal activities during the year.

Details of the principal activities of the Company's subsidiaries are set out in note 20 to the financial statements.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 March 2012 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 44 to 118.

The directors do not recommend the payment of any dividend in respect of the year.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 31 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

In the opinion of the directors, the Company's reserves available for distribution represent the share premium account, contributed surplus and retained profits. At 31 March 2012, the Company did not have reserves available for cash distribution and/or distribution in specie.

董事謹此提呈截至二零一二年三月三十一日止年度董事會報告及本集團之經審核財務報表。

主要業務

本公司主要業務為投資控股。附屬公司從事製造、加工及銷售電子消費產品與相關配件。年內，本集團主要業務性質並無重大變動。

本公司各附屬公司之主要業務詳情載於財務報表附註20。

業績及股息

本集團截至二零一二年三月三十一日止年度之虧損及本公司與本集團於該日之財務狀況載於第44至118頁之財務報表內。

董事不建議就本年度派發任何股息。

儲備

本公司及本集團於年內之儲備變動詳情分別載於財務報表附註31及綜合權益變動表。

可供分派儲備

董事認為，本公司之可供分派儲備指股份溢價賬、繳入盈餘及保留溢利。於二零一二年三月三十一日，本公司並無可作現金分派及／或實物分派用途之儲備。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers in aggregate accounted for approximately 97% of the total revenue of the Group and the largest customer accounted for approximately 48% of the total revenue of the Group.

Purchases from the Group's five largest suppliers in aggregate and the largest supplier accounted for approximately 64% and 28% of the total purchases for the year, respectively.

As far as the directors are aware, neither the directors, their associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")), nor any shareholders which, to the knowledge of the directors, own more than 5% of the Company's issued share capital, had any interest in the five largest customers or suppliers.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on page 119. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 19 to the financial statements.

SHARE CAPITAL

Details of movements during the year in the Company's share capital is set out in note 30 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

主要客戶及供應商

年內，五大客戶合共佔本集團總收益約97%，而最大客戶則佔本集團總收益約48%。

本集團向五大供應商合共的採購額及向最大供應商採購之採購額佔本年度總採購額分別約為64%及28%。

據董事知悉，各董事、彼等之聯繫人士(定義見香港聯合交易所有限公司證券上市規則(「上市規則」))以及據董事所知擁有本公司已發行股本5%以上之任何股東，概無於五大客戶或供應商中擁有任何權益。

五年財務資料概要

本集團於過往五個財政年度之已刊發業績及資產與負債概要(摘錄自經審核財務報表，並在適當情況下重列/重新分類)載於第119頁。該概要並非經審核財務報表之任何部分。

物業、廠房及設備

本集團於年內之物業、廠房及設備變動詳情載於財務報表附註19。

股本

本公司之股本於年內之變動詳情載於財務報表附註30。

優先購買權

本公司之組織章程細則或開曼群島法例並無有關本公司須向現有股東按比例發售新股之優先購買權規定。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Huang Peikun (appointed on 2 June 2012, Chairman from 29 June 2012)
Dr. So Shu Fai (Chairman up to 22 June 2012)
Mr. Liu Zhuogen (appointed on 2 June 2012)
Mr. Yu Zhiliang (appointed on 2 June 2012)
Mr. Mak Bing Kau (resigned on 23 June 2012)
Mr. Ng Wai Hung (resigned on 23 June 2012)
Mr. Lau Cheuk Lun (resigned on 23 June 2012)

Non-executive Director:

Ms. Liu Ning (appointed on 2 June 2012)

Independent non-executive Directors:

Dr. Wong Wing Kuen, Albert (appointed on 2 June 2012)
Ms. Chen Yanping (appointed on 2 June 2012)
Dr. Shi Xiping (appointed on 2 June 2012)
Mr. Pang Hon Chung (resigned on 23 June 2012)
Mr. Cheng Tsang Wai (resigned on 23 June 2012)
Dr. Chung Hing Wah, Paul (resigned on 23 June 2012)

In accordance with Article 119 of the Company's articles of association, Mr. Huang Peikun, Mr. Liu Zhuogen, Mr. Yu Zhiliang, Ms. Liu Ning, Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping and Dr. Shi Xiping will retire at the first general meeting of the Company after their appointment. Being eligible, they have offered themselves and the Board has recommended them for re-appointment at the forthcoming Annual General Meeting to be held on 28 August 2012.

The terms of office of non-executive Directors Mr. Cheng Tsang Wai and Dr. Chung Hing Wah, Paul were for periods of three years while Mr. Pang Hon Chung was not appointed on a fixed term.

董事

於本年度及截至本報告日期止，本公司之董事如下：

執行董事：

黃培坤先生(於二零一二年六月二日獲委任，自二零一二年六月二十九日起擔任主席)
蘇樹輝博士(擔任主席至二零一二年六月二十二日)
劉卓根先生(於二零一二年六月二日獲委任)
余志良先生(於二零一二年六月二日獲委任)
麥炳球先生(於二零一二年六月二十三日辭任)
伍偉雄先生(於二零一二年六月二十三日辭任)
劉卓麟先生(於二零一二年六月二十三日辭任)

非執行董事：

劉寧女士(於二零一二年六月二日獲委任)

獨立非執行董事：

王永權博士(於二零一二年六月二日獲委任)
陳燕萍女士(於二零一二年六月二日獲委任)
史新平博士(於二零一二年六月二日獲委任)
彭漢中先生(於二零一二年六月二十三日辭任)
鄭曾偉先生(於二零一二年六月二十三日辭任)
鍾慶華博士(於二零一二年六月二十三日辭任)

根據本公司之組織章程細則第119條，黃培坤先生、劉卓根先生、余志良先生、劉寧女士、王永權博士、陳燕萍女士及史新平博士將於其獲委任後在首屆股東大會上退任。彼等符合資格並願意，而董事會亦已推薦彼等於二零一二年八月二十八日舉行之應屆股東週年大會上重新獲委任。

非執行董事鄭曾偉先生及鍾慶華博士之任期為三年，而彭漢中先生並無固定任期。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS (continued)

The other non-executive Directors, viz. Ms. Liu Ning, Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping and Dr. Shi Xinping, who were appointed on 2 June 2012 were not appointed on a fixed term. Their appointment are terminable by either party giving three months' notice. In addition, all non-executive Directors will retire by rotation at least once every three years in accordance with the Company's articles of association.

The Company has received annual confirmation of independence from Mr. Pang Hon Chung, Mr. Cheng Tsang Wai and Dr. Chung Hing Wah, Paul, and considers them to be independent up to the date of their resignation on 23 June 2012.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors of the Company are set out on pages 6 to 13 of the annual report.

DIRECTORS SERVICE CONTRACTS

None of the Directors has entered into a service contract with the Company or any of its subsidiaries. Appointments with the Directors are terminable by either party giving three months' notice. Therefore, none of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company, its holding company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to the directors' qualification, experience, job duties, responsibilities and performance and the results of the Group and market conditions.

董事(續)

於二零一二年六月二日獲委任之其他非執行董事(即劉寧女士、王永權博士、陳燕萍女士及史新平博士)並無固定任期。彼等之委任可透過任何一方發出三個月通知予以終止。此外,根據本公司組織章程細則,所有非執行董事至少每三年輪值告退一次。

截至彼等退任日期二零一二年六月二十三日止,本公司已接獲由彭漢中先生、鄭曾偉先生及鍾慶華博士發出之年度獨立身分確認書,且認為彼等為獨立人士。

董事履歷

本公司董事之履歷詳情載於本年報第6至13頁。

董事服務合約

概無董事與本公司或其任何附屬公司訂立服務合約。董事之委任可透過任何一方發出三個月通知予以終止。因此,擬於應屆股東週年大會重選連任之董事,概無與本公司、其控股公司或其任何附屬公司訂有本集團如不作出賠償(法定賠償除外)則不能於一年內終止之服務合約。

董事薪酬

董事袍金須經股東於股東大會上批准。其他酬金則由本公司董事會參考董事之資歷、經驗、職務、責任及表現以及本集團業績及市況後釐訂。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2012, the interests of the Directors in the share capital of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company

董事於股份及相關股份之權益及淡倉

於二零一二年三月三十一日，董事於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股本中，擁有須記錄於本公司根據證券及期貨條例第352條規定存置之登記冊，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須另行知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

本公司普通股之好倉

| Name of director 董事姓名 | Nature of interest 權益性質 | Number of ordinary shares held 所持普通股數目 | Percentage of the Company's issued share capital 佔公司已 發行股本百分比 |
|--------------------------|--|---|--|
| So Shu Fai 蘇樹輝 | Through controlled corporations (Note) 由受控制之公司持有(附註) | 739,164,898 | 69.18 |
| Cheng Tsang Wai 鄭曾偉 | Personal 個人 | 162,600 | 0.02 |
| | | 739,327,498 | 69.20 |

Note: These shares were held by Skill China Limited, which is controlled by Fortune Alliance Group Limited and in turn controlled by Jointprofit Limited, which is beneficially wholly owned by Dr. So Shu Fai, an executive director of the Company. Skill China Limited, Fortune Alliance Group Limited and Jointprofit Limited are companies incorporated in the British Virgin Islands.

附註：該等股份由華能有限公司持有，華能有限公司由聯發集團有限公司控制，繼而被由本公司執行董事蘇樹輝博士實益全資擁有之合益有限公司控制。華能有限公司、聯發集團有限公司及合益有限公司均為於英屬處女群島註冊成立之公司。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Save as disclosed above, as at 31 March 2012, none of the Directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' Interests and Short Positions in Shares and Underlying Shares" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company granted to any directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 35 to the financial statements, no contract of significance to which the Company, its holding company, or any of its subsidiaries was a party in which any director had a material interest, whether directly or indirectly, subsisted at the end of the year or any time during the year.

SHARE OPTION SCHEME

The old share option scheme of the Company expired on 16 October 2007 with no un-exercised options granted as at 31 March 2011.

A new share option scheme was adopted at the annual general meeting of the Company held on 27 September 2011 (the "2011 Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations. No grants under the 2011 Share Option Scheme were made during the year ended 31 March 2012.

董事於股份及相關股份之權益及淡倉(續)

除上文披露者外，於二零一二年三月三十一日，各董事概無於本公司或其任何相聯法團之股份、相關股份或債券中，擁有須根據證券及期貨條例第352條規定所記錄，或根據標準守則須另行知會本公司及聯交所之權益或淡倉。

董事購買股份或債券之權利

除上文「董事於股份及相關股份之權益及淡倉」一節所披露者外，於年內任何時間概無向任何董事或彼等各自之配偶或未成年子女賦予權力，以藉購入本公司股份或債券而獲益，且彼等亦無行使任何該等權力；而本公司、其控股公司或其任何附屬公司亦無參與任何安排，致使董事可於任何其他法人團體獲得該等權利。

董事於重大合約中之權益

除財務報表附註35披露者外，於年終或年內任何時間，本公司、其控股公司或其任何附屬公司概無訂有任何董事於當中擁有直接或間接重大權益之重大合約。

購股權計劃

本公司之舊購股權計劃已於二零零七年十月十六日屆滿，且於二零一一年三月三十一日並無授出未獲行使之購股權。

本公司於二零一一年九月二十七日舉行之股東週年大會上採納新購股權計劃（「二零一一年購股權計劃」），旨在向曾對本集團業務成就作出貢獻之合資格參與人士提供獎勵及獎賞。於截至二零一二年三月三十一日止年度，並無根據二零一一年購股權計劃授出購股權。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 March 2012, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests kept by the Company pursuant to Section 336 of the SFO:

| Name 名稱 | Capacity and nature of interest 身份及權益性質 | Number of ordinary shares held 所持普通股數目 | Long position 好倉 | Short position 淡倉 | Percentage of the Company's issued share capital 佔本公司已發行 股本百分比 |
|---|---|---|------------------------|-------------------------|---|
| Skill China Limited (Note) 華能有限公司(附註) | Beneficially interested 實益權益 | 739,164,898 | | – | 69.18% |
| Fortune Alliance Group Limited (Note) 聯發集團有限公司(附註) | Through controlled corporation 由受控制公司持有 | 739,164,898 | | – | 69.18% |
| Jointprofit Limited (Note) 合益有限公司(附註) | Through controlled corporation 由受控制公司持有 | 739,164,898 | | – | 69.18% |

Note: These shares were held by Skill China Limited, which is controlled by Fortune Alliance Group Limited and in turn controlled by Jointprofit Limited, which is beneficially wholly owned by Dr. So Shu Fai, an executive director of the Company. Skill China Limited, Fortune Alliance Group Limited and Jointprofit Limited are companies incorporated in the British Virgin Islands.

主要股東及其他人士於股份及相關股份之權益

於二零一二年三月三十一日，記錄於本公司根據證券及期貨條例第336條存置之權益登記冊之本公司已發行股本5%以上之權益如下：

附註：該等股份由華能有限公司持有，華能有限公司由聯發集團有限公司控制，繼而被由本公司執行董事蘇樹輝博士實益全資擁有之合益有限公司控制。華能有限公司、聯發集團有限公司及合益有限公司均為於英屬處女群島註冊成立之公司。

Save as disclosed above, as at 31 March 2012, no person, other than the directors of the Company, whose interests are set out in the section "Directors' Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

除上文披露者外，於二零一二年三月三十一日，並無任何人士（其權益已載於上文「董事於股份及相關股份之權益及淡倉」一節之本公司董事除外）於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須予登記之權益或淡倉。

CONNECTED TRANSACTIONS

Details of the connected transactions of the Company are set out in note 35 to the financial statements.

關連交易

本公司之關連交易詳情載於財務報表附註35。

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

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

買賣或贖回本公司上市證券

年內，本公司或其任何附屬公司並無買賣或贖回本公司任何上市證券。

REPORT OF THE DIRECTORS

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

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

足夠公眾持股量

根據本公司可公開取得的資料所示，以及就董事所知，於本報告日期（即本報告日期前之最後實際可行日期），本公司全部已發行股本最少25%由公眾人士持有。

EVENTS AFTER THE REPORTING PERIOD

(a) Voluntary liquidation of a subsidiary – Total Ally

Please refer to note 36(a) to the financial statements.

(b) Change of controlling shareholder

Please refer to note 36(b) to the notes to the financial statement.

(c) Change of board composition

Please refer to note 36(c) to the financial statements.

報告期間後事項

(a) 附屬公司自願清盤 – Total Ally

請參閱財務報表附註36(a)。

(b) 控股股東變動

請參閱財務報表附註36(b)。

(c) 董事會成員組成變動

請參閱財務報表附註36(c)。

REPORT OF THE DIRECTORS

董事會報告

EVENTS AFTER THE REPORTING PERIOD (continued)

(c) Change of board composition (continued)

Below is the changed board composition and the role and functions of the Directors with effect from 23 June 2012.

Executive Directors

Mr. Huang Peikun (Chairman, elected 29 June 2012)
Dr. So Shu Fai
Mr. Liu Zhuogen
Mr. Yu Zhiliang

Non-executive Director

Ms. Liu Ning

Independent Non-executive Directors

Dr. Wong Wing Kuen, Albert
Ms. Chen Yanping
Dr. Shi Xiping

There are 3 Board Committees. The table below lists the role(s) of Directors in these Board Committees.

報告期間後事項(續)

(c) 董事會成員組成變動(續)

自二零一二年六月二十三日起，經變更董事會成員組成、董事各自之角色及職能如下。

執行董事

黃培坤先生(主席，於二零一二年六月二十九日獲選)
蘇樹輝博士
劉卓根先生
余志良先生

非執行董事

劉寧女士

獨立非執行董事

王永權博士
陳燕萍女士
史新平博士

董事會下設三個委員會。下表呈列出各董事在這些委員會中擔任的職位。

| Name of Director | 董事姓名 | Audit Committee 審核委員會 | Nomination Committee 提名委員會 | Remuneration Committee 薪酬委員會 |
|----------------------------|-------|--------------------------|-------------------------------|---------------------------------|
| Mr. Huang Peikun | 黃培坤先生 | | Chairman主席 | Member成員 |
| Ms. Liu Ning | 劉寧女士 | Member成員 | | |
| Dr. Wong Wing Kuen, Albert | 王永權博士 | Chairman主席 | | Member成員 |
| Ms. Chen Yanping | 陳燕萍女士 | | Member成員 | Chairman主席 |
| Dr. Shi Xiping | 史新平博士 | Member成員 | Member成員 | |

REPORT OF THE DIRECTORS

董事會報告

AUDITORS

During the year ended 31 March 2010, Ernst & Young resigned as auditors of the Company and ANDA CPA Limited was appointed by the Directors to fill the casual vacancy so arose.

At the annual general meeting of the Company held on 28 September 2010, ANDA CPA Limited was re-appointed as auditor of the Company and again at the annual general meeting of the Company held on 27 September 2011. There has been no other change of auditors in the past three years.

ANDA CPA Limited has informed the Company that it will not seek re-appointment at the forthcoming annual general meeting. The Board would like to take this opportunity to thank Anda CPA Limited for its past professional services.

Upon the recommendation of the Audit Committee, the Board has approved a resolution to be proposed at the forthcoming annual general meeting for the appointment Messrs. Deloitte Touche Tohmatsu as auditor of the Company at a fee to be agreed by the Directors.

ON BEHALF OF THE BOARD

Huang Peikun
Chairman

Hong Kong
29 June 2012

核數師

於截至二零一零年三月三十一日止年度，核數師安永會計師事務所辭任本公司核數師，而安達會計師事務所有限公司已獲董事委任為本公司核數師以填補由此所產生之臨時空缺。

在本公司於二零一零年九月二十八日舉行之股東週年大會上，安達會計師事務所有限公司獲重新委任為本公司核數師，並於二零一一年九月二十七日舉行之本公司股東週年大會上再次獲重新委任。於過往三年內，並無有關核數師之其他變動。

安達會計師事務所有限公司已知會本公司其將不會於應屆股東週年大會上重新委任。董事會謹藉此機會就安達會計師事務所有限公司過往提供之專業服務致以感謝。

根據審核委員會之推薦建議，董事會已批准於應屆股東週年大會上提呈一項決議案，按董事所協定之費用委任德勤•關黃陳方會計師行為本公司核數師。

代表董事會

主席
黃培坤

香港
二零一二年六月二十九日

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE

The board of Directors of the Company (the “Board”) considers that good corporate governance of the Company is central to safeguarding the interests of the shareholders of the Group and enhancing the performance of the Group. The Board is committed to ensuring a high standard of corporate governance. The Company’s corporate governance practices are based on the principles (the “Principles”) and the code provisions (the “Code Provisions”) as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 (immediately prior to 1 April 2012) of the Listing Rules.

The Company has adopted its own “Corporate Governance Handbook” since 2007 which provides written guidelines on the corporate governance policy of the Company for the reference and observation by its Directors and senior management. The Corporate Governance Handbook meets all, sometimes exceeding, the requirements as in the CG Code.

The Company has applied the Principles and the Code Provisions and complied with the CG Code during the financial year ended 31 March 2012, with a deviation from the Code Provisions (i) A.2.1 which requires the roles of the chairman and chief executive be in different individuals, (ii) Code Provision A.4.1 which requires non-executive directors be appointed on specific terms and subject to re-election and (iii) A.4.2 which requires all directors to retire by rotation at least once every three years. Reasons for such deviations are given below under appropriate headings.

Set out below are the status and details of compliance by the Company of the CG Code for the year ended 31 March 2012.

遵從企業管治守則

本公司董事會(「董事會」)認為，本公司達致良好企業管治，乃保障本集團股東利益及提升集團表現之核心元素。董事會在確保高水準企業管治方面不遺餘力。本公司之企業管治常規，是以上市規則附錄14(緊接二零一二年四月一日前)所載企業管治常規守則(「企業管治守則」)內之原則(「原則」)及守則條文(「守則條文」)作為基礎。

本公司自二零零七年起採納其本身之「企業管治指南」，當中載列本公司企業管治政策之書面指引，以供董事及高級管理人員參考及遵守。企業管治指南符合企業管治守則內之所有規定，甚或較企業管治守則涵蓋更嚴格規定。

截至二零一二年三月三十一日止財政年度內，除偏離守則條文(i)第A.2.1條，規定主席及行政總裁之角色須由不同人士擔任；(ii)第A.4.1條，規定非執行董事須按特定任期獲委任，且須重選連任；及(iii)第A.4.2條，有關全體董事須最少每三年輪值退任一次外，本公司一直應用原則及守則條文，並一直遵守企業管治守則。有關偏離之理由載列於下列適當標題下。

下文載述本公司截至二零一二年三月三十一日止年度遵行企業管治守則之狀況及詳情。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD

Board composition

The Board has in its composition a balance of skills and experience appropriate for the requirements of the business of the Company. The Board has a balanced mix of Directors in four executive Directors and three independent non-executive Directors.

The list of all Directors by category and changes thereto during the year and until the publication of this report, is set out on page 20 under “Report of the Directors”. The biography of the Directors are set out on pages 6 to 13 of this annual report.

The list of Directors (by category) is also disclosed pursuant to the Listing Rules in all corporate communications issued from time to time by the Company.

Save for the fact that Dr. So Shu Fai was a substantial shareholder of the Company, as defined in section 336 of the SFO and Mr. Cheng Tsang Wai beneficially owned 162,600 shares in the Company, to the best of knowledge of the Directors, the Board members have no other financial, business, family or other material/relevant relationship with each other, senior management or substantial shareholders or controlling shareholders of the Company.

During the year ended 31 March 2012, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors.

