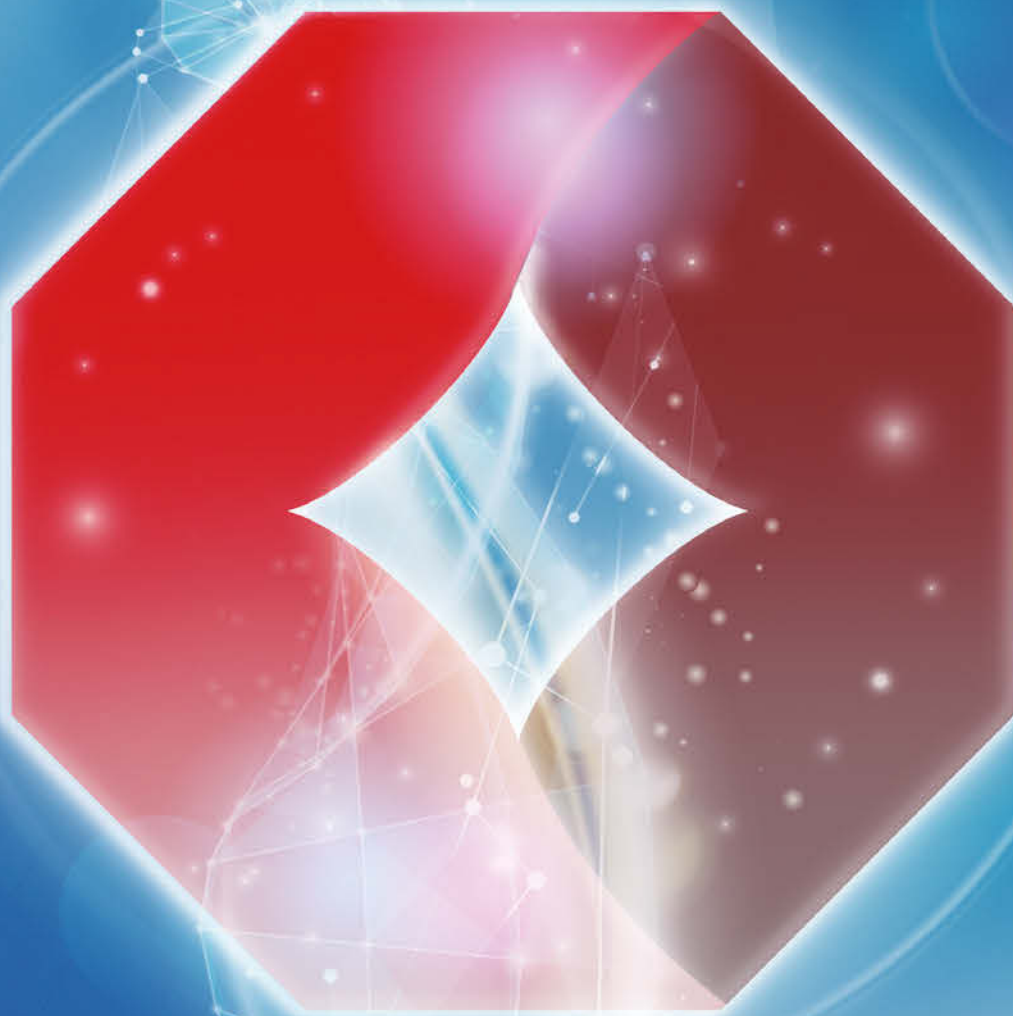


2017

ANNUAL REPORT 年報



SIN  STAR

中國華星

中國華星集團有限公司

China Sinostar Group Company Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 485



OUR MISSION

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

集團使命

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

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-Executive Directors

Wang Ping
Cheng Tai Kwan Sunny
Song Wenke

COMPANY SECRETARY

Lam Wai Kei

AUDITOR

ZHONGHUI ANDA CPA Limited

AUDIT COMMITTEE

Wang Ping (Chairman)
Cheng Tai Kwan Sunny
Song Wenke

REMUNERATION COMMITTEE

Song Wenke (Chairman)
Wang Ping
Cheng Tai Kwan Sunny

NOMINATION COMMITTEE

Wang Jing (Chairman)
Cheng Tai Kwan Sunny
Song Wenke

PRINCIPAL BANKERS

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

董事局

執行董事

王晶(主席)
王星喬(行政總裁)
趙爽

獨立非執行董事

王平
鄭大鈞
宋文科

公司秘書

林偉基

核數師

中匯安達會計師事務所有限公司

審計委員會

王平(主席)
鄭大鈞
宋文科

薪酬委員會

宋文科(主席)
王平
鄭大鈞

提名委員會

王晶(主席)
鄭大鈞
宋文科

主要銀行

香港上海滙豐銀行有限公司
恒生銀行
星展銀行(香港)有限公司

CORPORATE INFORMATION 公司資料

SOLICITOR

Loeb & Loeb LLP

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL OFFICE AND CONTACT INFORMATION

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Hong Kong
Tel: (852) 2208 6008
Fax: (852) 2208 6006
Website: www.00485.hk
Email: office@00485.hk

律師

Loeb & Loeb LLP

香港股份過戶登記處

卓佳秘書商務有限公司

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

主要辦事處及聯繫資料

香港九龍尖沙咀廣東道17號
海港城環球金融中心南座13A樓05-15室
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網址：www.00485.hk
電子郵件：office@00485.hk

CHAIRMAN'S STATEMENT

主席報告書

On behalf of the board of Directors (the "Board") of China Sinostar Group Company Limited (the "Company") and all of its subsidiaries (the "Group"), I am pleased to present the Group's annual report for the year ended 31 March 2017 to the Shareholders.

Without a doubt, the global market and economy in the financial year of 2017 remained complicated and uncertain. It was not only the unanticipated political environment abroad and also the fluctuation in the foreign currency. However, even if Renminbi was undergone some large wings of depreciation, the GDP growth rate of China still recorded as 6.9% in first quarter of 2017, being the fastest in the world. Having considered the sustainable economic development in the PRC, the Board is optimistic towards the market in the PRC and intends to continue to place emphasis on strengthen its trading business, properties investment business and renewable energy business in the PRC.

For the past three years, the Group has been actively seeking for potential opportunities to diversify its business portfolio by exploring various investment and development in different sectors so as to strengthen the revenue stream of the Group and to enhance the shareholders' value.

For the year ended 31 March 2017, on one hand, the Group continued to focus on three core businesses, namely i) the design and sale of wide range of electronic products ii) properties investment and iii) operation and management of hydroelectric power stations. The segment results of the above three sectors maintained healthy and were gradually improved. On the other hand, the Group leveraged the experience on its management and controlling shareholder in the PRC to explore the new business opportunity in the sale and installation of the elevators during the year ended 31 March 2017. The new business line contributed for 27% and amounted for HK\$169,990,000 of the total revenue of the Group throughout the financial year of 2017. With the contribution of the management and the employees, the turnover of the Group reached to HK\$632,015,000 for the year ended 31 March 2017, representing an increase of 49% as compared to the previous year.

本人謹代表中國華星集團有限公司(「本公司」)及其全部附屬公司(「本集團」)董事會(「董事會」)，欣然向股東呈列本集團截至二零一七年三月三十一日止年度之年度報告。

毋庸置疑，二零一七年財政年度全球市場及經濟仍然複雜且不明朗，不僅由於國外無法預計之政治環境，亦由於外幣之波動。然而，即使人民幣經歷了大幅貶值，二零一七年第一季度中國國內生產總值仍錄得6.9%之增長率，增速為世界之最。考慮到中國之可持續經濟發展，董事局對於中國市場持樂觀態度，並計劃繼續於中國發展其貿易業務、物業投資業務及可再生能源業務。

過去三年來，本集團透過尋求各種投資及開發不同業務分部積極尋求潛在機遇以多樣化業務組合，從而加強本集團的收益流及提升股東價值。

截至二零一七年三月三十一日止年度，本集團一方面繼續專注於三大核心業務，即i)設計及銷售各類電子產品ii)業務投資；及iii)運營及管理水電站。以上三個分部之分部業績維持穩健並逐漸改善。另一方面，本集團於截至二零一七年三月三十一日止年度利用其管理經驗及中國的控股股東探索於銷售及安裝電梯領域之新商機。於二零一七年財政年度，新業務線收益達169,990,000港元，為本集團總收益貢獻27%。由於管理層及僱員之貢獻，本集團截至二零一七年三月三十一日止年度營業額達632,015,000港元，較去年增長49%。

CHAIRMAN'S STATEMENT 主席報告書

Looking ahead into 2017/2018, the Board expects that there will be challenges and uncertainties towards the overall economy and industries. However, the Board will make good use on the extensive experience and network of its management and controlling shareholder to explore potential business opportunities, adopt stringent cost controls by streamlining business operations and optimising utilization, strengthen and enhance the business relationship with suppliers and customers, stringently implement and advance the business model and strategies, the Board is in confidence to embrace the challenges and making a return to profitability.

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

By the order of the Board
Wang Jing
Chairman

Hong Kong, 30 June 2017

展望二零一七至二零一八年度，董事局預計整個經濟及行業將面臨挑戰及不確定因素。然而，董事局將充分利用其管理層和控股股東之豐富經驗及廣闊網絡以探索潛在的業務機遇，通過精簡業務運作及優化利用率、優勢及增強與供應商和客戶的業務關係以嚴格控制成本，同時嚴格執行與發展業務模式及策略。董事局充滿信心定能克服挑戰並獲得盈利回報。

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

承董事局命
主席
王晶

香港，二零一七年六月三十日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

It has been the Group's business strategy to diversify its business and to broaden the revenue streams of the Group so as to enhance the shareholders' value. Apart from the ordinary businesses in the design and sale of a wide range of electronic products, operation and management of hydroelectric power stations and properties investment, the Group further expanded its business into the sales and installation of elevators for the year ended 31 March 2017. As a result, the Group recorded a turnover of HK\$632,015,000 for the year ended 31 March 2017, representing an increase of 49% as compared to the previous year. The gross profit of the Group was increased from HK\$103,045,000 for the year ended 31 March 2016 to HK\$162,792,000 for the year ended 31 March 2017. The loss for the year ended 31 March 2017 was mainly due to some one-off items like impairment loss on goodwill of HK\$34,027,000, impairment loss on property, plant and equipment of HK\$2,935,000 and the impairment loss on investment in an associate of HK\$3,751,000. By excluding such effect, the Group would record a profit of HK\$1,707,000 for the year ended 31 March 2017. As a result, the loss for the year ended 31 March 2017 was HK\$39,006,000 (2016: HK\$15,999,000).

Design and Sale of Electronic Products

The turnover of the design and sale of electronic products was increased from HK\$425,523,000 for the year ended 31 March 2016 to HK\$457,858,000 for the year ended 31 March 2017. The segment results recorded a profit of HK\$8,313,000 as compared to the loss of HK\$2,683,000 for the year ended 31 March 2016. A large proportion of the electronic products were sold to the wholesalers in United States, Canada and Europe. Despite the slightly increase in the segment results, the Board will take a cautious approach towards the current foreign market conditions and the uncertainties that may be raised.

業務回顧

本集團的業務策略為使本集團業務多樣化及拓寬收益渠道以提升股東價值。除了最初的大範圍電子產品的設計及銷售、水力發電站的營運及管理以及物業投資業務，本集團截至二零一七年三月三十一日止年度於電梯銷售及安裝領域進一步擴大了自身的業務。因此，本集團截至二零一七年三月三十一日止年度錄得之營業額為632,015,000港元，較去年增長49%。本集團毛利由截至二零一六年三月三十一日止年度的103,045,000港元增長至截至二零一七年三月三十一日止年度的162,792,000港元。截至二零一七年三月三十一日止年度之虧損乃主要由於若干一次性項目減值虧損，如商譽減值虧損34,027,000港元，物業、廠房及設備減值虧損2,935,000港元及投資於聯營公司減值虧損3,751,000港元。除去該等影響，本集團於截至二零一七年三月三十一日錄得利潤1,707,000港元。因此，截至二零一七年三月三十一日止年度的虧損為39,006,000港元（二零一六年：15,999,000港元）。

電子產品設計及銷售

電子產品設計及銷售營業額由截至二零一六年三月三十一日止年度的425,523,000港元增長至截至二零一七年三月三十一日止年度的457,858,000港元。與截至二零一六年三月三十一日止年度的2,683,000港元虧損相比，分部業績錄得營業額溢利8,313,000港元。大部分的電子產品都銷往美國、加拿大及歐洲的批發商。儘管分部業績稍有增長，董事局對目前國外市場環境及可能發生的不確定因素將採取謹慎態度。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Sales and Installation of Elevators

From the second half year of 2016, the Group has enlarged and widened the scale and the scope of its trading business into the sales and installation of elevators. By leveraging the extensive experience and the network of the management, the Group established a good relationship with sizeable contractors and suppliers in the PRC and started the sales and installation of elevators specializing in residential and commercial projects. As a result, the revenue generated from the sales and installation of elevators for the year ended 31 March 2017 was HK\$169,990,000, accounting for approximately 27% of the total revenue of the Group. In addition, a segment profit of HK\$33,069,000 was recorded for the year ended 31 March 2017.

Properties Investment

For the year ended 31 March 2017, the segment of the properties investment performed weakly and recorded a loss of HK\$28,315,000 as compared to the profit of HK\$4,348,000 for the year ended 31 March 2016. The decrease of the segment result was mainly due to the decrease in fair value of investment properties.

Operation and management of hydroelectric power stations

During the years of 2016 and 2017, the Group has acquired the entire equity interest of two companies which engaging in the operation and management of hydroelectric power stations in the PRC. For the year ended 31 March 2017, revenue of HK\$4,167,000 and segment profit of HK\$419,000 were recorded as a result of the operation and management of the two hydroelectric power stations. In light of the increasing concerns towards the global warming and the demand of clean and renewable energy, the Board believes that the development in renewable energy will generate a steady and sustainable income for the Group in the long run.

Securities Trading

The Group recorded a segment profit of HK\$17,000 for the year ended 31 March 2017 due to the increase in fair value of investment held for trading.

電梯銷售及安裝

自二零一六年下半年以來，本集團將其貿易業務範圍擴大及拓寬至電梯銷售及安裝領域。憑藉其廣泛的經驗及管理體系，本集團與中國的大型承包商及供應商建立起了良好的關係，且開始專向居民及商業工程銷售及安裝電梯。因此，截至二零一七年三月三十一日止年度，電梯銷售及安裝業務產生的收益為169,990,000港元，約佔本集團總收益額的27%。此外，截至二零一七年三月三十一日止年度錄得之分部業績溢利為33,069,000港元。

物業投資

截至二零一七年三月三十一日止年度，物業投資分部業績低迷，且與截至二零一六年三月三十一日止年度的溢利4,348,000港元相比錄得虧損28,315,000港元。分部業績下滑主要由於投資物業的公平值下降。

水電站的運營及管理

於截至二零一六年及二零一七年度，本集團已收購中國的兩家從事中國水電站運營和管理的公司的全部股權。於截至二零一七年三月三十一日止年度，該兩家水電站運營及管理分別錄得收益及分類溢利4,167,000港元及419,000港元。鑒於對全球變暖和清潔可再生能源需求日益增加的關切，董事局認為，從長遠來看，可再生能源的發展將為本集團帶來穩定及可持續的收入。

證券買賣

截至二零一七年三月三十一日止年度，本集團錄得分類溢利17,000港元，乃由於持作買賣之投資的公平值增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

PROSPECT

Looking forward, the Group will continue devoting effort on formulating the long-term business strategies and will also prudently explore new business opportunities so as to strengthen and broaden the revenue stream of the Group and generate a better result and prospect for the Group.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 March 2017, bank balances and cash has decreased to HK\$34,442,000 as compared to HK\$249,130,000 as at 31 March 2016.

As at 31 March 2017, gearing ratio calculated as 0.32, excluding convertible bonds (31 March 2016: 0.35). The decrease of the Group's gearing ratio represents the decrease of the debt portion at the year end. The management utilized the gearing platform in order to further develop its business.

The current ratio of the Group is lower than last year, it decreased from 1.60 to 1.23. Although the current ratio decreased in the current year, it is still greater than 1 and keeps at a healthy level.

Financing and Capital Structure

The total borrowings of the Group as at 31 March 2016 and 31 March 2017 were HK\$119,903,000 and HK\$99,500,000 respectively. There was a note payable at the amount of HK\$5,932,000 as at 31 March 2016 and none of the note payable was recorded as at 31 March 2017. The Group's borrowings are in US dollars and Renminbi and at a fixed-rate borrowing and bear average interest rate of 10% per annum (2016: 8.5%).

For the year ended 31 March 2017, the Group's transactions were mostly denominated in US dollars, Hong Kong dollars, Renminbi and Canadian dollars. The Group did not have significant exposure to foreign exchange fluctuation as the management monitors the related foreign currencies closely and will consider hedging for significant foreign currency exposure, if necessary.

展望

展望未來，本集團將繼續致力於制定長遠的經營策略，審慎研究新的商機，從而加強和擴大本集團的收入來源，為本集團帶來更好的業績和前景。

財務回顧

流動資金及財務資源

於二零一七年三月三十一日，銀行結餘及現金減至34,442,000港元，而於二零一六年三月三十一日為249,130,000港元。

於二零一七年三月三十一日，計算得出的資產負債比率為0.32（不包括可換股債券）（二零一六年三月三十一日：0.35）。本集團資產負債比率的減少指年末債務部分的減少。管理層動用杠杆平台以進一步發展其業務。

本集團之流動比率較去年有所下降，由1.60減至1.23。儘管本年度之流動比率有所下降，但仍高於1，保持在正常水平。

財務及資本架構

本集團於二零一六年三月三十一日及二零一七年三月三十一日的全額借貸分別為119,903,000港元及99,500,000港元。本集團於二零一六年三月三十一日應付票據為5,932,000港元，而於二零一七年三月三十一日無應付票據記錄。本集團之借貸乃以美元及人民幣計值且為定息借款，按平均年利率10厘計息（二零一六年：8.5厘）。

截至二零一七年三月三十一日止年度，本集團的交易主要以美元、港元、人民幣及加元計值。本集團並無面臨重大外匯波動風險，乃由於管理層密切監控相關外幣並將於有必要時對沖重大外幣風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Update on use of proceeds from the Placing of new shares

With reference to the announcements of the Company dated 14 July 2015 and 30 July 2015 (the “Announcements”) in relation to the placing of new shares of the Company (the “Placing”) and (ii) the Company’s annual report (the “Annual Report”) for the year ended 31 March 2016 published on 28 July 2016.

As disclosed in the Announcements, the net proceeds from the Placing were HK\$59,400,000 and are intended to be used for (i) possible opportunities for the development of renewable energy business; and (ii) general working capital of the Group.

As at the date of this annual report, the net proceeds from the Placing of (i) approximately HK\$38,400,000 had been applied for the development of renewable energy business and (ii) approximately HK\$9,000,000 had been applied as general working capital of the Group. The remaining proceeds of approximately HK\$12,000,000 which had not been utilised would be used as intended and had been maintained at a bank as at the date of this annual report.

Pledge of Assets

For the year ended 31 March 2017, the general credit facilities granted to the Group and the margin accounts with securities brokers are secured by an investment property under construction of HK\$168,546,000 (2016: HK\$188,967,000), deposits with securities brokers of HK\$Nil (2016: HK\$32,000) and investment held for trading of HK\$380,000 (2016: HK\$451,000).

Contingent Liabilities

As at 31 March 2017, the Group had no material contingent liabilities.

配售新股所得款項用途之最新資料

根據本公司日期為二零一五年七月十四日及二零一五年七月三十日有關配售本公司新股(「配售」)的公告(「公告」)及(ii)本公司於二零一六年七月二十八日刊發有關截至二零一六年三月三十一日止年度的年度報告(「年度報告」)。

如公告所披露，配售所得款項淨額為59,400,000港元，且擬將用於(i)挖掘潛在機會以發展可再生能源業務；及(ii)本集團一般營運資金。

於本年報日期，配售所得款項淨額(i)約38,400,000港元已用於發展可再生能源業務；及(ii)約9,000,000港元已用作本集團一般營運資金。餘下尚未使用所得款項約12,000,000港元擬將按計劃使用且於本年報日期已存置於銀行。

資產抵押

截至二零一七年三月三十一日止年度，本集團獲授之一般信貸融資及於證券經紀之保證金賬戶由在建投資物業168,546,000港元(二零一六年：188,967,000港元)、於證券經紀之按金零港元(二零一六年：32,000港元)及持作買賣之投資380,000港元(二零一六年：451,000港元)作擔保。

或然負債

於二零一七年三月三十一日，本集團並無重大或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

MATERIAL ACQUISITION DURING THE YEAR

During the year ended 31 March 2017, the Group entered into an equity transfer agreement with a company established in the PRC to acquire the entire interest of a company, namely Benxi Manchu Autonomous County Fujia Hydropower Company Limited* (本溪滿族自治縣付家水力發電有限公司), which is engaged in the operation and management of a hydroelectric power station in Benxi City, Liaoning Province, the PRC. The acquisition was completed in September 2016.

Details of the above acquisition are disclosed in the announcement of the Company dated 23 August 2016.

Throughout the year ended 31 March 2016 and 31 March 2017, the Group expanded its business into renewable energy and completed two acquisitions to acquire the entire interest of two companies, namely Benxi Weining Hydropower Company Limited* 本溪市威寧水力發電有限公司 (please refer to the announcement of the Company dated 24 March 2016 for more details) and Benxi Manchu Autonomous County Fujia Hydropower Company Limited* (本溪滿族自治縣付家水力發電有限公司), which are established in the PRC and engaged in the operation and management of a hydroelectric power station in Benxi City, Liaoning Province, the PRC. With a review on the financial performance on the renewable energy business, the Board believes that the development in the renewable energy business will continue to generate a steady and substantial income for the Group and benefit the Group in the long run.

SIGNIFICANT INVESTMENT HELD

Save as disclosed in the section headed "Material Acquisition During The Year", the Group did not have any significant investment held for the year ended 31 March 2017.