The Company has received the written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

董事會

董事會組織構成

董事會成員組合已平衡本公司業務所需適當技能與經驗。董事會擁有均衡董事組合，包括四位執行董事及三位獨立非執行董事。

按分類表示之全體董事名單以及於年內及截至本報告刊發時之變動載於第20頁之「董事會報告」內。董事履歷則載於本年報第6至13頁。

董事名單(按分類表示)亦根據上市規則於本公司不時刊發之所有公司通訊內披露。

除蘇樹輝博士為本公司主要股東(定義見證券及期貨條例第336條)及鄭曾偉先生實益擁有本公司162,600股股份外，據董事所深知，董事會各成員之間並無與本公司高級管理層或主要股東或控股股東有任何其他財務、業務、家庭或其他重大／相關關係。

於截至二零一二年三月三十一日止年度，董事會一直遵從上市規則有關委任最少三位獨立非執行董事之規定。

本公司已接獲各獨立非執行董事根據上市規則提交有關其獨立地位之年度確認書。本公司認為，按照上市規則所載之獨立地位指引，全體獨立非執行董事均具獨立地位。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD *(continued)*

Board meetings

Board meetings were held at least four times during the year roughly on a quarterly basis. Dates for regular Board meetings are scheduled in advance to provide sufficient time for the Directors to prepare for. Special Board meetings were held when necessary. Notifications of meeting were given at least fourteen days before the meetings. Directors are consulted for matters to be included in the agenda and Board papers will be served at least three days before the meeting. Details of the attendance of the Board meetings held for the year ended 31 March 2012 were as follows:

董事會(續)

董事會會議

董事會於年內最少舉行四次會議，約每季舉行一次。董事會例會之舉行日期預先編訂，讓董事們有充足時間為開會作準備。特別董事會會議在必要時舉行。開會通告最低限度於舉行會議前十四天發出。就會議議程所包括之事項，會徵詢董事之意見；並最低限度於舉行會議前三天送出會議稿件。有關截至二零一二年三月三十一日止年度之出席情況如下：

| Name of Director | 董事姓名 | Attendance/ Number of Meetings 出席／會議數目 |
|--|-----------|--|
| <i>Executive Directors</i> | | |
| Dr. So Shu Fai (<i>Chairman</i>) | 蘇樹輝博士(主席) | 5/6 |
| Mr. Mak Bing Kau | 麥炳球先生 | 6/6 |
| Mr. Ng Wai Hung | 伍偉雄先生 | 6/6 |
| Mr. Lau Cheuk Lun | 劉卓麟先生 | 6/6 |
| <i>Independent Non-executive Directors</i> | | |
| Mr. Pang Hon Chung | 彭漢中先生 | 6/6 |
| Mr. Cheng Tsang Wai | 鄭曾偉先生 | 5/6 |
| Dr. Chung Hing Wah, Paul | 鍾慶華博士 | 5/6 |

Minutes of the Board, the Audit Committee, the Remuneration Committee and the Executive Committee were recorded in sufficient details of matters considered at the meetings. All the minutes are kept by the company secretary and are open for inspection at any time on reasonable notice given by any Director.

董事會、審核委員會、薪酬委員會及執行委員會之會議記錄，對會議內曾考慮之事項均有詳盡記錄。所有會議記錄由公司秘書保管，任何董事只要發出合理通知，均可於任何時間內查閱該等會議記錄。

Directors can access to the advice and services of the company secretary to ensure that Board procedures and applicable rules and regulations are followed.

各董事均可獲取公司秘書之意見及服務，以確保董事會程序及適用規則以及法規均已遵守。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD *(continued)* Board meetings *(continued)*

In addition, all Directors are regularly updated on corporate governance and regulatory matters. There is a guideline for Directors to obtain independent professional advice at the expense of the Company in the furtherance of their duties. The Company has also arranged appropriate liability insurance cover in respect of legal action against its Directors.

CHAIRMAN AND CHIEF EXECUTIVE

The chairman is responsible for managing the affairs of the Board and the chief executive is responsible for managing the day-to-day operation of the Company's business.

Code Provision A.2.1 stipulates that the roles of Chairman and chief executive should be separated and not be performed by the same individual.

Dr. So was the Chairman of the Board while the position of chief executive has been left vacant throughout the year. The Board considered it appropriate and necessary in the best interests of the Company and the Group that board leadership and executive management, comprising all four executive Directors, be in the same individual to be able to react quickly in response to market environment and technology changes, in particular, the Group has been facing these recent years.

董事會 *(續)* 董事會會議 *(續)*

此外，本公司會定期向所有董事匯報有關企業管治及監管事務之最新情況。本公司設有一套指引，規範董事為執行職務而諮詢獨立專業意見（有關費用由本公司承擔）。本公司亦已購買適當之責任保險，以減低董事面對法律訴訟所承受之風險。

主席和行政總裁

主席負起管理董事會事務之責任，而行政總裁則負責管理本公司業務之日常運作。

守則條文第A.2.1條訂明，主席和行政總裁之職能應有所區分及不應由同一人擔任。

於整個年度內，蘇博士擔任為董事會主席，而行政總裁職位於年內一直懸空。董事會認為，由同一人兼任董事會領導及行政管理職位（由全部四位執行董事組成），有助本集團迅速回應特別是最近幾年來一直面對之市場環境及技術轉變問題，符合本公司及本集團最佳利益，故屬適當及必需。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION, APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Group has a formal, considerate and transparent procedure for the appointment of new Director to the Board. The Group has adopted a nomination procedures and the Board, based on the criteria established, evaluate and select candidates for the directorships. The Board reviews the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations regarding any proposed changes. The Directors identifies suitable individual qualified to become Board members and makes recommendation on relevant matters relating to the appointment or re-appointment of Directors if necessary, in particular, candidates who can add value to the management through their contribution in the relevant strategic business areas and whose appointments will result on the constitution of strong and diverse Board. The meeting of the Board regarding the nomination of Directors shall be held at least once a year or when necessary. In case any Director resigns from the Board, reasons for the resignation will be disclosed in the announcement.

Code Provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. Except for Mr. Pang Hon Chung, an independent non-executive Director of the Company, all other non-executive directors have a specific term of appointment. Under the Company's articles of association (the "Articles"), all non-executive Directors are required to retire by rotation at the annual general meeting at least one every three years. The Board considers this requirement under the Articles accomplishes the same objective as the requirement of a specific term.

董事之提名、委任、重選及免職

本集團訂有一套正規、經深思熟慮且高透明度之委任董事會新董事程序，本集團已經採納一套提名程序，而董事會根據已確立之準則範疇評審及挑選擔任董事之人選。董事會定期檢討董事會之架構、人數及組織(包括技能、知識和經驗)，並提出有關建議改動之推薦意見。董事物色合資格作為董事會成員之適當人士，必要時亦會就委任或重新委任董事之相關事宜作出推薦意見，尤其當某些人選可於有關策略業務範疇作出貢獻，從而替管理層增值，及有助董事會之組織強化及多元化。關於董事提名之董事會會議應最低限度每年舉行一次，或當有需要時舉行。倘若有任何董事辭去董事會職務，須於公佈內披露辭職理由。

守則條文第A.4.1條訂明，非執行董事須獲委任特定任期，並須接受重選。除本公司獨立非執行董事彭漢中先生外，所有其他非執行董事均獲委任特定任期。根據本公司之組織章程細則(「章程細則」)，全體非執行董事均須最少每三年於股東週年大會輪值告退一次。董事會認為，章程細則之此項規定能夠達致與特定任期規定之相同目標。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION, APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS (continued)

Code Provision A.4.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, the Articles, on the other hand, is inconsistent with the this Code Provision in that it provides that one-third of the Directors for the time being (save for the Chairman or managing director or joint managing director), or if their number is not three nor a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation at least once every three years and being eligible, offer themselves for re-election at annual general meetings. The Board considers that the chairman and managing director should not subject to this retirement by rotation to ensure continuity of leadership and stability for growth of the Company.

RESPONSIBILITIES OF DIRECTORS

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

In addition, the Board is charged with promoting the success of the Group by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to all shareholders of the Group for the manner in which the affairs of the Company are managed, controlled and operated.

A Director is required to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Group. Non-executive Directors have the same duties of care and skill and fiduciary duties as executive Directors.

The functions of non-executive Directors have included the functions as specified in the Code Provision A.5.2(a) to (d) of the CG Code.

董事之提名、委任、重選及免職(續)

守則條文第A.4.2條訂明，包括獲委以特定任期者在內之每名董事，均須最少每三年輪值告退一次。然而，章程細則與此項守則條文並不相符，章程細則規定當時三分之一之董事(主席或董事總經理或聯席董事總經理除外)，或若董事數目並非三或三之倍數，則以最接近但不超過三分之一為準，須於股東週年大會上輪值告退，但符合資格重選連任。董事會認為，主席及董事總經理不應受輪值告退規定所限，以確保領導層持續性及本公司之穩定發展。

董事之責任

董事會之首要重點為本集團整體策略發展。董事會亦監督本集團業務營運之財務表現及內部監控。

此外，董事會亦負責通過以負責任及具效益之方式引導並監督本公司事務，推動本集團之成就。每一位董事均有責任本著公司最佳利益下真誠行事。董事知悉，彼等須就本公司事務管理、控制及運作之方式，向本集團所有股東負起集體和個別責任。

董事須時常肩負彼作為董事之責任，並應經常對本集團之行為、業務活動及發展加以留意。非執行董事與執行董事具同等謹慎、熟練及受信責任。

非執行董事之職能包括企業管治守則之守則條文第A.5.2(a)至(d)條所列明之職能。

CORPORATE GOVERNANCE REPORT

企業管治報告

DELEGATION BY THE BOARD

The Board has delegated functions that are necessary and incidental to carrying out the decision of the Board or to facilitate the day-to-day operation of the Group in the ordinary course of business to the senior management and divisional heads of different units.

Major corporate matters that are specifically delegated by the Board to senior management include execution of business strategies and initiatives adopted by the Board, implementation of adequate internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

SUPPLY OF AND ACCESS TO INFORMATION

Directors are provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company.

In respect of regular Board meetings, and so far as practicable in all other cases, an agenda and accompanying Board papers are sent in full to all Directors in a timely manner and at least three days before the intended date of a Board meeting.

Management is regularly reminded by the company secretary that they have an obligation to supply the Board and its committees with adequate information in a timely manner to enable them to make informed decisions. The information supplied must be complete and reliable. The Board and each Director have separate and independent access to the Company's senior management for making further enquires where necessary.

董事會之授權

董事會已授予高級管理層及不同單位部門主管所需及相關職能，以執行董事會決定或確保本集團於一般業務過程中可暢順地進行日常營運。

董事會已特別授權高級管理層處理之主要企業事務包括：執行董事會採納之業務策略及計劃、實施足夠內部監控及風險管理程序，以及遵從相關法定要求、規則及法規。

資料之提供和查閱

本公司將會及時向各董事提供適當資料，所提供資料之形式和質素，足以讓各董事作出知情決定並履行本公司董事之職務及責任。

就董事會之定期會議而言，在實際可行之所有其他情況下，所有董事均會及時並最低限度在董事會會議擬定開會之日期三天前，獲送呈會議議程及附帶之全部董事會文件。

公司秘書經常提醒管理層，彼等有責任及時向董事會及其委員會提供足夠資料，讓彼等作出知情決定。所提供資料必須為完整可靠。董事會及各董事在必要時均可個別及獨立地向本公司高級管理層作出進一步查詢。

CORPORATE GOVERNANCE REPORT

企業管治報告

TRAINING FOR DIRECTORS

Every newly appointed Director of the Group will receive an information package from the company secretary on his appointment. The package will include guidelines and information such as:

- (a) Guidelines on Directors' Duties;
- (b) Brief notes and guidelines on Code on Corporate Governance Practices;
- (c) The Group's code of conduct regarding the securities transactions by the Directors;
- (d) Brief notes and guidelines on Model Code for Securities Transactions by Directors of the Company;
- (e) The Company's Code of Conduct for Securities Transactions by Directors of the Company;
- (f) A copy of the Corporate Governance Report; and
- (g) A copy of the Company's Corporate Governance Handbook.

The senior management and the company secretary would conduct such briefing as is necessary to ensure that the Director has a proper understanding of the operations and business of the Group, and the Director is aware of his obligation under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements.

DIRECTOR' SECURITIES TRANSACTIONS

The Group has adopted its code of conduct for securities transactions by Directors of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2012.

董事培訓

每一位新委任之本集團董事在獲委任時均會收到由公司秘書發放之資料封套，該資料封套包括指引及資料如下：

- (a) 董事職責指引；
- (b) 關於企業管治常規守則之淺釋及指引；
- (c) 本集團有關董事進行證券交易之行事守則；
- (d) 本公司關於董事進行證券交易的標準守則之淺釋及指引；
- (e) 本公司有關本公司董事進行證券交易的行事守則；
- (f) 企業管治報告複印本；及
- (g) 本公司企業管治指南複印本。

本公司高級管理層及公司秘書在有需要時會舉行簡報會，確保董事對本集團營運及業務有正確瞭解，及董事知悉其在成文法及普通法、上市規則、適用法律規定及其他監管規定下之責任。

董事進行證券交易之標準守則

本集團已採納有關本公司董事進行證券交易之行事守則，其條款之嚴謹程度不遜於上市規則附錄10內所載之上市發行人董事進行證券交易的標準守則（「標準守則」）所規定標準。經向全體董事作出特定查詢後，本公司確認，所有董事於截至二零一二年三月三十一日止整個年度均已遵守標準守則所載之規定標準。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION OF DIRECTORS

The respective remuneration to the Directors has been determined by the Remuneration Committee of the Board with reference to their qualifications, experience, job responsibilities, market conditions and the performance of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board has been set up with written terms of reference which are published on the website of the Company. A majority of the members of the Remuneration Committee are independent non-executive Directors. This committee is authorized by the Board and makes recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management. Details of the attendance of the meeting for the year ended 31 March 2012 were as follows:

| Members of the Remuneration Committee | 薪酬委員會成員 | Attendance/ Number of Meeting 出席／會議數目 |
|---|--------------------|---|
| Mr. Cheng Tsang Wai (<i>Chairman</i>) | 鄭曾偉先生(<i>主席</i>) | 3/3 |
| Mr. Pang Hon Chung | 彭漢中先生 | 3/3 |
| Dr. So Shu Fai | 蘇樹輝博士 | 3/3 |

There is a formal and transparent procedure for setting policy and procedure for fixing the remuneration packages of all Directors and senior management. The Group will gather and summarize information relating to remuneration policy and other remuneration related matters. The Remuneration Committee will meet at least once a year and consider the above information and make recommendation to the Board and have access to professional advice if necessary.

董事薪酬

董事各自之薪酬由董事會之薪酬委員會參考彼等之資歷、經驗、職責、市況及本公司表現後釐定。

薪酬委員會

董事會之薪酬委員會已制定書面職權範圍，並已於本公司網站刊載。薪酬委員會大多數成員均為獨立非執行董事。該委員會由董事會授權，並就所有本公司董事及高級管理層薪酬政策及架構事宜向董事會提出推薦意見。截至二零一二年三月三十一日止年度之會議出席詳情如下：

本集團就釐定所有董事及高級管理層薪酬組合之政策和步驟，已制訂正規及高透明度之程序。本集團會收集並總結有關薪酬政策及其他薪酬相關事宜之資料。薪酬委員會最低限度每年開會一次，並考慮上述資料及向董事會提出推薦意見，在需要時亦可諮詢專業顧問。

CORPORATE GOVERNANCE REPORT

企業管治報告

FINANCIAL REPORTING

The Board is responsible to present a balanced, clear and comprehensible assessment of the Group's performance, position and prospect in the annual and interim reports. Other price-sensitive information and financial disclosures required under the Listing Rules and other statutory requirements will be timely disclosed and reported.

The Directors acknowledge their responsibility for keeping proper accounting records and preparing accounts which give a true and fair view for the year ended 31 March 2012.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" on pages 41 to 43.

INTERNAL CONTROL

The Board is responsible to ensure that the Group maintains sound and effective internal controls to safeguard the shareholders' investment and the Group's assets.

The management is responsible for the Group's system of internal controls and the Board is responsible for reviewing its effectiveness of the Group's system of internal control and its subsidiaries at least annually. The function of reviewing its effectiveness of the Group's system of internal control is delegated to Audit Committee by the Board. The system will cover all material controls, including financial, operational and compliance controls and risk management functions. The system of internal control is 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.

財務申報

董事會負責在年報和中期報告呈列一份平衡、清晰而全面之本集團業績、狀況及前景評估。上市規則及其他法定規則要求公開之其他股價敏感資料及財務披露事項，均會及時披露及報告。

董事知悉彼等對保存適當會計記錄及編製真實公平反映截至二零一二年三月三十一日止年度之賬目承擔責任。

本公司外聘核數師就其對財務報表之申報責任聲明，載於第41至43頁之「獨立核數師報告」。

內部監控

董事會須負責確保本集團保持健全而有效之內部監控，以維護股東投資及本集團資產。

管理層須負責本集團之內部監控制度，而董事會負責最低限度每年檢討本集團及其附屬公司內部監控制度之效能。董事會已將檢討本集團內部監控制度效能之職能，委託審核委員會執行。該制度涵蓋所有重大監控範疇，包括財務、營運及規章管控及風險管理職能。內部監控制度乃為管理而非消除未能達致業務目標之風險而設計，並僅可就避免出現重大錯誤陳述或虧損提供合理而非絕對之保證。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL *(continued)*

The Audit Committee reviews the effectiveness of the internal control of the Group. The finance department carries out annual risk assessment on each audit area and derives an annual audit plan according to their risk rankings. After the audit plan is reviewed and agreed by the Audit Committee, an external professional firm was engaged to conduct the review and make recommendations for improvements. Such review report was submitted to the Audit Committee. Copy of the minutes of Audit Committee meeting will also be sent to the Board for information.

AUDIT COMMITTEE

The Audit Committee of the Board has been set up with written terms of reference which are published on the website of the Company. The Audit Committee comprises two independent non-executive Directors and one non-executive Director. Dr. Wong Wing Kuen, Albert, chairman of the Audit Committee, has the appropriate professional qualification and experience in financial matters as required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). This committee is authorized by the Board and is responsible for reviewing the financial reports, internal control principles and for maintaining an appropriate relationship with the Company's auditors. Details of the attendance of the Audit Committee meetings held during the year ended 31 March 2012 were as follows:

內部監控(續)

審核委員會檢討本集團內部監控之效能。財務部門就各審核領域進行年度風險評估並根據彼等之風險排名得出年度審核計劃。審核計劃經審核委員會檢討並同意後，一間外部專業公司將受聘進行檢討並就有關改善提供推薦意見。該等檢討報告送呈至審核委員會。審核委員會會議記錄副本亦送呈董事會參閱。

審核委員會

董事會之審核委員會已制定書面職權範圍，並已於本公司網站刊載。審核委員會由兩名獨立非執行董事及一名非執行董事組成。審核委員會主席王永權博士於財務事項方面具有聯交所證券上市規則(「上市規則」)所規定之合適專業資格及經驗。該委員會由董事會授權，負責審閱財務報告、內部監控原則及與本公司核數師保持適當關係。截至二零一二年三月三十一日止年度舉行之審核委員會會議出席記錄詳情如下：

| Members of the Audit Committee | 審核委員會成員 | Attendance/ Number of Meeting 出席／會議數目 |
|--------------------------------------|-----------|---|
| Mr. Pang Hon Chung <i>(Chairman)</i> | 彭漢中先生(主席) | 3/3 |
| Mr. Cheng Tsang Wai | 鄭曾偉先生 | 2/3 |
| Dr. Chung Hing Wah, Paul | 鍾慶華博士 | 3/3 |

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE (continued)

The Audit Committee met with the external auditors during the year to discuss any areas of concern during the audits. The Audit Committee reviewed the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and relevant legal requirements.

The Audit Committee has not taken a different view from the Board regarding the selection, appointment, resignation or dismissal of the Company's external auditors.

The Company's annual results announcement on 29 June 2012 for the year ended 31 March 2012 have been reviewed by the Audit Committee.

AUDITORS' REMUNERATION

During the year under review, the remuneration in respect of professional services provided by the Company's auditor, ANDA CPA Limited, is set out as follows:

| | | (HK\$'000) (港幣千元) |
|--------------------|-------|----------------------|
| Audit services | 審核服務 | 552 |
| Non-audit services | 非審核服務 | 124 |

EXECUTIVE COMMITTEE

The Executive Committee of the Board has been set up with written terms of reference which are published on the website of the Company. The Executive Committee was formed with all Executive Directors as members. This committee is authorized by the Board and is responsible for monitoring the execution of strategic plans and day-to-day operations of the business units and making decision on matters relating to the management and operations.

審核委員會(續)

年內，審核委員會與外聘核數師會晤，討論審核過程中任何有關範疇。審核委員會於中期及年度報告提呈董事會前已進行審閱。審核委員會不僅專注於會計政策及慣例變動之影響，亦會遵守會計準則、上市規則及有關法律規定。

審核委員會就本公司外聘核數師之甄選、委任、辭任或罷免與董事會並無持不同意見。

本公司於二零一二年六月二十九日宣佈截至二零一二年三月三十一日止年度之年度業績已由審核委員會審閱。

核數師薪酬

於回顧年內，本公司核數師安達會計師事務所有限公司提供專業服務之薪酬載列如下：

執行委員會

董事會之執行委員會已制定書面職權範圍，並已於本公司網站刊載。執行委員會所有成員均為執行董事。該委員會由董事會授權，並負責監控策略性計劃之執行及各業務單位之日常運作，以及就有關管理及經營事項作出決定。

CORPORATE GOVERNANCE REPORT

企業管治報告

EXECUTIVE COMMITTEE (continued)

The Executive Committee regulates its meetings as they are needed. During the year ended 31 March 2012, because of the frequent meetings of the Directors, formal meetings of the Committees were held only twice with all four executive Directors present. Details of the attendance of the Executive Committee meetings held during the year ended 31 March 2012 were as follows:

| Members of the Executive Committee | 執行委員會成員 | Attendance/ Number of Meetings 出席／會議數目 |
|------------------------------------|-----------|--|
| Dr. So Shu Fai (Chairman) | 蘇樹輝博士(主席) | 2/2 |
| Mr. Mak Bing Kau | 麥炳球先生 | 2/2 |
| Mr. Ng Wai Hung | 伍偉雄先生 | 2/2 |
| Mr. Lau Cheuk Lun | 劉卓麟先生 | 2/2 |

SECURITIES TRANSACTION BY THE RELEVANT EMPLOYEES

Under the Code Provision A.5.4 of the CG Code, the Board has established written guidelines on no less exacting terms than the Model Code for Directors and relevant employees in respect of their dealings in the Company's securities. "Relevant employee" includes any employee of the Group or a Director or employee of a subsidiary or holding company of the issuer, because of such office or employment, is likely to be in possession of unpublished price sensitive information in relation to the Group and its securities. Having made specific enquiry to all Relevant Employees, the Company confirms that all Relevant Employees have complied with the written guidelines regarding securities transactions during the year ended 31 March 2012.

CORPORATE COMMUNICATION

The Group should announce its annual results and interim results in a timely manner before the time limits set out in the Listing Rules. Separate resolutions are proposed at the annual general meetings on each separate issue, including the election of individual Directors. In addition, procedures for demanding a poll at the annual general meeting will also be included in the circular to shareholders dispatched together with this report.

The maintains a website of <http://www.tonic.com.hk> which enables shareholders of the Company, investors and the general public to access to the information of the Group on a timely basis. Financial information and all corporate communications of the Group are made available on the Group's website and updated regularly.

執行委員會(續)

執行委員會於需要時調整會議次數。於截至二零一二年三月三十一日止年度，由於董事會會議頻密，由全體四名執行董事出席之委員會正式會議僅召開兩次。截至二零一二年三月三十一日止年度舉行之執行委員會會議出席記錄詳情如下：

有關僱員進行證券交易

根據企業管治守則之守則條文第A.5.4條，董事會已就董事及有關僱員進行本公司證券交易以書面制定不遜於標準守則之指引。「有關僱員」包括本集團任何僱員或發行人附屬公司或控股公司之董事或僱員，因該職位或受聘而可能掌握與本集團及其證券有關之未公佈股價敏感資料。經對全體有關僱員進行特定查詢後，本公司確認，全體有關僱員於截至二零一二年三月三十一日止年度一直遵守有關證券交易之書面指引。

企業通訊

本集團應於上市規則所載時限前按時公佈其年度業績及中期業績。就各個別事項於股東週年大會上將提呈個別決議案，包括推選個別董事。此外，要求於股東週年大會以股數投票表決之程序將納入於連同本報告寄發予股東之通函內。

設立<http://www.tonic.com.hk>網站使本公司股東、投資者及公眾人士可按時獲得本集團資料。本集團之財務資料及所有企業通訊可從本集團網站取得，並會定期更新。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



**TO THE SHAREHOLDERS OF
TONIC INDUSTRIES HOLDINGS LIMITED**
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Tonic Industries Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 44 to 118, which comprise the consolidated and Company statements of financial position as at 31 March 2012, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

獨立核數師報告
致：東力實業控股有限公司股東
(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核載於第44至118頁之東力實業控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。此綜合財務報表包括二零一二年三月三十一日之綜合及公司財務狀況表，及截至該日止年度之綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他解釋資料。

董事就綜合財務報表須承擔之責任

貴公司之董事(「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及香港公司條例披露規定，編製及真實而公平地呈列綜合財務報表，及負責董事認為編製綜合財務報表必須的有關內部監控，以確保並無重大錯誤陳述(不論是否因欺詐或錯誤引起)。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

核數師之責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並僅為全體股東報告，並不可作其他目的。我們並不就本報告之內容對任何其他人士負責或承擔責任。我們已按照香港會計師公會頒佈之香港核數準則進行審核。這些準則要求我們遵守職業道德規範，並規劃及執行審核，從而獲得合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行情序以獲取有關綜合財務報表所載金額及披露資料之審核證據。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報綜合財務報表相關之內部監控，以設計適當之審核程序，但並非為對公司內部監控之成效發表意見。審核亦包括評價董事所採用會計政策之合適性及作出會計估計之合理性，以及評價綜合財務報表之整體列報方式。

我們相信，我們所獲得之審核證據充足且適當地為我們的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2012, and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Practising Certificate Number P03614

Hong Kong, 29 June 2012

意見

我們認為，綜合財務報表已根據香港財務報告準則真實而公平地反映 貴集團及 貴公司於二零一二年三月三十一日之財務狀況及 貴集團截至該日止年度之業績及現金流量，並已按照香港公司條例之披露規定妥善編製。

安達會計師事務所有限公司

執業會計師

施連燈

執業證書號碼P03614

香港，二零一二年六月二十九日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 March 2012

截至二零一二年三月三十一日止年度

| | | | 2012 二零一二年 | 2011 二零一一年 |
|---|----------------------------------|-------------|------------------|------------------|
| | | Notes 附註 | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Turnover | 營業額 | 8 | 178,214 | 77,394 |
| Cost of sales | 銷售成本 | | (181,272) | (75,007) |
| Gross (loss)/profit | 毛(損)/利 | | (3,058) | 2,387 |
| Other income | 其他收入 | 9 | 3,502 | 4,590 |
| Selling expenses and distribution costs | 銷售支出及分銷成本 | | (766) | (897) |
| Administrative expenses | 行政支出 | | (31,031) | (40,315) |
| Provision for impairment of assets | 資產減值撥備 | | (26,870) | (2,281) |
| Provision against inventories | 存貨撥備 | | - | (2,516) |
| Gain on deconsolidation of a liquidating subsidiary | 取消一家清盤附屬公司 綜合入賬之收益 | 10 | 8,911 | 243,503 |
| Gain on debt restructuring | 債務重組之收益 | 11 | - | 217,108 |
| (Loss)/profit from operations | 經營(虧損)/溢利 | | (49,312) | 421,579 |
| Finance costs | 融資成本 | 12 | (13,308) | (33,135) |
| (Loss)/profit before tax | 除稅前(虧損)/溢利 | | (62,620) | 388,444 |
| Income tax | 所得稅 | 13 | - | - |
| (Loss)/profit for the year attributable to equity holders of the Company | 本公司權益持有人應佔 本年度(虧損)/溢利 | 14, 18 | (62,620) | 388,444 |
| (Loss)/earnings per share | 每股(虧損)/盈利 | | | |
| Basic (HK cents per share) | 基本(每股港仙) | 17 | (6) | 93 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 March 2012

截至二零一二年三月三十一日止年度

| | | Notes | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|---|----------------------------------|--------|-----------------------------------|-----------------------------------|
| | | 附註 | | |
| (Loss)/profit for the year attributable to equity holders of the Company | 本公司權益持有人應佔 本年度(虧損)/溢利 | 14, 18 | (62,620) | 388,444 |
| Translation differences of foreign operations | 境外業務之匯兌差額 | | 2,821 | 992 |
| Translation differences reclassified to profit or loss upon deconsolidation of scheme subsidiaries | 取消計劃附屬公司綜合入賬後重新分類至損益之匯兌差額 | | – | (18,931) |
| Surplus on property revaluation | 物業重估盈餘 | | 7,514 | 35,561 |
| Deferred tax on property revaluation reserve: | 物業重估儲備之遞延稅項： | | | |
| – Surplus on revaluation | – 重估盈餘 | | (1,879) | (8,890) |
| Other comprehensive income for the year, net of tax | 本年度其他全面收入， 扣除稅項 | | 8,456 | 8,732 |
| Total comprehensive (loss)/income for the year attributable to equity holders of the Company | 本公司權益持有人應佔 本年度全面(虧損)/ 收入總額 | | (54,164) | 397,176 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2012

於二零一二年三月三十一日

| | | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|--|------------------|-------------|-----------------------------------|-----------------------------------|
| | | Notes 附註 | | |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 19 | 203,930 | 227,411 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 21 | 5,499 | 7,172 |
| Accounts receivables | 應收賬款 | 22 | 9,215 | 9,801 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 23 | 2,313 | 2,054 |
| Due from a scheme subsidiary | 應收一家計劃附屬公司款項 | 24 | – | 122,055 |
| Cash and bank balances | 現金及銀行結存 | 25 | 33,683 | 8,927 |
| | | | 50,710 | 150,009 |
| Current liabilities | 流動負債 | | | |
| Accounts payables | 應付賬款 | 26 | 570 | 2,245 |
| Accruals and other payables | 應計負債及其他應付款項 | 27 | 25,825 | 31,038 |
| Borrowings | 借貸 | 28 | 185,570 | 186,755 |
| Due to a director | 應付一名董事款項 | 24 | 2,000 | 1,000 |
| Current tax liabilities | 即期稅項負債 | | – | 258 |
| | | | 213,965 | 221,296 |
| Net current liabilities | 流動負債淨額 | | (163,255) | (71,287) |
| Total assets less current liabilities | 資產總值減流動負債 | | 40,675 | 156,124 |
| Non-current liabilities | 非流動負債 | | | |
| Borrowings | 借貸 | 28 | 18,000 | 81,765 |
| Deferred tax liabilities | 遞延稅項負債 | 29 | 18,324 | 15,844 |
| | | | 36,324 | 97,609 |
| NET ASSETS | 資產淨值 | | 4,351 | 58,515 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 30 | 10,685 | 10,685 |
| Reserves | 儲備 | 31(a) | (6,334) | 47,830 |
| TOTAL EQUITY | 權益總額 | | 4,351 | 58,515 |

Approved by:

經批准：

Director
董事

Director
董事

STATEMENT OF FINANCIAL POSITION

財務狀況表

As at 31 March 2012
於二零一二年三月三十一日

| | | | 2012 | 2011 |
|---|----------------|-------|-----------------|----------|
| | | Notes | 二零一二年 | 二零一一年 |
| | | 附註 | HK\$'000 | HK\$'000 |
| | | | 港幣千元 | 港幣千元 |
| Non-current assets | 非流動資產 | | | |
| Investments in subsidiaries | 於附屬公司之投資 | 20 | 10 | 10 |
| Current assets | 流動資產 | | | |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | | 249 | 100 |
| Cash and bank balances | 現金及銀行結存 | | 100 | - |
| | | | 349 | 100 |
| Current liabilities | 流動負債 | | | |
| Accruals and other payables | 應計負債及其他應付款項 | | 2,197 | 1,516 |
| Due to subsidiaries | 應付附屬公司款項 | 20 | 10,013 | 4,572 |
| | | | 12,210 | 6,088 |
| Net current liabilities | 流動負債淨額 | | (11,861) | (5,988) |
| NET LIABILITIES | 負債淨額 | | (11,851) | (5,978) |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 30 | 10,685 | 10,685 |
| Reserves | 儲備 | 31(b) | (22,536) | (16,663) |
| TOTAL EQUITY | 權益總額 | | (11,851) | (5,978) |

Approved by:

經批准：

Director
董事

Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

Attributable to equity holders of the Company 本公司權益持有人應佔

| | | Share capital | Share premium account | Contributed reserve | Property revaluation reserve | Foreign currency translation reserve | Accumulated losses | Total |
|--|------------------------------------|------------------|-----------------------------|------------------------|------------------------------------|---|-----------------------|-----------|
| | | 股本 | 股份溢價賬 | 繳入儲備 | 物業重估 儲備 | 外幣換算 儲備 | 累積虧損 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| At 1 April 2010 | 於二零一零年 四月一日 | 105,789 | 71,388 | 280 | 74,068 | 7,463 | (682,298) | (423,310) |
| Total comprehensive income/ (loss) for the year | 年內全面收入/ (虧損)總額 | - | - | - | 26,671 | (17,939) | 388,444 | 397,176 |
| Reclassification upon deconsolidation of subsidiaries | 取消附屬公司 綜合入賬後 重新分類 | - | - | - | (57,316) | - | 57,316 | - |
| Capital reorganisation: | 資本重組: | | | | | | | |
| - capital reduction | - 資本削減 | (104,731) | - | 104,731 | - | - | - | - |
| - issue of shares | - 發行股份 | 9,627 | 75,022 | - | - | - | - | 84,649 |
| - share premium cancellation | - 註銷股份溢價 取消 | - | (71,388) | 71,388 | - | - | - | - |
| - set-off accumulated losses against contributed reserve | - 累積虧損抵銷 繳入儲備 | - | - | (176,399) | - | - | 176,399 | - |
| At 31 March 2011 and 1 April 2011 | 於二零一一年 三月三十一日及 二零一一年 四月一日 | 10,685 | 75,022 | - | 43,423 | (10,476) | (60,139) | 58,515 |
| Total comprehensive income/ (loss) for the year | 年內全面收入/ (虧損)總額 | - | - | - | 5,635 | 2,821 | (62,620) | (54,164) |
| At 31 March 2012 | 於二零一二年 三月三十一日 | 10,685 | 75,022 | - | 49,058 | (7,655) | (122,759) | 4,351 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2012

截至二零一二年三月三十一日止年度

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|--|----------------------------|-----------------------------------|-----------------------------------|
| | Notes 附註 | | |
| Cash flows from operating activities | 經營業務之現金流量 | | |
| (Loss)/profit before tax: | 除稅前(虧損)/溢利 | (62,620) | 388,444 |
| Adjustments for: | 經下列各項調整： | | |
| Finance costs | 融資成本 | 13,308 | 33,135 |
| Bank interest income | 銀行利息收入 | (21) | (5) |
| Loss on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目之虧損 | 6 | – |
| Depreciation | 折舊 | 12,047 | 17,886 |
| Provision against inventories | 存貨撥備 | – | 2,516 |
| Provision for impairment of assets | 資產減值撥備 | 26,870 | 2,281 |
| Gain on deconsolidation of a liquidating subsidiary | 取消一家清盤附屬公司綜合入賬之收益 | (8,911) | (243,503) |
| Gain on debt restructuring | 債務重組之收益 | – | (217,108) |
| | | | |
| Operating loss before working capital changes | 營運資金變動前之經營虧損 | (19,321) | (16,354) |
| Change in inventories | 存貨變動 | 1,946 | (8,222) |
| Change in accounts receivables | 應收賬款變動 | 271 | (8,970) |
| Change in prepayments, deposits and other receivables | 預付款項、按金及其他應收款項變動 | (203) | (1,434) |
| Change in accounts payables | 應付賬款變動 | (1,528) | 384 |
| Change in accruals and other payables | 應計負債及其他應付款項變動 | 1,242 | (15,211) |
| | | | |
| Cash used in operations | 經營業務耗用之現金 | (17,593) | (49,807) |
| Interest received | 已收利息 | 21 | 5 |
| Interest paid | 已付利息 | (11,930) | (11,252) |
| Interest element on finance lease rental payment | 融資租賃租金利息部分 | – | (111) |
| Overseas taxes paid | 已付海外稅項 | – | (75) |
| | | | |
| Net cash used in operating activities | 經營業務耗用之現金淨額 | (29,502) | (61,240) |
| | | | |
| Cash flows from investing activities | 投資活動之現金流量 | | |
| Net cash (outflow)/inflow on deconsolidation of a liquidating subsidiary | 取消一家清盤附屬公司綜合入賬之現金(流出)/流入淨額 | (16) | 7,968 |
| Purchase of items of property, plant and equipment | 購買物業、廠房及設備項目 | (285) | (2,081) |
| | | | |
| Net cash (used in)/generated from investing activities | 投資活動(耗用)/產生之現金淨額 | (301) | 5,887 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2012

截至二零一二年三月三十一日止年度

| | | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|---|----------------------|------------|-----------------------------------|-----------------------------------|
| | | Note 附註 | | |
| Cash flows from financing activities | 融資活動之現金流量 | | | |
| Net cash inflow on debt restructuring | 債務重組產生之淨現金流入 | 11 | - | 18,574 |
| New borrowings | 新增借貸 | | 54,000 | 9,480 |
| Loans from the ultimate holding company | 來自最終控股公司之貸款 | | - | 24,700 |
| Advances from directors | 董事墊款 | | 1,000 | 371 |
| Net cash generated from financing activities | 融資活動產生之現金淨額 | | 55,000 | 53,125 |
| Net decrease in cash and cash equivalents | 現金及等同現金項目減少淨額 | | 25,197 | (2,228) |
| Cash and cash equivalents at beginning of year | 年初現金及等同現金項目 | | 8,927 | 16,998 |
| Effect of changes in foreign exchange rate | 匯率變動影響 | | (441) | (5,843) |
| Cash and cash equivalents at end of year | 年終現金及等同現金項目 | | 33,683 | 8,927 |
| Analysis of cash and cash equivalents | 現金及等同現金項目分析 | | | |
| Cash and bank balances | 現金及銀行結存 | | 33,683 | 8,927 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012

截至二零一二年三月三十一日止年度

1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands as a limited liability company and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In the opinion of the Directors of the Company, the Company’s holding company and ultimate holding company at the end of the reporting period is Skill China Limited (“Skill China”), a limited liability company incorporated in the British Virgin Islands (the “BVI”).

Subsequent to the end of the reporting period, on 24 April 2012, a sale and purchase agreement in respect of the sale of the Company’s shares was entered into by Success Well Investments Limited (“Success Well”) and Skill China (the “Transaction”). After the Transaction that took place on 7 May 2012, the holding company of the Company has been changed from Skill China to Success Well. Success Well is a limited liability company incorporated in the BVI and is indirectly wholly-owned by Eureka Investment Company Limited (“Eureka” or “the intermediate holding company”). Eureka is a company incorporated in Hong Kong with limited liability and is wholly-owned by China Merchants Property Development Co., Ltd. (“CMPD”). CMPD is a limited liability company incorporated in the People’s Republic of China (the “PRC”), with its shares listed on the Shenzhen Stock Exchange. Further details of the Transaction were disclosed in the joint public announcement (the “Joint Announcement”) of the Company and the board of directors of Success Well on 27 April 2012.

The address of the registered office and principal place of the Company are disclosed in the corporate information included in the annual report. The Company is an investment holding company and the principal activities of its major subsidiaries are set out in note 20.

1. 一般資料

本公司為於開曼群島註冊成立之有限公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。本公司董事認為，於報告期間結算日，本公司之控股公司及最終控股公司為華能有限公司（「華能」），該公司為於英屬處女群島（「英屬處女群島」）註冊成立之有限公司。

繼報告期間結算日後，於二零一二年四月二十四日，Success Well Investments Limited（「Success Well」）與華能就出售本公司股份訂立一份買賣協議（「交易事項」）。交易事項於二零一二年五月七日進行後，本公司之控股公司由華能變更為Success Well。Success Well為於英屬處女群島註冊成立之有限公司，並由瑞嘉投資實業有限公司（「瑞嘉」或「中介控股公司」）間接全資擁有。瑞嘉為於香港註冊成立之有限公司，並由招商局地產控股股份有限公司（「招商局地產控股」）全資擁有。招商局地產控股為於中華人民共和國（「中國」）註冊成立之有限公司，其股份於深圳證券交易所上市。交易事項之進一步詳情於本公司與Success Well董事會在二零一二年四月二十七日刊發之聯合公佈中披露。

本公司之註冊辦事處及主要營業地點於年報「公司資料」內披露。本公司為一家投資控股公司，旗下主要附屬公司之主要業務載列於附註20。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

2. BASIS OF PREPARATION

The Group incurred a loss attributable to equity holders of the Company of approximately HK\$62,620,000 for the year ended 31 March 2012 and as at 31 March 2012, the Group had net current liabilities of approximately HK\$163,255,000. These conditions therefore indicate the existence of the uncertainty in relation to the Group's ability to continue as a going concern. In view of these circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

The consolidated financial statements have been prepared on a going concern basis. In the opinion of the Directors, the Group should be able to continue as a going concern in the coming years taking into consideration various measures to improve its financial performance and position which include, but not limited to, the following:

- (a) On the successful implementation of the restructured business model of the Group's set-up box operation, this provides an opportunity for the Group to have a more cost effective and commercially feasible structure to improve financial performance of the Group;
- (b) The intermediate holding company of the Company has agreed to provide adequate funds for the Group to meet its liabilities as they fall due; and
- (c) The Directors are looking for various business alternatives to broaden its business scope and sources of income by taking business opportunities to diversify into other business through investment or business ventures to improve the profitability of the Group.

2. 編製基準

於截至二零一二年三月三十一日止年度，本集團產生本公司權益持有人應佔虧損約港幣62,620,000元，且於二零一二年三月三十一日，本集團之流動負債淨額約為港幣163,255,000元。因此，有關狀況顯示，本集團是否有能力持續經營存在不明朗因素。鑑於有關狀況，董事評估本集團是否有足夠財務資源持續經營時，已審慎考慮本集團之未來流動資金狀況及表現以及其可動用財務資源。

本綜合財務報表按持續經營基準編製。董事認為，計及各種措施以改善財務表現及狀況，包括但不限於以下各項後，本集團應能繼續於未來數年持續經營：

- (a) 成功實施重組本集團機頂盒業務之業務模式後，為本集團提供契機，以更具成本效益及商業可行之方式改善本集團之財務表現；
- (b) 本公司之中介控股公司同意向本集團提供足夠資金，以償還到期之負債；及
- (c) 董事現正物色各類商機，以拓展業務範疇及收入來源，抓緊商機，透過投資或業務合營之方式開拓其他業務，以改善本集團之盈利能力。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

2. BASIS OF PREPARATION (continued)

Based on the aforesaid factors, the Directors are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future, the validity of which depends upon the measures mentioned above, at a level sufficient to finance the working capital requirements of the Group. Accordingly, the Directors are of the opinion that it is appropriate to prepare these financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to these financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 April 2011. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

2. 編製基準(續)

基於上述因素，董事信納，本集團於可見未來將有足夠財務資源在須履行財務責任時履行有關責任，有關責任之有效性取決於上述各項措施是否足以撥付本集團營運資金所需。因此，董事認為，按持續經營基準編製該等財務報表乃適當之舉。倘本集團無法持續經營，則須調整該等財務報表，將本集團資產價值調整至可收回金額，以就可能產生之任何進一步負債計提撥備，並分別將非流動資產及負債重新分類為流動資產及負債。

3. 採納新訂及經修訂香港財務報告準則

於本年度，本集團已採納香港會計師公會（「香港會計師公會」）頒佈所有與其業務有關且於二零一一年四月一日開始之會計年度生效之新訂及經修訂香港財務報告準則（「香港財務報告準則」）。香港財務報告準則包括香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋。採納該等新訂及經修訂香港財務報告準則並無對本集團之會計政策、本集團財務報表之呈列方式以及本年度及過往年度所呈報金額構成重大變動。

本集團並無應用已頒佈但尚未生效之新訂及經修訂香港財務報告準則。本集團已著手評估該等新訂及經修訂香港財務報告準則之影響，惟尚未能詳述該等新訂及經修訂香港財務報告準則會否對其經營業績及財務狀況造成重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, which are carried at their fair values. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the Directors to exercise its judgments in the process of applying the accounting policies. The areas involving critical judgments and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 5 to these financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

4. 主要會計政策

此等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、香港公認之會計原則及聯交所證券上市規則(「上市規則」)及香港公司條例規定之適用披露編製。

此等財務報表乃按歷史成本法編製，並就按公平值列賬之樓宇重估修訂。此等財務報表以港幣(「港幣」)呈列，除另有註明者外，所有數值均四捨五入至最接近千位。

編製符合香港財務報告準則之財務報表需要運用若干主要假設及估計，亦要求董事須於應用會計政策時作出判斷。涉及重大判斷以及就此等財務報表而言屬重大假設及估計之範疇於此等財務報表附註5進一步披露。

就編製此等財務報表應用之主要會計政策載列如下。

綜合賬目

綜合財務報表包括本公司及其附屬公司截至三月三十一日止之財務報表。附屬公司指本集團擁有其控制權之實體。控制權乃指有權支配一家實體之財務及經營政策，以從其業務中獲取利益。於評估本集團是否擁有控制權時，會考慮現時是否存在可行使或可轉換之潛在表決權及其影響。

附屬公司在控制權轉移至本集團之日起綜合入賬，並在控制權終止之日起取消綜合入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Consolidation (continued)

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. 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 the owners of the Company.