* for identification purposes only

年內重大收購事項

截至二零一七年三月三十一日止年度，本集團與一家在中國成立之公司訂立一份股權轉讓協議，以收購一家於中國遼寧省本溪市從事水力發電廠運營及管理之公司本溪滿族自治縣付家水力發電有限公司之全部權益。收購已於二零一六年九月完成。

有關上述收購之詳情披露於本公司日期為二零一六年八月二十三日之公告。

於截至二零一六年三月三十一日及二零一七年三月三十一日止年度全年，本集團擴展其業務進入可再生能源業務且完成兩項收購事項以收購兩家公司的全部權益，即本溪市威寧水力發電有限公司之全部權益(有關更多詳情，請參閱本公司日期為二零一六年三月二十四日之公告)及本溪滿族自治縣付家水力發電有限公司(於中國成立且於中國遼寧省本溪市從事水力發電廠運營及管理)。經檢討可再生能源業務之財務表現，董事局認為發展可再生能源業務將繼續為集團產生穩定且大量收益，從長期來看對本集團有利。

持有重大投資

除「年內重大收購事項」一節所披露者外，本集團於截至二零一七年三月三十一日止年度並無持有任何重大投資。

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

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

Relationships with Customers and Suppliers

Customers

The Group believes that customers’ commitment is the key variable to the success of the business. To build up a trust relationship with its customers, the Group is committed to provide a steady supply of quality and customized products to its customers. Moreover, members of the Group’s management team communicate with its major customers and marketing teams on a regular basis and to understand their expectations of the customers and to respond to their requirements and needs. During the year ended 31 March 2017, the Board considered that the Group has maintained a good relationship with its customers.

Suppliers

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

有關重大投資及資本資產之未來計劃

除本節「年內重大收購事項」一段所披露者外，於本年度報告日期，本集團並未就重大投資或資本資產簽立任何具法律約束力之協議以及並無任何有關重大投資或資本資產之未來計劃。

與客戶及供應商之關係

客戶

本集團相信客戶之承諾為業務成功之主要因素。為與客戶建立信任關係，本集團致力於向本集團客戶提供優質及定制的產品的穩定供應。此外，本集團管理團隊成員定期與主要客戶及市場推廣團隊溝通，了解客戶之期望及反映彼等之需求。截至二零一七年三月三十一日止年度，董事局認為本集團已與客戶維持良好關係。

供應商

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Employee and remuneration

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

As at 31 March 2017, the Group had a total employees 70 of which 55 were employed in the overseas. The total remuneration of the employees was HK\$27,627,000 for the year ended 31 March 2017.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2017.

No dividend has been paid or declared by the Company during the year ended 31 March 2017.

SIGNIFICANT EVENT

Change of Company Name

In October 2016, the name of the Company was changed from "Shihua Development Company Limited" to "China Sinostar Group Company Limited" and adopted the Chinese name "中國華星集團有限公司" as the secondary name of the Company.

僱員及酬金

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

於二零一七年三月三十一日，本集團共有70名僱員，其中海外聘用55名僱員。截至二零一七年三月三十一日止年度，僱員總薪酬為27,627,000港元。

購買、出售或贖回上市證券

本年度內，本公司或其附屬公司概無購買或贖回本公司任何上市證券。

股息

董事局並未建議支付截至二零一七年三月三十一日止年度之末期股息。

截至二零一七年三月三十一日止年度期間，本公司並無支付或宣派任何股息。

重大事件

更改公司名稱

於二零一六年十月，本公司的名稱由「實華發展有限公司」更改為「中國華星集團有限公司」，並採納中文名稱「中國華星集團有限公司」作為本公司之第二名稱。

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理層履歷

DIRECTORS

Executive Directors

Mr. Wang Jing, aged 62, is the executive Director and the Chairman of the Board of the Company. He is a vice chairman of Liaoning Federation of Industry and Commerce (遼寧省工商業聯合會), a Liaoning Province Model Worker (遼寧省勞動模範) in 2006, and a member of People's Congress of Benxi City (本溪市人大代表). He has founded Liaoning Shihua Property and he had been appointed as the general manager of Liaoning Shihua Group (遼寧實華集團) ("Liaoning Shihua Group") since April 2007. He currently acts as the chairman of Liaoning Shihua Group. He has also been an executive member of the Property Development Industry Association of Liaoning Province (遼寧省房地產行業協會常務理事) since March 2012. In February 2014, Mr. Wang was awarded as "Liaoning Province Excellent Builder" (遼寧省優秀建設者) by various organisations including the Liaoning United Front Work Department of the Chinese Communist Party (中共遼寧省委統戰部). Mr. Wang did not hold any directorship in other listed companies in the last three years. Mr. Wang Jing is the father of Mr. Wang Xing Qiao, an executive Director and the Chief Executive Officer of the Company.

Mr. Wang Xing Qiao, aged 29, is the executive Director and Chief Executive Officer of the Company. Mr. Wang graduated in the University of Toronto with a bachelor's degree in commerce with high distinction in 2009. He also obtained a master of philosophy degree in finance from the Judge Business School of the University of Cambridge in 2010. He is currently the deputy general manager of Liaoning Shihua Group and is also the Shenyang regional general manager of Liaoning Shihua Group. Mr. Wang did not hold any directorship in other listed companies in the last three years. He is the son of Mr. Wang Jing, an executive Director and the Chairman of the Board.

董事

執行董事

王晶先生，62歲，為本公司執行董事兼董事局主席。彼為遼寧省工商業聯合會副主席，二零零六年遼寧省勞動模範及本溪市人大代表。彼成立遼寧實華房地產，並自二零零七年四月起獲委任為遼寧實華集團（「遼寧實華集團」）之總經理。彼現時擔任遼寧實華集團主席。彼亦自二零一二年三月起為遼寧省房地產行業協會常務理事。於二零一四年二月，王先生獲多個機構（包括中共遼寧省委統戰部）評為「遼寧省優秀建設者」。於過去三年，王晶先生並無於其他上市公司擔任任何董事職位。王晶先生為本公司執行董事及行政總裁王星喬先生之父親。

王星喬先生，29歲，為本公司執行董事及行政總裁。王先生於二零零九年畢業於多倫多大學，並獲得商業學士學位（優異）。彼亦於二零一零年獲得劍橋大學賈吉商學院金融哲學碩士學位。彼現時為遼寧實華集團之副總經理，亦為遼寧實華集團瀋陽地區總經理。於過去三年，王先生並無於其他上市公司擔任任何董事職位。彼為執行董事兼董事局主席王晶先生之兒子。

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理層履歷

Mr. Zhao Shuang, aged 37, is the executive Director of the Company. He graduated from Changchun University (長春大學) in 2002, majored in marketing and sales. Mr. Zhao was appointed as the head of assets management of Liaoning Shihua Group in 2009 and later the general manager of Liaoning Shihua Group responsible for assets management in January 2014. Prior to joining Liaoning Shihua Group, Mr. Zhao was a project manager, an assistant to general manager and a vice general manager of Dalian Dongzhan Group Co. Ltd (大連東展集團有限公司) from 2002 to 2009. Mr. Zhao did not hold any directorship in other listed companies in the last three years.

Independent Non-Executive Directors

Mr. Wang Ping, aged 46, is the independent non-executive Director of the Company. Mr. Wang has over 16 years of experience in corporate finance, audit and accounting. Mr. Wang is currently acting as the non-executive director of Chongyi Zhangyuan Tungsten Co., Ltd (stock code: 002378.sz), the independent non-executive director of Shenzhen Fuanna Bedding and Furnishing Co., Ltd (stock code: 002327.sz), Sichuan Crun Co., Ltd (stock code: 002272.sz), China Hangking Holdings Limited (stock code: 3788), China Tianrui Group Cement Company Limited (stock code: 1252) and Jiayao Holdings Limited (stock code: 1626). Mr. Wang worked as vice president in EV Capital Pte Ltd from May 2007 and March 2010. From February 2004 to March 2007, he served as chief financial officer for China Jishan Holdings Limited (中國稽山控股有限公司), the shares of which are listed on the main board of Singapore Stock Exchange. From September 1999 to August 2002, he served as a senior accountant and subsequently a manager for audit department of Deloitte Touche Tohmatsu CPA Ltd. He was also an executive director and the chief financial officer of China First Capital Group Limited (formerly known as China Vehicle Components Technology Holdings Limited), a company listed on the Stock Exchange (stock code: 1269), from April 2014 to December 2015 and from March 2012 to December 2015 respectively.

趙爽先生，37歲，為本公司執行董事。彼於二零零二年畢業於長春大學，主修市場營銷學。趙先生於二零零九年獲委任為遼寧實華集團之資產經營主管，其後於二零一四年一月獲委任為遼寧實華集團之總經理，負責資產經營。於加入遼寧實華集團前，趙先生於二零零二年至二零零九年期間曾擔任大連東展集團有限公司之項目經理、總經理助理及副總經理。於過去三年，趙先生並無於其他上市公司擔任任何董事職位。

獨立非執行董事

王平先生，46歲，為本公司獨立非執行董事。王先生於企業財務、審核及會計方面擁有逾16年經驗。王先生現時為崇義章源鎢業股份有限公司(股份代號：002378.sz)之非執行董事，深圳市富安娜家居用品股份有限公司(股份代號：002327.sz)，四川潤股份有限公司(股份代號：002272.sz)，中國罕王控股有限公司(股份代號：3788)，中國天瑞集團水泥有限公司(股份代號：1252)及嘉耀控股有限公司(股份代號：1626)之獨立非執行董事。王先生曾自二零零七年五月至二零一零年三月期間於EV Capital Pte Ltd擔任副總裁。自二零零四年二月至二零零七年三月，彼擔任中國稽山控股有限公司(其股份於新加坡證券交易所主板上市)之財務總監。自一九九九年九月至二零零二年八月，彼於德勤華永會計師事務所有限公司任高級會計師並隨後任審計部經理。彼於二零一四年四月至二零一五年十二月及二零一二年三月至二零一五年十二月分別為聯交所上市公司中國首控集團有限公司(前身為中國車輛零部件科技控股有限公司)(股份代號：1269)之執行董事及財務總監。

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理層履歷

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

Mr. Cheng Tai Kwan Sunny, aged 45, is the independent non-executive Director of the Company. He obtained a bachelor's degree of business administration in accounting from The Hong Kong University of Science and Technology in November 1996, a master of science degree from The Chinese University of Hong Kong in December 2006 and a degree of executive master of business administration from Northwestern University and The Hong Kong University of Science and Technology in December 2009. Mr. Cheng was admitted as an associate of the Association of Chartered Certified Accountants in July 1999 and a member of the Hong Kong Institute of Certified Public Accountants in September 2001. Mr. Cheng has years of experience in management, financial reporting and management accounting. Mr. Cheng worked for a subsidiary of Li & Fung Limited, a company listed on the Stock Exchange from January 2005 to June 2012. Mr. Cheng is currently the chief executive officer of a private group. Mr. Cheng is the member of audit committee, nomination committee and remuneration committee.

Mr. Song Wenke, aged 42, is the independent non-executive Director of the Company. Mr. Song was graduated from the Dalian University of Technology with major in business administration. He has extensive experience in corporate operations and management. Mr. Song has acted as the deputy director of Dalian PIMi Marine Biological Research Institute* (大連皮米海洋生物研究院) since June 2016.

* for identification purposes only

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

鄭大鈞先生，45歲，為本公司獨立非執行董事。彼於一九九六年十一月獲得香港科技大學工商管理學士(會計學)學位，於二零零六年十二月獲得香港中文大學理學碩士學位及於二零零九年十二月獲得西北大學及香港科技大學行政工商管理碩士學位。鄭先生於一九九九年七月獲得英國特許公認會計師公會會員資格及於二零零一年九月獲得香港會計師公會會員資格。鄭先生於管理、財務報告及管理會計方面擁有數年經驗。鄭先生曾於二零零五年一月至二零一二年六月期間於聯交所上市公司利豐有限公司之附屬公司任職。鄭先生現時為一家私人集團之行政總裁。鄭先生為審計委員會、提名委員會及薪酬委員會成員。

宋文科先生，42歲，擔任本公司獨立非執行董事。宋先生畢業於大連理工大學工商管理專業。彼於企業營運及管理方面擁有豐富經驗。宋先生自二零一六年六月起擔任大連皮米海洋生物研究院副院長。

* 僅供識別

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理層履歷

Senior Management

Mr. Gary Atkinson, aged 36, joined The Singing Machine Company, Inc. in January 2008 and was appointed as the interim Chief Executive Officer in November 2009. Mr. Atkinson is a licensed attorney in the State of Florida and Georgia. He graduated from the University of Rochester with a Bachelors Degree in Economics and was awarded a dual-degree J.D./M.B.A. from Case Western Reserve University School of Law and Weatherhead School of Management.

Mr. Peter Horak, aged 78, was appointed as the Chief Executive Officer of Cosmo in January 2001. He is the co-founder of Cosmo Canada and has been its CEO since 1988. Mr. Horak has extensive knowledge and experience in distribution of consumer electronics products in Canada. Prior to joining Cosmo Canada in 1982, Mr. Horak worked with several top electronic companies and served as Sanyo's Vice President of Sales and Marketing. He leads the sales team to open new markets and develop new products and works closely with the administrative group and warehouse supporting group.

高級管理層

Gary Atkinson先生，36歲，於二零零八年一月加入The Singing Machine Company, Inc.，並於二零零九年十一月獲委任為臨時行政總裁。Atkinson先生為美國佛羅里達州及喬治亞州之執業律師。彼畢業於羅徹斯特大學，取得經濟學學士學位，並獲凱斯西儲大學法學院及魏德海管理學院頒發法律博士／工商管理碩士雙學位。

Peter Horak先生，78歲，於二零零一年一月獲委任為Cosmo之行政總裁。彼為Cosmo Canada之共同創辦人，並於一九八八年起擔任該公司之主席。Horak先生於加拿大分銷消費電子產品方面擁有豐富知識及經驗。於一九八二年加盟Cosmo Canada前，Horak先生曾於多家著名電子公司工作，並曾任三洋之銷售及市場推廣部副總裁。彼帶領銷售隊伍開拓新市場、開發新產品以及與行政隊伍及庫存支援隊伍緊密合作。

CORPORATE GOVERNANCE REPORT

企業管治報告

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

The Company adopted all the code provisions in Corporate Governance Code (the “Code Provisions”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as its own code on corporate governance practices and guidance.

Throughout the year ended 31 March 2017 and up to the date of this annual report, the Company has complied with the Code Provisions except the following:–

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

To comply with the Code Provision A.4.2, all directors will be voluntarily retired from his directorship at the subsequent annual general meetings of the Company at least once every three years, provided that, being eligible the retired directors may offer themselves for re-election at the annual general meeting.

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

本公司已採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載之企業管治守則之所有守則條文(「守則條文」)作為其本身企業管治常規守則及指引。

除下列各項外，本公司於截至二零一七年三月三十一日止年度及直至本年報日期一直遵守守則條文之規定：

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

為遵守守則條文第A.4.2條，全體董事將自願於本公司召開之股東週年大會上至少每三年輪值告退一次，惟退任董事符合資格，故可於股東週年大會上參與膺選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

Pursuant to A.6.7 of the Code Provision, independent non-executive director and other non-executive director should attend general meeting and develop a balanced understanding of the views of shareholders. Mr. Song Wenke, the independent non-executive director was unable to attend the annual general meeting of the Company held on 31 August 2016 due to their other business commitments. In order to comply with the Code Provision, the Company will continue to furnish all Directors with appropriate information on all general meetings and take all reasonable measures to arrange the schedule in such a caution may enable all Directors to attend the general meeting as far as possible.

Save as disclosed above, in the opinion of the Directors of the Company, the Company has complied with all Code Provisions as set out in the Code Provisions during the year 31 March 2017 and, where appropriate, the applicable recommended best practices of the Code Provisions.

BOARD OF DIRECTORS

Composition of the Board

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

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

Executive Directors

Wang Jing (Chairman)

Wang Xing Qiao (Chief Executive Officer)

Zhao Shuang

就守則條文第A.6.7條而言，獨立非執行董事與其他非執行董事應出席股東週年大會並對股東的意見有公正的瞭解。獨立非執行董事宋文科先生由於須處理其他事務而未能出席本公司於二零一六年八月三十一日召開之股東週年大會。為遵守守則條文，本公司將繼續為全體董事提供股東大會的適當資料及採取一切合理措施，審慎安排時間盡可能令全體董事出席股東大會。

除上文披露外，本公司董事認為，截至二零一七年三月三十一日止年度，本公司已遵守守則條文所載全部守則條文及(如適用)守則條文之適用建議最佳常規。

董事局

董事局之組成

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

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

執行董事

王晶(主席)

王星喬(行政總裁)

趙爽

CORPORATE GOVERNANCE REPORT 企業管治報告

Independent Non-Executive Directors

Wang Ping
Cheng Tai Kwan Sunny
Song Wenke

The Board has established schedule of matters specifically reserved to the Board for its decision and those reserved for the management. The Board reviews this schedule on a periodic basis to ensure that it remains appropriate to the needs of the Company. The brief biographical details and relationship of the Directors are described on page 13-16 of the Annual Report.

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

Role of the Board

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

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

獨立非執行董事

王平
鄭大鈞
宋文科

董事局制定專門留待董事局議決及管理層處理之事務議程。董事局會定期審閱相關議程，確保其仍然切合本公司需要。董事之簡歷及關係載於年度報告第13至16頁。

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

董事局之職責

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate Governance Functions

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

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

Chairman and Chief Executive

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

企業管治職能

董事局亦負責履行以下載列之企業管治職責：

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

主席及行政總裁

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

CORPORATE GOVERNANCE REPORT 企業管治報告

Independent Non-executive Directors

The three independent non-executive Directors, all of whom are independent of the management of the Company, are highly experienced professionals coming from diversified background. They ensure that the Board maintains high standard of financial and other mandatory reportings as well as providing adequate checks and balance of safeguard the interest of shareholders and the Company as a whole. According to the Code Provision A.4.1, non-executive Directors should be appointed for specific term, subject to re-election. Each of the independent non-executive Directors has entered into an appointment letter with the Company pursuant to which each of them is appointed for the service with the Company for a fixed term of two years from July 2014 to 20 July 2016 and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the current term of the appointment. The appointment shall terminate on the earlier of (i) 20 July 2017 or (ii) the date on which the directors ceases to be director for any reasons pursuant to the bye-laws of the Company or any other applicable laws. The Board confirms that the Company has received from each of the independent non-executive Directors a confirmation of independence for the year ended 31 March 2017 pursuant to Rule 3.13 of the Listing Rules.

Director's Training and Professional Development

Under the Code Provision A.6.5, directors should participate in continuous professional development to develop and refresh their knowledge and skills; and to ensure that their contributions to the Board remains informed and relevant. During the year ended 31 March 2017, all Directors confirmed that they had complied with the Code Provision A.6.5 by reading all materials provided by the company secretary and/or attending regular trainings on the topics relating to corporate governance and latest change and development of regulatory regime launched by professional parties. The Company had received the training records from each of the directors.

獨立非執行董事

三名獨立非執行董事(均獨立於本公司管理層)，乃來自不同背景之資深專業人士。彼等確保董事局維持高水平財務及其他強制申報，並具備充分權力制衡，以保障股東及本公司整體利益。根據守則條文第A.4.1條，非執行董事須具有特定委任年期，可參與重選。各獨立非執行董事均已與本公司訂立委任書，據此，彼等各自獲委任自二零一四年七月至二零一六年七月二十日為本公司作出定期兩年服務並於當前委任期屆滿日後起自動續期一年。有關委任應於以下較早日期終止(i)二零一七年七月二十日或(ii)董事基於任何理由根據本公司之公司細則或任何其他適用法例終止出任董事之日。董事局確認，本公司已自各獨立非執行董事收到根據上市規則第3.13條作出之截至二零一七年三月三十一日止年度之獨立性確認書。

董事培訓及專業發展

根據守則條文第A.6.5條，董事需參加持續專業發展，以發展及更新彼等之知識及技能；以及確保其在知情情況下切合所需對董事局作出貢獻。於截至二零一七年三月三十一日止年度，全體董事確認，彼等已閱覽公司秘書提供之所有資料，及／或出席由專業團體所舉辦、題目與企業管治及最新監管制度轉變及發展有關之定期培訓，故已遵守守則條文第A.6.5條。本公司已接獲各董事之培訓記錄。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board Meetings and Attendance Records of Directors

Board meetings are held regularly at approximately quarterly intervals to review the financial and operating performance of the Group and also held on ad hoc basis as required by the business needs. All Directors are given an opportunity to include matters for discussion in the agenda and give opinion. Regular Board meetings and ad hoc Board meetings are attended by a majority of the directors in person or through other electronic means of communication. In addition, all directors are encouraged to attend the general meetings of the Company. During the year ended 31 March 2017, other than resolutions passed in writing by all the Directors, the Board held a total of 12 board meetings and 2 general meetings of the Company:-

董事局會議及董事出席記錄

董事局會議固定約每個季度舉行一次，以審閱本集團財務及營運表現，亦可應業務需要舉行臨時會議。全體董事可於日程中載入以供討論之事宜並給出意見。大部分董事親身或透過其他電子通訊方式出席常規董事局會議及臨時董事局會議。此外，所有董事均獲鼓勵參加公司股東大會。截至二零一七年三月三十一日止年度，除全體董事書面通過的決議案外，董事局共舉行12次董事局會議及本公司2次股東大會：

Names of Directors	董事姓名	Numbers of Board meetings attended/held 出席／舉行 董事局會議次數	Numbers of General Meetings attended/held 出席／舉行 股東大會會議次數
Wang Jing	王晶	12/12	0/2
Wang Xing Qiao	王星喬	12/12	2/2
Chen Wan Jin*	陳萬金*	2/3	N/A 不適用
Zhao Shuang	趙爽	12/12	0/2
Li Jun*	李軍*	5/7	0/1
Yang Xin Hua*	楊新華*	2/3	N/A 不適用
Wang Ping	王平	7/12	2/2
Cheng Tai Kwan Sunny	鄭大鈞	7/12	2/2
Song Wenke*	宋文科*	10/10	0/2

*Notes: Mr. Chen Wen Jin was resigned as executive Director on 6 July 2016.