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

4. 主要會計政策(續)

綜合賬目(續)

出售附屬公司而導致失去控制權之收益或虧損乃指(i)出售代價公平值加該附屬公司仍保留之任何投資公平值與(ii)本公司應佔該附屬公司資產淨值加與該附屬公司有關之任何餘下商譽及任何相關累計外幣換算儲備兩者間之差額。

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已按需要調整，以確保符合本集團採納之會計政策。

本公司並無導致失去附屬公司控制權之擁有權權益變動按權益交易入賬，即與以擁有人身分進行之擁有人交易。控股及非控股權益之賬面值經調整以反映其於附屬公司相關權益之變動。非控股權益數額之調整額與已付或已收代價公平值間差額，直接於權益確認並歸屬本公司擁有人。

於本公司財務狀況表內，於附屬公司之投資按成本值扣除減值虧損撥備列賬。附屬公司之業績在本公司賬目內按已收及應收股息入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. 主要會計政策(續)

外幣換算

(a) 功能及呈列貨幣

本集團旗下各實體之財務報表包括之項目，均使用實體經營所在之主要經濟環境採用之貨幣（「功能貨幣」）計算。綜合財務報表以港幣呈列，該貨幣乃本公司之功能及呈列貨幣。

(b) 於各實體財務報表之交易及結餘

外幣交易於初步確認時採用交易當日之現行匯率換算為功能貨幣。以外幣為單位之貨幣資產及負債乃以各報告期間結算日之匯率換算。此換算政策所產生收益及虧損於損益中確認。

按公平值以外幣計算之非貨幣項目以釐定公平值當日之匯率換算。

倘非貨幣項目之收益或虧損於其他全面收入中確認，任何該收益或虧損之匯兌部分於其他全面收入中確認。倘非貨幣項目之收益或虧損於損益中確認，任何該收益或虧損之匯兌部分則於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation (continued)

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

4. 主要會計政策(續)

外幣換算(續)

(c) 綜合賬目時換算

功能貨幣與本公司呈列貨幣有所不同之所有集團實體之業績及財務狀況乃按下列方法換算為本公司之呈列貨幣：

- (i) 各份財務狀況表呈列之資產及負債，均按該財務狀況表日期之收市匯率換算；
- (ii) 各份損益賬之收入及開支乃按平均匯率換算，惟倘該平均匯率並不足以合理概述於交易日期適用匯率之累計影響，則在此情況下，收入及開支乃以交易日之匯率進行換算；及
- (iii) 所有因此而產生之匯兌差額於外幣換算儲備內確認。

於綜合賬目時，因換算海外實體投資淨額及借貸所產生之匯兌差額於外幣換算儲備內確認。當出售海外業務時，該等匯兌差額於綜合損益確認為出售收益或虧損之一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Buildings comprise mainly factories and offices and are carried at fair values, based on periodic valuations by external independent valuers, less subsequent depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

Revaluation increases of buildings are recognised in profit or loss to the extent that the increases reverse revaluation decreases of the same asset previously recognised in profit or loss. All other revaluation increases are credited to the property revaluation reserve as other comprehensive income. Revaluation decreases that offset previous revaluation increases of the same asset remaining in the property revaluation reserve are charged against the property revaluation reserve as other comprehensive income. All other decreases are recognised in profit or loss. On the subsequent sale or retirement of a revalued building, the attributable revaluation increases remaining in the property revaluation reserve is transferred directly to retained profits.

4. 主要會計政策(續)

物業，廠房及設備

樓宇主要包括工廠及辦公室，按公平值減其後折舊及減值虧損列賬，公平值乃以外聘獨立估值師所作出定期估值計算。於重估日期之任何累計折舊會與資產之賬面總值對銷，而淨值重列為資產之重估金額。所有其他物業、廠房及設備按成本減累計折舊及減值虧損列賬。

僅於項目相關未來經濟利益將流入本集團及項目成本能可靠地計量時，其後成本方會計入資產之賬面值或確認為一項獨立資產(視適用情況而定)。所有其他維修及保養均於產生期間在損益支銷。

樓宇之重估增加於增加金額撥回同一資產過往於損益確認之重估金額減少情況下於損益確認。所有其他重估增加均作為其他全面收入計入物業重估儲備。物業重估儲備內抵銷餘下同一資產過往重估增加之重估減少作為其他全面收入自物業重估儲備扣除。所有其他減少均於損益確認。於重估樓宇其後出售或報廢時，於物業重估儲備內餘下應佔重估增加直接轉撥至保留溢利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their costs or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

| | |
|------------------------|--|
| Leasehold lands | Over the lease terms |
| Leasehold buildings | 4% on the straight-line basis |
| Leasehold improvements | 10% to 25% on the reducing balance basis |
| Furniture and fixtures | 10% to 25% on the reducing balance basis |
| Equipment and tools | 10% to 25% on the reducing balance basis |
| Motor vehicles | 30% on the reducing balance basis |

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

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Leases

The Group as lessee

Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

The Group as lessor

Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

4. 主要會計政策(續)

物業，廠房及設備(續)

物業、廠房及設備扣除餘值後以直線法，於其估計可使用年期，按足以撇銷成本之比率計算折舊，主要年率如下：

| | |
|--------|----------------|
| 租賃土地 | 按租期 |
| 租賃樓宇 | 以直線法按4% |
| 租賃物業裝修 | 以遞減餘額法按10%至25% |
| 傢俬及裝置 | 以遞減餘額法按10%至25% |
| 設備及工具 | 以遞減餘額法按10%至25% |
| 汽車 | 以遞減餘額法按30% |

餘值、可使用年期及折舊法乃於各報告期間結算日檢討，並於適當時作出調整。

出售物業、廠房及設備之收益或虧損指出售所得款項淨額與相關資產賬面值間之差額，於損益確認。

租賃

本集團作為承租人

經營租賃

並不將資產擁有權之絕大部分風險及回報轉移至本集團之租賃，分類為經營租賃。租賃款項在扣除自出租人收取之任何獎金後，於租期內以直線法確認為開支。

本集團作為出租人

經營租賃

並不將資產擁有權之絕大部分風險及回報轉移至承租人之租賃，分類為經營租賃。來自經營租賃之租金收入於相關租期內以直線法確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

4. 主要會計政策(續)

存貨

存貨按成本及可變現淨值兩者之較低者入賬。成本以加權平均基準計算，製成品及在製品之成本包括原材料、直接勞工及適當部分的所有經常成本，以及(如適用)分包開支。可變現淨值即於一般業務過程中之估計售價，減完成及出售所需估計成本。

確認及終止確認金融工具

當本集團成為工具合約條款之一方時，會在財務狀況表確認金融資產及金融負債。

當自資產收取現金流量之合約權利屆滿時；或本集團將資產所有權絕大部分風險及回報轉讓時；或本集團概無轉讓亦無保留資產之絕大部分風險回報惟並無保留對資產之控制權時，則會終止確認金融資產。於終止確認金融資產時，資產賬面值與已收代價以及於其他全面收入確認之累計收益或虧損之總和差額於損益確認。

當有關合約內指定之責任獲解除、取消或屆滿時終止確認金融負債。終止確認金融負債之賬面值與已付代價之差額於損益確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the carrying amount of the receivables and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the recoverable amount of the receivables can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

4. 主要會計政策(續)

貿易及其他應收款項

貿易及其他應收款項指附有固定或可釐定付款額及無活躍市場報價之非衍生金融資產，初步按公平值確認，其後採用實際利率法按攤銷成本扣除減值撥備計算。倘有客觀憑證顯示本集團將不能按應收款項之原有條款收回所有到期款項，則會對貿易及其他應收款項作出減值撥備。撥備數額為應收款項賬面值與估計未來現金流量現值間之差額，並按初步確認之實際利率貼現。該撥備數額於損益確認。

當應收款項之可收回金額增加乃客觀地與於確認減值後發生之事件有關時，則減值虧損會於隨後期間撥回並在損益確認，惟應收款項於減值被撥回日期應有之賬面值不得超過倘無確認減值之攤銷成本。

現金及等同現金項目

就現金流量表而言，現金及等同現金項目指銀行及手頭現金、存放於銀行及其他財務機構之活期存款，以及短期高流通性之投資（可轉換為已知數額現金款項及受極輕微價值變動風險所限）。現金及等同現金項目亦包括須按要償還及為本集團整體現金管理一部分之銀行透支。

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For the year ended 31 March 2012
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

- (a) Revenues from the sales of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) Processing services fee is recognised when the services are rendered;
- (c) Interest income is recognised on a time proportion basis using the effective interest method; and
- (d) Rental income is recognised on a straight-line basis over the lease term.

4. 主要會計政策(續)

借貸

借貸初步按公平值，扣除所產生之交易成本確認，其後使用實際利率法按攤銷成本計量。

除非本集團有無條件權利延遲償還負債直至報告期間後最少12個月，否則借貸應分類為流動負債。

貿易及其他應付款項

貿易及其他應付款項初步按公平值列賬，其後則採用實際利率法按攤銷成本計量，惟如貼現影響並不重大，則以成本列賬。

股本工具

本公司發行之股本工具乃按已收取之所得款項扣除直接發行成本入賬。

收益確認

收益按所收取或應收取代價之公平值計量，並當經濟利益很可能流入本集團且收益金額能可靠計量時予以確認。

- (a) 銷售貨品之收益於擁有權大部分風險及回報已轉歸買方，而本集團不再參與通常與所售出貨品之擁有權或實際控制權有關的管理時確認；
- (b) 加工服務費於提供服務時確認；
- (c) 利息收入以實際利率法按時間比例確認；及
- (d) 租金收入按租賃期以直線法計算確認入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for all qualifying employees in Hong Kong. The Group's contribution to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,000 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligation of all existing and future retired employees of the subsidiaries. The only obligation of the subsidiaries with respect to the central pension scheme are to meet the required contributions under the scheme.

4. 主要會計政策(續)

僱員福利

(a) 僱員應享假期

僱員可享有之年假及長期服務假期乃在其權利產生時確認。本集團為截至各報告期間結算日止僱員已提供之服務而產生之年假及長期服務假期之估計負債作出撥備。

僱員之病假及產假直至僱員正式休假時方予確認。

(b) 退休金責任

本集團按照香港強制性公積金計劃條例為其全體合資格香港僱員設立強制性公積金計劃(「強積金計劃」)。本集團須按僱員薪金及工資之5%向強積金計劃作出供款，每月供款上限為每名僱員港幣1,000元，於向強積金計劃作出供款後，即悉數歸屬僱員。

本集團於中國成立之附屬公司僱員為地方市政府營辦之中央退休金計劃成員。該等附屬公司須按僱員基本薪金及工資之若干百分比向中央退休金計劃作出供款，以支付有關退休福利。地方市政府承諾承擔該等附屬公司所有現有及日後退休僱員之退休福利責任。該等附屬公司就中央退休金計劃之唯一責任為根據該計劃作出所需供款。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

Taxation

Income tax represents the sum of the current tax and deferred tax.

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

4. 主要會計政策(續)

借貸成本

因收購、興建或生產需要長時間籌備方可供其擬定用途或銷售之合資格資產所產生直接借貸成本，資本化為該等資產之部分成本，直至該等資產已大致上可供其擬定用途或銷售。在特定借貸撥作合資格資產之支出前暫時用作投資所賺取之投資收入，須從合資格資本化之借貸成本中扣除。

就於一般情況及用作取得合資格資產而借入之資金而言，合資格資本化之借貸成本乃就用於該資產之開支應用資本化比率計量。資本化比率為適用於本集團該期間內尚未償還借貸(不包括就取得合資格資產而借入之特定借貸)之加權平均借貸成本。

所有其他借貸成本均在產生之期間內於損益確認。

稅項

所得稅指即期稅項及遞延稅項之總和。

即期應付稅項乃根據年內應課稅溢利計算。應課稅溢利與於損益確認之溢利不同，原因是應課稅溢利不包括其他年度之應課稅或可予扣稅之收入或開支項目，亦不包括免稅或不可扣稅之項目。本集團有關即期稅項之負債乃採用於各報告期間結算日已實施或實質已實施之稅率計算。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

4. 主要會計政策(續)

稅項(續)

遞延稅項乃指在財務報表內資產及負債之賬面值與計算應課稅溢利採用之相應稅基之差額。遞延稅項負債一般按所有應課稅暫時差額確認入賬，而遞延稅項資產則會在預期應課稅溢利可供作抵銷可予扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認入賬。倘暫時差額乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不會確認有關資產及負債。

遞延稅項資產之賬面值乃於各報告期間結算日進行檢討，並於預期將不可能有充裕之應課稅溢利以抵銷所有或部分資產時調減。

遞延稅項負債乃按於附屬公司之投資而產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回，並預期該暫時差額將不會在可見將來撥回者除外。

遞延稅項乃根據於各報告期間結算日已實施或實質實施之稅率，按預期在負債償還或資產變現期間適用之稅率計算。遞延稅項乃於損益中確認，惟倘遞延稅項與其他全面收入或直接於權益確認之項目相關，則在此情況下亦會在其他全面收入或直接於權益內確認。

NOTES TO THE FINANCIAL STATEMENTS

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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.

Related parties

A related party is a person or entity that is related to the Group.

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

4. 主要會計政策(續)

稅項(續)

當有合法執行權利許可將即期稅項資產與即期稅項負債抵銷，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即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

關連人士

關連人士為與本集團有關連的個人或實體。

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本公司或本公司母公司之主要管理層成員。
- (b) 倘符合下列任何條件，即實體與本集團有關連：
 - (i) 該實體與本公司屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (ii) 一家實體為另一實體之聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
 - (iii) 兩間實體均為同一第三方之合營企業。
 - (iv) 一家實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. 主要會計政策(續)

關連人士(續)

- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。倘本集團本身便是該計劃，提供資助之僱主亦與本集團有關連。
- (vi) 實體受(a)所識別人士控制或受共同控制。
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理層成員。

分部報告

經營分部及各分部項目於財務報表內呈報之金額，乃根據就資源分配及評估本集團不同業務之表現定期提供予本集團最高行政管理人員的財務資料識別。

就財務報告而言，除非分部具備類似經濟特徵及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似，否則各個重大經營分部不會進行合算。就個別非重大經營分部而言，倘若符合上述大部分標準，則可進行合算。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, except inventories and receivables, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or 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 (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. 主要會計政策(續)

資產減值

於各報告期間結算日，本集團審閱其有形及無形資產之賬面值，以釐定有否跡象顯示該等資產出現減值虧損，存貨及應收款項除外。倘若出現任何該等跡象，則估計資產之可收回金額，以釐定任何減值虧損。倘若未能估計個別資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。

可收回金額乃公平值減銷售成本及使用價值兩者中較高者。在評估使用價值時，估計日後現金流按當時市場對該項資產之貨幣時值及資產特定風險之評估的貼現率貼現至其現值。

倘若估計資產或現金產生單位之可收回金額低於其賬面值，則資產或現金產生單位之賬面值減至其可收回金額。減值虧損即時於損益確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損視作重估價值減少處理。

倘若減值虧損其後撥回，資產或現金產生單位賬面值乃增加至其可收回金額之經修訂估計，惟已增加賬面值不得超過於過往年度並無確認資產或現金產生單位減值虧損而釐定之賬面值(扣除攤銷或折舊)。減值虧損撥回即時於損益確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損撥回視作重估價值增加處理。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements apart from those involving estimations, which are dealt with below.

(a) Going concern basis

These financial statements have been prepared on a going concern basis, taking into consideration the measures as explained in note 2 to the consolidated financial statements to improve the Group's financial performance and position.

(b) Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

4. 主要會計政策(續)

報告期間後事項

為本集團於各報告期間結算日狀況提供額外資料或顯示持續經營假設並不適合之報告期間後事項均屬於調整事項，於財務報表內反映。並非屬調整事項之報告期間後事項如屬重大，則於財務報表附註中披露。

5. 關鍵判斷及主要假設

應用會計政策時的關鍵判斷

於應用會計政策過程中，董事已作出以下對財務報表中所確認金額具有最重大影響的判斷，在下文處理涉及估計之判斷除外。

(a) 持續經營基準

此等財務報表乃按持續經營基準編製，其有效性取決於綜合財務報表附註2說明之各項措施以改善本集團的財務表現和狀況。

(b) 投資物業及業主自用物業的差別

本集團會確定一項物業是否合資格列為投資物業。在作出判斷時，本集團會考慮該項物業是否能夠在大致上獨立於本集團所持其他資產之情況下產生現金流量。業主自用物業所產生現金流量並不只源自物業，亦來自生產或供應過程中使用的其他資產。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Critical judgements in applying accounting policies (continued)

(b) Distinction between investment properties and owner-occupied properties (continued)

Some properties comprise a portion that is held to earn rentals and another portion that is held for use in the production of goods. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production of goods. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as an investment property. The Group considers each property separately in making its judgement.

(c) Legal titles of certain lands and buildings

As stated in note 19 to these financial statements, the legal titles of certain lands and buildings have not been transferred to the Group as at 31 March 2012. Despite the fact that the Group has not obtained the relevant certificates of legal titles, the Directors determine to recognise those lands and buildings under property, plant and equipment, on the grounds that they expect the transfer of legal titles in future should have no major difficulties and the Group is in substance controlling those lands and buildings.

5. 關鍵判斷及主要假設(續)

應用會計政策時的關鍵判斷(續)

(b) 投資物業及業主自用物業的差別(續)

若干物業一部分可作賺取租金，另一部分則持作生產貨品用途。倘有關部分可獨立出售(或按融資租賃個別出租)，本集團會將有關部分獨立入賬。倘有關部分不能獨立出售，則在只有一小部分乃用作生產貨品用途時，該項物業方可入賬列為投資物業。釐定配套服務的重要程度是否足以導致物業未能符合投資物業之資格時，須作出判斷。本集團於作出判斷時會獨立考慮各項物業。

(c) 若干土地及樓宇之法定業權

誠如此等財務報表附註19所列，於二零一二年三月三十一日，若干土地及樓宇之業權並未轉移至本集團。儘管本集團尚未取得相關法定業權之證書，但董事決定將該等土地及樓宇確認為物業、廠房及設備，原因為彼等預期日後法定業權之轉移應不會存在任何重大困難，且本集團實際上控制該等土地及樓宇。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty

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

(a) Impairment of assets

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (i) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (ii) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

5. 關鍵判斷及主要假設(續)

估計不確定因素之主要來源

很大可能導致下一個財政年度資產及負債賬面值須作出重大調整之未來主要假設，以及於各報告期間結算日估計不確定因素之其他主要來源於下文討論。

(a) 資產減值

本集團須於釐定資產是否出現減值或過往導致資產減值之事件是否不再存在時作出判斷，尤其於評估下列事項時：(i)是否發生可影響資產價值之事件或該等影響資產價值之事件已不再存在；(ii)資產賬面值是否有未來現金流之現值淨額支持，有關金額乃以資產持續使用或終止確認之基準釐定；及(iii)於準備現金流預測時採用合適之主要假設，包括該等現金流預測是否以合適貼現率貼現。管理層就釐定減值水平所選定之假設(包括現金流量預測所採用貼現率或增長率假設)之變動，或會對減值測試中所採用現值淨額構成重大影響。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(b) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line and a reducing balance basis over their estimated useful lives, after taking into account of their estimated residual values. The determination of the useful lives and residual values involves management's estimation. The Group assesses annually the residual values and the useful lives of the property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

(c) Allowance for inventories

The management of the Group reviews an aging analysis at the end of the reporting period, and makes allowances for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of the reporting period and makes allowances for obsolete items.

5. 關鍵判斷及主要假設(續)

估計不確定因素之主要來源(續)

(b) 物業、廠房及設備之折舊

物業、廠房及設備按其估計可使用年期經計及其估計餘值後採用直線法及遞減結餘基準計提折舊。釐定可使用年期及餘值涉及管理層之估計。本集團每年對物業、廠房及設備之餘值及可使用年期進行評估，倘預期與原本估計不同，則有關差異可能對本年度之折舊帶來影響，而未來期間之估計將有所改變。

(c) 存貨撥備

本集團管理層於各報告期間結算日審查賬齡分析，就所識別不再適合作生產用途之陳舊及滯銷存貨項目作出撥備。管理層主要依據最近期發票價格及現行市況估計該等製成品之可變現淨值。本集團於各報告期間結算日就個別產品進行存貨審查，並就陳舊項目計提撥備。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(d) Estimation of fair value of buildings

The best evidence of fair value is current prices in an active market for similar buildings. In the absence of such information, the Group considers information from a variety of sources, including: (i) by reference to independent valuations; (ii) current prices in an active market for buildings of a different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences; (iii) recent prices of similar buildings on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and (iv) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market prices for similar buildings in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Group's estimation of the fair value include those related to current market prices for similar buildings in the same location and condition, appropriate discount rates, expected future market prices and future maintenance costs. The carrying amount of the Group's buildings are disclosed in note 19 to these financial statements.

5. 關鍵判斷及主要假設(續)

估計不確定因素之主要來源(續)

(d) 樓宇公平值之估算

公平值之最佳憑證為活躍市場上類似樓宇之現行價格。如欠缺該等資料，本集團將考慮多項資料來源，包括：(i)參考獨立估值；(ii)活躍市場內不同性質、狀況有別或處於不同地點(或受制於不同租約或其他合約)之樓宇的現行價格，並作出調整以反映該等差異；(iii)類似樓宇於交投較為淡靜市場之近期價格，並作出調整以反映自以該等價格進行交易當日以來之任何經濟狀況變動；及(iv)根據可靠之未來現金流估算，並以任何現有租約或其他合約之條款，以及在可行情況下以外界證據(如於相同地點及狀況相同之類似樓宇之現行市價)作支持，並採用反映現金流金額及時間不確定因素之當前市場評估之貼現率作出貼現現金流預測。

本集團估算公平值時之主要假設包括處於相同地點及狀況相同之類似樓宇之現行市價、合適貼現率、預期未來市價及未來保養成本。本集團樓宇之賬面值於財務報表附註19披露。

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財務報表附註

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The major financial instruments of the Group include accounts and other receivables, cash and bank balances, accounts and other payables and borrowings. The activities of the Group expose it to a variety of financial risks: interest rate risk, foreign currency risk, credit risk and liquidity risk. The Directors reviewed and agreed on the policies for managing each of these risks and they are summarised below.

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligation with a floating interest rate.

At the end of the reporting period, if interest rates had been increased or decreased by 100 basis points (2011: 100 basis points) and all other variables were held constant, the loss (2011: profit) before tax of the Group would increase or decrease by approximately HK\$490,000 (2011: decrease or increase by HK\$1,126,000) mainly as a result of higher or lower interest rates on floating rate borrowings.