*附註：陳萬金先生於二零一六年七月六日辭任執行董事。

Mr. Li Jun was resigned as non-executive Director on 31 August 2016.

李軍先生於二零一六年八月三十一日辭任非執行董事。

Mr. Yang Xin Hua was resigned as independent non-executive Director on 6 July 2016.

楊新華先生於二零一六年七月六日辭任獨立非執行董事。

Mr. Wong Wenke was appointed as independent non-executive Director on 6 July 2016.

宋文科先生於二零一六年七月六日獲委任獨立非執行董事。

DIRECTOR'S SECURITIES TRANSACTIONS

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

The Company has made specific enquiry of all directors that they have complied with the Model Code throughout the year ended 31 March 2017.

BOARD COMMITTEES

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

AUDIT COMMITTEE

The audit committee was established with defined terms of reference in alignment with the recommendations set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants and the Code Provisions set out in the Code of the Listing Rules. During the year, the composition of the audit committee was as below:-

Mr. Wang Ping (Chairman)
Mr. Yang Xin Hua (Note)
Mr. Cheng Tai Kwun Sunny
Mr. Song Wenke (Note)

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

董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則(「標準守則」)，作為董事進行證券交易之操守守則。

本公司已向全體董事作出具體查詢，彼等於截至二零一七年三月三十一日止年度一直遵守標準守則。

董事局委員會

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

審計委員會

本公司已成立審計委員會，並制定職權範圍，以遵照香港會計師公會所頒佈「有效運作審計委員會之準則」所載推薦建議以及上市規則之守則所載守則條文。於本年度內，審計委員會之組成載列如下：

王平先生(主席)
楊新華先生(附註)
鄭大鈞先生
宋科文先生(附註)

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

CORPORATE GOVERNANCE REPORT 企業管治報告

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

The audit committee met twice during the financial year ended 31 March 2017. Works undertaken by the audit committee included:

- reviewing of the financial statements for the year ended 31 March 2017 and for the six months ended 30 September 2016;
- reviewing of the auditor's fees and its re-appointment; and
- reviewing internal control and risk management system.

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

REMUNERATION COMMITTEE

The remuneration committee was established with defined terms of reference. During the year, the remuneration committee comprises three independent non-executive Directors and the composition was as below:-

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

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

審計委員會成員於截至二零一七年三月三十一日止財政年度會面兩次。審計委員會所進行之工作包括：

- 審閱截至二零一七年三月三十一日止年度及截至二零一六年九月三十日止六個月之財務報表；
- 審閱核數師酬金及其續聘事宜；及
- 檢討內部監控及風險管理制度

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

薪酬委員會

本公司已成立薪酬委員會，並制定職權範圍。於本年度內，薪酬委員會包含三名獨立非執行董事及其組成如下：

楊新華先生(主席)(附註)
王平先生
鄭大鈞先生
宋文科先生(主席)(附註)

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The primary objectives of the remuneration committee including making recommendation to the remuneration package and structure of the executive Directors and senior management. In designing the remuneration policy, the Company aims to attract and retain executive needed to operation the Group successfully and to motivate executives to pursue appropriate growth strategies whilst taking into account performance of the individual. The remuneration should reflect performance, complexity and responsibility of the individual; and the remuneration package will be structured to include salary, bonus and share options scheme to provide incentives to Directors and senior management to improve their individual performances.

The remuneration committee members met once during the financial year ended 31 March 2017. Works undertaken by the remuneration committee during the year included:-

- reviewing of the remuneration policy for 2016/2017; and
- reviewing of the remuneration of the Directors.

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

NOMINATION COMMITTEE

The nomination committee is responsible for making recommendations to the Board on appointment of Directors regarding the qualification and competency of the candidates, also considering the reappointment of the Directors and succession planning for Directors so as to ensure that all nominations and appointments are fair and transparent. It takes responsibility in assessing the appropriate mix of experience, expertise, skills and diversity required on the Board and assessing the extent to which the required skills are represented on the Board and overseeing the Board succession. It is also responsible for reviewing and reporting to the Board in relation to Board diversity.

薪酬委員會之主要目標為對執行董事及高級管理層薪酬待遇之結構提出推薦建議。本公司設計薪酬政策旨在吸引及留聘行政人員(需要成功經營本集團)，並激勵行政人員推行適當發展策略，同時考慮員工個別表現。薪酬應反映個別員工之表現、職務難度及職責；而薪酬待遇之結構將涵蓋薪金、花紅及購股權計劃，為董事及高級管理人員提供獎勵，以提升彼等個別表現。

薪酬委員會成員於截至二零一七年三月三十一日止財政年度期間舉行一次會議。薪酬委員會於年內所進行之工作包括：

- 審閱二零一六年／二零一七年薪酬政策；及
- 審閱董事之薪酬。

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

提名委員會

提名委員會負責就董事委任向董事局提出有關候選人資格及能力方面之推薦建議，亦考慮董事之重新委任及董事之繼任計劃，以確保所有提名及委任均屬公平及透明。委員會亦負責評估董事局所需合適的經驗、專門知識、技能及多元化組合，並且評估董事局包含所需技能的程度，以及監督董事局的繼任事宜。委員會亦負責檢討董事局多元化，並向董事局匯報。

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Board Diversity Policy

In addition, the Company has formulated and adopted a Board diversity policy since 2013 aiming at setting out the approach on diversity of the Board.

The Board recognises the importance of having a diverse Board in enhancing the Board effectiveness and corporate governance. A diverse Board will include and make good use of differences in the skills, industry knowledge and experience, education, background and other qualities of directors of the Company and does not discriminate on the ground of race, age, gender or religious belief. These differences will be taken into account in determining the optimum composition of the Board and when possible should be balanced appropriately.

During the year ended 31 March 2017, the composition of the nomination committee was as below:-

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

The nomination committee members held 2 meetings during the financial year ended 31 March 2017. Works undertaken by the nomination committee during the year included:-

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

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

董事局多元化政策

此外，本公司自二零一三年起制訂及採納董事局多元化政策，旨在制定使董事局多元化之途徑。

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

截至二零一七年三月三十一日止年度，提名委員會的組成如下：

王晶先生(主席)
楊新華先生(附註)
鄭大鈞先生
宋文科先生(附註)

提名委員會成員於截至二零一七年三月三十一日止財政年度舉行2次會議。年內提名委員會已完成工作包括：

- 檢討董事局之架構、人數及組成(包括技能、知識及經驗)；
- 就董事局之任何建議變動提出建議以補充本公司之公司策略；
- 評估獨立非執行董事之獨立性；
- 檢討及就重選退任董事向董事局提出建議；及
- 檢討及就委任董事向董事局提出建議

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

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COMMITTEE MEETINGS

The attendance record of each committee members during the year ended 31 March 2017 is shown as below:-

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

COMPANY SECRETARY

During the year ended 31 March 2017, Mr. Lam Wai Kei is the company secretary of the Company. Mr. Lam Wai Kei has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

AUDITOR'S REMUNERATION

The remuneration in respect of services provided by ZHONGHUI ANDA CPA Limited for the Group for the year ended 31 March 2017 are analysed as follows:

Audit Service HK\$1,500,000

委員會會議

截至二零一七年三月三十一日止年度各委員會成員之出席記錄呈列如下：

公司秘書

截至二零一七年三月三十一日止年度，林偉基先生為本公司之公司秘書。林偉基先生已適當遵守上市規則第3.29條有關專業培訓規定。

核數師酬金

中匯安達會計師事務所有限公司於截至二零一七年三月三十一日止年度向本集團提供服務所涉及酬金分析如下：

審計服務 1,500,000港元

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

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

董事與核數師編製財務報表之責任

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

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The Directors acknowledge their responsibility to prepare the financial statements that give a true and fair view of the state of affairs of the Group. Meanwhile, the Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable. In preparing the financial statements for the year ended 31 March 2017, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the applicable laws were complied with.

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

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

INTERNAL CONTROL & RISK MANAGEMENT

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

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

董事確認有責任編製一份能夠真實而公平地反映本集團事務狀況之財務報表。同時，董事亦負責確保須選擇及貫徹應用適當之會計政策，有關判斷及估計亦需審慎合理。於編製截至二零一七年三月三十一日止年度之財務報表時，本集團已採納香港普遍採納之會計原則，並遵守香港會計師公會所頒佈之香港財務報表準則及適用法例之規定。

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

本公司外聘核數師之報告責任已於「獨立核數師報告書」內披露。

內部監控及風險管理

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

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

COMMUNICATION WITH SHAREHOLDER'S AND INVESTOR RELATION

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

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

An annual general meeting of the Company was held on 31 August 2016 (the "2016 AGM") and a special general meeting of the Company was held on 31 August 2016 (the "2016 SGM"). A notice convening the 2016 AGM contained in the circular dated 28 July 2016 was despatched to the shareholders together with 2016 Annual Report and the notice convening the 2016 SGM contained in the circular dated 8 August 2016 was despatched to the shareholders on 8 August 2016. The Board of Directors attended the 2016 AGM and 2016 SGM to answer questions from the shareholders.

The Chairman of the meeting of 2016 AGM and 2016 SGM explained detailed procedures for conduction of a poll. All the resolutions proposed at the 2016 AGM and 2016 SGM were passed separately by the Shareholders by way of poll. The results of the poll were published on the websites of the Stock Exchange and the Company after the meeting.

The forthcoming annual general meeting of the Company will be held on 8 September 2017 (the "2017 AGM"). A notice convening 2017 AGM will be published on the websites of the Stock Exchange and the Company and despatched together with the 2017 Annual Report to the shareholders as soon as practicable in accordance with the Bye-laws and the Code Provision.

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

股東通訊及投資者關係

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

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

本公司於二零一六年八月三十一日舉行股東週年大會（「二零一六年股東週年大會」），及本公司於二零一六年八月三十一日舉行股東特別大會（「二零一六年股東特別大會」）。日期為二零一六年七月二十八日之通函所載召開二零一六年股東週年大會之通告連同二零一六年年報已一併寄發予股東，以及日期為二零一六年八月八日之通函所載召開二零一六年股東特別大會之通告已於二零一六年八月八日寄發予股東。董事局出席二零一六年股東週年大會及二零一六年股東特別大會，回答股東提問。

於二零一六年股東週年大會及二零一六年股東特別大會，主席闡釋按股數投票方式進行表決之詳細程序。於二零一六年股東週年大會及二零一六年股東特別大會上提呈之所有決議案已獲股東以按股數投票方式分別通過。投票結果於大會後刊發於聯交所及本公司網站。

本公司將於二零一七年九月八日舉行應屆股東週年大會（「二零一七年股東週年大會」）。二零一七年股東週年大會召開通告將刊發於聯交所及本公司網站，並連同二零一七年年度報告將根據公司細則及守則條文在實際可行情況下盡快寄發予股東。

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

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

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

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

股東可隨時經公司秘書以書面形式向董事局提出查詢及關注，聯絡詳情如下：-

Address: Rooms 05-15, 13A/F., South Tower, World Finance Centre, Harbour City, 17 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong
Fax: +852 2208 6008
Email: jlam@00485.hk

地址：香港九龍尖沙咀廣東道17號
海港城環球金融中心南座
13A樓05-15室
傳真：+852 2208 6008
郵箱：jlam@00485.hk

SHAREHOLDERS' RIGHTS

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

股東權利

股東有權請求召開股東特別大會及於股東大會上提呈建議。請參閱下列有關程序：

(A) Procedures for requisitioning a special general meeting

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

(A) 請求召開股東特別大會之程序

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

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(B) Procedures for putting forward proposals at general meetings

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

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

There were no material changes to the Memorandum of Association and Bye-laws of the Company for the year ended 31 March 2017.

CONCLUSION

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

(B) 於股東大會提呈建議之程序

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

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

截至二零一七年三月三十一日止年度，本公司之組織章程大綱及細則並無重大變動。

總結

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

China Sinostar Group Company Limited and its subsidiaries are pleased to present its Environment, Social and Governance Report (the "ESG Report") for the year ended 31 March 2017. The ESG Report summarises the policies and achievement made by the Group in corporate social responsibility and sustainable development. The Group believes that the substantial development in environment and society is one of the core elements which leads to the success of business and will ultimately benefit all. During the year ended 31 March 2017, the Group did not observe any material non-compliance on the applicable and relevant social and environmental laws and regulations that has a significant impact on the Group.

REPORTING SCOPE

This report covers the performance of the Group's businesses including the trading business in the USA, Canada and the PRC, properties investment business in the PRC and the renewable energy business in the PRC for the financial year of 2017.

REPORTING PRINCIPLES

The report is prepared in accordance with the Environmental, Social and Governance Reporting Guide in Appendix 27 to the Listing Rules set out by the Stock Exchange.

ENVIRONMENT

Emission and Resources

Sustainable development has been adopted as an objective of the Group. The Group is committed to minimize the greenhouse gas and emissions waste which are derived from the daily operations of the Group so as to minimize the impact on the environment. Policies were formulated and adopted which aim at complying with the applicable requirements of the laws and regulations on emission and use of resources. Based on the review during the reporting period, types of greenhouse gas emission source and waste derived from the daily operations of the Group were mainly paper and electricity. To reduce paper consumption, the Group encourages its employees to reduce the usage of photocopies, print double-sided for internal documents and external documents, where appropriate, and use electronic copies. Recycle boxes and bins were placed at offices to collect non-reusable paper and waste. The Group also encourages its employees to segregate non-recyclable and recyclable waste and reuse and recycle the office supplies, such as reusing the binders,

中國華星集團有限公司及其附屬公司(「本集團」)欣然呈列其截至二零一七年三月三十一日止年度之環境、社會及管治報告(「環境、社會及管治報告」)。環境、社會及管治報告概述本集團在企業社會責任及可持續發展方面作出的政策及成就。本集團認為，環境及社會的重大發展為促使業務成功的核心因素之一，並最終惠及各方。截至二零一七年三月三十一日止年度，本集團並未發現任何重大違反適用相關社會及環境法律法規且對本集團造成重大影響之事宜。

報告範圍

本報告涵蓋本集團業務之表現，包括於二零一七年財政年度在美國、加拿大及中國的貿易業務、在中國的物業投資業務及在中國的可再生能源業務。

報告原則

本報告乃根據聯交所上市規則附錄27所載之環境、社會及管治報告指引編製。

環境

排放及資源

本集團以可持續發展為目標，致力於盡量減少從本集團日常運營中產生的溫室氣體及廢物排放，以盡量降低對環境的影響。本集團制定及採納政策，旨在遵守適用的法律及法規以及有關排放及資源使用規定。根據報告期間之回顧，源自本集團的日常運營產生的溫室氣體排放源及廢棄物類型主要為紙張及電力。為減少紙張消耗，本集團鼓勵員工減少使用影印本，內部及外部文件在適用情況下進行雙面打印以及使用電子複印本。辦公室放置回收盒和回收箱，以收集不可再用紙張及廢品。本集團亦鼓勵員工將不可回收及可回收廢品分類，重新使用及回收辦公用品，如夾子、文件夾及廢紙。為減少電力

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file folders and papers. To reduce electricity consumption, the air-conditioners installed at offices were maintained at room temperature 25.5°C. The Group also encourages and reminds the employees to switch off the lights and air-conditioning when not in use to lower the electricity consumption. In addition, the Group also sets up video-conference and teleconference facilities at offices to minimise unnecessary business travels which may subsequently reduce greenhouse gas emissions from air travels.

SOCIAL

Employment and Labour Practices

The Group believes that employees are the most important asset of the Group. The Group complied with all relevant laws, regulations and rules related to compensation, dismissal, recruitment and promotion to protect the rights and benefits of the employees. Moreover, the Group offers remuneration packages at a competitive level and reviews them on a regular basis in order to recruit and retain the employees. To recognise the contributions of the employees, the Company offers discretionary bonus to the employees and senior management by reference to the Group's performance as well as the individual performance. The Group also promotes equal opportunity for employees towards gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin. No employee is allowed to be subject to any form of discrimination on recruitment, training development and career development.

Health and Safety

The Group strives to provide a healthy and safe working environment for all employees and believes that it can enhance their sense of belonging and productivity. The Group requires all departments in different districts to strictly follow relevant laws and regulations in relation to safe working environment and protection for occupational hazards. Workplaces are properly designed with first aid facilities and emergency exits are installed.

消耗，辦公室空調維持在室內溫度25.5C。本集團亦鼓勵及提醒員工在不用時關掉電燈及空調，以減少電力消耗。另外，本集團亦在辦公室設置視頻會議及電話會議設施，盡量減少不必要的差旅費，從而可減少航空旅行的溫室氣體排放。

社會

僱傭及勞工守則

本集團視僱員為其最重要資產。本集團遵守補償、遣散、招聘及晉升方面所有相關法律、規例及規則，以保護僱員的權利及福利。此外，本集團提供具競爭力的薪酬待遇並定期檢討，以招募及挽留僱員。為認可僱員之貢獻，本公司通過參考本集團之表現及個人表現為僱員及高級管理層提供酌情花紅。本集團亦在性別、種族、宗教、年齡、殘障、性取向、國籍、政治立場、社會或民族本源方面為僱員提供平等機會。不容許僱員在僱用、培訓發展及職業發展方面受到任何形式之歧視。

健康及安全

本集團致力於為全體員工提供健康安全的工作環境並認為其可提升員工之歸屬感及生產力。本集團規定不同區域所有部門嚴格遵守有關安全工作環境及職業危險保護的相關法律法規。工作場所妥善配置急救設施及安裝緊急出口。

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Development and Training

The Group conceives that training plays an important role for personal development, work efficiency and productivity. The Group encourages its employees to participate in different training programmes to improve knowledge and skills for discharging duties at work. During the reporting period, staff, senior management and directors engaged in different training programmes provided by the government, non-profit statutory bodies and professional education centers.

Labour Standards

The Group complies with the relevant labour laws, regulations and rules in its operating countries, including Hong Kong, the PRC, Canada and the USA. In order to prevent child and forced labour, the Group conducts background checks, such as age, certificate, previous job reference letter so as to ensure the employees meet the minimum age standard and applicable laws in those designated countries.

Supply Chain Management

To maintain the quantity as well as the quality of our products, the Group emphasises on the selection of suppliers and maintains an approved list of the suppliers in which the admission is subject to the assessment of their background, quality and quantity of the products, prices and response to the suggestions and customers' feedback. Moreover, the management team reviews and updates the list from time to time. Regular meetings are arranged between suppliers and management team for the improvement of products and review on customers' feedback.

Product Responsibility

The Group strictly followed the applicable and relevant laws and regulations related to products standards, quality control and labeling. In addition, it also requires its suppliers to comply with the same standard as well as other applicable laws and regulations in respect of product safety, quality control, measurement and labeling. Regarding the customer data protection and privacy, the Group complies with applicable laws and regulations, such as the Personal Data (Privacy) Ordinance in Hong Kong. Relevant rules and guidelines are also set out in the employment contracts so as to force every employee to follow.

發展及培訓

本集團認為培訓對個人發展、工作效率及生產力至關重要。本集團鼓勵僱員參與不同的培訓計劃，以提高履行工作職責的知識及技能。於報告期間，員工、高級管理層及董事參與政府、非盈利性法定機構及專業教育中心提供的各種培訓計劃。

勞工標準

本集團遵守其營運所在地(包括香港、中國、加拿大及美國)的相關勞動法律、法規及規則。為預防童工及強制勞工，本集團進行背景調查，如年齡、證書、先前工作推薦信等，從而確保員工符合該等指定國家最低的年齡標準及適用法律。

供應鏈管理

為保持產品的數量及質量，本集團慎重挑選供應商並持有經批准供應商名單，其准入須通過評估其背景、產品質量及數量、價格以及其對建議及客戶反饋的回應後方可作出。此外，管理團隊不時檢討及更新該名單。供應商與管理團隊之間安排定期會議以改善產品及對客戶反饋作出檢討。

產品責任

本集團嚴格遵守有關產品標準、質量控制及標籤方面的適用及相關法律法規。此外，其亦要求其供應商遵守相同標準以及有關產品安全、質量控制、計量及標籤方面的其他適用法律法規。有關客戶資料保護及隱私方面，本集團遵守香港個人資料(隱私)條例等適用法律法規。相關規則及指引亦載於僱傭合約中以促使各員工遵守。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Anti-corruption

Integrity, ethics, fairness and honesty are the core values of the Group. The Group formulated policies against bribery, fraud and money laundering in accordance with the relevant laws and regulations, such as the Prevention of Bribery Ordinance of the Laws of Hong Kong. For the year ended 31 March 2017, there was no concluded legal case regarding corrupt practices brought against the Group or its employees during the reporting period.

Community Investment

The Group encourages its employees to dedicate their time to support the local community by participating in charity activities and fund raising events and making donations to non-profit organization.

In addition, the Group also makes donations and contribute goods to local charities, churches and to programs sponsored by some of our major customers.

反腐敗

正直、道德、公平及誠實為本集團之核心價值。本集團根據相關法律法規（如香港法例防止賄賂條例）制定反賄賂、欺詐及洗錢方面的政策。截至二零一七年三月三十一日止年度，報告期間內概無就貪污行為而針對本集團或其僱員的已終結的法律案件。

社區投資

本集團鼓勵員工通過參與慈善活動、進行集資活動、向非盈利組織捐款等投入時間支持當地社區。

此外，本集團亦向當地慈善機構、教堂以及由若干主要客戶贊助的節目捐獻及捐贈物資。

DIRECTORS' REPORT

董事局報告書

The Directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 55-56. The directors of the Company have determined that no dividends will be paid in respect of the year ended 31 March 2017 (2016: Nil).