(b) Foreign currency risk

The Group's entities mainly operate in Hong Kong and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to assets and liabilities that are denominated in a currency that is not the entity's functional currency. The Group constantly reviews the economic situation and its foreign currency risk profile, and considers implementing appropriate hedging measures in future as the need arises.

6. 財務風險管理目標及政策

本集團主要金融工具包括應收賬款及其他應收款項、現金及銀行結存、應付賬款及其他應付款項及借貸。本集團業務面對多種財務風險：利率風險、外匯風險、信貸風險及流動資金風險。董事負責檢討及協定管理各類該等風險之政策，該等政策於下文概述。

(a) 利率風險

本集團所承擔之市場利率變動風險主要與本集團以浮動利率計息之債項承擔有關。

於報告期間結算日，倘利率上升或下降100個基點(二零一一年：100個基點)而所有其他變數保持不變，本集團除稅前虧損(二零一一年：溢利)會增加或減少約港幣490,000元(二零一一年：減少或增加港幣1,126,000元)，主要因浮動利率借貸之利率上升或下降所致。

(b) 外匯風險

本集團實體主要於香港及中國經營，並承擔主要與並非以實體功能貨幣之貨幣計值之資產與負債有關的多種貨幣所產生外匯風險。本集團定期檢討經濟狀況及其外匯風險組合，並於未來需要時考慮實施適當之對沖措施。

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk (continued)

At the end of the reporting period, if Renminbi (“RMB”) strengthened or weakened by 5% against US dollars, with all other variables held constant, loss (2011: profit) before tax for the year would have been approximately HK\$100,000 higher or lower (2011: HK\$54,000 lower or higher), mainly as a result of foreign exchange losses or gains on translation of prepayments, deposits and receivables and in relation to the operation in the Mainland China.

(c) Credit risk

The Group intends to trade with recognised and creditworthy third parties. It is the Group’s policy that customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

At the end of the reporting period, the Group had certain concentration of credit risk as approximately 85% (2011: 63%) and 100% (2011: 100%) of the Group’s trade receivables were due from the Group’s largest trade debtor and the five largest trade debtors, respectively. The credit risk of the Group’s other financial assets, which comprise amount due from a scheme subsidiary, cash and bank balances and other receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group has policies in place to ensure that sales are made to customers with appropriate credit history, there is generally no requirement for collateral. Further quantitative data in respect of the Group’s exposure to credit risk arising from accounts receivables are disclosed in note 22 to these financial statements.

6. 財務風險管理目標及政策(續)

(b) 外匯風險(續)

於報告期間結算日，倘人民幣(「人民幣」)兌美元升值或貶值5%而所有其他變數保持不變，本年度除稅前虧損(二零一一年：溢利)會增加或減少約港幣100,000元(二零一一年：減少或增加港幣54,000元)，主要因就換算預付款項、按金及其他應收款項及於中國內地營運之外匯虧損或收益所致。

(c) 信貸風險

本集團僅與獲認可及信譽良好之第三方進行貿易。本集團政策為欲以信貸條款進行貿易之客戶均須接受信貸驗證程序。此外，應收款項結餘乃以持續基準監控。

於報告期間結算日，本集團之若干信貸風險集中，原因為本集團貿易應收賬款約85%(二零一一年：63%)及100%(二零一一年：100%)分別來自本集團最大貿易債務人及五名最大貿易債務人。本集團其他金融資產之信貸風險由應收一家計劃附屬公司款項、現金及銀行結存以及對方違約所產生其他應收款項組成，最高風險相等於該等工具之賬面值。

由於本集團已設立政策確保與具備合適信貸歷史之客戶進行銷售，故一般毋須抵押品。有關本集團承受由應收賬款所產生信貸風險的進一步量化數據於財務報表附註22披露。

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

| | | On demand | Less than 3 months | 3 to less than 12 months | Between 1 and 2 years | Total undiscounted cash flows |
|---|--------------------------|---------------------------|---------------------------|------------------------------------|--------------------------|-----------------------------------|
| | | 按要求償還 HK\$'000 港幣千元 | 少於三個月 HK\$'000 港幣千元 | 三個月至少 於十二個月 HK\$'000 港幣千元 | 一至兩年 HK\$'000 港幣千元 | 未貼現現金 流量總額 HK\$'000 港幣千元 |
| At 31 March 2012 | 於二零一二年 三月三十一日 | | | | | |
| Accounts payables | 應付賬款 | 71 | 499 | - | - | 570 |
| Financial liabilities included in accruals and other payables | 計入應計負債及其他 應付款項之金融負債 | 6,058 | - | - | - | 6,058 |
| Borrowings | 借貸 | 206,714 | - | - | 18,782 | 225,496 |
| Due to a director | 應付一名董事款項 | 2,000 | - | - | - | 2,000 |
| | | 214,843 | 499 | - | 18,782 | 234,124 |

| | | On demand | Less than 3 months | 3 to less than 12 months | Between 1 and 2 years | Total undiscounted cash flows |
|---|--------------------------|---------------------------|---------------------------|------------------------------------|--------------------------|-----------------------------------|
| | | 按要求償還 HK\$'000 港幣千元 | 少於三個月 HK\$'000 港幣千元 | 三個月至少 於十二個月 HK\$'000 港幣千元 | 一至兩年 HK\$'000 港幣千元 | 未貼現現金 流量總額 HK\$'000 港幣千元 |
| At 31 March 2011 | 於二零一一年 三月三十一日 | | | | | |
| Accounts payables | 應付賬款 | 327 | 1,748 | 170 | - | 2,245 |
| Financial liabilities included in accruals and other payables | 計入應計負債及其他 應付款項之金融負債 | 12,047 | - | - | - | 12,047 |
| Borrowings | 借貸 | 159,431 | - | 40,000 | 81,765 | 281,196 |
| Due to a director | 應付一名董事款項 | 1,000 | - | - | - | 1,000 |
| | | 172,805 | 1,748 | 40,170 | 81,765 | 296,488 |

6. 財務風險管理目標及政策(續)

(d) 流動資金風險

本集團政策為定期監察現時及預期流動資金規定，以確保其維持足夠現金儲備，應付短期及長期流動資金規定。於各報告期間結算日，按已訂約未貼現款項劃分之本集團金融負債的到期概況如下：

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7. SEGMENT INFORMATION

The Group's revenue and result for the year ended 31 March 2012 and 2011 were mainly derived from its operating segment of manufacture, processing and sale of electronic consumer products and related components. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as these described in note 4 to these financial statements. Segment profits or losses do not include, interest income, gain on deconsolidation of a liquidating subsidiary, gain on debt restructuring, finance costs, income tax and unallocated corporate income and expenses. Segment assets do not include due from a scheme subsidiary, cash and bank balances and other unallocated corporate assets. Segment liabilities do not include borrowings, amount due to a director, tax liabilities and unallocated corporate liabilities. Segment non-current assets do not include any financial instruments and deferred tax assets.

Information about the manufacture, processing and sale of electronic consumer products and related components segment profit or loss, assets and liabilities:

7. 分部資料

本集團截至二零一二年及二零一一年三月三十一日止年度之收益及業績主要來自其製造、加工及銷售電子消費產品及相關配件之經營分部。本集團之可報告分部為提供不同產品之策略業務單位。由於各業務須應用不同技術及市場策略，故可報告分部乃分開管理。

經營分部之會計政策與此等財務報表附註4所述者相同。分部溢利或虧損不包括利息收入、取消一家清盤附屬公司綜合入賬之收益、債務重組之收益、融資成本、所得稅以及未分配公司收入及開支。分部資產不包括應收一家計劃附屬公司款項、現金及銀行結存以及其他未分配公司資產。分部負債不包括借貸、應付一名董事款項、稅項負債及未分配公司負債。分部非流動資產不包括任何金融工具及遞延稅項資產。

有關製造、加工及銷售電子消費產品及相關配件之分部溢利或虧損、資產及負債之資料：

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| Year ended 31 March: | 截至三月三十一日止年度： | | |
| Revenue from external customers | 來自外界客戶之收益 | 178,214 | 77,394 |
| Segment losses | 分部虧損 | 42,795 | 39,037 |
| Interest revenue | 利息收入 | 21 | 5 |
| Interest expense | 利息支出 | 13,308 | 33,135 |
| Depreciation | 折舊 | 12,047 | 17,886 |
| Other material non-cash item: | 其他重大非現金項目： | | |
| Provision for impairment of assets | 資產減值撥備 | 26,870 | 2,281 |
| Provision against inventories | 存貨撥備 | - | 2,516 |
| Additions to segment non-current assets | 添置分部非流動資產 | 285 | 2,081 |
| At 31 March: | 於三月三十一日： | | |
| Segment assets | 分部資產 | 220,554 | 246,338 |
| Segment liabilities | 分部負債 | 21,713 | 31,767 |

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7. SEGMENT INFORMATION (continued)

Reconciliations of reportable segment revenue, profit and loss, assets and liabilities:

7. 分部資料(續)

可報告分部收益、溢利及虧損、資產及負債之對賬：

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|---|----------------------|-----------------------------------|-----------------------------------|
| Revenue: | 收益： | | |
| Total turnover of the reportable segment disclosed as consolidated turnover | 以綜合營業額形式披露之可報告分部總營業額 | 178,214 | 77,394 |
| Profit or loss: | 溢利或虧損： | | |
| Total loss of reportable segments | 可報告分部虧損總額 | (42,795) | (39,037) |
| Interest income | 利息收入 | 21 | 5 |
| Gain on deconsolidation of a liquidating subsidiary | 取消一家清盤附屬公司綜合入賬之收益 | 8,911 | 243,503 |
| Gain on debt restructuring | 債務重組之收益 | - | 217,108 |
| Corporate and unallocated profit or loss | 公司及未分配溢利或虧損 | (28,757) | (33,135) |
| Consolidated (loss)/profit | 綜合(虧損)/溢利 | (62,620) | 388,444 |
| Assets: | 資產： | | |
| Total assets of reportable segments | 可報告分部資產總值 | 220,554 | 246,338 |
| Due from a scheme subsidiary | 應收一家計劃附屬公司款項 | - | 122,055 |
| Cash and bank balances | 現金及銀行結存 | 33,683 | 8,927 |
| Corporate and unallocated assets | 公司及未分配資產 | 403 | 100 |
| Consolidated total assets | 綜合資產總值 | 254,640 | 377,420 |
| Liabilities: | 負債： | | |
| Total liabilities of reportable segments | 可報告分部負債總額 | 21,713 | 31,767 |
| Borrowings | 借貸 | 203,570 | 268,520 |
| Current tax liabilities | 即期稅項負債 | - | 258 |
| Deferred tax liabilities | 遞延稅項負債 | 18,324 | 15,844 |
| Due to a director | 應付一名董事款項 | 2,000 | 1,000 |
| Corporate and unallocated liabilities | 公司及未分配負債 | 4,682 | 1,516 |
| Consolidated total liabilities | 綜合負債總額 | 250,289 | 318,905 |

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7. SEGMENT INFORMATION (continued)

Geographical information:

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|--------------------|------------|-----------------------------------|-----------------------------------|
| Revenue: | 收益： | | |
| Greater China | 大中華區 | 69,275 | 46,299 |
| Dubai | 杜拜 | 84,948 | 7,839 |
| Philippines | 菲律賓 | 23,991 | 23,256 |
| Consolidated total | 綜合總計 | 178,214 | 77,394 |

Information about revenue from four (2011: six) customers of the Group contributing over 10% of total revenue of the Group as follows:

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|------------|-----|-----------------------------------|-----------------------------------|
| Customer A | 客戶A | 84,948 | 7,839 |
| Customer B | 客戶B | 42,535 | 20,698 |
| Customer C | 客戶C | 21,397 | 15,868 |
| Customer D | 客戶D | 20,741 | 10,216 |
| Customer E | 客戶E | - | 13,039 |
| Customer F | 客戶F | - | 8,721 |

In presenting the geographical information, revenue is based on the locations of the customers. At the end of the reporting period, all non-current assets of the Group were located in the Greater China.

7. 分部資料(續)

地區資料：

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|--------------------|------------|-----------------------------------|-----------------------------------|
| Revenue: | 收益： | | |
| Greater China | 大中華區 | 69,275 | 46,299 |
| Dubai | 杜拜 | 84,948 | 7,839 |
| Philippines | 菲律賓 | 23,991 | 23,256 |
| Consolidated total | 綜合總計 | 178,214 | 77,394 |

來自為本集團總收益貢獻超過10%之本集團四名(二零一一年：六名)客戶之收益資料如下：

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|------------|-----|-----------------------------------|-----------------------------------|
| Customer A | 客戶A | 84,948 | 7,839 |
| Customer B | 客戶B | 42,535 | 20,698 |
| Customer C | 客戶C | 21,397 | 15,868 |
| Customer D | 客戶D | 20,741 | 10,216 |
| Customer E | 客戶E | - | 13,039 |
| Customer F | 客戶F | - | 8,721 |

呈列地區資料時，收益乃按客戶所在地劃分。於報告期間結算日，本集團所有非流動資產均位於大中華區。

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8. TURNOVER

The Group's turnover which represents manufacture, sales of goods to customers and revenue from processing service fees are as follows:

8. 營業額

本集團營業額(指製造及向客戶銷售商品以及來自加工服務費之收益)如下:

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|---|-------------------|-----------------------------------|-----------------------------------|
| Manufacture and sales of electronic consumer products and related components | 製造及銷售電子消費產品及相關配件 | 174,294 | 76,383 |
| Service fees from processing of electronic consumer products and related components | 加工電子消費產品及相關配件之服務費 | 3,920 | 1,011 |
| | | 178,214 | 77,394 |

9. OTHER INCOME

The Group's other income is analysed as follows:

9. 其他收入

本集團其他收入分析如下:

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|----------------------|--------|-----------------------------------|-----------------------------------|
| Bank interest income | 銀行利息收入 | 21 | 5 |
| Rental income | 租金收入 | 2,630 | 284 |
| Bad debts recovered | 壞賬收回 | - | 3,756 |
| Sundry income | 雜項收入 | 851 | 545 |
| | | 3,502 | 4,590 |

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10. GAIN ON DECONSOLIDATION OF A LIQUIDATING SUBSIDIARY

On 20 February 2012, the Board resolved to voluntarily wind up an indirect wholly-owned subsidiary of the Company, Tonic DVB Marketing Limited ("TDML"). Mr. Mark Chapman of Deloitte & Touche in the BVI and Mr. Yeung Lui Ming, Edmund and Mr. Darach E. Haughey both of Deloitte Touche Tohmatsu in Hong Kong have been appointed as the liquidator of TDML with the power to act jointly and severally. The Directors considered that the control over this subsidiary has been lost since then. The results, assets and liabilities and cash flows of this subsidiary were deconsolidated from the consolidated financial statements of the Group with effect from that day.

10. 取消一家清盤附屬公司綜合入賬之收益

於二零一二年二月二十日，董事會議決將本公司間接全資附屬公司Tonic DVB Marketing Limited(「TDML」)自願清盤。英屬處女群島德勤會計師行之Mark Chapman先生及香港德勤·關黃陳方會計師行之楊磊明先生及何熹達先生已獲委任為TDML之清盤人，有權力共同或個別行動。董事認為，自此失去對該附屬公司之控制權。該附屬公司之業績、資產及負債以及現金流自該日起取消於本集團綜合財務報表綜合入賬。

| | | TDML TDML 20 February 2012 二零一二年 二月二十日 HK\$'000 港幣千元 | TEL* 東力電子* 30 June 2010 二零一零年 六月三十日 HK\$'000 港幣千元 |
|---|------------------------|---|--|
| Net liabilities of the subsidiary deconsolidated were as follows: | 取消綜合入賬附屬公司之 負債淨額如下： | | |
| Property, plant and equipment | 物業、廠房及設備 | - | 26,626 |
| Prepayments, deposits and other receivables | 預付款項、按金及 其他應收款項 | 11 | 87 |
| Current tax assets | 即期稅項資產 | - | 1,919 |
| Cash and bank balances | 現金及銀行結存 | 16 | 131 |
| Accounts payables | 應付賬款 | (170) | (153,377) |
| Accruals and other payables | 應計負債及其他應付款項 | (8,510) | (22,578) |
| Amounts due to the Group | 應付本集團款項 | (24,364) | (140,184) |
| Current tax liabilities | 即期稅項負債 | (258) | - |
| Borrowings | 借貸 | - | (92,197) |
| Deferred tax liabilities | 遞延稅項負債 | - | (4,114) |
| Net liabilities of the deconsolidated subsidiary | 已取消綜合入賬附屬公司之 負債淨額 | (33,275) | (383,687) |
| Impairment of amounts due from the deconsolidated subsidiary | 應收已取消綜合入賬附屬公司 之款項減值 | 24,364 | 140,184 |
| Net gain on deconsolidation of the liquidating subsidiary | 取消清盤附屬公司綜合入賬 之收益淨額 | (8,911) | (243,503) |

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10. GAIN ON DECONSOLIDATION OF A LIQUIDATING SUBSIDIARY (continued)

Net cash (outflow)/inflow on deconsolidation of a liquidating subsidiary is set out below:

| | | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
|---|---------------------|------------------|------------------|
| Cash and cash equivalent balances deconsolidated: | 取消綜合入賬之現金及等同現金項目餘額： | | |
| Cash and bank balances | 現金及銀行結存 | (16) | (131) |
| Bank overdrafts | 銀行透支 | - | 8,099 |
| | | (16) | 7,968 |

10. 取消一家清盤附屬公司綜合入賬之收益(續)

取消一家清盤附屬公司綜合入賬之現金(流出)／流入淨額載列如下：

* During the prior year, a direct wholly-owned subsidiary of the Company, Tonic Electronics Limited ("TEL") was wound up by the High Court of Hong Kong. Messrs. Huen Ho Yin and Huen Yuen Fun were appointed as the Joint and Several Provisional Liquidators of TEL by the official receiver on 30 June 2010. The Directors considered that the control over this subsidiary had been lost since then. The results, assets and liabilities and cash flows of this subsidiary were deconsolidated from the consolidated financial statements of the Group with effect from 30 June 2010. Further details of which were described in the Company's announcement dated 6 July 2010.

* 於上年度，本公司一家直接全資附屬公司東力電子有限公司(「東力電子」)遭香港高等法院清盤。Huen Ho Yin及Huen Yuen Fun於二零一零年六月三十日獲破產管理署署長委任為東力電子之共同及個別臨時清盤人。董事認為，自此失去對該附屬公司之控制權。該附屬公司之業績、資產及負債以及現金流取消於本集團綜合財務報表綜合入賬，自二零一零年六月三十日起生效。進一步詳情載於本公司日期為二零一零年七月六日之公佈。

11. GAIN ON DEBT RESTRUCTURING

During the prior year, the capital and group reorganisation (the "Restructuring") was completed on 3 December 2010 (the "Effective Date"). In order to reorganise the Group and to facilitate the implementation of the creditor scheme of the Restructuring, the scheme subsidiaries under the creditor scheme were transferred to the administrators of the creditor scheme. The Group had ceased to control those scheme subsidiaries after the transfer. On the Effective Date, the results, assets and liabilities, and cash flows of those scheme subsidiaries were derecognised from the Group. Further details of which were described in the Company's annual report for the year ended 31 March 2011.

11. 債務重組之收益

於上年度，股本及集團重組(「重組」)於二零一零年十二月三日(「生效日期」)完成。為重組本集團及協助落實重組之債權人計劃，債權人計劃項下之計劃附屬公司已轉讓予債權人計劃之管理人。轉讓後，本集團終止控制該等計劃附屬公司。於生效日期，該等計劃附屬公司之業績、資產及負債以及現金流自本集團終止確認。進一步詳情載於本公司截至二零一一年三月三十一日止年度之年報。

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11. GAIN ON DEBT RESTRUCTURING (continued)

11. 債務重組之收益(續)

| | | 3 December 2010 二零一零年 十二月三日 |
|--|--------------------------|--------------------------------------|
| | Notes 附註 | HK\$'000 港幣千元 |
| Net liabilities of scheme subsidiaries derecognised on the Effective Date were as follows: | 於生效日期已終止確認計劃附屬公司之負債淨額如下： | |
| Property, plant and equipment | 物業、廠房及設備 | 180,161 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 17 |
| Cash and bank balances | 現金及銀行結存 | 724 |
| Accounts payables | 應付賬款 | (163,971) |
| Accruals and other payables | 應計負債及其他應付款項 | (49,111) |
| Borrowings | 借貸 | (94,428) |
| Current tax liabilities | 即期稅項負債 | (13,452) |
| Deferred tax liabilities | 遞延稅項負債 | (20,711) |
| Net liabilities of scheme subsidiaries derecognised | 已終止確認計劃附屬公司之負債淨額 | (160,771) |
| Less: Release of the related foreign currency translation reserves | 減：解除相關外幣換算儲備 | (18,931) |
| Proceeds from the issuance of shares transferred to the administrators | 向管理人轉讓發行股份所得款項 | (a) 80,000 |
| Debt restructuring costs in form of remuneration shares issued to financial advisors | 以向財務顧問發行酬金股份形式之債務重組成本 | (b) 4,649 |
| Amounts recoverable from a scheme subsidiary | 可自一家計劃附屬公司收回之金額 | (c) (122,055) |
| Gain on debt restructuring | 債務重組之收益 | (217,108) |

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11. GAIN ON DEBT RESTRUCTURING (continued)

Net cash inflow on debt restructuring is set out below:

11. 債務重組之收益(續)

債務重組之現金流入淨額載列如下：

| | | HK\$'000 港幣千元 |
|--|-------------------|------------------|
| Cash and cash equivalent balances derecognised : | 終止確認之現金及等同現金項目餘額： | |
| Cash and bank balances | 現金及銀行結存 | (724) |
| Bank overdrafts | 銀行透支 | 19,298 |
| | | 18,574 |

(a) On the Effective Date, 909,785,366 subscription shares with a par value of HK\$0.01 each at a price of approximately HK\$0.0879 per subscription share were issued and allotted to Skill China for the cash consideration of HK\$80 million. Based on the creditor scheme, all proceeds from the issuance of the subscription shares was made available to the administrators to settle and discharge the claims under the creditor scheme.

(b) On the Effective Date, 52,894,498 remuneration shares with a par value of HK\$0.01 each at a price of approximately HK\$0.0879 per remuneration share were issued and allotted to two financial advisors in settlement of professional fees of approximately HK\$4,649,000 attributable to the Company in relation to the Restructuring. As the fair value of these professional advisory services in relation to the Restructuring cannot be estimated reliably, such services received by the Group were measured by reference to the fair value of the share issued in settlement of the relevant professional fees, in form of the equity-settled share-based payments, measured at the Effective Date the counterparties render services.