PRINCIPAL PROPERTIES

Details of principal properties held for development and for investment purposes are set out on page 123 of the annual report.

SHARE ISSUED IN THE YEAR

Details of the shares issued in the year ended 31 March 2017 are set out in note 34 to the consolidated financial statements.

DISTRIBUTABLE RESERVE

There is no reserve available for distribution to shareholders as at 31 March 2017.

董事局欣然提呈本公司及其附屬公司截至二零一七年三月三十一日止年度之年度報告及經審核綜合財務報表。

主要活動

本公司之主要活動為投資控股，其主要附屬公司於本年度內之主要業務為設計及銷售一系列電子產品、銷售及安裝電梯、運營及管理水電站、物業投資及證券買賣。

業績及分配

本集團截至二零一七年三月三十一日止年度之業績載於第55至56頁之綜合損益及其他全面收益表。本公司董事議決將不派發截至二零一七年三月三十一日止年度之股息(二零一六年：無)。

主要物業

持作開發及投資目的主要物業詳情載列於本年度報告第123頁。

年內已發行股份

截至二零一七年三月三十一日止年度已發行股份詳情載列於綜合財務報表附註34。

可分配儲備

於二零一七年三月三十一日，並無可用儲備分配予股東。

EQUITY LINKED AGREEMENTS

(a) Convertible bonds

On 30 July 2014, the Company issued 3% coupon Convertible Bonds at principal amount of HK\$75,000,000 maturing on 30 July 2017 to the immediate holding company of the Company. The Convertible Bonds are convertible, at the option of the bond holder, into ordinary shares of HK\$0.01 each of the Company at a conversion price of HK\$0.23 (after adjustment for Capital Reorganisation and details of which are set out in note 33 to the consolidated financial statements) per share, subject to anti-dilutive adjustments, at any time on or after 30 July 2014 up to and including the maturity date. None of the Convertible Bonds has been converted into ordinary shares of the Company during both years.

Unless previously redeemed, converted or purchased and cancelled, the outstanding Convertible Bonds will be redeemed by the Company at 100% of its principal amount on the maturity date. The reason for issuance of the Convertible Bonds is to explore alternative funding arrangements to fund the working capital needs.

(b) Share option scheme

Details of the Share Option Scheme is set out in note 35 to the consolidated financial statements and the section headed "Share options" contained in the Directors' Report. No shares were issued pursuant to the Share Option Scheme during the year ended 31 March 2017.

PRE-EMPTIVE RIGHTS

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

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the group for the last five financial years is set out on page 160 of this annual report.

股權相關協議

(a) 可換股債券

於二零一四年七月三十日，本公司向本公司之直接控股公司發行本金金額為75,000,000港元於二零一七年七月三十日到期之3厘票息可換股債券。於二零一四年七月三十日當日或之後直至到期日(包括當日)之任何時間，債券持有人可選擇按換股價每股0.23港元(股本重組調整後，詳情載於綜合財務報表附註33)將可換股債券轉換為本公司每股面值0.01港元的普通股，惟可作反攤薄調整。兩個年度內並無可換股債券轉換為本公司普通股。

除非提早贖回、轉換或購買及註銷，否則本公司將於到期日按其本金金額的100%贖回尚未轉換之可換股債券。發行可換股債券的原因為探索靈活的資金安排以滿足營運資金需求。

(b) 購股權計劃

購股權計劃詳情載列於綜合財務報表附註35及董事局報告書「購股權」章節。截至二零一七年三月三十一日止年度，概無股份根據購股權計劃發行。

優先購買權

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

五年財務概要

本集團五個財政年度內的業績、資產及負債概要載列於本年度報告第160頁。

DIRECTORS' REPORT 董事局報告書

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 March 2017, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SHARE OPTIONS

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

DIRECTORS

The Directors of the Company during the year ended 31 March 2017 and up to the date of the directors' report were:-

Executive Directors

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

Non-Executive Director

Li Jun (Note)

Independent Non-Executive Directors

Yang Xin Hua (Note)
Wang Ping
Cheng Tai Kwan Sunny
Song Wenke (Note)

購買、出售或贖回證券

於截至二零一七年三月三十一日止年度，本公司或其附屬公司概無購回、出售或贖回本公司任何上市證券。

購股權

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

董事

截至二零一七年三月三十一日止年度及直至董事局報告書日期，本公司董事為：-

執行董事

王晶(主席)
王星喬(行政總裁)
陳萬金(附註)
趙爽

非執行董事

李軍(附註)

獨立非執行董事

楊新華(附註)
王平
鄭大鈞
宋文科(附註)

DIRECTORS' REPORT 董事局報告書

Note: With effect from 6 July 2016, Mr. Chen Wan Jin resigned as the Executive Director, Mr. Yang Xin Hua resigned as the Independent Non-Executive Director and Mr. Song Wenke was appointed as the Independent Non-Executive Director. With effect from 31 August 2016, Mr. Li Jun retired as the Non-Executive Director.

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

DIRECTORS' SERVICE CONTRACTS

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

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

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

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

附註：自二零一六年七月六日起，陳萬金先生已辭任執行董事，楊新華先生已辭任獨立非執行董事和宋文科先生已獲委任獨立非執行董事。自二零一六年八月三十一日，李軍先生退任非執行董事。

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

董事之服務合約

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

董事於對本公司業務屬重要的交易、安排及合約中的重大權益

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

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

DIRECTORS' REPORT 董事局報告書

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

As at 31 March 2017, the interests and short positions of the Directors or chief executive of the Company in the shares and share options of the Company and its associated corporations (within the meaning of Part XV of the SFO which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

(i) Long Position in the Shares

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

於二零一七年三月三十一日，本公司各董事或主要行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份及購股權中擁有(a)根據證券及期貨條例第XV部第7及8分部之規定須知會本公司及聯交所(包括根據證券及期貨條例之條文持有或被視為持有之權益或淡倉)；或(b)根據證券及期貨條例第352條須記錄於本公司根據該條例而設之登記冊；或(c)根據上市規則之標準守則須知會本公司及聯交所之權益及淡倉如下：

(1) 於股份之長倉

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

Note: These 2,171,827,290 shares are held by Achieve Prosper Capital Limited and wholly and beneficially owned by Hong Kong Shihua Holdings Limited, which is in turn wholly and beneficially owned by Liaoning Shihua (Group) Property Development Limited 遼寧實華(集團)房地產開發有限公司. Mr. Wang Jing is the sole director of and the beneficial owner of 82.8% of the equity interest in Liaoning Shihua (Group) Property Development Limited. By virtue of the SFO, Mr. Wang Jing is deemed to be interested in these 2,171,827,290 shares.

附註：該等2,171,827,290股股份由達榮資本有限公司持有並由香港實華控股有限公司全資且實益擁有，而香港實華控股有限公司由遼寧實華(集團)房地產開發有限公司全資且實益擁有。王晶先生為遼寧實華(集團)房地產之唯一董事並為其82.8%股權之實益擁有人。根據證券及期貨條例，王晶先生被視為於該等2,171,827,290股股份中擁有權益。

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(ii) Directors' interests in the shares of associated corporations (ii) 董事於相聯法團之股份之權益

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

Save as disclosed above and other than certain nominee Shares in subsidiaries held by Directors in trust for the Company or its subsidiaries, as at the date of this annual report, none of the Company's Directors, chief executive nor their associates had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

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MANAGEMENT CONTRACTS

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

MAJOR SUPPLIERS AND CUSTOMERS

The aggregate sales attributable to the Group's largest customer and five largest customers accounted for 32% and 95% respectively of the Group's total turnover for the year. The aggregate purchases attributable to the Group's largest supplier and five largest suppliers accounted for 26% and 66% respectively of the Group's total purchases for the year.

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

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2017, the following persons, other than the interest disclosed in the section headed "Directors' and chief executives' interests and/or short positions in the shares, underlying shares and debentures of the Company or any specified undertaking of the Company or any other associated corporation", had interest 5% or more in the shares and underlying shares of the Company have notified to the Company and have been recorded in the register of substantial shareholders' interests in shares and short positions required to be kept under Section 336 of Part XV of the SFO:—

管理合約

年內概無訂立或存在任何有關本公司全部或絕大部分業務管理與行政之合約。

主要供應商與客戶

本集團最大及五大客戶之銷售總額分別佔本集團年內營業總額之32%及95%。本集團最大及五大供應商之購貨總額分別佔本集團年內購貨總額26%及66%。

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

主要股東

於二零一七年三月三十一日，以下人士(除「董事及主要行政人員於本公司或本公司的任何指明企業或任何其他相聯法團之股份、相關股份及債券之權益及／或淡倉」章節所披露者外)持有本公司股份及相關股份5%或以上之權益，並已知會本公司及記錄於本公司按證券及期貨條例第XV部第336條規定存置之主要股東股份權益及淡倉登記冊內：

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Name of Shareholders	Nature of interest	Number of shares and underlying shares	Aggregate percentage of issued share capital as at 31 March 2017 合共佔二零一七年三月三十一日已發行股本的百分比
股東名稱／姓名	權益性質	股份及相關股份數目	
Achieve Prosper Capital Limited 達榮資本有限公司	Beneficial owner 實益擁有人	2,171,827,290	59.49%
Hong Kong Shihua Holdings Limited 香港實華控股有限公司	Interest of controlled corporation 於受控制法團之權益	2,171,827,290	59.49%
Liaoning Shihua (Group) Property Development Limited 遼寧實華(集團)房地產開發有限公司	Interest of controlled corporation 於受控制法團之權益	2,171,827,290	59.49%
Hu Bao Qin 胡寶琴	Spouse Interest 配偶權益	2,171,827,290	59.49%
Lushan Investment Holding Limited	Custodian corporation/Approved lending agent 託管人公司／核准借出代理人	2,917,914,246	79.93%

As at 31 March 2017, Achieve Prosper Capital Limited is wholly and beneficially owned by Hong Kong Shihua Holdings Limited, which is in turn wholly and beneficially owned by Liaoning Shihua (Group) Property Development Limited 遼寧實華(集團)房地產開發有限公司. Mr. Wang Jing is the sole director and the beneficial owner of 82.8% of the equity interest in Liaoning Shihua (Group) Property Development Limited 遼寧實華(集團)房地產開發有限公司. By virtue of the SFO, Hong Kong Shihua Holdings Limited, Liaoning Shihua (Group) Property Development Limited 遼寧實華(集團)房地產開發有限公司, Mr. Wang Jing and Ms. Hu Bao Qin were deemed to be interest in the said 2,171,827,290 Shares held by Achieve Prosper Capital Limited.

於二零一七年三月三十一日，達榮資本有限公司由香港實華控股有限公司全資且實益擁有，而香港實華控股有限公司由遼寧實華(集團)房地產開發有限公司全資且實益擁有。王晶先生為遼寧實華(集團)房地產開發有限公司之唯一董事並為其82.8%股權之實益擁有人。根據證券及期貨條例，香港實華控股有限公司、遼寧實華(集團)房地產開發有限公司、王晶先生及胡寶琴女士被視為於該等達榮資本有限公司持有的2,171,827,290股股份中擁有權益。

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On 30 December 2015, Achieve Prosper Capital Limited transferred the 326,086,956 underlying Shares which are the conversion Shares and are issuable upon the exercise of the Convertible Bonds to Lushan Investment Holding Limited. On 14 March 2016, Achieve Prosper Capital Limited entered into a share charge with Lushan Investment Holding Limited, pursuant to which Achieve Prosper Capital Limited has pledged 2,171,827,290 Shares in favour of Lushan Investment Holding Limited. In addition, further 420,000,000 Shares held by Achieve Prosper Capital Limited was transferred to Lushan Investment Holding Limited pursuant to the sale and purchase agreement entered by the Achieve Prosper Capital Limited and Lushan Investment Holding Limited (please refer to the announcement of the Company dated on 16 March 2016 for further details). Save as disclosed above, as at 31 March 2017, the register maintained by the Company pursuant to Section 336 of the SFO recorded no other interests, short positions or long positions in shares of the Company.

CONNECTED TRANSACTION

During the period from 1 April 2015 to 31 March 2017, the Group had the following non-exempted continuing connected transaction within the meaning of Chapter 14A of the Listing Rules:

Framework Purchase Agreement

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

於二零一五年十二月三十日，達榮資本有限公司已轉讓326,086,956股相關股份(指可換股債券獲行使後可予發行之轉換股份)予Lushan Investment Holding Limited。於二零一六年三月十四日，達榮資本有限公司已與Lushan Investment Holding Limited訂立股份押記，據此，達榮資本有限公司將2,171,827,290股股份質押予Lushan Investment Holding Limited。此外，根據達榮資本有限公司與Lushan Investment Holding Limited訂立的買賣協議，達榮資本有限公司持有的額外420,000,000股股份已轉讓予Lushan Investment Holding Limited(進一步詳情請參閱本公司日期為二零一六年三月十六日之公告)。除上文披露者外，於二零一七年三月三十一日，本公司根據證券及期貨條例第336條須予備存之登記冊中，並無記錄其他人士在本公司之股份中擁有任何權益、淡倉或長倉。

關連交易

於二零一五年四月一日至二零一七年三月三十一日期間，本集團擁有以下上市規則第14A章所界定之非豁免持續關連交易：

購買框架協議

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

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Since the expiration of the term of the Framework Purchase Agreement on 1 April 2015, sale and purchase of electronic products have been continuing among the Privateco Group and the Remaining Group on the same terms of the Framework Purchase Agreement. The Privateco Group and the Remaining Group has entered into another framework purchase agreement (the "2nd Framework Purchase Agreement"), pursuant to which the Privateco Group will sell and the Remaining Group will purchase certain electronic products from time to time for a term commencing from 21 July 2015 and ending on 31 March 2018 on 16 September 2015. According to the 2nd Framework Purchase Agreement, the annual caps in respect of the sale of electronic products by the Privateco Group to the Remaining Group shall not exceed (i) HK\$56 million during the period from 21 July 2015 to 31 March 2016; (ii) HK\$80 million during the period from 1 April 2016 to 31 March 2017; and (iii) HK\$95 million during the period from 1 April 2017 to 31 March 2018.

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

由於購買框架協議期限已於二零一五年四月一日屆滿，因此私人公司集團與餘下集團間持續進行的電子產品買賣乃按購買框架協議之相同條款進行。私人公司集團與餘下集團訂立另一份購買框架協議（「第二份購買框架協議」），據此，於二零一五年七月二十一日起至二零一八年三月三十一日止期間私人公司集團將於二零一五年九月十六日出售及餘下集團將不時購買若干電子產品。根據第二份購買框架協議，私人公司集團向餘下集團銷售電子產品年度上限不超過(i)於二零一五年七月二十一日至二零一六年三月三十一日之56百萬港元；(ii)於二零一六年四月一日至二零一七年三月三十一日之80百萬港元；及(iii)於二零一七年四月一日至二零一八年三月三十一日之95百萬港元。

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

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

The annual cap and the actual transactions amount of the transactions contemplated under the 2nd Purchase Framework Agreement for the year ended 31 March 2017 are set out in the table below.

於二零一六年三月九日，私人公司集團與餘下集團訂立一份補充協議（「補充協議」），以修訂第二份購買框架協議之條款。因此，第二份購買框架協議項下擬進行交易於二零一五年七月二十一日至二零一六年三月三十一日止期間之年度上限由56百萬港元增至57百萬港元，及其他條款不變。

第二份購買框架協議項下擬進行之交易就截至二零一七年三月三十一日止年度之年度上限及實際交易金額載於下表。

	Annual Cap (For the period from 1 April 2016 to 31 March 2017)	
	年度上限 (二零一六年四月一日至 二零一七年三月三十一日 止期間)	
	Amount	Amount
	金額	金額
	HK\$'000	HK\$'000
	千港元	千港元
Purchase of electronic products from SIH Limited and its subsidiaries (Note)	36,657	80,000
自SIH Limited及其附屬公司 購買的電子產品(附註)		

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

附註：劉錫康先生為SIH Limited之董事，亦為本公司附屬公司之董事。

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The amount of above transactions did not exceed the corresponding annual cap for the period from 1 April 2016 to 31 March 2017 as announced by the Company.

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged ZHONGHUI ANDA CPA Limited (the "Auditor"), the auditor of the Company, to review the Group's continuing connected transactions entered into by the Company and its subsidiaries for the period from 1 April 2016 to 31 March 2017 in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The Auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions during the period from 1 April 2016 to 31 March 2017 disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the Auditors' letter has been provided by the Company to the Stock Exchange. The conclusion contained in such letter is set out below.

- a) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company's Board;
- b) for transactions involving the provision of goods and services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

上述交易額並未超過本公司所公佈截至二零一六年四月一日至二零一七年三月三十一日期間之相應年度上限。

根據上市規則第14A.56條，本公司已聘請中匯安達會計師事務所有限公司(「核數師」，為本公司之核數師)，以根據香港會計師公會頒佈的香港審核保證委聘準則第3000號「審核或審閱過去財務資料以外之核證委聘」及參考實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，對本集團的持續關連交易(由本公司與其附屬公司於二零一六年四月一日至二零一七年三月三十一日期間訂立)進行審閱。

核數師已根據上市規則第14A.56條發出無保留意見函件，當中載有其對本集團於上文所披露於二零一六年四月一日至二零一七年三月三十一日期間之持續關連交易之發現及結論。本公司已將核數師函件副本送呈聯交所。有關函件所載結論如下。

- a) 概無發現任何事宜導致彼等相信所披露持續關連交易並未獲本公司董事局批准；
- b) 就涉及本集團提供物品及服務之交易而言，概無發現任何事宜導致彼等相信該交易，在所有重大方面，不符合本集團定價政策；

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- c) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreement governing such transaction; and
- d) with respect to the aggregate amount of the continuing connected transaction set out above, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the maximum aggregate annual cap disclosed in previous announcement dated 17 September 2015 made by the Company in respect of the disclosed continuing connected transaction.
- c) 概無發現任何事宜導致彼等相信有關交易於所有重大方面並未按照規管有關交易的相關協議進行；及
- d) 就上述持續關連交易的總金額而言，概無發現任何事宜導致彼等相信所披露持續關連交易超出本公司就所披露持續關連交易於二零一五年九月十七日作出的先前公告所披露最高總年度上限。

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

獨立非執行董事已審閱有關交易及上述核數師函件，確認有關持續關連交易乃：

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company, and within the knowledge of the directors, the Company has maintained a sufficient public float not less than 25% of Company's issued shares as required under the Listing Rules throughout the year ended 31 March 2017.

充足公眾持股量

根據本公司所取得之公開資料及據董事所知悉，本公司於截至二零一七年三月三十一日止年度內一直維持上市規則規定不少於本公司已發行股份25%之充足公眾持股量。

PERMITTED INDEMNITY PROVISIONS

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

獲准許彌償條文

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

ANNUAL CONFIRMATION OF INDEPENDENCE

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

CHANGE OF AUDITOR

With reference to the announcement of the Company dated 1 June 2017, Deloitte Touche Tohmatsu resigned as the auditor of the Group with effect from 1 June 2017 and ZHONGHUI ANDA CPA LIMITED was appointed as the Group's auditor to fill the casual vacancy following the resignation of Deloitte Touche Tohmatsu with effect from 1 June 2017.

AUDITOR

A resolution will be submitted to the annual general meeting of the Company to re-appoint ZHONGHUI ANDA CPA Limited as the auditor of the Company.

On behalf of the Board

Wang Jing
CHAIRMAN

Hong Kong
30 June 2017

年度之獨立確認書

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

核數師變動

參考本公司日期為二零一七年六月一日之公告，德勤華永會計師事務所有限公司辭任本集團核數師一職，自二零一七年六月一日起生效；以及委任中匯安達會計師事務所有限公司為本集團核數師，以填補德勤華永會計師事務所有限公司辭任後之空缺，自二零一七年六月一日起生效。

核數師

有關續聘中匯安達會計師事務所有限公司為本公司核數師之決議案將於本公司股東週年大會上提呈。

代表董事局

王晶
主席

香港
二零一七年六月三十日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



TO THE SHAREHOLDERS OF
CHINA SINOSTAR GROUP COMPANY LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Sinostar Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 55 to 159, which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

致中國華星集團有限公司所有股東

(於百慕達註冊成立之有限公司)

意見

我們已審核載列於55頁至159頁中國華星集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零一七年三月三十一日之綜合財務狀況報表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表及綜合財務報表附註，包括重大會計政策概要。

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

意見基準

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

KEY AUDIT MATTERS

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

(i) Investment properties

Refer to Note 17 to the consolidated financial statements.

The Group measured its investment properties at fair value with the changes in fair value recognised in the consolidated profit or loss. This fair value measurement is significant to our audit because the balance of investment properties of HK\$206,477,000 as at 31 March 2017 and the fair value loss of HK\$28,315,000 for the year then ended are material to the consolidated financial statements. In addition, the Group's fair value measurement involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- Assessing the competence, independence and integrity of the external valuer engaged by client;
- Obtaining the external valuation reports and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model;
- Checking key assumptions and input data in the valuation model to supporting evidence;
- Checking arithmetical accuracy of the valuation model; and

關鍵審計事項

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

(i) 投資物業

請參照綜合財務報表附註17。

貴集團以公平值計量投資物業，其公平值變動於綜合損益中確認。該公平值計量對我們審計至關重要，因為於二零一七年三月三十一日投資物業結餘為206,477,000港元及截至該日止年度之公平值虧損為28,315,000港元，這對綜合財務報表十分重要。此外，貴集團公平值計量涉及運用判斷及基於假設及估計。

我們的審核程序包括(其中包括)：

- 評估客戶委任之外聘核數師之能力、獨立性及整體性；
- 獲得外部估值報告及與外聘評估師會晤以討論並質疑評估程序、所用方法及市場證據以支持評估模式中應用之重大判斷及假設；
- 檢查估值模式中的主要假設及輸入數據以支持證據；
- 檢查估值模式之運算的準確性；及

KEY AUDIT MATTERS (CONT'D)

(i) Investment properties (CONT'D)

- Assessing the disclosure of the fair value measurement in the consolidated financial statements.