(a) 於生效日期，已按每股認購股份約港幣0.0879元之價格向華能發行及配發909,785,366股每股面值港幣0.01元之認購股份，現金代價為港幣80,000,000元。根據債權人計劃，發行認購股份所有所得款項供管理人用作償付及釋除債權人計劃項下申索。

(b) 於生效日期，已按每股酬金股份約港幣0.0879元之價格向兩名財務顧問發行及配發52,894,498股每股面值港幣0.01元之酬金股份，以償付本公司就重組應佔港幣約4,649,000元之專業費用。由於該等有關重組之專業顧問服務之公平值無法可靠估計，本集團獲取之該等服務參考就償付有關專業費用所發行股份之公平值以權益結算以股份付款之形式於生效日期對方提供服務時計量。

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11. GAIN ON DEBT RESTRUCTURING (continued)

- (c) During the prior year, an indirect wholly-owned subsidiary of the Company, Xin Lian Digital Technology Company Limited, borrowed bank and other loans (collectively the “Xin Lian Loans”) with the aggregate principal amounts of approximately RMB103,000,000 (equivalent to approximately HK\$122,055,000) at the end of the prior reporting period in repayment of the equivalent amounts of bank and other loans of a scheme subsidiary (the “Scheme Subsidiary”), Dongguan Tonic Electronics Limited. The Xin Lian Loans were pledged by the leasehold land and buildings (the “Pledged Properties”) held by the Scheme Subsidiary with an estimated market value of approximately RMB145,000,000 (approximately HK\$171,825,000) and equipment and tools of an indirect wholly-owned subsidiary of the Company with the aggregate carrying amounts of approximately HK\$14,199,000 at the end of the prior reporting period. Under the Xin Lian Loans arrangement, it was expected that the repayment of the Xin Lian Loans will be satisfied by the proceeds from the subsequent disposal of the Pledged Properties to recover the corresponding amounts due from the Scheme Subsidiary.

11. 債務重組之收益(續)

- (c) 於上年度，本公司間接全資附屬公司鑫聯數碼科技有限公司借入銀行及其他貸款(統稱「鑫聯貸款」)，於前報告期間結算日本金總額約為人民幣103,000,000元(約相當於港幣122,055,000元)，以償還一家計劃附屬公司(「計劃附屬公司」)東莞東力電子有限公司之等額銀行及其他貸款。鑫聯貸款以計劃附屬公司所持估計市值約為人民幣145,000,000元(約港幣171,825,000元)之租賃土地及樓宇(「抵押物業」)及於前報告期間結算日，本公司一家間接全資附屬公司賬面總值約港幣14,199,000元之設備及工具作抵押。根據鑫聯貸款安排，預期將透過其後出售抵押物業之所得款項償付鑫聯貸款以抵銷從計劃附屬公司可收回相應款項。

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For the year ended 31 March 2012
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12. FINANCE COSTS

12. 融資成本

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| Interest on borrowings wholly repayable within five years: | 須於五年內全數償還借貸之利息： | | |
| Bank and other borrowings | 銀行及其他借貸 | 11,494 | 32,224 |
| Loans from the ultimate holding company | 來自最終控股公司之貸款 | 800 | 800 |
| Loans from a shareholder of the Company | 來自本公司一名股東之貸款 | 1,014 | - |
| Finance leases | 融資租賃 | - | 111 |
| | | 13,308 | 33,135 |

13. INCOME TAX

Neither Hong Kong Profits Tax nor the PRC Enterprise Income Tax has been provided, since the Group has no assessable profit for both years.

The reconciliation between the income tax and the (loss)/profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

13. 所得稅

由於本集團於兩個年度內並無應課稅溢利，故毋須繳納香港利得稅或中國企業所得稅。

所得稅與除稅前(虧損)/溢利乘以香港利得稅稅率所得之對賬如下：

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|--|---------------------------------|-----------------------------------|-----------------------------------|
| (Loss)/profit before tax: | 除稅前(虧損)/溢利： | (62,620) | 388,444 |
| Tax at the domestic income tax rate of 16.5% (2011: 16.5%) | 按16.5%(二零一一年：16.5%)本地所得稅稅率計算之稅項 | (10,332) | 64,093 |
| Effect of different tax rates of subsidiaries | 附屬公司不同稅率之影響 | (4,590) | (12,069) |
| Income not subject to tax | 毋須課稅收入 | (5,496) | (94,124) |
| Expenses not deductible for tax | 不可扣稅支出 | 18,631 | 37,587 |
| Tax losses utilised from previous periods | 動用過往期間之稅項虧損 | - | (912) |
| Tax losses not recognised | 未確認之稅項虧損 | 1,787 | 5,425 |
| Tax at the Group's effective rate | 按本集團實際稅率計算之稅項 | - | - |

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For the year ended 31 March 2012
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14. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging the following:

14. 本年度(虧損)/溢利

本集團之本年度(虧損)/溢利已扣除以下各項後列賬：

| | | 2012 | 2011 |
|--|-------------------------|----------------|----------|
| | | 二零一二年 | 二零一一年 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Cost of inventories sold | 已售存貨成本 | 181,272 | 75,007 |
| Provision against inventories | 存貨撥備 | - | 2,516 |
| Depreciation on property, plant and equipment | 物業、廠房及設備折舊 | 12,047 | 17,886 |
| Minimum lease payments under operating leases on land and buildings | 土地及樓宇經營租賃之最低租賃款項 | 1,026 | 639 |
| Auditors' remuneration | 核數師酬金 | 552 | 713 |
| Employee benefits expense (including directors' remuneration – note 15): | 員工福利開支(包括董事酬金 – 附註15) : | | |
| Wages, salaries and allowances | 工資、薪金及津貼 | 17,891 | 16,550 |
| Pension scheme contributions | 退休金計劃供款 | 433 | 253 |
| | | 18,324 | 16,803 |
| Provision for impairment of assets: | 資產減值撥備 : | | |
| Impairment of items of property, plant and equipment | 物業、廠房及設備項目減值 | 26,870 | 2,070 |
| Impairment of deposits and other receivables | 按金及其他應收款項減值 | - | 211 |
| | | 26,870 | 2,281 |

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For the year ended 31 March 2012

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15. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS 15. 董事及五位最高薪僱員之薪酬

| Name of Directors | 董事姓名 | Salaries, allowances and benefits | | | Pension scheme | Total |
|--|--------------------|-----------------------------------|----------|--------------|----------------|-------|
| | | Fees | in kind | contribution | emoluments | |
| | | 薪金、津貼及袍金 | 實物福利 | 退休金計劃供款 | 總薪酬 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | |
| Executive directors: | 執行董事： | | | | | |
| Dr. So Shu Fai | 蘇樹輝博士 | - | 300 | 12 | 312 | |
| Mr. Mak Bing Kau | 麥炳球先生 | - | 200 | 10 | 210 | |
| Mr. Ng Wai Hung | 伍偉雄先生 | - | 200 | 10 | 210 | |
| Mr. Lau Cheuk Lun | 劉卓麟先生 | - | 660 | 12 | 672 | |
| Independent non-executive directors: | 獨立非執行董事： | | | | | |
| Mr. Pang Hon Chung | 彭漢中先生 | 107 | - | - | 107 | |
| Mr. Cheng Tsang Wai | 鄭曾偉先生 | 106 | - | - | 106 | |
| Dr. Chung Hing Wah, Paul | 鍾慶華博士 | 88 | - | - | 88 | |
| Total for the year ended 31 March 2012 | 截至二零一二年三月三十一日止年度總計 | 301 | 1,360 | 44 | 1,705 | |

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15. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

15. 董事及五位最高薪僱員之薪酬 (續)

| Name of Directors | 董事姓名 | Salaries, allowances and benefits | | Pension scheme | Total |
|--|--------------------|-----------------------------------|----------|----------------|------------|
| | | Fees | in kind | contribution | emoluments |
| | | 薪金、津貼及袍金 | 實物福利 | 退休金計劃供款 | 總薪酬 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| Executive directors: | 執行董事： | | | | |
| Dr. So Shu Fai (i) | 蘇樹輝博士(i) | - | 92 | 4 | 96 |
| Mr. Mak Bing Kau (i) | 麥炳球先生(i) | - | 61 | 3 | 64 |
| Mr. Ng Wai Hung (i) | 伍偉雄先生(i) | - | 61 | 3 | 64 |
| Mr. Lau Cheuk Lun (i) | 劉卓麟先生(i) | - | 165 | 4 | 169 |
| Mr. Ling Siu Man, Simon (ii) | 凌少文先生(ii) | - | 1,149 | 19 | 1,168 |
| Mr. Wong Ki Cheung (ii) | 黃其昌先生(ii) | - | 1,166 | 12 | 1,178 |
| Ms. Li Fung Ching, Catherine (ii) | 李鳳貞女士(ii) | - | 1,166 | 12 | 1,178 |
| Independent non-executive directors: | 獨立非執行董事： | | | | |
| Mr. Pang Hon Chung | 彭漢中先生 | 107 | - | - | 107 |
| Mr. Cheng Tsang Wai | 鄭曾偉先生 | 106 | - | - | 106 |
| Dr. Chung Hing Wah, Paul | 鍾慶華博士 | 88 | - | - | 88 |
| Total for the year ended 31 March 2011 | 截至二零一一年三月三十一日止年度總計 | 301 | 3,860 | 57 | 4,218 |

(i): Appointed as a director on 11 December 2010
(ii): Resigned as a director on 1 January 2011

(i): 於二零一零年十二月十一日獲委任為董事
(ii): 於二零一一年一月一日辭任董事

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For the year ended 31 March 2012
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15. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

The Group's five highest paid individuals during the year included one director (2011: three ex-directors) and four (2011: two) individuals. Details of the emoluments of the Directors are reflected in the analysis presented above. The emoluments of the four individuals (2011: three ex-directors and two individuals) for the year are set out below:

15. 董事及五位最高薪僱員之薪酬 (續)

年內本集團五位最高薪人士包括一名董事(二零一一年：三名前董事)及四位(二零一一年：兩位)人士。董事酬金詳情於上文所呈列分析反映。四位人士(二零一一年：三名前董事及兩位人士)於該年度之酬金載列如下：

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|--|-----------------------|-----------------------------------|-----------------------------------|
| Salaries and allowances, and pension scheme contributions, as Director disclosed above | 上文所披露董事之薪金、津貼及退休金計劃供款 | – | 3,524 |
| Salaries and allowances, as employee | 僱員薪金及津貼 | 4,348 | 2,134 |
| Pension scheme contributions, as employee | 僱員退休金計劃供款 | 48 | 27 |
| | | 4,396 | 5,685 |

There was no arrangement under which a director waived or agreed to waive any remuneration during the two years ended 31 March 2012 and 2011.

截至二零一二年及二零一一年三月三十一日止兩個年度內並無任何董事放棄或同意放棄任何酬金之安排。

The emoluments of the highest paid individuals (other than the Directors as disclosed above) are fell within the following bands:

最高薪人士之薪酬(上文所披露董事除外)介乎以下範圍：

| | | Number of individuals 人士數目 | |
|-------------------------------|-------------------------------|-------------------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| HK\$500,001 – HK\$1,000,000 | 港幣500,001元至 港幣1,000,000元 | 1 | 2 |
| HK\$1,000,001 – HK\$1,500,000 | 港幣1,000,001元至 港幣1,500,000元 | 3 | – |
| HK\$1,500,001 – HK\$2,000,000 | 港幣1,500,001元至 港幣2,000,000元 | – | 3 |
| | | 4 | 5 |

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For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

16. DIVIDEND

No dividend has been proposed or declared by the Company during the two years ended 31 March 2012 and 2011.

17. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share is based on the loss attributable to equity holders of the Company of approximately HK\$62,620,000 (2011: a profit of approximately HK\$388,444,000) and the weighted average number of 1,068,468,860 (2011: 419,649,007, as adjusted to reflect the share consolidation and issue of new shares in December 2010) ordinary shares in issue during the year.

18. (LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS

The consolidated (loss)/profit attributable to equity holders of the Company included a loss of approximately HK\$5,873,000 (2011: a profit of HK\$68,158,000) for the year, which has been dealt with in the financial statements of the Company.

16. 股息

本公司並無就截至二零一二年及二零一一年三月三十一日止兩個年度建議派付或宣派任何股息。

17. 每股(虧損)/盈利

每股基本(虧損)/盈利乃根據本公司權益持有人應佔虧損約港幣62,620,000元(二零一一年：盈利約港幣388,444,000元)及年內已發行普通股之加權平均數1,068,468,860股(二零一一年：419,649,007股，經調整以反映二零一零年十二月股份合併及發行新股)計算。

18. 權益持有人應佔本年度(虧損)/溢利

本公司權益持有人應佔綜合(虧損)/溢利包括本年度虧損約港幣5,873,000元(二零一一年：溢利約港幣68,158,000元)，已於本公司財務報表內處理。

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19. PROPERTY, PLANT AND EQUIPMENT Group

19. 物業、廠房及設備 本集團

| | | Leasehold lands 租賃土地 HK\$'000 港幣千元 | Leasehold buildings 租賃樓宇 HK\$'000 港幣千元 | Furniture, fixtures and leasehold improvement 傢俬、裝置及 租賃物業裝修 HK\$'000 港幣千元 | Equipment and tools 設備及工具 HK\$'000 港幣千元 | Motor vehicles 汽車 HK\$'000 港幣千元 | Total 總計 HK\$'000 港幣千元 |
|---|-------------------------|--|--|--|---|---|---------------------------------|
| 31 March 2012 | 二零一二年三月三十一日 | | | | | | |
| At 1 April 2011, net of accumulated depreciation and impairments | 於二零一一年四月一日，已扣除累計折舊及減值 | 17,535 | 154,982 | 20,367 | 34,527 | - | 227,411 |
| Additions | 添置 | - | - | 107 | 158 | 20 | 285 |
| Disposals | 出售 | - | - | (2) | (4) | - | (6) |
| Surplus on revaluation | 重估盈餘 | - | 7,514 | - | - | - | 7,514 |
| Depreciation provided during the year | 年內提撥之折舊 | (306) | (6,345) | (2,044) | (3,349) | (3) | (12,047) |
| Impairments | 減值 | - | - | (14,285) | (12,585) | - | (26,870) |
| Exchange differences | 匯兌差額 | 663 | 5,803 | 992 | 185 | - | 7,643 |
| At 31 March 2012, net of accumulated depreciation and impairments | 於二零一二年三月三十一日，已扣除累計折舊及減值 | 17,892 | 161,954 | 5,135 | 18,932 | 17 | 203,930 |
| At 31 March 2012 | 於二零一二年三月三十一日 | | | | | | |
| Cost or valuation | 成本或估值 | 20,435 | 161,954 | 40,203 | 56,513 | 20 | 279,125 |
| Accumulated depreciation and impairments | 累計折舊及減值 | (2,543) | - | (35,068) | (37,581) | (3) | (75,195) |
| Net carrying amount | 賬面淨值 | 17,892 | 161,954 | 5,135 | 18,932 | 17 | 203,930 |
| Analysis of cost or valuation: | 成本或估值分析： | | | | | | |
| At cost | 按成本值 | 20,435 | - | 40,203 | 56,513 | 20 | 117,171 |
| At valuation | 按估值 | - | 161,954 | - | - | - | 161,954 |
| | | 20,435 | 161,954 | 40,203 | 56,513 | 20 | 279,125 |

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19. PROPERTY, PLANT AND EQUIPMENT (continued) Group

19. 物業、廠房及設備(續)

本集團

| | | Leasehold lands 租賃土地 HK\$'000 港幣千元 | Leasehold buildings 租賃樓宇 HK\$'000 港幣千元 | Furniture, fixtures and leasehold improvement 傢俬、裝置及 租賃物業裝修 HK\$'000 港幣千元 | Equipment and tools 設備及工具 HK\$'000 港幣千元 | Motor vehicles 汽車 HK\$'000 港幣千元 | Total 總計 HK\$'000 港幣千元 |
|---|-------------------------|--|--|--|---|---|---------------------------------|
| 31 March 2011 | 二零一一年三月三十一日 | | | | | | |
| At 1 April 2010, net of accumulated depreciation and impairments | 於二零一零年四月一日，已扣除累計折舊及減值 | 35,032 | 291,830 | 22,400 | 51,049 | 496 | 400,807 |
| Additions | 添置 | - | - | 1,009 | 1,072 | - | 2,081 |
| Surplus on revaluation | 重估盈餘 | - | 35,561 | - | - | - | 35,561 |
| Depreciation provided during the year | 年內提撥之折舊 | (629) | (11,095) | (2,092) | (4,057) | (13) | (17,886) |
| Deconsolidation of a liquidating subsidiary | 取消一家清盤附屬公司綜合入賬 | (6,537) | (4,742) | (1,846) | (13,166) | (335) | (26,626) |
| Deconsolidation of scheme subsidiaries | 取消計劃附屬公司綜合入賬 | (11,813) | (168,348) | - | - | - | (180,161) |
| Impairments | 減值 | - | - | - | (1,922) | (148) | (2,070) |
| Exchange differences | 匯兌差額 | 1,482 | 11,776 | 896 | 1,551 | - | 15,705 |
| At 31 March 2011, net of accumulated depreciation and impairments | 於二零一一年三月三十一日，已扣除累計折舊及減值 | 17,535 | 154,982 | 20,367 | 34,527 | - | 227,411 |
| At 31 March 2011 | 於二零一一年三月三十一日 | | | | | | |
| Cost or valuation | 成本或估值 | 19,687 | 154,982 | 38,403 | 65,413 | - | 278,485 |
| Accumulated depreciation and impairments | 累計折舊及減值 | (2,152) | - | (18,036) | (30,886) | - | (51,074) |
| Net carrying amount | 賬面淨值 | 17,535 | 154,982 | 20,367 | 34,527 | - | 227,411 |
| Analysis of cost or valuation: | 成本或估值分析： | | | | | | |
| At cost | 按成本值 | 19,687 | - | 38,403 | 65,413 | - | 123,503 |
| At valuation | 按估值 | - | 154,982 | - | - | - | 154,982 |
| | | 19,687 | 154,982 | 38,403 | 65,413 | - | 278,485 |

The recoverable amount of impaired asset is estimated in order to determine the extent of any impairment loss on property, plant and equipment ("PPE"). The recoverable amount of the PPE is the higher of its estimated fair value less cost to sell and value in use. The fair values of the Group's PPE have been estimated by reference to market evidence of recent transactions for similar assets. The impairment loss is recognised and charged to profit or loss in the period in which it arises to the extent that the carrying amount exceeds its recoverable amount.

已減值資產會估計可收回金額，以釐定物業、廠房及設備(「物業、廠房及設備」)之任何減值虧損程度。物業、廠房及設備可收回金額為其估計公平值減出售成本與使用值之較高者。本集團物業、廠房及設備之公平值乃參照近期類似資產交易之市場證據而作出估計。倘賬面值高於其可收回金額，則會確認減值虧損及於所產生期內損益賬中扣除。

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19. PROPERTY, PLANT AND EQUIPMENT (continued)

Due to the low utilisation of the production capacity of manufacturing operation as a result of the insufficient orders for set-top boxes, the major product of the Group, the Group's manufacturing operation has incurred substantial idle overhead costs during the year. In view of the heavy overhead costs and the continuous losses of the manufacturing operation, the Directors considered that it is more appropriate to determine the recoverable amounts of the PPE on the basis of the higher of its estimated fair value less cost to sell and values in use. Impairment losses recognised in respect of the PPE in the year amounted to approximately HK\$26,870,000 (2011: HK\$2,070,000, due to the greater than anticipated obsolescence) that were recognised in consolidated profit or loss for the year.

The Group's leasehold lands and buildings located in the PRC were held under medium term lease.

At the end of the reporting period, had the whole class of the Group's buildings been carried at cost less accumulated depreciation, their carrying amounts would have been included in the financial statements at the carrying amount of approximately HK\$89,542,000 (2011: HK\$95,887,000).

At the end of the reporting period, the Group was in the process of obtaining the land use right and building ownership certificates in respect of the Group's lands and buildings located in Mainland China with the carrying amounts of approximately HK\$17,892,000 (2011: HK\$17,535,000) and HK\$161,954,000 (2011: HK\$154,982,000), respectively.

19. 物業、廠房及設備(續)

由於本集團之主要產品機頂盒訂單不足導致生產業務之產能使用率偏低，故年內本集團之生產業務產生大量閒置經常成本。鑑於經常成本沉重，加上生產業務持續虧損，董事認為，按估計公平值減出售成本與使用值之較高者釐定物業、廠房及設備之可收回金額較為合適。年內就物業、廠房及設備確認之減值虧損約港幣26,870,000元(二零一一年：港幣2,070,000元，由於耗損情況較預期大)已於年內之綜合損益賬確認。

本集團位於中國之租賃土地及樓宇按中期租約持有。

於報告期間結算日，倘本集團整個類別樓宇按成本減累計折舊入賬，則其賬面值應按賬面值約港幣89,542,000元(二零一一年：港幣95,887,000元)計入財務報表。

於報告期間結算日，本集團正就其位於中國內地賬面值分別約港幣17,892,000元(二零一一年：港幣17,535,000元)及港幣161,954,000元(二零一一年：港幣154,982,000元)之土地及樓宇，領取土地使用權及房屋所有權證。

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19. PROPERTY, PLANT AND EQUIPMENT (continued)

At the end of the reporting period, the Group's leasehold lands and buildings with the carrying amounts of approximately HK\$17,892,000 (2011: HK\$17,535,000) and HK\$161,954,000 (2011: HK\$154,982,000), respectively, were pledged to secure for certain of the Group's other borrowings as further detailed in note 28 to these financial statements.

At the end of last reporting period, equipment and tools with the carrying amounts of approximately HK\$14,199,000 were pledged to an independent third party to secure for other borrowing as further detailed in note 28 to these financial statements.

19. 物業、廠房及設備(續)

於報告期間結算日，本集團賬面值分別約港幣17,892,000元(二零一一年：港幣17,535,000元)及港幣161,954,000元(二零一一年：港幣154,982,000元)之租賃土地及樓宇已抵押，以作為此等財務報表附註28所進一步詳述本集團若干其他借貸之抵押品。

於前報告期間結算日，賬面值約港幣14,199,000元之設備及工具已向獨立第三方抵押，以作為此等財務報表附註28所進一步詳述其他借貸之抵押品。

20. INVESTMENTS IN SUBSIDIARIES

20. 於附屬公司之投資

| | | Company | |
|-------------------------------|------------|----------|----------|
| | | 本公司 | |
| | | 2012 | 2011 |
| | | 二零一二年 | 二零一一年 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Unlisted investments, at cost | 非上市投資，按成本值 | 58,822 | 58,822 |
| Less: Impairments | 減：減值 | (58,812) | (58,812) |
| | | 10 | 10 |

The balances with subsidiaries were unsecured, interest-free and had no fixed term of repayment.