We consider that the Group's fair value measurement of the investment properties is supported by the available evidence.

(ii) Trade debtors

Refer to Note 24 to the consolidated financial statements.

The Group tested the amount of trade debtors for impairment. This impairment test is significant to our audit because the balance of trade debtors of HK\$211,186,000 as at 31 March 2017 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Our audit procedures included, among others:

- Assessing the Group's procedures on granting credit limits and credit periods to customers;
- Assessing the Group's relationship and transaction history with the customers;
- Evaluating the Group's impairment assessment;
- Assessing ageing of the debts;
- Assessing creditworthiness of the customers;
- Checking subsequent settlements from the customers;
- Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.

We consider that the Group's impairment test for trade debtors is supported by the available evidence.

關鍵審計事項(續)

(i) 投資物業(續)

- 評估綜合財務報表中公平值計量的披露。

我們認為貴集團投資物業公平值計量由可用證據支持。

(ii) 貿易應收賬項

參考綜合財務報表附註24。

貴集團測試貿易應收賬項之減值金額。該減值測試對我們審計至關重要，因為於二零一七年三月三十一日貿易應收賬項之結餘為211,186,000港元，這對綜合財務報表至關重要。此外，貴集團減值測試涉及運用判斷且基於估計。

我們的審核程序包括(其中包括)：

- 評估貴集團向客戶授予之信貸限額及信貸期限之程序；
- 評估貴集團與客戶的關係及交易歷史；
- 估計貴集團減值評估；
- 評估債務賬齡；
- 評估客戶之信譽；
- 檢查客戶其後之結算情況；
- 評估貴集團綜合財務報表信貸風險披露。

我們認為貴集團貿易應收賬項減值測試為可用證據支持。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告書

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括貴公司年度報告內的所有資料，但不包括綜合財務報表及我們的核數師報告。其他資料預期於本核數師報告日期後方可向我們提供。

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

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

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製真實而中肯的綜合財務報表，並對其認為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

在編製綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適宜情況下披露與持續經營相關事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無實際其他替代方案。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at: <http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>. This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Wan Ho Yuen

Audit Engagement Director

Practising Certificate Number P04309

Hong Kong, 30 June 2017

核數師就審計綜合財務報表承擔的責任

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

我們於審計綜合財務報表責任之進一步詳情載於香港會計師公會網站：<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>。該詳情為我們審計報告之一部分。

中匯安達會計師事務所有限公司

註冊會計師

溫浩源

審計項目董事

執業證書編號P04309

香港，二零一七年六月三十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

			2017	2016
			二零一七年	二零一六年
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
REVENUE	收入	8	632,015	425,523
Cost of sales	銷售成本		(469,223)	(322,478)
Gross profit	毛利		162,792	103,045
Other income	其他收入	9	91	671
Distribution costs	分銷成本		(43,260)	(42,418)
Administrative expenses	行政費用		(62,703)	(64,141)
Other gain and loss	其他收益及虧損	10	6,247	(3,466)
Decrease in fair value of investment properties	投資物業之公平值減少	17	(28,315)	(5,863)
Finance costs	融資成本	11	(12,248)	(12,781)
Gain on disposal of a subsidiary	出售一間附屬公司之收益		-	10,211
Impairment loss on goodwill	商譽減值虧損		(34,027)	-
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損		(2,935)	-
Impairment loss on investment in an associate	投資聯營公司減值虧損		(3,751)	-
Share of profits of an associate	應佔聯營公司溢利		662	247
LOSS BEFORE TAXATION	除稅前虧損		(17,447)	(14,495)
Taxation	稅務	14	(21,559)	(1,504)
LOSS FOR THE YEAR	年度虧損	12	(39,006)	(15,999)
Other comprehensive expense for the year, net of tax:	年度其他全面開支，扣除稅項：			
Items that may be reclassified to profit or loss:	其後或可重新分類至損益之項目：			
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額		(25,808)	(14,106)
Release of translation reserve upon disposal of a subsidiary	出售附屬公司時換算儲備之撥回		-	5,247
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF TAX	年度其他全面開支，扣除稅項		(25,808)	(8,859)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	年度全面開支總額		(64,814)	(24,858)

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

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

		2017 二零一七年	2016 二零一六年
		Notes 附註	Notes 附註
		HK\$'000 千港元	HK\$'000 千港元
PROFIT/(LOSS) FOR THE YEAR	下列人士應佔年度		
ATTRIBUTABLE TO:	溢利/(虧損):		
Owners of the Company	本公司擁有人	(46,055)	(22,243)
Non-controlling interests	非控股權益	7,049	6,244
		(39,006)	(15,999)
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE YEAR	下列人士應佔年度全面收入/ (開支)總額:		
ATTRIBUTABLE TO:	(開支)總額:		
Owners of the Company	本公司擁有人	(71,948)	(31,132)
Non-controlling interests	非控股權益	7,134	6,274
		(64,814)	(24,858)
LOSS PER SHARE	每股虧損	16	16
– Basic and diluted	– 基本及攤薄	HK\$ cents 港仙 (1.26)	HK\$ cents 港仙 (1.43)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

At 31 March 2017
於二零一七年三月三十一日

			2017	2016
			二零一七年	二零一六年
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
NON-CURRENT ASSETS	非流動資產			
Investment properties	投資物業	17	206,477	208,631
Property, plant and equipment	物業、廠房及設備	18	57,148	39,140
Goodwill	商譽	19	8,512	17,665
Interest in an associate	於聯營公司權益	21	3,703	6,792
Deferred tax assets	遞延稅項資產	22	7,295	18,852
Long-term prepayments	長期預付款	24	455	309
Prepaid land lease payments	預付土地租賃款項	25	44,374	–
Deposit paid for investments	已付之投資按金		–	106,714
Deposit paid for investment properties	已付之投資物業按金		–	12,902
			327,964	411,005
CURRENT ASSETS	流動資產			
Inventories	存貨	23	62,807	54,299
Debtors, deposits and other receivables	應收賬項、按金及其他應收賬項	24	243,395	114,559
Investments held for trading	持作買賣之投資	26	380	451
Amounts due from related companies	應收關連公司款項	28	10,841	–
Bank balances and cash	銀行結餘及現金	29	34,442	249,130
			351,865	418,439
CURRENT LIABILITIES	流動負債			
Creditors and accrued charges	應付賬項及應計費用	30	111,991	73,434
Amount due to immediate holding company	應付直接控股公司款項	27	33,344	175,550
Amounts due to related companies	應付關連公司款項	31	36,100	–
Amount due to a director	應付董事賬款	27	172	172
Current tax liabilities	流動稅項負債		11,684	–
Borrowings	借貸	32	20,477	11,990
Convertible bonds	可換股債券	33	72,174	–
			285,942	261,146
NET CURRENT ASSETS	流動資產淨值		65,923	157,293
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		393,887	568,298

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

At 31 March 2017
於二零一七年三月三十一日

			2017 二零一七年	2016 二零一六年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Long-term creditors	長期應付賬項	30	–	15,011
Borrowings	借貸	32	79,023	107,913
Convertible bonds	可換股債券	33	–	64,399
Deferred tax liabilities	遞延稅項負債	22	–	2,098
			79,023	189,421
NET ASSETS	資產淨值		314,864	378,877
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	34	36,507	36,507
Reserves	儲備		248,837	320,629
Equity attributable to owners of the Company	本公司擁有人應佔權益		285,344	357,136
Non-controlling interests	非控股權益		29,520	21,741
TOTAL EQUITY	總權益		314,864	378,877

The consolidated financial statements on pages 55 to 159 were approved and authorised for issue by the board of directors on 30 June 2017 and are signed on its behalf by:

載於55頁至159頁的綜合財務報表已於二零一七年六月三十日獲董事局批准並授權刊發，並由以下代表簽署：

王晶
Wang Jing
CHAIRMAN
主席

王星喬
Wang Xing Qiao
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium*	Capital reserve*	Translation reserve*	Convertible bonds reserve*	Capital redemption reserve*	Contributed surplus*	Accumulated losses*	Subtotal	Non-controlling interests	Total
		股本	股份溢價*	股本儲備*	匯兌儲備*	債券儲備*	贖回儲備*	繳入盈餘*	累計虧損*	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2015	於二零一五年四月一日	243,381	24,000	144	12,912	61,365	292,448	23,909	(576,115)	82,044	15,256	97,300
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	(14,136)	-	-	-	-	(14,136)	30	(14,106)
Release of translation reserve upon disposal of a subsidiary	出售附屬公司時換算儲備之撥回	-	-	-	5,247	-	-	-	-	5,247	-	5,247
Loss/(profit) for the year	年度虧損/(溢利)	-	-	-	-	-	-	-	(22,243)	(22,243)	6,244	(15,999)
Total comprehensive (expense)/income for the year	年度全面(開支)/收入總額	-	-	-	(8,889)	-	-	-	(22,243)	(31,132)	6,274	(24,858)
Placing of shares	配售股份	48,676	11,682	-	-	-	-	-	-	60,358	-	60,358
Transaction costs incurred in connection with placing of shares	配售股份產生之交易成本	-	(759)	-	-	-	-	-	-	(759)	-	(759)
Deemed partial disposal of a subsidiary	被視為出售附屬公司部份權益	-	-	27	-	-	-	-	-	27	(27)	-
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東注資	-	-	-	-	-	-	-	-	-	108	108
Reduction of share capital upon capital reorganisation	股本重組時之股本削減	(284,756)	-	-	-	-	284,756	-	-	-	-	-
Issue of shares upon open offer	公開發售時發行股份	29,206	221,963	-	-	-	-	-	-	251,169	-	251,169
Transaction costs incurred in connection with open offer	公開發售產生之交易成本	-	(4,571)	-	-	-	-	-	-	(4,571)	-	(4,571)
Recognition of equity-settled share-based payments	確認以權益結算以股份為基礎支付之款項	-	-	-	-	-	-	-	-	-	130	130
At 31 March 2016	於二零一六年三月三十一日	36,507	252,315	171	4,023	61,365	577,204	23,909	(598,358)	357,136	21,741	378,877

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium*	Capital reserve*	Translation reserve*	Convertible bonds reserve*	Capital redemption reserve*	Contributed surplus*	Accumulated losses*	Subtotal	Non- controlling interests	Total
		股本	股份溢價*	股本儲備*	匯兌儲備*	可換股 債券儲備*	資本 贖回儲備*	繳入盈餘*	累計虧損*	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2016	於二零一六年 四月一日	36,507	252,315	171	4,023	61,365	577,204	23,909	(598,358)	357,136	21,741	378,877
Exchange difference arising on translation of foreign operations	換算海外業務產生 之匯兌差額	-	-	-	(25,893)	-	-	-	-	(25,893)	85	(25,808)
Loss/(profit) for the year	年度虧損/(溢利)	-	-	-	-	-	-	-	(46,055)	(46,055)	7,049	(39,006)
Total comprehensive (expense)/income for the year	年度全面(開支)/ 收入總額	-	-	-	(25,893)	-	-	-	(46,055)	(71,948)	7,134	(64,814)
Deemed partial disposal of a subsidiary	被視為出售附屬 公司部份權益	-	-	156	-	-	-	-	-	156	(156)	-
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股 股東注資	-	-	-	-	-	-	-	-	-	589	589
Recognition of equity- settled share-based payments	確認以權益結算 以股份為基礎 支付之款項	-	-	-	-	-	-	-	-	-	212	212
At 31 March 2017	於二零一七年 三月三十一日	36,507	252,315	327	(21,870)	61,365	577,204	23,909	(644,413)	285,344	29,520	314,864

* These reserve accounts comprise the consolidated reserves in the consolidated statement of financial position.

* 該等儲備賬目構成綜合財務狀況表之綜合儲備。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(17,447)	(14,495)
Adjustments for:	調整：		
Finance costs	融資成本	12,248	12,781
Decrease in fair value of investment properties	投資物業之公平值減少	28,315	5,863
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,097	1,340
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	782	-
Allowance for doubtful debts	呆賬撥備	712	683
Allowance for obsolete and slow-moving inventories	陳舊及滯銷存貨之撥備	873	159
Share-based payments	以股份為基礎之付款	212	130
Decrease in fair value of investments held for trading	持作買賣投資公平值減少	71	2
Gain on disposal of a subsidiary	出售附屬公司產生之收益	-	(10,211)
Gain on disposal of investment properties	出售投資物業產生之收益	(9,259)	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	370	-
Share of profits of an associate	應佔聯營公司溢利	(662)	(247)
Interest income	利息收入	(18)	(54)
Impairment loss on goodwill	商譽減值虧損	34,027	-
Impairment loss on investment in an associate	於一間聯營公司投資減值虧損	3,751	-
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	2,935	-
Dividend income from investments held for trading	持作買賣投資之股息收入	(9)	(8)
Operating cash flows before movements in working capital	於運營資金變動前之運營現金流	62,998	(4,057)
Change in inventories	存貨變動	(9,381)	20,665
Change in debtors, deposits and other receivables	應收賬項、按金及其他應收賬項變動	(211,228)	9,547
Change in creditors and accrued charges	應付賬項及應計費用變動	16,398	(42,766)
Cash used in operations	運營所用之現金	(141,213)	(16,611)
Dividend income from investments held for trading	持作買賣投資之股息收益	9	8
Taxation in other jurisdictions paid	其他司法區已付稅項	(416)	-
Net cash used in operating activities	經營活動所用之現金淨額	(141,620)	(16,603)

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

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生之現金流量		
Net cash inflow from disposal of a subsidiary	出售附屬公司產生之現金流入淨額	–	5,938
Dividend received from an associate	自聯營公司收取之股息	–	300
Interest received	已收利息	18	54
Deposit paid for investments	已付投資按金	–	(106,714)
Refund of deposit paid for investments	退還已付投資按金	106,714	–
Acquisition of a subsidiary	收購一間附屬公司	(14,751)	(15,398)
Settlement of consideration payable for acquisition of subsidiaries in previous year	結算上年度收購附屬公司之應付代價	(19,613)	–
Deposit paid for investment properties	已付投資物業按金	–	(12,902)
Purchase of investment properties	購買投資物業	(30,260)	(11,334)
Proceeds from disposal of investment properties	出售投資物業所得款項	23,611	–
Settlement of consideration receivable from disposal of a subsidiary in previous year	結算上年度出售附屬公司之應收代價	81,534	–
Purchase of prepaid land lease payments	購買預付土地租賃款項	(45,156)	–
Advance to immediate holding company	預付直接控股公司款項	(237,872)	(6,769)
Advance to related companies	預付關聯公司款項	(10,841)	–
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	492	–
Purchase of property, plant and equipment	購買物業、廠房及設備	(12,203)	(1,060)
Net cash flows used in investing activities	投資活動所用現金流量淨額	(158,327)	(147,885)

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

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生之現金流量		
Advance from immediate holding company	直接控股公司墊款	95,666	200,248
Advance from related companies	關聯公司墊款	36,100	-
New borrowings raised	新籌集借款	-	414,689
Proceeds from placing of shares	配售股份所得款項	-	60,358
Proceeds from open offer	公開發售所得款項	-	51,616
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股權益出資	589	108
Repayment of borrowings	償還借款	(20,403)	(294,786)
Repayment to immediate holding company	償還直接控股公司款項	-	(41,523)
Interest on bank and other borrowings paid	銀行及其他已付借款利息	(14,572)	(8,409)
Transaction costs incurred in connection with open offer	公開發售產生之交易成本	-	(4,571)
Transaction costs incurred in connection with placing of shares	配售股份產生之交易成本	-	(759)
Net cash flows generated from financing activities	融資活動所得現金流量淨額	97,380	376,971
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物(減少)/增加淨額	(202,567)	212,483
Cash and cash equivalents at beginning of year	年初現金及現金等值物	249,130	36,718
Net foreign exchange difference	匯兌差額淨額	(12,121)	(71)
Cash and cash equivalents at end of year	年末現金及現金等值物	34,442	249,130
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	分析現金及現金等值物結餘		
Bank balances and cash	銀行結餘及現金	34,442	249,130

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION

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

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

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

1. 一般資料

本公司為於百慕達註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之直接控股公司為達榮資本有限公司，該公司於薩摩亞註冊成立。本公司之最終控股公司為遼寧實華（集團）房地產開發有限公司，於中華人民共和國（「中國」）成立。本公司之註冊辦事處及主要營業地點披露於年度報告之公司資料章節內。

綜合財務報表以港元呈列，港元亦為本公司之功能貨幣。

本公司主要活動為投資控股，其主要附屬公司從事設計及銷售一系列電子產品、銷售及安裝電梯、水電站運營及管理、物業投資及證券買賣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. ADOPTION OF 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 2016. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); 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 HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

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

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and investments held for trading which are carried at their fair values.

2. 採納新訂及經修訂之香港財務報告準則

於本年度，本集團已採用香港會計師公會（「香港會計師公會」）頒佈的所有新訂及經修訂香港財務報告準則（「香港財務報告準則」），該等準則與其運營相關且於二零一六年四月一日開始之會計年度生效。香港財務報告準則包括香港財務報告準則（「香港財務報告準則」）；香港會計準則（「香港會計準則」）及詮釋。採用該等新訂及經修訂香港財務報告準則不會導致本集團會計政策、本集團財務報表之呈列及本年度及過往年度呈報之金額產生重大變動。

本集團並未應用已頒佈但尚未生效之新訂香港財務報告準則。應用該等新香港財務報告準則對本集團之財務報表不會構成重大影響。本集團正在評估該等新香港財務報告準則之影響，但並未表明該等新訂香港財務報告準則是否對其經營業績及財務狀況造成重大影響。

3. 重大會計政策

本綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則、香港一般採用的會計原則及香港聯合交易所有限公司證券上市規則及香港公司條例規定的適用披露編製。

本綜合財務報表乃按歷史成本法編製，並經重估投資物業及以公平值計量之持作買賣投資的公平值修改。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 4 to the consolidated financial statements.

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

(a) 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. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

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

3. 重大會計政策(續)

編製符合香港財務報告準則之綜合財務報表須採用若干主要假設及估計。亦須董事於運用會計政策過程中行使其判斷。涉及重大判斷及該等假設及估計對本綜合財務報表有重大影響之區域披露於綜合財務報表附註4。

編製本綜合財務報表所運用之重大會計政策載列如下。

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司直至三月三十一日止的財務報表。附屬公司為本集團擁有其控制權的實體。當本集團可獲得或有權獲得因參與實體業務所得之可變回報，且有能力透過行使其對實體之權力影響該等回報時，則本集團控制該實體。當本集團有權力掌控其有關業務(即重大影響實體回報之業務)時，則本集團對該實體擁有控制權。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有之潛在投票權，以釐定其是否擁有控制權。僅在持有人能實際行使潛在投票權之情況下，方會考慮其權利。

附屬公司之賬目由其控制權轉至本集團當日起綜合入賬，直至控制權終止之日起不再綜合入賬。

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(a) Consolidation (CONT'D)

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.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

3. 重大會計政策(續)

(a) 綜合賬目(續)

出售一間附屬公司致使控制權喪失之盈虧為(i)出售代價之公平值加於該附屬公司保留之任何投資之公平值，及(ii)本公司應佔該附屬公司之資產淨值加任何有關該附屬公司之餘下商譽以及任何有關累計外幣匯兌儲備兩者之間之差額。

集團內公司間之交易、結餘及未變現溢利予以對銷。除非交易提供已轉讓資產出現減值之憑證，未變現虧損亦予以對銷。附屬公司之會計政策在必要時會作出更改，以確保與本集團所採納之政策一致。

非控股權益指不直接或間接屬於本公司應佔之附屬公司權益。非控股權益乃於綜合財務狀況表及綜合權益變動表之權益內呈列。於綜合損益及其他全面收益表內，非控股權益以年度溢利或虧損及全面收益總額在非控股股東與本公司擁有人之間之分配呈列。

損益及其他全面收益項目歸屬於本公司擁有人及非控股股東，即使這將導致非控股權益出現虧絀結餘。

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

(a) Consolidation (CONT'D)

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.