附屬公司結餘乃無抵押、免息且無固定還款期。

The table below lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

下表列示本公司之附屬公司，董事認為該等附屬公司對本集團年度業績有重大影響或佔本集團資產淨值之重大部分。董事認為倘列出其他附屬公司之資料，將使篇幅過於冗長。

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20. INVESTMENTS IN SUBSIDIARIES (continued)

Particulars of the Company's principal subsidiaries are as follows:

20. 於附屬公司之投資(續)

本公司主要附屬公司之詳情如下：

| Name 名稱 | Place of incorporation/ registration and operation 註冊成立/登記及 營業地點 | Nominal value of issued/registered/ paid-up capital 已發行/註冊 實繳股本面值 | Percentage of equity attributable to the Group 本集團所佔股權百分比 | | Principal activities 主要業務 |
|--|---|---|--|--------------------|---|
| | | | 2012 二零一二年 % | 2011 二零一一年 % | |
| Directly held: 直接持有： | | | | | |
| Champion Apex Limited 華先有限公司 | Hong Kong 香港 | HK\$10,000 港幣10,000元 | 100 | 100 | Trading of electronic consumer products and related components 買賣電子消費產品及 相關配件 |
| Grand Golden Profit Limited 創金利有限公司 | Hong Kong 香港 | HK\$10,000 港幣10,000元 | 100 | 100 | Inactive 暫無業務 |
| Tonic Electronics (B.V.I.) Limited | BVI 英屬處女群島 | HK\$1 港幣1元 | 100 | 100 | Investment holding 投資控股 |
| Indirectly held: 間接持有： | | | | | |
| 東莞鑫聯數碼科技有限公司* (Dongguan Xin Lian Digital Technology Co., Ltd.**) | PRC 中國 | RMB68,830,005 人民幣68,830,005元 | 100 | 100 | Manufacture, processing, and sale of electronic consumer products 製造、加工及銷售 電子消費產品 |
| 冠華港貿易(深圳)有限公司* (Guan Hua Gang Trading (Shenzhen) Co., Ltd.**) | PRC 中國 | RMB1,000,000 人民幣1,000,000元 | 100 | 100 | Dormant 暫無業務 |
| Tonic Marketing Limited | BVI 英屬處女群島 | US\$0.01 0.01美元 | 100 | 100 | Investment holding 投資控股 |

Wholly-foreign-owned enterprises

** The English name is for identification purpose only

外商獨資企業

** 英文名稱僅供識別

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21. INVENTORIES

21. 存貨

| | | Group 本集團 | |
|------------------|-----|--------------|----------|
| | | 2012 | 2011 |
| | | 二零一二年 | 二零一一年 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Raw materials | 原材料 | 2,305 | 429 |
| Work in progress | 在製品 | 1,573 | 6,743 |
| Finished good | 製成品 | 1,621 | – |
| | | 5,499 | 7,172 |

22. ACCOUNTS RECEIVABLES

22. 應收賬款

| | | Group 本集團 | |
|----------------------|------|--------------|----------|
| | | 2012 | 2011 |
| | | 二零一二年 | 二零一一年 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Accounts receivables | 應收賬款 | 9,215 | 9,801 |

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 days extending up to 90 days for major customers. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by senior management. At the end of the reporting period, the Group had certain concentration of credit risk as approximately 85% (2011: 63%) and 100% (2011: 100%) of the Group's trade receivables were due from the Group's largest trade debtor and the five largest trade debtors, respectively.

本集團與客戶之貿易條款主要是信貸方式。信貸期一般為30日，主要客戶的信貸期則延至最多為90日。本集團力求對其未收回應收款項維持嚴謹控制，以盡量減低信貸風險。逾期未償還款項由高級管理層定期審閱。於報告期間結算日，本集團之若干信貸風險集中，原因為本集團貿易應收賬款約85%（二零一一年：63%）及100%（二零一一年：100%）分別來自本集團最大貿易債務人及五名最大貿易債務人。

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財務報表附註

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22. ACCOUNTS RECEIVABLES (continued)

The aging analysis of accounts receivables at the end of the reporting period, based on the invoice date, is as follows:

22. 應收賬款(續)

於報告期間結算日按發票日期計算的應收賬款之賬齡分析如下：

| | | Group 本集團 | |
|-----------------|---------|------------------|------------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| 30 days or less | 30日或以下 | 5,097 | 5,261 |
| 31 to 60 days | 31日至60日 | 487 | 4,540 |
| 61 to 90 days | 61日至90日 | 3,631 | – |
| | | 9,215 | 9,801 |

At the end of the reporting period, the Group's accounts receivables that were neither past due nor impaired which relate to several customers for whom there was no recent history of default.

於報告期間結算日，本集團之應收賬款並無逾期或減值。該等應收賬款屬於一些近期並無欠債記錄之客戶之應收款項。

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財務報表附註

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23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

23. 預付款項、按金及其他應收款項

| | | Group 本集團 | |
|--------------------------------|------------|-----------------------------------|-----------------------------------|
| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
| Prepayments | 預付款項 | 176 | 621 |
| Deposits and other receivables | 按金及其他應收款項 | 2,137 | 1,644 |
| | | 2,313 | 2,265 |
| Less: Impairments (note 14) | 減：減值(附註14) | – | (211) |
| | | 2,313 | 2,054 |

Included in the impairment recognised in respect of prepayments, deposits and other receivables were individually impaired deposits and other receivables of approximately HK\$211,000 with an equivalent gross carrying amount at the end of the prior reporting period. The individually impaired other receivables relate to counterparties that were in default of payment. The Group does not hold any collateral or other credit enhancements over these balances.

Save as disclosed, none of the above assets is either past due nor impaired and the financial assets included in the above balances related to receivables for which there was no recent history of default.

預付款項、按金及其他應收款項已確認減值中計入個別減值按金及其他應收款項約港幣211,000元，與前報告期間結算日之賬面總值相同。個別減值之其他應收款項與拖欠還款之客戶有關。本集團並無就此等結餘持有任何抵押品或其他信貸提升。

除所披露者外，概無上述資產已逾期或減值，而上述結餘包括之金融資產與近期並無拖欠記錄之應收款項有關。

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24. DUE FROM A SCHEME SUBSIDIARY/ DUE TO A DIRECTOR

The amounts due from a scheme subsidiary and due to a director were unsecured, interest free and had no fixed term of repayment. Further details of the amounts due from the scheme subsidiary were explained in note 11(c).

During the year, the scheme subsidiary has disposed of the Pledged Properties which were secured for the Xin Lian Loans of approximately RMB103,000,000 (equivalent to approximately HK\$122,055,000) borrowed by an indirect wholly-owned subsidiary of the Company. The Xin Lian Loans have been fully settled by the proceeds from the disposal of the Pledged Properties. Under the Xin Lian Loans arrangement, the equivalent amounts due from the scheme subsidiary have been simultaneously recovered and released upon the repayment of the Xin Lian Loans through the disposal of the Pledged Properties.

25. CASH AND BANK BALANCES

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$4,372,000 (2011: HK\$846,000). RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and bank balances approximate to their fair values.

24. 應收一家計劃附屬公司款項/ 應付一名董事款項

應收一家計劃附屬公司款項及應付一名董事款項乃無抵押、免息及無固定還款期。有關應收該計劃附屬公司款項之進一步詳情於附註11(c)闡釋。

年內，計劃附屬公司出售抵押物業，抵押物業乃用作本公司一家間接全資附屬公司借入之鑫聯貸款約人民幣103,000,000元（相當於約港幣122,055,000元）之抵押。鑫聯貸款已自出售抵押物業所得款項中悉數償付。根據鑫聯貸款安排，透過出售抵押物業償付鑫聯貸款後，相等於應收一家計劃附屬公司款項之金額已即時收回及解除。

25. 現金及銀行結存

於報告期間結算日，本集團以人民幣（「人民幣」）計值之現金及銀行結存約為港幣4,372,000元（二零一一年：港幣846,000元）。人民幣不可自由兌換為其他貨幣，然而，根據中國內地外匯管理法及結匯、售匯及付匯管理規定，本集團獲准在獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

銀行現金根據每天銀行存款利率按浮動利率賺取利息。銀行結存乃存放於並無近期拖欠記錄的良好信譽銀行。現金及銀行結存之賬面值與其公平值相若。

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26. ACCOUNTS PAYABLES

The aging analysis of accounts payables at the end of the reporting period, based on the invoice date, is as follows:

| | | Group 本集團 | |
|-----------------|---------|--------------|--------------|
| | | 2012 | 2011 |
| | | 二零一二年 | 二零一一年 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| 30 days or less | 30日或以下 | 71 | 327 |
| 31 to 60 days | 31日至60日 | - | 1,473 |
| 61 to 90 days | 61日至90日 | - | 275 |
| Over 90 days | 超過90日 | 499 | 170 |
| | | 570 | 2,245 |

26. 應付賬款

於報告期間結算日按發票日期計算的應付賬款之賬齡分析如下：

27. ACCRUALS AND OTHER PAYABLES

| | | Group 本集團 | |
|----------------|--------|---------------|---------------|
| | | 2012 | 2011 |
| | | 二零一二年 | 二零一一年 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Other payables | 其他應付款項 | 6,058 | 12,047 |
| Accruals | 應計負債 | 19,767 | 18,991 |
| | | 25,825 | 31,038 |

27. 應計負債及其他應付款項

At the end of the reporting period, included above are loan interest and other payables to the ultimate holding company amounted to approximately HK\$1,758,000 (2011:HK\$958,000) and HK\$2,095,000 (2011:HK\$1,469,000), respectively.

於報告期間結算日，上述項目包括貸款利息及應付最終控股公司之其他款項分別約港幣1,758,000元(二零一一年：港幣958,000元)及港幣2,095,000元(二零一一年：港幣1,469,000元)。

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28. BORROWINGS

28. 借貸

| | | Group 本集團 | |
|---|------------------------|------------------|------------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Bank loans | 銀行貸款 | – | 112,575 |
| Loans from the ultimate holding company | 來自最終控股公司之貸款 | 69,700 | 64,700 |
| Loans from a shareholder of the Company | 來自本公司一名股東之貸款 | 49,000 | – |
| Other loans | 其他貸款 | 84,870 | 91,245 |
| | | 203,570 | 268,520 |
| Secured | 有抵押 | 124,870 | 131,245 |
| Unsecured | 無抵押 | 78,700 | 137,275 |
| | | 203,570 | 268,520 |
| Carrying amounts repayable: | 須予償還賬面值： | | |
| Within one year or on demand, disclosed as current liabilities | 一年內或按要求償還， 披露為流動負債 | 185,570 | 186,755 |
| More than one year, but not exceeding two years, disclosed as non-current liabilities | 一年後但不超過兩年， 披露為非流動負債 | 18,000 | 81,765 |
| | | 203,570 | 268,520 |

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28. BORROWINGS (continued)

Bank loans at 31 March 2011 were arranged at floating rates at the range from 6.9% to 13% per annum. Interest-bearing other borrowings are arranged at fixed interest rates at the range from 2% to 36% per annum.

At 31 March 2011, the Group's pledged bank borrowings of approximately HK\$112,575,000 were secured by the mortgages over the leasehold lands and buildings of a scheme subsidiary. This loan has been fully repaid during the year in accordance with the arrangement of Xin Lian Loans as explained in note 24 to these financial statements.

The loans from the ultimate holding company of HK\$40,000,000 (2011: HK\$40,000,000) were interest bearing at 2% per annum and secured by a share charge over the entire issued capital of a wholly-owned subsidiary of Company. The rest of loans from the ultimate holding company were unsecured, interest free and had no fixed term of repayment.

At 31 March 2012, the Group's loans from a shareholder of the Company were unsecured and bearing interest at Hong Kong prime interest rate plus 2% per annum. HK\$31,000,000 of which had no fixed term of repayment and the rest of them are not repayable within one year.

At the end of the reporting period, the Group's other loans of approximately HK\$84,870,000 (2011: HK\$91,245,000) were secured by the mortgages over the Group's leasehold land and buildings which had the aggregate carrying amounts of approximately HK\$179,846,000 (2011: HK\$172,518,000) and equipment and tools with the carrying amounts of approximately HK\$nil (2011: HK\$14,199,000).

28. 借貸(續)

於二零一一年三月三十一日之銀行貸款按介乎年息6.9厘至13厘之浮動利率安排。其他計息借貸按介乎年息2厘至36厘之固定利率安排。

於二零一一年三月三十一日，本集團有抵押之銀行借貸約港幣112,575,000元以計劃附屬公司之租賃土地及樓宇按揭作抵押。年內，此筆貸款已根據此等財務報表附註24所闡釋之鑫聯貸款安排悉數償還。

來自最終控股公司之貸款港幣40,000,000元(二零一一年：港幣40,000,000元)以年息2厘計息及以本公司全資附屬公司全部已發行股本之股份質押作抵押。其餘來自最終控股公司之貸款為無抵押、不付息及無固定還款期。

於二零一二年三月三十一日，本集團來自本公司一名股東之貸款為無抵押及按香港最優惠利率加年息2厘計息，當中港幣31,000,000元無固定還款期，餘款毋須於一年內償還。

於報告期間結算日，本集團之其他貸款約港幣84,870,000元(二零一一年：港幣91,245,000元)以本集團賬面總值約港幣179,846,000元(二零一一年：港幣172,518,000元)之租賃土地及樓宇按揭以及賬面值約港幣零元(二零一一年：港幣14,199,000元)之設備及工具作抵押。

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29. DEFERRED TAX LIABILITIES

The movements in the Group's deferred tax liabilities during the year are as follows:

29. 遞延稅項負債

年內之遞延稅項變動如下：

| | | Accelerated tax depreciation 加速稅項折舊 HK\$'000 港幣千元 | Revaluation of properties 重估物業 HK\$'000 港幣千元 | Total 總計 HK\$'000 港幣千元 |
|--|----------------------------|--|---|---------------------------------|
| At 1 April 2010 | 於二零一零年四月一日 | 3,739 | 27,738 | 31,477 |
| Deconsolidation of a liquidating subsidiary | 取消一家清盤附屬公司 綜合入賬 | (3,726) | (388) | (4,114) |
| Deconsolidation of scheme subsidiaries | 取消計劃附屬公司 綜合入賬 | (13) | (20,698) | (20,711) |
| Deferred tax debited to other comprehensive income | 於其他全面收入扣除之 遞延稅項 | - | 8,890 | 8,890 |
| Exchange differences | 匯兌差額 | - | 302 | 302 |
| At 31 March 2011 and 1 April 2011 | 於二零一一年三月三十一日 及二零一一年四月一日 | - | 15,844 | 15,844 |
| Deferred tax debited to other comprehensive income | 於其他全面收入扣除之 遞延稅項 | - | 1,879 | 1,879 |
| Exchange differences | 匯兌差額 | - | 601 | 601 |
| At 31 March 2012 | 於二零一二年三月三十一日 | - | 18,324 | 18,324 |

Subject to agreement by the respective tax authorities, the Group had tax losses arising in Hong Kong of approximately HK\$1,550,000 (2011: HK\$301,000) at the end of the reporting period that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The allowable losses of the Company's subsidiaries incorporated in Hong Kong are yet to be agreed by the IRD. At the end of the reporting period, the Group also had tax losses arising in Mainland China of HK\$711,896 (2011: HK\$21,895,000) that will expire in one to five years for offsetting against future taxable profit. Deferred tax assets have not been recognised in respect of these losses as the Directors consider not probable that the subsidiaries will have sufficient future taxable profits against which those tax losses can be utilised.

取決於相關稅務機關之確認，本集團有於香港產生之稅項虧損約港幣1,550,000元(二零一一年：港幣301,000元)，可無限期結轉，以抵銷產生虧損之公司未來應課稅溢利。本公司於香港註冊成立附屬公司之可扣稅虧損尚未獲稅務局同意。於報告期間結算日，本集團亦有於中國大陸產生之稅項虧損約港幣711,896元(二零一一年：港幣21,895,000元)，將於一至五年內屆滿，可用以抵銷未來應課稅溢利。董事認為該等附屬公司可能並無充足未來應課稅溢利以對銷該等可動用之稅項虧損，因此，並無就該等虧損確認遞延稅項資產。

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29. DEFERRED TAX LIABILITIES (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

No deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiary established in Mainland China, as the subsidiary did not have any distributable earnings at the end of the reporting period.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

29. 遞延稅項負債(續)

根據中國企業所得稅法，於中國大陸成立之外資企業向外國投資者宣派之股息將徵收10%預扣稅。該規定於二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後產生之盈利。倘中國與外國投資者所屬司法權區之間訂有稅務優惠協議，則可應用較低之預扣稅率。本集團之適用稅率為5%或10%。因此，本集團須就該等於中國大陸成立之附屬公司自二零零八年一月一日起產生之盈利分派股息繳納預扣稅。

於報告期間結算日，由於本集團於中國大陸成立之附屬公司並無任何可供分派盈利，故並無就於該等附屬公司之未匯出盈利應付預扣稅確認任何遞延稅項。

本公司派付予其股東之股息並無附帶所得稅後果。

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For the year ended 31 March 2012

截至二零一二年三月三十一日止年度

30. SHARE CAPITAL

30. 股本

| | Notes 附註 | 2012 二零一二年 | | | 2011 二零一一年 | | |
|---|-----------------------------------|-----------------------|-----------------|------------------|-----------------------|-----------------|------------------|
| | | No. of shares 股份數目 | Per share 每股 | Amount 金額 | No. of shares 股份數目 | Per share 每股 | Amount 金額 |
| | | | HK\$ 港幣 | HK\$'000 港幣千元 | | HK\$ 港幣 | HK\$'000 港幣千元 |
| Ordinary share of HK\$0.01 each at 31 March 2011 and 2012 | 於二零一一年及二零一二年三月三十一日每股面值港幣0.01元的普通股 | | | | | | |
| Authorised: | 法定： | | | | | | |
| At beginning of year | 年初 | 30,000,000,000 | 0.01 | 300,000 | 3,000,000,000 | 0.10 | 300,000 |
| Share Subdivision | 股份拆細 (b) | - | - | - | 297,000,000,000 | - | - |
| Share Consolidation | 股份合併 (c) | - | - | - | (270,000,000,000) | - | - |
| At 31 March | 於三月三十一日 | 30,000,000,000 | 0.01 | 300,000 | 30,000,000,000 | 0.01 | 300,000 |
| Issued and fully paid: | 已發行及繳足： | | | | | | |
| At beginning of year | 年初 | 1,068,468,860 | 0.01 | 10,685 | 1,057,889,962 | 0.10 | 105,789 |
| Capital Reduction | 股本削減 (a) | - | - | - | - | - | (104,731) |
| Share Consolidation | 股份合併 (c) | - | - | - | (952,100,966) | - | - |
| Share after Capital Reorganisation | 股本重組後之股份 | 1,068,468,860 | 0.01 | 10,685 | 105,788,996 | 0.01 | 1,058 |
| Issue of New Shares | 發行新股份 (d) | - | - | - | 962,679,864 | 0.01 | 9,627 |
| At 31 March | 於三月三十一日 | 1,068,468,860 | 0.01 | 10,685 | 1,068,468,860 | 0.01 | 10,685 |

Notes for 2011:

- (a) Upon completion of the capital reorganisation, the issued share capital of the Company was reduced by cancelling the paid up capital to the extent of HK\$0.099 on each issued existing share on the Effective Date such that the nominal value of all the issued existing Share had been reduced from par value of HK\$0.10 to HK\$0.001 each (the "Capital Reduction").
- (b) Upon completion of the capital reorganisation, each of the authorised but unissued share of par value HK\$0.10 each in the share capital of the Company was subdivided into 100 shares of par value HK\$0.001 each on the Effective Date (the "Share Subdivision").
- (c) Subject to Capital Reduction and Share Subdivision becoming effective, the share consolidation was implemented by consolidation of every 10 issued and unissued shares of par value HK\$0.001 each into one consolidated share of par value HK\$0.01 each in the share capital of the Company (the "Share Consolidation").

二零一一年附註：

- (a) 完成股本重組後，本公司已發行股本透過註銷繳足股本削減至生效日期每股已發行現有股份港幣0.099元，以致所有已發行現有股份面值由每股面值港幣0.10元減至每股面值港幣0.001元（「股本削減」）。
- (b) 完成股本重組後，本公司股本中每股面值港幣0.10元之每股法定但未發行股份將於生效日期拆細為100股每股面值港幣0.001元之股份（「股份拆細」）。
- (c) 待股本削減及股份拆細生效後，本公司透過將每股面值港幣0.001元之每10股已發行及未發行股份合併為本公司股本中一股每股面值港幣0.01元之合併股份進行股份合併（「股份合併」）。

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30. SHARE CAPITAL (continued)

Notes for 2011: (continued)

- (d) The Company entered into the subscription agreement with Skill China, on 15 January 2010 (as amended by the supplemental subscription agreement dated 24 June 2010). According to the subscription agreement, the subscriber agreed to subscribe for an aggregate of 909,785,366 subscription shares with a par value of HK\$0.01 each in the share capital of the Company at the subscription price of approximately HK\$0.0879 per subscription share resulting in the cash consideration of HK\$80 million. These shares were issued and allotted to the subscriber on the Effective Date, and 63,473,398 subscriptions shares of which were transferred to the schemeco on the same day as option shares for the purpose of the creditor scheme.

Upon the capital reorganisation becoming effective, 52,894,498 remuneration shares with a par value of HK\$0.01 each in the share capital of the Company were issued and allotted to two financial advisors of the Company in relation of the Restructuring at a price of approximately HK\$0.0879 per remuneration share for settlement of part of their professional fees in relation to the Restructuring.

On the Effective Date, following transfer of the Option Shares by Skill China to Schemeco and the allotment and issue of the Remuneration Shares, Skill China was interested in 846,311,968 shares, representing approximately 79.21% of the entire issued share capital of the Company. To restore the requirement of the minimum 25% public float under Rule 8.08(1)(a) of the Listing Rules, as disclosed in the joint announcement of the Company and the board of directors of Skill China dated 31 December 2010 (the "Announcement"), upon the close of the offer and completion of the placing to restore the minimum 25% public float requirement, Skill China was interested in 739,164,898 shares, representing approximately 69.18% of the entire issued share capital of the Company, and remains as the controlling shareholder at the end of the last reporting period.

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the two years ended 31 March 2012 and 2011.