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

3. 重大會計政策(續)

(a) 綜合賬目(續)

倘本公司於附屬公司之擁有權權益出現變動，但並無導致本集團失去對該附屬公司之控制權，則按權益交易入賬(即以擁有人身份與擁有人進行交易)。控股與非控股權益之賬面值會作出調整，以反映其於附屬公司之相關權益之變動。非控股權益之已調整款額與已付或已收代價之公平值兩者間之任何差額，均直接於權益中確認並歸屬於本公司擁有人。

(b) 業務合併及商譽

收購法入賬用於收購附屬公司的業務合併。收購成本是按所獲得資產、已發行股本工具、所產生之負債及或然代價於收購日之公平值計量。收購相關成本於成本產生及收到服務時確認為費用。收購附屬公司之可識別資產及負債按收購日之公平值計量。

收購成本高於本公司應佔附屬公司可識別資產及負債之公平值淨額之部分確認為商譽。本公司應佔可識別資產及負債之公平值淨額高於收購成本之任何差額於綜合損益中確認為議價收購收益並歸屬於本公司。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(b) Business combination and goodwill (CONT'D)

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, available-for-sale investment), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

3. 重大會計政策(續)

(b) 業務合併及商譽(續)

倘業務合併分階段達成，則先前持有附屬公司的權益股權按收購日之公平值重新計量，且所產生的損益於綜合損益中確認。在收購成本中加入公平值以計算商譽。

倘過往所持附屬公司股權的價值變動已於其他全面收益內確認(如可供出售投資)，則於其他全面收益內確認的金額按過往所持股權被出售時的相同基準確認。

商譽會每年進行減值測試，或於有事件或情況改變顯示可能出現減值時更頻繁地進行減值測試。商譽按成本減累計減值虧損計量。商譽減值虧損的計量方法與下文會計政策所述其他資產的計量方法相同。商譽的減值虧損於綜合損益內確認，且隨後不予撥回。就減值測試而言，商譽將分配至預期因收購事項的協同效益而獲益的現金產生單位。

附屬公司的非控股權益乃初步按非控股股東應佔該附屬公司於收購日的可識別資產及負債的公平淨值比例計量。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(c) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

3. 重大會計政策(續)

(c) 聯營公司

聯營公司是指本集團對其有重大影響力的實體。重大影響力乃指有權參與實體的財務及經營政策決策但非控制或共同控制該等政策的權力。於評估本集團是否具有重大影響力時，會考慮現時可行使或可轉換的潛在表決權(包括其他實體持有的潛在表決權)的存在及影響。評估潛在表決權是否擁有重大影響力時，持有人的意向及是否具有財政能力行使或轉換該權利均不予考慮。

於聯營公司的投資以權益法於綜合財務報表入賬，且初步按成本確認。於收購中，該聯營公司的可識別資產及負債於收購日按公平值計量。收購成本超出本集團分佔聯營公司可識別資產及負債的公平淨值差額列為商譽。商譽計入投資的賬面值，且倘有客觀證據顯示投資出現減值，則於各報告期末時就投資進行減值測試。本集團分佔可識別資產及負債公平淨值超出收購成本的任何差額於綜合損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(c) Associates (CONT'D)

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. 重大會計政策(續)

(c) 聯營公司(續)

本集團應佔聯營公司之收購後溢利或虧損於綜合損益確認，而其應佔之收購後儲備變動則於綜合儲備確認。累計收購後變動根據投資之賬面值作出調整。當本集團應佔聯營公司之虧損相等於或超逾其於聯營公司之權益(包括任何其他無抵押應收款)時，本集團不會進一步確認虧損，惟其須代表該聯營公司承擔責任或作出付款則除外。倘聯營公司其後錄得溢利，則本集團僅於其應佔溢利與未確認之應佔虧損相等後方會繼續確認其應佔溢利。

出售一間聯營公司導致失去重大影響力之收益或虧損指(i)出售代價之公平值加該聯營公司保留任何投資之公平值與(ii)本集團應佔該聯營公司之淨資產加與該聯營公司有關之任何剩餘商譽及任何有關累計外幣換算儲備之間的差額。倘於聯營公司之投資成為合營公司之投資，則本集團將繼續應用權益法，且不會重新計量保留權益。

本集團與其聯營公司進行交易的未變現溢利按本集團於聯營公司的權益比例對銷。未變現虧損亦會對銷，惟除非該交易有證據顯示所轉讓資產出現減值。倘有需要，聯營公司的會計政策會作出變更，以確保本集團所採納的政策一致。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(d) Foreign currency translation

(i) 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 presentation currency and functional currency.

(ii) 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.

3. 重大會計政策(續)

(d) 外幣換算

(i) 功能及呈報貨幣

本集團各實體之財務報表所列項目均以該實體營運所在主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表乃以本公司之呈報貨幣及功能貨幣港元呈列。

(ii) 各實體財務報表中之交易及結餘

初步確認時，外幣交易採用交易日期的當日匯率換算為功能貨幣。以外幣計值的貨幣資產及負債以各報告期末的匯率換算。該換算政策所產生的收益及虧損在損益中確認。

以按公平值計量的外幣計值非貨幣項目採用釐定公平值當日的匯率換算。

當非貨幣項目的收益或虧損於其他全面收益確認，該收益或虧損的任何換算部分會於其他全面收益確認。當非貨幣項目的收益或虧損於損益確認，則有關收益或虧損的任何換算部分會於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(d) Foreign currency translation (CONT'D)

(iii) 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:

- 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;
- Income and expenses 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
- 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.

3. 重大會計政策(續)

(d) 外幣換算(續)

(iii) 綜合賬目之換算

本集團內所有功能貨幣與本公司呈報貨幣有別之實體之業績及財務狀況乃按下列方式換算為本公司之呈報貨幣：

- 各財務狀況表之資產及負債均按照該財務狀況表日期之收市匯率換算；
- 收入及開支按平均匯率換算(除非該平均匯率並非為交易日期之適用匯率累計影響之合理約數，在該情況下，收入及開支按交易日期之匯率換算)；及
- 所產生之全部匯兌差額確認為外幣換算儲備。

於綜合賬目，因換算海外實體投資淨額及借貸產生之匯兌差額於外幣換算儲備確認。當出售海外業務時，該等匯兌差額於綜合損益確認為出售盈虧的一部分。

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

(d) Foreign currency translation (CONT'D)

(iii) Translation on consolidation (CONT'D)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

3. 重大會計政策(續)

(d) 外幣換算(續)

(iii) 綜合賬目時之換算(續)

收購海外實體時產生之商譽及公平值調整乃作為該境外實體之資產及負債處理，並以收市匯率換算。

(e) 物業、廠房及設備

物業、廠房及設備按成本減去累計折舊及減值虧損列賬。物業、廠房及設備項目的成本包括其收購價及任何使資產達到其預期用途的工作條件和地點的直接應佔成本。

後續成本僅在可能於與該項目有關之未來經濟利益流入本集團，而該項目之成本能可靠計量時計入資產賬面值或確認為獨立資產(如適用)，所有其他維修和維護在發生期間確認為損益。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(e) Property, plant and equipment (CONT'D)

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

Hydroelectric power stations and related infrastructure	2%
Computer equipment	25%
Furniture, fixtures and equipment	10-25%
Leasehold improvement	3%
Motor vehicles	20-25%
Plant and machinery	5-30%

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.

(f) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. An investment property including property that is being constructed or developed for future use as investment property is measured initially at its cost including all direct costs attributable to the property.

3. 重大會計政策(續)

(e) 物業、廠房及設備(續)

物業、廠房及設備以直線法按其成本減剩餘價值之比率，於估計可使用年期以足以撇銷之比率計算折舊。估計可使用年期如下：

水電站及相關基礎設施	2%
電腦設備	25%
傢俬、裝置及設備	10-25%
租賃物業裝修	3%
汽車	20-25%
廠房及機器	5-30%

在每個報告期末，檢討和調整(如適用)剩餘價值、可使用年期及折舊方法。

出售物業、廠房及設備之收益或虧損是銷售所得款項淨額與相關資產賬面值之間的差額，並於損益中確認。

(f) 投資物業

投資物業是為賺取租金及／或資本增值而持有的物業。投資物業，包括正在建造或開發作未來投資物業的物業，初始按成本計量，其中包括該物業應佔所有直接成本。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(f) Investment properties (CONT'D)

After initial recognition, the investment property is stated at its fair value based on valuation by an external independent valuer. Gains or losses arising from changes in fair value of the investment property are recognised in profit or loss for the period in which they arise.

Property that is being constructed or developed for future use as investment property is stated at cost less impairment losses until construction or development is complete, at which time it is stated at fair value. The difference between the fair value and the previous carrying amount is recognised in profit or loss.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

(g) Leases

The Group as lessee

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

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.

3. 重大會計政策(續)

(f) 投資物業(續)

初始確認後，投資物業按公平值列賬，即基於外部獨立估值師釐定之價值。投資物業公平值變動產生的損益，在其產生期間於損益中確認。

正在建設或開發作未來投資物業，以成本減去減值虧損列賬，於建造或開發完成後以公平值列賬。公平值與先前賬面值之間的差額於損益中確認。

出售一項投資物業之收益或虧損為該物業銷售所得款項淨額與賬面值之間的差額，並於損益中確認。

(g) 租賃

本集團作為承租人

並無實質上將資產擁有權之一切風險及回報轉讓予本集團之租賃列為經營租約。租賃款項(扣除自出租人收取之任何優惠)按租賃期以直線法確認為開支。

本集團作為出租人

並無實質上將資產擁有權之一切風險及回報轉讓予承租人之租賃列為經營租約。經營租賃所得之租金收入按相關租賃期以直線法確認。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted average basis. 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.

(i) 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.

3. 重大會計政策(續)

(h) 存貨

存貨以成本及可變現淨值之較低者列賬。成本按加權平均法釐定。可變現淨值指在日常業務過程中之估計售價，減估計完成成本及進行銷售所需的估計成本

(i) 金融工具的確認及終止確認

金融資產及金融負債在本集團成為該等工具合約條文之訂約方時，在財務狀況表中確認。

當從資產收取現金流量之合約權利已屆滿；本集團已將資產擁有權之絕大部分風險及回報轉移；或本集團並無轉移及保留資產擁有權之絕大部分風險及回報但並未保留對資產之控制權，則金融資產將被終止確認。於終止確認金融資產時，資產賬面值與已收代價及已於其他全面收入確認之累計盈虧兩者總和之差額將於損益確認。

當於有關合約之特定責任獲解除、取消或屆滿，則金融負債將被終止確認。終止確認之金融負債賬面值與已付代價之間的差額乃於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(j) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in profit or loss.

(k) 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.

3. 重大會計政策(續)

(j) 投資

倘根據投資合約條款須於有關市場所規定的期限內購入或出售投資，則投資按交易日確認入賬及終止確認，並按公平值加直接應佔交易成本作初步計算，惟按公平值計入損益的金融資產則除外。

按公平值計入損益之金融資產

初步確認時，按公平值計入損益的金融資產均為持作買賣或指定為按公平值計入損益的投資。此等投資其後按公平值計量。此等投資公平值變動產生的盈虧均於損益內確認。

(k) 貿易及其他應收賬項

貿易及其他應收賬項為固定或可釐定付款之非衍生金融資產，沒有在活躍市場中報價，並初步按公平值確認，其後則採用實際利率法按攤銷成本減減值撥備計量。貿易及其他應收賬項之減值撥備於出現客觀證據顯示本集團無法按應收賬項之原有條款收回所有到期金額時確認。撥備金額為應收賬項之賬面值與估計未來現金流量現值(按初步確認時計算所得之實際利率折現計算)間之差額。撥備金額於損益確認。

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

(k) Trade and other receivables (CONT'D)

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.

(l) 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.

(m) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

3. 重大會計政策(續)

(k) 貿易及其他應收賬項(續)

當應收賬項之可收回金額增加能與確認減值後所發生之事件客觀有關，則減值虧損於其後期間撥回並於損益確認，惟於減值日撥回之應收賬項賬面值不得高於倘並無確認減值之攤銷成本。

(l) 現金及現金等價物

就現金流量表而言，現金及現金等值項目包括銀行及手頭現金、存於銀行及其他金融機構之活期存款以及可隨時轉換為已知數額現金而價值變動風險不大之短期高流通量投資。須按要求償還並構成本集團現金管理部分之銀行透支亦計入現金及現金等價物之一部分。

(m) 金融負債及權益工具

金融負債及權益工具根據所訂立合約安排的內容及香港財務報告準則下金融負債及權益工具的定義進行分類。股本工具為本集團扣除其所有負債後之剩餘資產權益之任何合約。以下載列了就特定金融負債及股本工具所採納之會計政策。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(n) 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.

(o) Convertible bonds

Convertible bonds which entitle the holder to convert the bonds into a fixed number of equity instruments at a fixed conversion price are regarded as compound instruments consist of a liability and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The fair value of any derivative features embedded in the compound instruments is included in the liability component. The difference between the proceeds of issue of the convertible bonds and the fair values assigned to the liability component, representing the embedded option for the holder to convert the bonds into equity of the Group, is included in equity as capital reserve. The liability component is carried as a liability at amortised cost using the effective interest method until extinguished on conversion or redemption. The derivative components are measured at fair value with gains and losses recognised in profit or loss.

Transaction costs are apportioned between the liability and equity components of the convertible bonds based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly to equity.

3. 重大會計政策(續)

(n) 借貸

借貸初步按公平值(扣除所產生之交易成本)確認, 期後採用實際利率法按攤銷成本計量。

借貸歸類為流動負債, 除非本集團享有無條件權利可將償還負債之期限推遲至報告期後至少12個月。

(o) 可換股債券

授權持有人以固定轉換價格將債券轉換為固定數量的權益工具的可轉換債券被視為由負債和權益部分組成的複合工具。發行當日, 負債部分的公平值按照類似的不可轉換債項的現行市場利率估計。複合工具附帶的任何衍生特性的公平值計入負債部分。發行可換股債券所得款項與分派至負債部分的公平值(代表持有人將該債券轉換為本集團權益的嵌入式期權)之間的差額, 計入權益中作為資本儲備。負債部分採用實際利率法按攤銷成本列賬為負債, 直至轉換或贖回方予註銷。衍生部分按公平值計量, 收益及虧損於損益中確認。

交易成本乃根據可換股債券負債及權益部分於發行日之相關賬面值予以分配。權益部分的分配直接於權益扣除。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(p) 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.

(q) Equity instruments

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

(r) 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.

(i) Revenues from the sales of goods are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

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

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

3. 重大會計政策(續)

(p) 貿易及其他應付款項

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

(q) 股本工具

本公司發行之股本工具乃按已收所得款項(扣除直接發行成本)入賬。

(r) 收益確認

收入按已收或應收代價之公平值計量，並於經濟利益將流入本集團且能夠可靠計算收益時確認。

(i) 銷售商品之收益於所有權之重大風險及回報轉移時確認，一般與貨物交付並將擁有權轉移予客戶時同步進行。

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

(iii) 投資產生之股息收益於本集團收取該款項之權利確立時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(s) Employee benefits

(i) 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.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

3. 重大會計政策(續)

(s) 僱員福利

(i) 僱員享有之假期

僱員年假及長期服務假於僱員享有休假時確認。本公司會就僱員直至報告期末之服務年期所享有年假及長期服務假期估計須承擔之負債作出撥備。

僱員病假及產假於實際休假時始予確認。

(ii) 退休金責任

本集團為所有僱員向定額供款退休計劃供款。本集團及僱員之計劃供款根據僱員基本薪金之百分比計算。自損益扣除退休福利計劃成本代表本集團須向基金支付之供款。

(iii) 終止僱用福利

終止僱用福利於本集團不能提供該等福利時及本集團確認重組成本並涉及支付終止僱用福利時(以較早日期為準)確認。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(t) Share-based payments

The Group issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

(u) 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.

3. 重大會計政策(續)

(t) 以股份為基礎的付款

本集團發行以權益結算及以現金結算以股份支付之款項予若干僱員。以權益結算並以股份支付之款項乃於權益工具授出日按公平值(不包括非市場形式歸屬條件影響)計量。以權益結算並以股份支付之款項於授出日釐定之公平值,乃根據本集團對最終將歸屬之股份估計及就非市場形式歸屬條件之影響作調整後,於歸屬期按直線法列作開支。

(u) 借貸成本

因收購、建造或生產合資格資產(指需要相當長時間準備作擬定用途或出售之資產)而直接產生之借貸成本乃擴充為資產成本的一部份,直至該等資產大致上已準備就緒作擬定用途或出售。在符合資本化條件的資產支出之前,對特定借款的臨時投資所得的投資收入,從符合資本化條件的借款費用中扣除。

如借貸之一般目的及用途為獲取合資格資產,合資格資本化之借貸成本金額則採用資本化比率計算該項資產開支之方法釐定。資本化比率為適用於本集團於該期間未償還借貸之借貸成本加權平均值,但為獲得合資格資產之特別借貸除外。

所有其他借貸成本於產生期間在損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(v) 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.

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.

3. 重大會計政策(續)

(v) 稅項

所得稅指其即期稅項及遞延稅項之總和。

應繳即期稅項按年內應課稅溢利計算。由於不包括其他年度應課稅或可扣稅收入或開支項目及從不課稅或不可扣稅項目，應課稅溢利與於損益中確認之溢利不同。本集團之即期稅項負債按報告期末已頒佈或實際上頒佈之稅率計算。

遞延稅項就財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基兩者間之差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現應課稅溢利，以致可扣稅暫時差額、未動用稅項虧損或未動用稅項抵免可予動用時確認。倘因商譽或因初步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)中其他資產及負債引致之暫時差額，則不會確認該等資產及負債。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(v) Taxation (CONT'D)

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.

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 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.

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

3. 重大會計政策(續)

(v) 稅項(續)

除非本集團可控制暫時差額撥回及暫時差額不大可能於可見將來撥回，否則會就附屬公司的投資所產生的應課稅暫時差額確認遞延稅項負債。

遞延稅項資產的賬面值乃於各報告期末進行檢討，如不再有足夠應課稅溢利可供收回全部或部分資產則遞延稅項資產須相應減少。

遞延稅項乃按預期於報告期末已頒佈或實質上頒佈的稅率結算負債或變現資產期間應用的稅率計算。遞延稅項在損益內確認，惟當遞延稅項與在其他全面收入或直接於權益內確認的項目有關則除外，而在此情況下，遞延稅項亦在其他全面收入或直接於權益內確認。

延稅項資產及負債之計量反映隨本集團預期於報告期末收回或償還其資產及負債賬面值所產生之稅務後果。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(v) Taxation (CONT'D)

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

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.

(w) 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 Company.

3. 重大會計政策(續)

(v) 稅項(續)

為計量使用公平值模型計量的投資物業的遞延稅款，該物業的賬面值被假設為通過出售收回，除非假設被駁回。倘投資物業會折舊，並以本集團一個商業模式持有，而此模式並非透過出售形式而是旨在於一段時間內使用該投資物業所包含之絕大部份經濟利益，則有關假設會被駁回。倘有關假設被駁回，則該等投資物業之遞延稅項根據物業收回之預計方式計量。

倘在法律上可強制執行權利以即期稅項資產抵銷即期稅項負債，並於遞延稅項資產及負債與同一徵稅機關對應納稅實體或有意按淨額基準結算餘額的不同納稅實體徵收的所得稅時，遞延稅項資產及負債抵銷。

(w) 關聯方

關聯方指與本集團有關聯的個人或實體。

- (a) 一名個人或其近親將被視為本集團的關聯方，倘該個人：
- (i) 能夠控制或共同控制本集團；
 - (ii) 對本集團有重大影響；及
 - (iii) 為本公司或者本公司之母公司主要管理人員的一員。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(w) Related parties (CONT'D)

- (b) An entity is related to the Group (reporting entity) 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.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).

3. 重大會計政策(續)

(w) 關聯方(續)

- (b) 一個實體將被視為本集團的關聯方(報告實體)，倘該實體符合以下任一情況：
- (i) 該實體及本公司為同一集團內的成員公司(即每個母公司、附屬公司及同系附屬公司均互相為關聯方)。
 - (ii) 一個實體為另一實體的聯營公司或合營公司(或為該集團成員公司的聯營公司或合營公司，且另一實體為該集團成員)。
 - (iii) 兩個實體均為同一第三方的合營公司。
 - (iv) 一個實體為第三方的合營公司，且另一實體為該第三方的聯營公司。
 - (v) 該實體是為本集團或為本集團關聯實體的僱員福利而設的離職後福利計劃。倘本集團本身為一項計劃，則贊助的僱主亦為本集團的關聯方。
 - (vi) 該實體由(a)中識別的個人控制或共同控制。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(w) Related parties (CONT'D)

(b) (CONT'D)

- (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).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

(x) 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 in different geographical locations.

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.

3. 重大會計政策(續)

(w) 關聯方(續)

(b) (續)

- (vii) (a)(i)中識別的一名個人對該實體構成重大影響，或為該實體(或實體的母公司)的關鍵管理人員。
- (viii) 該實體或實體所屬集團的任何成員公司向本公司或本公司的母公司提供主要管理人員服務。

(x) 分類呈報

經營分類及各分類項目於財務報表內呈報之金額，是根據定期提供予本集團最高行政管理層就分配資源及評估本集團於不同地理位置之各業務範疇表現之財務資料中識別出來。

就財務報告而言，除非分類具備相似之經濟特徵及在產品及服務性質、生產過程性質、客戶類型或類別、用於分銷產品或提供服務之方法以及監管環境之性質方面相似，否則各個重大經營分類不會進行合算。個別非重大之經營分類如符合上述大部分準則，則可進行合算。

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3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

(y) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except goodwill, investment properties, deferred tax assets, investments, 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 of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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.

3. 重大會計政策(續)

(y) 資產減值

於各報告期末，本集團均會審閱其有形及無形資產(商譽、投資物業、遞延稅項資產、投資、存貨及應收賬項除外)之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。如有任何有關跡象，則會估計資產之可收回金額，以釐定減值虧損之程度。如不可能估計個別資產之可收回金額，則本集團會估計資產所屬現金產生單位之可收回金額。

可收回金額為公平值減去出售成本及使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃以稅前折現率折現至現值，以反映市場現時所評估之時間價值及該資產之特定風險。

倘資產或現金產生單位之可收回金額估計將少於其賬面值，則資產或現金產生單位之賬面值會減少至其可收回金額。減值虧損會即時於損益內確認，惟有關資產乃按重估數額列賬則除外，而在該情況下，減值虧損會被視為重估減幅。

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

(y) Impairment of assets (CONT'D)

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.

(z) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

3. 重大會計政策(續)

(y) 資產減值(續)

倘減值虧損其後撥回，則資產或現金產生單位之賬面值會增加至所估算之經修訂可收回金額，惟按此所增加之賬面值不會高於假設以往年度並無就資產或現金產生單位確認減值虧損而原應已釐定之賬面值(扣除攤銷或折舊)。所撥回之減值虧損會即時於損益內確認，惟有關資產乃按重估數額列賬則除外，而在該情況下，所撥回之減值虧損會被視為重估增值。

(z) 撥備及或然負債

當本集團須就已發生的事件承擔現有法律或推定責任，因而有可能會導致經濟效益外流以解除該責任且在可以作出可靠的估計時，本集團便會就該時間或數額不定的負債計提撥備。倘時間價值屬重大時，則按預期解除該責任所需支出的現值計提撥備。

倘需要經濟效益外流的可能性較低，或無法對有關金額作出可靠的估計，則該責任作為或然負債披露，但經濟效益外流的可能性極低則除外。倘本集團的潛在責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或然負債，但經濟效益外流的可能性極低則除外。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(aa) 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.

4. 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.

(a) Deferred taxation on investment properties

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred tax for investment properties, the directors have rebutted the presumption that investment properties measured using the fair value model are recovered through sale.