30. 股本(續)

二零一一年附註：(續)

- (d) 本公司於二零一零年一月十五日與華能訂立認購協議(經日期為二零一零年六月二十四日之補充認購協議修訂)。根據認購協議，認購人同意按認購價每股認購股份約港幣0.0879元認購本公司股本中合共909,785,366股每股面值港幣0.01元之認購股份，所帶來現金代價港幣80,000,000元。該等股份於生效日期已發行及配發予認購人，其中63,473,398股認購股份於同日就債權人計劃以期權股份之方式轉讓予計劃公司。

於股本重組生效後，本公司股本中52,894,498股每股面值港幣0.01元之酬金股份已按每股酬金股份約港幣0.0879元之價格就重組發行及配發予本公司兩名財務顧問，以償付有關重組之部分專業費用。

於生效日期，華能向計劃公司轉讓期權股份以及配發及發行酬金股份後，華能於846,311,968股股份中擁有權益，相當於本公司全部已發行股本約79.21%。誠如本公司與華能董事會日期為二零一零年十二月三十一日之聯合公佈(「該公佈」)所披露，為重新符合上市規則第8.08(1)(a)條項下有關25%最低公眾持股量之規定，收購建議結束時及配售完成後，為重新符合有關25%最低公眾持股量之規定，華能於739,164,898股股份中擁有權益，相當於本公司全部已發行股本約69.18%，故華能於上一個報告日期結算日仍為控股股東。

資本管理

本集團資本管理之主要目的為保障本集團持續經營之能力及維持穩健資本比率以支持其業務及盡量提高股東價值。

本集團根據經濟狀況變化管理其資本結構及作出調整。本集團或會透過調整對股東派發之股息、向股東發還資本或發行新股以維持或調整資本結構。於截至二零一二年及二零一一年三月三十一日止兩個年度，資本管理之目標、政策或程序概無轉變。

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30. SHARE CAPITAL (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the capital. The Group's policy is to maintain the gearing ratio below 100%. Net debts include interest-bearing bank and other borrowings less cash and bank balances. Capital represents total equity. The gearing ratios at the end of reporting period were as follows:

30. 股本(續)

資本管理(續)

本公司使用資本負債比率(債務淨額除以資本)監察資本。本集團之政策目標乃維持資本負債比率於100%以下。債務淨額包括計息銀行及其他借貸減現金及銀行結存。資本指總權益。於報告期間結算日之資本負債比率如下：

| | | Group 本集團 | |
|------------------------------|-----------|------------------|------------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Bank and other borrowings | 銀行及其他借貸 | 203,570 | 268,520 |
| Less: Cash and bank balances | 減：現金及銀行結存 | (33,683) | (8,927) |
| Net debts | 債務淨額 | 169,887 | 259,593 |
| Capital | 資本 | 4,351 | 58,515 |
| Gearing ratio | 資本負債比率 | 3905% | 444% |

The gearing ratio above exceeds 100%. In view of such circumstance, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Further details are explained in note 2 to these financial statements.

資產負債比率超過100%。鑑於有關狀況，董事評估本集團是否有足夠財務資源持續經營時，已審慎考慮本集團之未來流動資金狀況及表現以及其可動用財務資源。其他詳情於此等財務報表附註2闡述。

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財務報表附註

For the year ended 31 March 2012
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31. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of comprehensive income and consolidated statement of changes in equity.

(b) Company

31. 儲備

(a) 本集團

本集團之儲備及有關變動數額於綜合全面收益表及綜合權益變動表呈列。

(b) 本公司

| | | Share premium account | Contributed reserve | Accumulated losses | Total |
|--|--------------------------------|-----------------------------|------------------------|-----------------------|------------------|
| | Notes | 股本溢價賬 | 繳入儲備 | 累計虧損 | 總計 |
| | 附註 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| At 1 April 2010 | 於二零一零年四月一日 | 71,388 | 58,794 | (394,756) | (264,574) |
| Profit for the year | 本年度溢利 | - | - | 68,158 | 68,158 |
| Capital reorganisation: | 股本重組： | | | | |
| - capital reduction | — 股本削減 | 31(c) | 104,731 | - | 104,731 |
| - issue of shares | — 發行股份 | 30 | - | - | 75,022 |
| - share premium cancellation | — 股份溢價註銷 | 31(c) | (71,388) | - | - |
| - set-off accumulated losses against contributed reserve | — 將累計虧損抵銷繳入 儲備 | 31(c) | (176,399) | 176,399 | - |
| At 31 March 2011 and 1 April 2011 | 於二零一一年三月 三十一日及二零一一年 四月一日 | 75,022 | 58,514 | (150,199) | (16,663) |
| Loss for the year | 本年度虧損 | - | - | (5,873) | (5,873) |
| At 31 March 2012 | 於二零一二年三月 三十一日 | 75,022 | 58,514 | (156,072) | (22,536) |

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For the year ended 31 March 2012
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31. RESERVES (continued)

(c) Nature and purpose of reserves

(i) Share premium account

Under the Companies Law of the Cayman Islands, the share premium account of the Company is available for distribution to shareholders, subject to the provisions of the Company's memorandum or articles of association and provided that immediately following the distribution of dividends, the Company is able to pay its debts as and when they fall due in the ordinary course of business. In the opinion of the Directors, the Company's reserves available for distribution represent the share premium account, contributed reserve and retained profits.

During the year ended 31 March 2011, the amount of approximately HK\$71,388,000 standing to the credit of the share premium account of the Company as at 31 March 2010 was cancelled ("Share Premium Cancellation") pursuant to a resolution of the Company. The credit arising from the Share Premium Cancellation was transferred to the contributed reserve account of the Company.

31. 儲備(續)

(c) 儲備性質及用途

(i) 股份溢價賬

根據開曼群島公司法，在本公司組織章程大綱或細則條文規限下，本公司股份溢價賬可用作分派予股東，惟本公司須於緊隨派發股息後能夠償還其在日常業務中到期的債項。董事認為，本公司可供分派的儲備為股份溢價賬、繳入儲備及保留溢利。

截至二零一一年三月三十一日止年度，根據本公司一項決議案，於二零一零年三月三十一日之本公司股份溢價賬之進賬額約港幣71,388,000元已註銷(「股份溢價註銷」)。股份溢價註銷產生之進賬轉撥至本公司之繳入儲備賬。

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For the year ended 31 March 2012
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31. RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(ii) Contributed reserve

The contributed reserve of the Group represents the difference between the nominal value of the share capital of the former holding company of the Group acquired pursuant to the Group reorganisation to rationalise the Group structure in preparation for the listing of the Company's shares on the Stock Exchange over the nominal value of the Company's shares issued in exchange therefor.

During the year ended 31 March 2011, upon the completion of the Capital Reduction of the Company, the issued share capital of the Company was reduced from approximately HK\$105,789,000 to approximately HK\$1,058,000. The Capital Reduction resulted in the decrease of the issued share capital of the Company by approximately HK\$104,731,000. Such amount was credited to the contributed reserve account of the Company. The credits arising from the Share Premium Cancellation and Capital Reduction in aggregate amounts of approximately HK\$176,119,000 were transferred to the contributed reserve account of the Company. The Directors were authorised to utilise the amounts of approximately HK\$176,399,000 to set off against the accumulated losses of the Company.

(iii) Property revaluation reserve

The property revaluation reserve has been set up and are dealt with in accordance with the accounting policies adopted for buildings in note 4 to these financial statements.

31. 儲備(續)

(c) 儲備性質及用途(續)

(ii) 繳入儲備

本集團的繳入儲備指本集團之前控股公司因就籌備本公司股份在聯交所上市而整頓本集團結構所進行集團重組所得股本面值，超出本公司就交換有關股本而發行股份面值的差額。

截至二零一一年三月三十一日止年度，本公司之股本削減完成後，本公司已發行股本由約港幣105,789,000元減至約港幣1,058,000元。股本削減導致本公司已發行股本減少約港幣104,731,000元。有關金額計入本公司之繳入儲備賬。股份溢價註銷及股本削減產生進賬合共約港幣176,119,000元，已轉撥至本公司之繳入儲備賬。董事獲授權動用約港幣176,399,000元抵銷本公司之累計虧損。

(iii) 物業重估儲備

物業重估儲備已根據此等財務報表附註4就樓宇所採納會計政策設立及處理。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

31. RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operation. The reserve is dealt with in accordance with the accounting policies set out in note 4 to these financial statements.

32. MAJOR NON-CASH TRANSACTIONS

The Group entered into the following non-cash transactions which are not reflected in the consolidated statement of cash flows:

- (a) The Group's bank and other loans of approximately RMB103,000,000 (equivalent to approximately HK\$122,055,000) has been fully settled by the proceeds from the disposal of the Pledged Properties held by the scheme subsidiary. Under the Xin Lian Loans arrangement, the equivalent amount due from the scheme subsidiary has been simultaneously recovered and released upon the repayment of the Xin Lian Loans through the disposal of the Pledged Properties. Further details for the Xin Lian Loans Arrangement are explained in note 24 to these financial statements.
- (b) During the year ended 31 March 2011, on the Effective Date, 909,785,366 subscription shares with a par value of HK\$0.01 were issued and allotted to a new investor, Skill China, for the cash consideration of HK\$80 million (approximately HK\$0.0879 per subscription share). Based on the creditor scheme, all proceeds from the issuance of the subscription shares was made available to the administrators to settle and discharge the claims under the creditor scheme.

31. 儲備(續)

(c) 儲備性質及用途(續)

(iv) 外幣換算儲備

外幣換算儲備包括換算海外業務財務報表所產生所有匯兌差額。該儲備已根據此等財務報表附註4所載會計政策處理。

32. 主要非現金交易

本集團進行之以下非現金交易並無於綜合現金流量表反映：

- (a) 本集團為數約人民幣103,000,000元(相當於約港幣122,055,000元)之銀行及其他貸款已自出售抵押物業所得款項中悉數償付。根據鑫聯貸款安排，透過出售抵押物業償付鑫聯貸款後，相等於應收一家計劃附屬公司款項之金額已即時收回及解除。有關鑫聯貸款安排之進一步詳情於此等財務報表附註24內闡述。
- (b) 截至二零一一年三月三十一日止年度，於生效日期，已向一名新投資者華能發行及配發909,785,366股面值港幣0.01元之認購股份，現金代價為港幣80,000,000元(每股認購股份約港幣0.0879元)。根據債權人計劃，發行認購股份所有所得款項供管理人用作償付及釋除債權人計劃項下申索。

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財務報表附註

For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

33. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases certain of its properties under operating lease arrangement, with leases negotiated for terms ranging from one to eight years. The terms of leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|--|---------------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 3,010 | 2,487 |
| In the second to fifth year, inclusive | 第二至五年(包括首尾兩年) | 8,482 | 9,641 |
| After five years | 五年後 | 771 | 1,536 |
| | | 12,263 | 13,664 |

(b) As lessee

The Group leases certain of its buildings under operating lease arrangements, with leases negotiated for a term ranging from one to two years. At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|---------------------------------------|---------------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 161 | 1,116 |
| In the second to fifth year inclusive | 第二至五年(包括首尾兩年) | - | 181 |
| | | 161 | 1,297 |

33. 經營租賃安排

(a) 作為出租人

本集團按照經營租賃安排出租其若干物業，租期經磋商後介乎一至八年。租賃條款一般亦要求租戶支付抵押按金，且會定期按當時市況調整租金。於報告期間結算日，本集團於與其租戶訂立之不可撤回經營租賃項下未來最低應收租金款項總額將於以下期間到期：

(b) 作為承租人

本集團按照經營租賃安排租賃若干樓宇，租期經磋商後介乎一至兩年。於報告期間結算日，本集團於不可撤回經營租賃項下未來最低租金款項總額於下列期間到期：

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財務報表附註

For the year ended 31 March 2012
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34. CAPITAL COMMITMENTS

At the end of the reporting period, the Group does not have capital expenditure in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements.

At 31 March 2011, the Group had the capital commitments contracted but not provided for in the financial statements in respect of unpaid portion of capital contributions to an indirect-holding subsidiary of the Company amounting to approximately HK\$584,000.

35. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following related party and connected transactions during the year:

- (a) Compensation of key management personnel of the Group:

| | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|---|--------------|-----------------------------------|-----------------------------------|
| Short term employee benefits | 短期僱員福利 | 6,009 | 5,319 |
| Post-employment benefits | 退休福利 | 44 | 67 |
| Total compensation paid to key management personnel | 已付主要管理人員補償總額 | 6,053 | 5,386 |

Further details of directors' emoluments are included in note 15 to these financial statements.

- (b) Details of the Group's amounts due to a director are included in note 24 to these financial statements.

34. 資本承擔

於報告期間結算日，本集團並無就已訂約但未於綜合財務報表撥備之物業、廠房及設備有任何資本承擔。

於二零一一年三月三十一日，本集團已訂約但未於財務報表撥備之資本承擔涉及本公司間接控股附屬公司注資未繳部分，約為港幣584,000元。

35. 關連人士交易

除財務報表其他部分所詳述交易及結餘外，本集團於本年度有下列關連人士及關連交易：

- (a) 本集團主要管理人員之補償：

董事酬金之其他詳情載於此等財務報表附註15。

- (b) 本集團應付董事款項之詳情載於此等財務報表附註24。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
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35. RELATED PARTY TRANSACTIONS (continued)

(c) As disclosed in notes 12, 27 and 28 to these financial statements, the Group has the following transactions and balances with related parties:

| | | | 2012 二零一二年 HK\$'000 港幣千元 | 2011 二零一一年 HK\$'000 港幣千元 |
|---|--------------|-------------|-----------------------------------|-----------------------------------|
| | | Notes 附註 | | |
| Interest paid to: | 支付利息予： | | | |
| – Ultimate holding company | – 最終控股公司 | (i) | 800 | 800 |
| – A shareholder of the Company | – 本公司一名股東 | (ii) | 1,014 | – |
| Balances with the ultimate holding company: | 與最終控股公司之結餘： | | | |
| – Loan interest payable | – 應付貸款利息 | | 1,758 | 958 |
| – Other payables | – 其他應付款項 | | 2,095 | 1,469 |
| – Secured loan | – 有抵押貸款 | (i) | 40,000 | 40,000 |
| – Unsecured loan | – 無抵押貸款 | (iii) | 29,700 | 24,700 |
| Loans from a shareholder of the Company | 來自本公司一名股東之貸款 | (ii) | 49,000 | – |

Notes:

- (i) This loan is interest bearing at 2% per annum, and pledged by a share charge over the entire issued capital of a wholly-owned subsidiary of the Company, and has no fixed terms of repayment.
- (ii) The Group's loans from a shareholder of the Company were unsecured and bearing interest at Hong Kong prime interest rate plus 2% per annum. HK\$31,000,000 of which has no fixed term of repayment and the rest of them are not repayable within one year.
- (iii) This loan is unsecured, interest-free and has no fixed terms of repayment.

35. 關連人士交易(續)

(c) 誠如此等財務報表附註12、27及28所披露，本集團與關連人士有以下交易及結餘：

附註：

- (i) 此筆貸款以年息2厘計息，以本公司全資附屬公司全部已發行股本之股份質押作抵押，且無固定還款期。
- (ii) 本集團來自一名股東之貸款為無抵押，按香港最優惠利率加年息2厘計息，當中港幣31,000,000元並無固定還款期，餘款毋須於一年內償還。
- (iii) 此筆貸款為無抵押、免息且無固定還款期。

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財務報表附註

For the year ended 31 March 2012
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36. EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) Voluntary liquidation of a subsidiary – Total Ally

Subsequent to the end of the reporting period, on 19 April 2012, the Board resolved to voluntarily wind up an indirect wholly-owned subsidiary of the Company, Total Ally, and to appoint Mr. Lai Kar Yan, Derek, Mr. Yeung Lui Ming, Edmund, and Mr. Ho Kwok Leung, Glen, as liquidators for the winding-up of Total Ally jointly and severally. With effect from the commencement date of the liquidation, the financial results and operation of Total Ally Group will be deconsolidated from the Group accordingly.

Total Ally Group, through its subsidiary Xin Lian, is principally engaged in the manufacture, processing and sale of electronic consumer products and related components (currently being set-top box). The manufacturing operation of the Group has been carried out mainly through Total Ally Group. The voluntary winding-up of Total Ally Group has resulted in the restructuring of the Group's business model in the set-up box operation. The Board considered that this provides an opportunity for the Group to have a more cost effective and commercially feasible structure to improve financial performance of the Group.

Please refer to the Company's public announcement date 19 April 2012 for further details. Unless otherwise specified, capitalised terms used herein this note shall have the same meanings as in this announcement.

36. 報告期間結算日後事項

(a) 附屬公司自願清盤 – Total Ally

於報告期間結算日後，於二零一二年四月十九日，董事會議決將本公司間接全資附屬公司Total Ally自願清盤，並委任黎嘉恩先生、楊磊明先生及何國樑先生為清盤人，共同及個別地將Total Ally清盤。自清盤開始日期起，Total Ally集團之財務業績及營運將自本集團取消綜合入賬。

Total Ally集團，透過其附屬公司鑫聯，主要從事電子消費產品及相關配件（目前為機頂盒）之製造、加工及銷售業務。本集團之製造業務主要透過Total Ally集團進行。Total Ally集團自願清盤致使本集團重組機頂盒業務之業務模式。董事會認為此舉讓本集團有機會以更具成本效益及商業可行之架構提升其財務表現。

進一步詳情請參閱本公司日期為二零一二年四月十九日之公佈。除另有訂明外，本附註所用詞彙與該公佈所界定者具有相同涵義。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2012
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36. EVENTS AFTER THE END OF THE REPORTING PERIOD (continued)

(b) Change of controlling shareholder

As described in the Joint Announcement on 27 April 2012, subsequent to the end of the reporting period, on 24 April 2012, the Board was informed by Vendor 1 that Success Well (the "Purchaser") entered into S&P Agreement 1 with Skill China (the "Vendor 1") and Dr. So Shu Fai (the "Vendor Guarantor") pursuant to which the Purchaser has conditionally agreed to purchase and Vendor 1 has conditionally agreed to sell 707,110,832 Sale Shares at a consideration of HK\$0.251 per Sale Share.

On 27 April 2012, the Purchaser also entered into the S&P Agreement 2 with Greatest Mark (the "Vendor 2"), pursuant to which the Purchaser has conditionally agreed to purchase and Vendor 2 have conditionally agreed to procure the sale of 42,738,754 Sale Shares at a consideration of HK\$0.50 per Sale Share. The consideration payable by the Purchaser for the Acquisition amounted to in aggregate HK\$198,854,195.83. The Sale Shares in aggregate represented approximately 70.18% of the entire issued share capital of the Company as at the date of the Joint Announcement.

As at the date of the Joint Announcement, all conditions to the Completion have been satisfied or waived. Upon the Completion and completion of S&P Agreement 2 on 7 May 2012, the Purchaser and parties acting in concert with it owned 749,849,586 Shares, representing approximately 70.18% of the entire issued share capital of the Company as at the date of the Joint Announcement and became the controlling shareholder of the Company accordingly. Unless otherwise specified, capitalised terms used herein this note shall have the same meanings as in the Joint Announcement.

36. 報告期間結算日後事項(續)

(b) 控股股東變動

誠如於二零一二年四月二十七日之聯合公佈所述，於報告期間結算日後，於二零一二年四月二十四日，董事會獲賣方一知會，Success Well(「買方」)與華能(「賣方一」)及蘇樹輝博士(「賣方擔保人」)訂立買賣協議一，據此，買方已有條件同意購買而賣方一已有條件同意出售707,110,832股銷售股份，代價為每股銷售股份港幣0.251元。

於二零一二年四月二十七日，買方與Greatest Mark(「賣方二」)訂立買賣協議二，據此，買方已有條件同意購買而賣方二已有條件同意促使出售42,738,754股銷售股份，代價為每股銷售股份港幣0.50元。買方就收購事項應付的代價合共為港幣198,854,195.83元。銷售股份合共相當於聯合公佈日期本公司全部已發行股本約70.18%。

於聯合公佈日期，完成的所有條件均達成或獲豁免。於完成後及買賣協議一及買賣協議二於二零一二年五月七日完成後，買方及其一致行動人士擁有749,849,586股股份，相當於該聯合公佈日期本公司全部已發行股本約70.18%，並成為本公司之控股股東。除另有訂明外，本附註所用詞彙與聯合公佈所界定者具有相同涵義。

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For the year ended 31 March 2012
截至二零一二年三月三十一日止年度

36. EVENTS AFTER THE END OF THE REPORTING PERIOD (continued)

(c) Change of board composition

The change of controlling shareholder to Success Well as detailed in (b) above had triggered Success Well to make a general offer for all the issued shares of the Company (other than those shares already owned or agreed to be acquired by Success Well and parties acting in concert with it) under the Code on Takeovers and Mergers of Hong Kong. The general offer closed on 22 June 2012 as detailed in the announcement of the Company published on the same date.

Upon the completion of the general offer, the board composition changed accordingly. Please refer to the Company's announcement on 22 June 2012 for the changed board composition and the role and functions of the Directors with effect from 23 June 2012 for further details.

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Directors on 29 June 2012.

36. 報告期間結算日後事項(續)

(c) 董事會成員組成變動

按上文(b)所述控股股東轉變為Success Well，觸發Success Well根據香港公司收購及合併守則就本公司所有已發行股份(Success Well與其一致行動人士已擁有或同意收購之股份除外)作出全面收購建議。按本公司同日刊發之公佈所述，全面收購建議已於二零一二年六月二十二日結束。

全面收購建議完成後，董事會成員組成相應變更。進一步詳情請參閱本公司於二零一二年六月二十二日刊發內容有關自二零一二年六月二十三日起經變更董事會成員組成及董事各自之角色及職能之公佈。

37. 批准財務報表

此等財務報表已於二零一二年六月二十九日獲董事會批准及授權刊發。

PROPERTY HELD BY THE GROUP

本集團持有之物業

31 March 2012

二零一二年三月三十一日

Particulars of property held by the Group as at 31 March 2012 are as follows:

本集團於二零一二年三月三十一日持有之物業詳情如下：

PROPERTY INTERESTS HELD BY THE GROUP IN THE PRC

本集團在中國持有之物業權益

| | Type 種類 | Lease term 租期 |
|--|------------|------------------|
| A factory complex located at the Industrial Area No. Two in Huangjiabo Village ShiPai Town, Shi Pai Dongguan City Guangdong Province The PRC | Industrial | Medium |
| 位於中國 廣東省 東莞市 石排石排鎮 黃家壩村 二號工業園之 綜合工業園 | 工業 | 中期 |