3. 重大會計政策(續)

(aa) 報告期後事項

提供有關本集團於報告期末狀況之額外資料或顯示持續經營假設並不恰當之報告期後事項均屬於調整事項，並於財務報表內反映。當屬重大時，報告期後事項之未調整事項於綜合財務報表的附註內披露。

4. 重要判斷及主要估計

應用會計政策時之重大判斷

於應用會計政策過程中，董事作出如下對財務報表中已確認之金額有最重大影響之判斷。

(a) 於投資物業之遞延稅項

以公平值計量模型計算的投資物業之遞延稅項而言，董事已審閱本集團之投資物業組合，總結為本集團之該等物業以通過時間之推移而非通過銷售消耗該投資物業所含絕大部分經濟利益為目標之商業模式持有。因此，於釐定本集團於投資物業之遞延稅項時，董事已推翻使用公平值模型計量之投資物業賬面值乃透過出售予以收回之假設。

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4. CRITICAL JUDGEMENTS AND KEY
ESTIMATES (CONT'D)

Key sources of estimation uncertainty

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

(a) Impairment of trade debtors

Impairment of trade debtors is made based on an assessment of the recoverability of trade debtors. The assessment of impairment of trade debtors involves the use of estimates and judgments. An estimate for doubtful debts is made when collection of the full amount is no longer probable, as supported by objective evidence using available contemporary and historical information to evaluate the exposure. Bad debts are written off as incurred. Where the actual outcome or expectation in the future is different from the original estimates, such differences will affect the carrying amount of trade debtors and thus the impairment loss in the period in which such estimate is changed.

(b) Fair values of investment properties

The Group appointed an independent professional valuer to assess the fair values of the investment properties. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

4. 重要判斷及主要估計(續)

估計不確定因素之主要來源

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

(a) 應收貿易賬款減值

應收貿易賬款之減值乃根據評估應收貿易賬款之可收回性。應收貿易賬款之減值評估包括運用估計與判斷。當根據當前及過往資料評估風險時，客觀證據顯示不能收回全數款項，則進行呆賬估計。壞賬於產生時撇銷。若未來的實際情況或預期有別於原有估計，則有關差額於有關估計改變期間將影響應收貿易賬款的賬面值，並因而影響減值虧損。

(b) 投資物業之公平值

本集團委任獨立專業評估師以估計投資物業之公平值。於釐定公平值時，估值師運用涉及若干估計之估值方法。本公司董事已作出判斷並信納估值方法可反映當前市場情況。

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4. CRITICAL JUDGEMENTS AND KEY
ESTIMATES (CONT'D)

Key sources of estimation uncertainty (CONT'D)

(c) Allowances for inventories

The management of the Group reviews the physical conditions and saleability of inventories at the end of the reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods and consumables primarily based on the latest invoice prices and current market conditions. As at 31 March 2017, the carrying amount of inventories is HK\$62,807,000 (2016: HK\$54,299,000), net of accumulated allowance for obsolete and slow-moving inventories of HK\$1,116,000 (2016: HK\$243,000).

(d) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual cash flows are less than expected, a material impairment loss may arise. As at 31 March 2017, the carrying amount of goodwill is HK\$8,512,000 (2016: HK\$17,665,000 net of accumulated impairment loss of HK\$42,138,000 (2016: HK\$8,111,000)). Details of the recoverable amount calculation are disclosed in note 19.

4. 重要判斷及主要估計(續)

估計不確定因素之主要來源(續)

(c) 存貨撥備

本集團管理層於報告期末審閱存貨之實質情況及可銷售性，並就不再適合生產用途之已識別陳舊及滯銷存貨項目作出撥備。管理層主要以最新發票價格及現行市況為基礎估計該等製成品及消費品之可變現淨值。於二零一七年三月三十一日，存貨之賬面值為62,807,000港元(二零一六年：54,299,000港元)，已扣除陳舊及滯銷存貨累計撥備1,116,000港元(二零一六年：243,000港元)。

(d) 商譽減值

釐定商譽是否出現減值，須估計獲分配商譽之現金產生單位的使用價值。使用價值計算法規定本集團須估計現金產生單位預期所產生未來現金流量及適當貼現率，以計算現值。當實際現金流量少於預期，或會產生重大減值虧損。於二零一七年三月三十一日，商譽賬面值為8,512,000港元(二零一六年：17,665,000港元)，已扣除累計減值虧損42,138,000港元(二零一六年：8,111,000港元)。有關可收回金額計算法之詳情於附註19披露。

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4. CRITICAL JUDGEMENTS AND KEY
ESTIMATES (CONT'D)

Key sources of estimation uncertainty (CONT'D)

(e) Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment, in accordance with the relevant accounting policies. The recoverable amounts of property, plant and equipment have been determined based on value in use calculations. These calculations and valuations require the use of judgment and estimates on future operating cash flows and discount rates adopted. Where the actual cash flows are different from the original estimate, a material change in the amount of impairment may arise. As at 31 March 2017, the carrying amount of property, plant and equipment is HK\$57,148,000 (2016: HK\$39,140,000), net of accumulated impairment loss of HK\$3,044,000 (2016: HK\$109,000).

(f) Income taxes

As at 31 March 2017, no deferred tax asset was recognised in the Group's consolidated statement of financial position in relation to the estimated unused tax losses of HK\$336,547,000 (2016: HK\$251,634,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are more or less than expected, a material recognition or reversal of deferred tax asset may arise, which would be recognised in profit or loss in the period in which such a recognition or reversal takes place.

4. 重要判斷及主要估計(續)

估計不確定因素之主要來源(續)

(e) 物業、廠房及設備減值

本集團每年根據相關會計政策評估物業、廠房及設備有否出現任何減值跡象。物業、廠房及設備之可收回金額按照使用價值計算法釐定。該等計算及估值須對未來營運現金流量及所採用之貼現率作出判斷及估計。倘實際現金流量有別於原先估計，則減值數額或會產生重大變動。於二零一七年三月三十一日，物業、廠房及設備之賬面值為57,148,000港元(二零一六年：39,140,000港元)，已扣除累計減值虧損3,044,000港元(二零一六年：109,000港元)。

(f) 所得稅

於二零一七年三月三十一日，基於無法預見未來溢利來源，並無於本集團綜合財務狀況表就估計未動用稅項虧損336,547,000港元(二零一六年：251,634,000港元)確認遞延稅項資產。遞延稅項資產之可變現能力主要取決於日後會否產生充裕未來溢利或應課稅暫時差額。當所產生實際未來應課稅溢利多於或少於預期，則可能產生重大之遞延稅項資產確認或撥回，並會於確認或撥回之期間於損益確認。

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the amount due to immediate holding company, borrowings and convertible bonds disclosed in notes 27, 32 and 33, respectively net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include debtors and deposits, investments held for trading, bank balances and cash, creditors, amount due from/to immediate holding company, amount due to a director, borrowings and convertible bonds. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

5. 資本風險管理

本集團之資本管理旨在債務與權益間作出最佳平衡，確保本集團之實體可持續經營之餘，亦為股東締造最大回報。本集團整體策略與去年相同。

本集團之資本架構包括負債淨額(包括分別披露於附註27、32及33之應付直接控股公司之款項、借貸及可換股債券，扣除現金及現金等值項目)及本公司擁有人應佔權益(包括已發行股本及儲備)。

本公司董事定期檢討資本架構。檢討之一為董事考慮資本成本及各類資本所附帶之風險。本集團會通過發行新股份、購回股份、發行新債務或贖回現有債務等方式，平衡整體資本架構。

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項及按金、持作買賣之投資、銀行結存及現金、應付賬項、應收／應付直接控股公司款項、應付董事賬款、借貸及可換股債券。此等金融工具詳情於相關附註披露。與此等金融工具相關之風險及減低風險之政策載於下文。管理層管理及監察該等風險，確保及時有效推行適當措施。

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6. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (CONT'D)

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Interest rate risk

The Group was exposed to fair value interest rate risk in relation to note payable (note 30), borrowing (note 32) and convertible bonds (note 33). The management continuously monitors interest rate exposure. These borrowings bear interests at fixed rates.

At 31 March 2017, if interest rates at that date had been 10 basis points lower with all other variables held constant, consolidated profit after tax for the year would have been HK\$172,000 (2016: HK\$190,000) higher, arising mainly as a result of lower interest expense on note payable, borrowings, and convertible bonds. If interest rates had been 10 basis points higher, with all other variables held constant, consolidated profit after tax for the year would have been HK\$172,000 (2016: HK\$190,000) lower, arising mainly as a result of higher interest expense on note payable, borrowings, and convertible bonds.

6. 財務風險管理目標及政策(續)

(a) 外幣風險

本集團由於絕大部分業務交易、資產及負債主要以本集團實體之功能貨幣計價，因此面臨最低程度之外幣風險。本集團目前並無就外幣交易、資產及負債方面採取外幣對沖政策。本集團將密切監控外幣風險，並且於有需要時將考慮對沖重大外幣風險。

(b) 利率風險

本集團面臨應付票據(附註30)、借款(附註32)及可換股債券(附註33)涉及之公平值利率風險。管理層會持續監測利率風險。該等借款利息按固定利率計算。

於二零一七年三月三十一日，倘利率下降10個基點，而所有其他變量維持不變，則年度綜合稅後溢利將增加172,000港元(二零一六年：190,000港元)，主要由於應付票據、借貸及可轉換證券之較低利息開支。倘利率上升10個基點，而所有其他變量維持不變，則年度綜合稅後溢利將減少172,000港元(二零一六年：190,000港元)，主要由於應付票據、借貸及可轉換證券之較高利息開支。

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6. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (CONT'D)

(c) Price risk

The Group's held-for-trading investments are measured at fair value at the end of the reporting period. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. Therefore, the Group has minimal exposure to price risk.

(d) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and other receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

6. 財務風險管理目標及政策(續)

(c) 價格風險

本集團之持作買賣之投資於報告期末按公平值計量。管理層透過維持不同風險之投資組合管理有關風險。因此，本集團已承擔最小化之價格風險。

(d) 信貸風險

倘對手方於報告期末未能履行有關各類已確認金融資產之責任，則本集團之信貸風險最多為於綜合財務狀況報表所示資產賬面值。

為減低信貸風險，管理層委派專責隊伍釐定信貸額、批核信貸及其他監管程序，確保跟進收回逾期債務。此外，本集團於報告期末審閱個別貿易債務及其他應收賬項之可收回金額，確保就不可收回金額作出足夠減值虧損。因此，本公司董事認為，已大幅減低本集團信貸風險。

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6. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (CONT'D)

(d) Credit risk (CONT'D)

The Group's concentration of credit risk by geographical locations is mainly in PRC (2016: North America). The trade debtors located in PRC (2016: North America) accounted for 92% (2016: 55%) of the Group's total trade debtors as at 31 March 2017. The Group also has concentration of credit risk by customers as 32% (2016: 43%) and 95% (2016: 68%) of the total trade debtors was due from the Group's largest customer and the five largest customers, respectively. In the opinion of the directors, all five largest customers are customers with good reputation and creditability.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(e) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

6. 財務風險管理目標及政策(續)

(d) 信貸風險(續)

本集團按地區劃分之信貸風險集中在中國(二零一六年：北美洲)。於二零一七年三月三十一日，位於中國(二零一六年：北美洲)之應收貿易賬項佔本集團應收貿易賬項總額92%(二零一六年：55%)。由於本集團之應收貿易賬項總額中之32%(二零一六年：43%)及95%(二零一六年：68%)分別來自本集團最大客戶及五大客戶，因此本集團亦承擔客戶信貸集中風險。董事認為，五大客戶全部為聲譽及信貸良好之客戶。

由於對手方乃國際信貸評級機構授予高信貸評級之銀行，因此，流動資金信貸風險有限。

e) 流動資金風險

就管理流動資金風險而言，本集團監管及將現金及現金等價物維持在管理層認為可為本集團之營運提供足夠資金的水平，並會盡量降低現金流量波動之風險。管理層會監管借貸之使用情況。

下表載有本集團金融負債之剩餘合約年期詳情。有關列表乃根據於本集團可能被要求付款之最早日期之金融負債未貼現現金流量編製。下表載有利息及本金現金流量。

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6. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (CONT'D)

(e) Liquidity risk (CONT'D)

2017	二零一七年	Effective interest rate 實際利率 %	Repayable on demand or within 1 year 按要求或 少於1年償還 HK\$'000 千港元	1 - 2 years 1 - 2年 HK\$'000 千港元	2 - 5 years 2 - 5年 HK\$'000 千港元	Total undiscounted cash flow 未貼現 現金流量總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
Creditors and accrued charges	應付賬項及應計費用	-	111,905	-	-	111,905	111,905
Amount due to immediate holding company	應付直接控股公司 款項	-	33,344	-	-	33,344	33,344
Amount due to related companies	應付關聯公司款項	-	36,100	-	-	36,100	36,100
Amount due to a director	應付董事賬款	-	172	-	-	172	172
Convertible bonds	可換股債券	16.2%	2,256	77,116	-	79,372	72,174
Borrowings	借貸	10.0%	26,893	86,361	-	113,254	99,500
			210,670	163,477	-	374,147	353,195

6. 財務風險管理目標及政策(續)

e) 流動資金風險(續)

2016	二零一六年	Effective interest rate 實際利率 %	Repayable on demand or within 1 year 按要求或 少於1年償還 HK\$'000 千港元	1 - 2 years 1 - 2年 HK\$'000 千港元	2 - 5 years 2 - 5年 HK\$'000 千港元	Total undiscounted cash flow 未貼現 現金流量總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
Creditors and accrued charges	應付賬項及應計費用	-	56,209	15,011	-	71,220	71,060
Amount due to immediate holding company	應付直接控股公司 款項	-	182,319	-	-	182,319	182,319
Amount due to a director	應付董事賬款	-	172	-	-	172	172
Convertible bonds	可換股債券	16.2%	2,256	76,119	-	78,375	64,399
Borrowings	借貸	8.5%	22,325	33,514	89,424	145,263	119,903
			263,281	124,644	89,424	477,349	437,853

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6. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (CONT'D)

(f) Categories of financial instruments

		At 31 March	
		於三月三十一日	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets:	金融資產：		
Investments held for trading	持作買賣之投資	380	451
Loans and receivables (including cash and cash equivalents)	貸款及應收賬項(包括現金及現金等價物)	277,837	366,943
		278,217	367,394
Financial liabilities:	金融負債：		
Other financial liabilities at amortised cost	按攤銷成本列賬之其他金融負債	353,195	437,853
		353,195	437,853

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

6. 財務風險管理目標及政策(續)

f) 金融工具的類別

7. 公平值計量

公平值乃按於計量日市場參與者之間進行的有序交易中出售資產或支付轉移負債的價格。以下所披露之公平值計量乃使用分為三個等級的公平值層級的估值方法，以計量公平值：

一級輸入：本集團於計量日可獲得的相同資產或負債於活躍市場之報價(未經調整)。

二級輸入：除於一級輸入報價除外，直接或間接適用於資產或負債的可觀察的輸入數據。

三級輸入：資產或負債的不可觀察輸入數據。

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7. FAIR VALUE MEASUREMENTS (CONT'D)

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 31 March 2017:

Description	詳情	Fair value measurements using: 用於公平值計量：			Total 總計 2017 HK\$'000 千港元
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	
Recurring fair value measurements:	經常性公平值計量：				
Financial assets at fair value through profit or loss	按公平值計入損益之 金融資產				
Listed securities in Hong Kong	香港上市證券	139	-	-	139
Listed securities outside Hong Kong	香港以外上市證券	241	-	-	241
Investment properties Commercial – PRC	投資物業 商廈－中國	-	-	206,477	206,477
Total recurring fair value measurements	經常性公平值計量 總額	380	-	206,477	206,857

7. 公平值計量(續)

本集團之政策乃於截止事件或情況變化而導致轉移等級時確認三個等級之輸入的轉入及轉出。

(a) 於二零一七年三月三十一日所披露之公平值等級：

Description	詳情	Fair value measurements using: 用於公平值計量：			Total 總計 2016 HK\$'000 千港元
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	
Recurring fair value measurements:	經常性公平值計量：				
Financial assets at fair value through profit or loss	按公平值計入損益之 金融資產				
Listed securities in Hong Kong	香港上市證券	211	-	-	211
Listed securities outside Hong Kong	香港以外上市證券	240	-	-	240
Investment properties Commercial – PRC	投資物業 商廈－中國	-	-	208,631	208,631
Total recurring fair value measurements	經常性公平值計量 總額	451	-	208,631	209,082

There were no transfers between Level 1, 2 and 3 fair value measurements in both years.

上述兩年期間於第一、二、三級公平值等級分類之間並無發生轉移。

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7. FAIR VALUE MEASUREMENTS (CONT'D) 7. 公平值計量(續)

(b) Reconciliation of assets measured at fair value
based on level 3:

(b) 根據第三級輸入以公平值計量之資
產對賬：

Description	詳情	Investment	Total
		properties Level 3 投資物業 第三級 HK\$'000 千港元	2017 總計 二零一七年 HK\$'000 千港元
At 1 April 2016	於二零一六年四月一日	208,631	208,631
Purchases	購買	53,261	53,261
Total gains or losses recognised in profit or loss (#)	於損益中確認之溢利或虧損總額(#)	(28,315)	(28,315)
Disposal	出售	(14,352)	(14,352)
Exchange realignment	匯率調整	(12,748)	(12,748)
At 31 March 2017	於二零一七年三月三十一日	206,477	206,477
(#) Include gains or losses for assets held at end of reporting period	(#)包括於報告期末的溢利或虧損	(28,315)	(28,315)

Description	詳情	Investment	Total
		properties Level 3 投資物業 第三級 HK\$'000 千港元	2016 總計 二零一六年 HK\$'000 千港元
At 1 April 2015	於二零一五年四月一日	-	-
Purchases	購買	222,762	222,762
Total gains or losses recognised in profit or loss (#)	於損益中確認之溢利或虧損總額(#)	(5,863)	(5,863)
Exchange realignment	匯率調整	(8,268)	(8,268)
At 31 March 2016	於二零一六年三月三十一日	208,631	208,631
(#) Include gains or losses for assets held at end of reporting period	(#)包括於報告期末的溢利或虧損	(5,863)	(5,863)

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in decrease in fair value of investment properties in the consolidated statement of profit or loss and other comprehensive income.

於報告期末在損益中確認的溢利或虧損總額(包括所持資產的虧損)乃於綜合損益及其他全面收益表內的投資物業之公平值減少呈列。

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7. FAIR VALUE MEASUREMENTS (CONT'D)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 March 2017:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Key unobservable inputs used in level 3 fair value measurements are mainly:

- Price per square metre (using market direct comparable and taking into account of location and other individual factors, such as road, frontage, size of property etc.)

7. 公平值計量(續)

(c) 於二零一七年三月三十一日，本集團使用之估值流程及用於公平值之計量估值技術及輸入披露：

本集團財務總監負責財務報告所需資產及負債之公平值計量，包括第三級公平值計量。財務總監直接向董事局匯報此等公平值計量。財務總監與董事局每年至少就估值過程及結果召開兩次會議。

對於第三級的公平值計量，本集團通常會聘請具有或認可的專業資格，及具有近期經驗的外部估值專家進行估值。

第三級公平值計量中所使用之關鍵不可觀察輸入數據主要有：

- 每平方米價格(使用市場直接比較法，並考慮其位置及其他個別因素，例如道路、臨街地界、物業面積等)。

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7. FAIR VALUE MEASUREMENTS (CONT'D)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 March 2017: (CONT'D)

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Total 2017
詳情	估值方法	不可觀察輸入數據	範圍	輸入增加對公平值之影響	二零一七年 HK\$'000 千港元
Commercial properties under construction in Liaoning	Direct comparison method	Adjusted factor on retail potential	5% – 25%	Increase	168,546
位於遼寧之在建商用物業	直接比較法	零售潛力調整係數		增加	
		Adjusted factor on accessibility	5% – 25%	Increase	
		宣傳推廣調整係數		增加	
Completed commercial properties	Direct comparison method	Price per square metre	RMB18,333 to RMB32,500	Increase	37,931
已建成商用物業	直接比較法	每平方米價格	人民幣18,333元至 人民幣32,500元	增加	
Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Total 2016
詳情	估值方法	不可觀察輸入數據	範圍	輸入增加對公平值之影響	二零一六年 HK\$'000 千港元
Commercial properties under construction in Liaoning	Direct comparison method	Adjusted factor on retail potential	5% – 25%	Increase	208,631
位於遼寧之在建商用物業	直接比較法	零售潛力調整係數		增加	
		Adjusted factor on accessibility	5% – 25%	Increase	
		宣傳推廣調整係數		增加	

During the two years, there were no changes in the valuation techniques used.

7. 公平值計量(續)

(c) 於二零一七年三月三十一日，本集團使用之估值流程及用於公平值之計量估值技術及輸入披露：(續)

第三級公平值計量

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Total 2016
詳情	估值方法	不可觀察輸入數據	範圍	輸入增加對公平值之影響	二零一六年 HK\$'000 千港元
Commercial properties under construction in Liaoning	Direct comparison method	Adjusted factor on retail potential	5% – 25%	Increase	208,631
位於遼寧之在建商用物業	直接比較法	零售潛力調整係數		增加	
		Adjusted factor on accessibility	5% – 25%	Increase	
		宣傳推廣調整係數		增加	
Completed commercial properties	Direct comparison method	Price per square metre	RMB18,333 to RMB32,500	Increase	37,931
已建成商用物業	直接比較法	每平方米價格	人民幣18,333元至 人民幣32,500元	增加	
Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Total 2016
詳情	估值方法	不可觀察輸入數據	範圍	輸入增加對公平值之影響	二零一六年 HK\$'000 千港元
Commercial properties under construction in Liaoning	Direct comparison method	Adjusted factor on retail potential	5% – 25%	Increase	208,631
位於遼寧之在建商用物業	直接比較法	零售潛力調整係數		增加	
		Adjusted factor on accessibility	5% – 25%	Increase	
		宣傳推廣調整係數		增加	

上述兩年期間所使用之估值方法並無發生變化。

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8. SEGMENT INFORMATION

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

The Group's operating divisions are as follows:

- (1) Design and sale of electronic products (representing consumer electronic audio and video equipment, karaoke equipment and accessories) ("Electronic products business")
- (2) Sales and installation of elevators
- (3) Operation and management of hydroelectric power stations ("Hydroelectric power business")
- (4) Properties investment
- (5) Securities trading

8. 分類資料

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

本集團之經營分類如下：

- (1) 電子產品設計及銷售（指消費電子影音設備、卡拉OK及配件）（「電子產品業務」）
- (2) 電梯銷售及安裝
- (3) 水電站運營及管理（「水電業務」）
- (4) 物業投資
- (5) 證券買賣

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8. SEGMENT INFORMATION (CONT'D)

(a) Segment revenue and results

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

8. 分類資料(續)

(a) 分類收入及業績

以下為本集團按可呈報及經營分類之收益(包括商品銷售)及業績：

Year ended		Design and sale of electronic products 電子產品 設計及銷售 HK\$'000 千港元	Sales and installation of elevators 電梯 銷售及安裝 HK\$'000 千港元	Operation and management of hydroelectric power stations 水電站 運營及管理 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Securities trading 證券買賣 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 March 2017	截至二零一七年 三月三十一日 止年度						
TURNOVER	營業額	457,858	169,990	4,167	-	-	632,015
SEGMENT RESULTS	分類業績	8,313	33,069	419	(28,315)	17	13,503
Interest income	利息收益						18
Unallocated expenses	未分配開支						(28,641)
Share of profits of an associate	應佔聯營公司溢利						662
Gain on disposal of investment property	出售投資物業之 收益						9,259
Finance costs	融資成本						(12,248)
Loss before taxation	除稅前虧損						(17,447)

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8. SEGMENT INFORMATION (CONT'D)

(a) Segment revenue and results (CONT'D)

8. 分類資料(續)

(a) 分類收入及業績(續)

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

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8. SEGMENT INFORMATION (CONT'D)

(b) Segment assets and liabilities

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

8. 分類資料(續)

(b) 分類資產及負債

以下為本集團按可呈報及經營分類之資產及負債：

		Design and sale of electronic products 電子產品 設計及銷售 HK\$'000 千港元	Sales and installation of elevators 電梯 銷售及安裝 HK\$'000 千港元	Operation and management of hydroelectric power stations 水電站 運營及管理 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Securities trading 證券買賣 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 March 2017	於二零一七年 三月三十一日						
ASSETS	資產						
Segment assets	分類資產	117,862	229,192	83,167	237,245	380	667,846
Unallocated corporate assets	未分配公司資產						11,983
Consolidated total assets	合計總資產						679,829
LIABILITIES	負債						
Segment liabilities	分類負債	16,675	58,055	4,359	101,394	-	180,483
Unallocated corporate liabilities	未分配公司負債						184,482
Consolidated total liabilities	合計總負債						364,965

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8. SEGMENT INFORMATION (CONT'D)

(b) Segment assets and liabilities (CONT'D)

		Design and sale of electronic products 電子產品 設計及銷售 HK\$'000 千港元	Operation and management of hydroelectric power stations 水電站 運營及管理 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Securities trading 證券買賣 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 March 2016	於二零一六年三月三十一日					
ASSETS	資產					
Segment assets	分類資產	108,440	35,781	303,284	451	447,956
Unallocated corporate assets	未分配公司資產					381,488
Consolidated total assets	合計總資產					829,444
LIABILITIES	負債					
Segment liabilities	分類負債	68,061	20,384	-	-	88,445
Unallocated corporate liabilities	未分配公司負債					362,122
Consolidated total liabilities	合計總負債					450,567

Unallocated corporate assets mainly represent interest in an associate, deferred tax assets, deposit paid for investments and bank balances and cash.

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

8. 分類資料(續)

(b) 分類資產及負債(續)

未分配公司資產主要指應佔聯營公司權益、遞延稅項資產、投資之已付按金、銀行結餘及現金。

未分配公司負債主要指應付直接控股公司款項、應付一名董事款項、遞延稅項負債、借款及可換股債券。

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8. SEGMENT INFORMATION (CONT'D)

(c) Other segment information

	Design and sale of electronic products 電子產品 設計及銷售 HK\$'000 千港元	Sales and installation of elevators 電梯 銷售及安裝 HK\$'000 千港元	Operation and management of hydroelectric power stations 水電站 運營及管理 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Securities trading 證券買賣 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Amounts included in the measurement of segment results or segment assets:	納入分類業績或分類資產計量之款項：					
Year ended 31 March 2017	截至二零一七年三月三十一日止年度					
Additions of property, plant and equipment	2,600	-	1,098	8,505	-	12,203
Additions of property, plant and equipment arising from acquisition of a subsidiary	-	-	16,638	-	-	16,638
Additions of investment properties	-	-	-	53,261	-	53,261
Decrease in fair value of investment properties	-	-	-	28,315	-	28,315
Allowance for doubtful debts	712	-	-	-	-	712
Depreciation of property, plant and equipment	1,999	-	3,921	177	-	6,097
Allowance for obsolete and slow-moving inventories	873	-	-	-	-	873

8. 分類資料(續)

(c) 其他分類資料

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8. SEGMENT INFORMATION (CONT'D)

(c) Other segment information (CONT'D)

8. 分類資料(續)

(c) 其他分類資料(續)

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

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8. SEGMENT INFORMATION (CONT'D)

(c) Other segment information (CONT'D)

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest in an associate	於聯營公司權益	3,703	6,792
Share of profits of an associate	應佔聯營公司溢利	662	247
Finance costs	融資成本	(12,248)	(12,781)

(d) Geographical segments

The Group's operations are located in United States of America ("USA"), Canada, Europe, Hong Kong (place of domicile), People's Republic of China ("PRC") and other countries.

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

8. 分類資料(續)

(c) 其他分類資料(續)

定期呈報予主要經營決策者但未納入分類業績或分類資產計量之款項如下：

(d) 地區分類

本集團之業務分佈於美利堅合眾國(「美國」)、加拿大、歐洲、香港(居住地點)、中華人民共和國(「中國」)及其他國家。

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

		Revenue from external customers 來自外部客戶之收益		Non-current assets (note) 非流動資產(附註)	
		Year ended 31 March 截至三月三十一日止年度			
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
USA	美國	389,093	356,446	22,006	3,527
Hong Kong	香港	-	-	25,116	24,458
Canada	加拿大	46,491	47,087	65	-
Europe	歐洲	22,114	18,016	-	-
PRC	中國	174,157	-	273,482	364,168
Other countries	其他國家	160	3,974	-	-
		632,015	425,523	320,669	392,153

Note: Non-current assets excluded deferred tax assets.

附註：非流動資產不包括遞延稅項資產。

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8. SEGMENT INFORMATION (CONT'D)

(e) Information about major customers

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

		Segment	Note	2017	2016
		分類	附註	二零一七年 HK\$'000 千港元	二零一六年 HK\$'000 千港元
Customer A	客戶A	Design and sales of electronic products	(i)	N/A 不適用	57,526
Customer B	客戶B	Design and sales of electronic products		97,475	61,448

Note:

- (i) The corresponding revenue did not contribute over 10% of the total sales of the Group for the relevant years.

8. 分類資料(續)

(e) 主要客戶資料

有關年度佔本集團總收入10%以上之客戶收益載列如下：

		2017	2016
		二零一七年 HK\$'000 千港元	二零一六年 HK\$'000 千港元
Customer A	客戶A	N/A 不適用	57,526
Customer B	客戶B	97,475	61,448

附註：

- (i) 相應收益佔本集團於有關年度之總收益並無超逾10%。

9. OTHER INCOME

9. 其他收入

		2017	2016
		二零一七年 HK\$'000 千港元	二零一六年 HK\$'000 千港元
Dividend income from investments held for trading	持作買賣投資之股息收入	9	8
Interest income	利息收益	18	54
Others	其他	64	609
		91	671

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10. OTHER GAIN AND LOSS

10. 其他收益及虧損

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Other gain/(loss) comprises:	其他收益／(虧損)包括：		
Exchange loss, net	匯兌虧損·淨額	(2,229)	(2,781)
Allowance for doubtful debts	呆賬撥備	(712)	(683)
Decrease in fair value of investments held for trading	持作買賣之投資之公平值減少	(71)	(2)
Gain on disposal of investment properties	出售投資物業收益	9,259	-
		6,247	(3,466)

11. FINANCE COSTS

11. 融資成本

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest expenses on:	利息開支：		
– borrowings	– 借貸	12,152	5,660
– convertible bonds	– 可換股債券	10,031	9,774
– note payable	– 應付票據	164	499
Less: Amount capitalised to investment properties under construction	減：在建投資物業 資本化款項	(10,099)	(3,152)
		12,248	12,781

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12. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging/
(crediting):

12. 年度虧損

本集團年度虧損之計算扣除／(抵免):

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost of inventories sold	銷售存貨成本	469,223	322,478
Staff costs (including directors' remuneration):	員工成本(包括董事酬金):		
Wages and salaries	工資及薪金	27,627	25,586
Pension scheme contributions	退休計劃供款		
– Defined contribution scheme	一定額供款計劃	480	494
Share-based payments	以股份為基礎的付款	212	130
		28,319	26,210
Auditors' remuneration	核數師酬金	2,321	2,786
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,097	1,340
Allowance for obsolete and slow-moving inventories (included in cost of sales)	陳舊及滯銷存貨(包括銷售成本)之撥備	873	159
Gain on disposal of investment properties	出售投資物業之收益	(9,259)	–
Amortisation of prepaid land lease payments	預付土地租賃攤銷	782	–
Impairment loss on goodwill	商譽減值虧損	34,027	–
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	2,935	–
Impairment loss on investment in an associate	投資聯營公司之減值虧損	3,751	–
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	370	–
Minimum lease payments under operating lease in respect of – Land and buildings	就以下項目經營租約支付之最低租金 – 土地及樓宇	6,113	5,236

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13. DIRECTORS' AND FIVE HIGHEST PAID
INDIVIDUAL EMOLUMENTS

(a) Directors and chief executive

		Notes	Fees	Salaries and other short term employee benefits	Retirement benefits scheme contributions	Total emoluments
		附註	酬金	薪金及其他 短期僱員福利	退休福利 計劃供款	薪酬總額
			HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元
Executive directors:	執行董事：					
Wang Jing	王晶		-	-	-	-
Wang Xing Qiao	王星喬		-	62	-	62
Chen Wan Jin	陳萬金	(i)	-	-	-	-
Zhao Shuang	趙爽		-	-	-	-
Non-executive director:	非執行董事：					
Li Jun	李軍	(ii)	-	-	-	-
Independent non-executive directors:	獨立非執行董事：					
Yang Xin Hua	楊新華	(i)	-	80	-	80
Wang Ping	王平		-	300	-	300
Cheng Tai Kwan, Sunny	鄭大鈞		-	300	-	300
Song Wenke	宋文科	(iii)	-	115	-	115
			-	857	-	857

13. 董事及五位最高薪酬人士酬金

(a) 董事及行政總裁

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13. DIRECTORS' AND FIVE HIGHEST PAID
INDIVIDUAL EMOLUMENTS (CONT'D)

(a) Directors and chief executive (CONT'D)

Executive directors: 執行董事：

Wang Jing	王晶	-	-	-	-
Wang Xing Qiao	王星喬	-	-	-	-
Chen Wan Jin	陳萬金	-	-	-	-
Zhao Shuang	趙爽	-	-	-	-

Non-executive director: 非執行董事：

Li Jun	李軍	-	-	-	-
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Independent non-executive
directors: 獨立非執行董事：

Yang Xin Hua	楊新華	-	300	-	300
Wang Ping	王平	-	300	-	300
Cheng Tai Kwan, Sunny	鄭大鈞	-	300	-	300
		-	900	-	900

Notes:

- (i) Resigned on 6 July 2016
- (ii) Resigned on 31 August 2016
- (iii) Appointed on 6 July 2016

附註：

- (i) 於二零一六年七月六日辭任
- (ii) 於二零一六年八月三十一日辭任
- (iii) 於二零一六年七月六日獲委任

13. 董事及五位最高薪酬人士酬金
(續)

(a) 董事及行政總裁(續)

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	Salaries and other short term employee Fees	Retirement benefits scheme contributions	Total emoluments
	薪金及其他 酬金 短期僱員福利	退休福利 計劃供款	薪酬總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元

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**13. DIRECTORS' AND FIVE HIGHEST PAID
INDIVIDUAL EMOLUMENTS (CONT'D)**

(a) Directors and chief executive (CONT'D)

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

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

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

**13. 董事及五位最高薪酬人士酬金
(續)**

(a) 董事及行政總裁(續)

概無於該兩個年度向本公司董事支付任何績效獎勵付款。

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

於兩個年度內，概無主要行政人員或董事放棄酬金。

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13. DIRECTORS' AND FIVE HIGHEST PAID
INDIVIDUAL EMOLUMENTS (CONT'D)

(b) Five highest paid individual emoluments

The five highest paid individuals of the Group included zero (2016: three) directors, details of whose remuneration are set out above. The emoluments of the remaining five (2016: two) highest paid employees are as follows:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other short term employee benefits 薪金及其他短期僱員福利	3,439	2,498
Retirement benefits scheme contributions 退休福利計劃供款	16	15
	3,455	2,513

Emoluments of these employees were within the following bands:

Emolument band:	酬金範圍：	Number of employees 僱員人數	
		2017	2016
Nil – HK\$1,000,000	零至1,000,000港元	4	1
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至 2,500,000港元	1	1
		5	2

13. 董事及五位最高薪酬人士酬金
(續)

(b) 五名最高薪酬之人士

本集團五名最高薪酬之人士包括零名(二零一六年：三名)董事，有關彼等酬金之詳情已於上文披露。其餘五名(二零一六年：兩名)最高薪酬僱員之酬金如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other short term employee benefits 薪金及其他短期僱員福利	3,439	2,498
Retirement benefits scheme contributions 退休福利計劃供款	16	15
	3,455	2,513

此等僱員酬金之金額範圍如下：

Emolument band:	酬金範圍：	Number of employees 僱員人數	
		2017	2016
Nil – HK\$1,000,000	零至1,000,000港元	4	1
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至 2,500,000港元	1	1
		5	2

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14. TAXATION

The charge comprises:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current year	本年度		
Taxation in PRC	於中國之稅項	11,684	-
Taxation in other jurisdictions	其他司法權區之稅項	416	-
Deferred taxation	遞延稅項	9,459	1,504
		21,559	1,504

Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profit for the year. No provision for Hong Kong Profits Tax has been made in the financial statements as the Group has no assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2016: 25%).

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

14. 稅項

支出包括：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current year		
Taxation in PRC	11,684	-
Taxation in other jurisdictions	416	-
Deferred taxation	9,459	1,504
	21,559	1,504

香港利得稅以本年度之估計應課稅溢利按稅率16.5% (二零一六年：16.5%)計算。由於本集團於兩個年度在香港並無產生任何應課稅溢利，故並無於財務報表就香港利得稅計提撥備。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司之稅率為25%(二零一六年：25%)。

於其他司法權區產生之稅項乃按各相關司法權區之現行稅率計算。

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14. TAXATION (CONT'D)

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(17,447)	(14,495)
Tax calculated at the domestic tax rate of 16.5% (2016: 16.5%)	按本地稅率16.5% (二零一六年: 16.5%)計算 之稅項	(2,879)	(2,392)
Tax effect of share of results of an associate	應佔聯營公司業績之稅務影響	(159)	(41)
Tax effect of expenses not deductible for taxation purposes	不可扣稅費用之稅務影響	13,905	7,681
Tax effect of revenue not taxable for taxation purposes	毋須課稅收益之稅務影響	(237)	(1,881)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬 公司不同稅率之影響	974	1,133
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	10,492	1,936
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(762)	(4,717)
Under-provision in prior years	過往年度撥備不足	225	-
Others	其他	-	(215)
Taxation for the year	本年度稅項	21,559	1,504

15. DIVIDENDS

The Directors do not recommend the payment of any dividend for each of the years ended 31 March 2017 and 2016.

14. 稅項(續)

本年度稅項可與綜合損益及其他全面收益表之除稅前虧損對賬如下：

15. 股息

董事不建議派付截至二零一七年及二零一六年三月三十一日止年度各年之任何股息。

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16. LOSS PER SHARE

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

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	(46,055)	(22,243)
	Number of shares 股份數目	
	2017 二零一七年	2016 二零一六年
Weighted average number of shares for the purpose of basic and diluted loss per share	3,650,710,605	1,554,130,401

16. 每股虧損

每股基本及攤薄虧損乃根據以下數據計算：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	(46,055)	(22,243)
	Number of shares 股份數目	
	2017 二零一七年	2016 二零一六年
Weighted average number of shares for the purpose of basic and diluted loss per share	3,650,710,605	1,554,130,401

For the year ended 31 March 2017 and 2016, the calculation of diluted loss per share does not assume the exercise of the conversion of the Company's outstanding convertible bonds as it would result in a decrease in the loss per share.

截至二零一七年及二零一六年三月三十一日止年度，計算每股攤薄虧損時乃假設並無轉換本公司尚未轉換可換股債券，因為有關行使將導致每股虧損減少。

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17. INVESTMENT PROPERTIES

17. 投資物業

		Completed investment properties 已完成投資物業 HK\$'000 千港元	Investment properties under construction 在建投資物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
FAIR VALUE:	公平值：			
At 1 April 2015	於二零一五年四月一日	-	-	-
Additions	添置	-	222,762	222,762
Decrease in fair value	公平值減少	-	(5,863)	(5,863)
Exchange realignment	匯率調整	-	(8,268)	(8,268)
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日 及二零一六年四月一日	-	208,631	208,631
Additions	添置	23,062	30,199	53,261
Transfer	轉讓	18,514	(18,514)	-
Decrease in fair value	公平值減少	(3,161)	(25,154)	(28,315)
Disposal	出售	-	(14,352)	(14,352)
Exchange realignment	匯率調整	(484)	(12,264)	(12,748)
At 31 March 2017	於二零一七年三月三十一日	37,931	168,546	206,477

At 31 March 2017 and 31 March 2016, the investment properties are situated in the PRC.

於二零一七年三月三十一日及二零一六年三月三十一日，投資物業位於中國。

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

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

At the end of the reporting period, the Group pledged the investment properties under construction of HK\$168,546,000 (2016: HK\$188,967,000) to secure the general credit facilities granted to the Group.

於報告期末，本集團已抵押在建投資物業168,546,000港元(二零一六年：188,967,000港元)以擔保本集團獲授的一般信貸融資。

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18. PROPERTY, PLANT AND EQUIPMENT 18. 物業、廠房及設備

		Motor vehicles	Leasehold improvement	Hydroelectric power stations and related infrastructure	Computer equipment	Furniture, fixtures and equipment	Plant and machinery	Total
		汽車	租賃 物業裝修	水電站及 相關基礎設施	電腦設備	傢俬、 裝置及設備	廠房及機器	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
COST OR VALUATION:	成本值或估值：							
At 1 April 2015	於二零一五年 四月一日	-	-	-	2,196	3,466	19,125	24,787
Additions	添置	-	-	-	-	-	1,060	1,060
Acquisition of a subsidiary (note 37)	收購一間附屬公司 (附註37)	-	-	28,489	-	-	7,292	35,781
At 31 March 2016	於二零一六年 三月三十一日	-	-	28,489	2,196	3,466	27,477	61,628
Additions	添置	1,098	8,505	-	-	1,556	1,044	12,203
Acquisition of a subsidiary (note 37)	收購一間附屬公司 (附註37)	-	-	13,111	-	-	3,527	16,638
Disposals	出售	(919)	-	-	-	-	-	(919)
Exchange realignment	匯率調整	-	-	(2,221)	-	-	(775)	(2,996)
At 31 March 2017	於二零一七年 三月三十一日	179	8,505	39,379	2,196	5,022	31,273	86,554
ACCUMULATED DEPRECIATION AND IMPAIRMENT:	累計折舊及減值：							
At 1 April 2015	於二零一五年 四月一日	-	-	-	2,163	2,611	16,374	21,148
Provided during the year	本年度撥備	-	-	-	11	171	1,158	1,340
At 31 March 2016	於二零一六年 三月三十一日	-	-	-	2,174	2,782	17,532	22,488
Provided during the year	本年度撥備	81	177	3,335	9	252	2,243	6,097
Written back on disposal	出售時撥回	(57)	-	-	-	-	-	(57)
Impairment loss	減值虧損	-	-	2,329	-	-	606	2,935
Exchange realignment	匯率調整	(1)	-	(1,538)	-	-	(518)	(2,057)
At 31 March 2017	於二零一七年 三月三十一日	23	177	4,126	2,183	3,034	19,863	29,406
CARRYING AMOUNT:	賬面值：							
At 31 March 2017	於二零一七年 三月三十一日	156	8,328	35,253	13	1,988	11,410	57,148
At 31 March 2016	於二零一六年 三月三十一日	-	-	28,489	22	684	9,945	39,140

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18. PROPERTY, PLANT AND EQUIPMENT
(CONT'D)

As at 31 March 2017, the value in use calculation uses cash flow projections based on the financial budgets approved by the management covering a 5 year period. Key assumptions used by the management in the value in use calculation of the cash-generating unit include budgeted gross profit margin. The pre-tax discount rate used for estimating the value in use is 13.59%. As at 31 March 2017, the impairment test results in the recognition of an impairment loss of property, plant and equipment of HK\$2,935,000 in the Hydroelectric power business, which is expensed in the consolidated statement of profit or loss and other comprehensive income.

19. GOODWILL

COST	成本值
At beginning of the reporting period	於報告期初
Acquisition of a subsidiary	收購一間附屬公司
IMPAIRMENT	減值
At beginning of the reporting period	於報告期初
Impairment loss	減值虧損
At end of the reporting period	於報告期末
CARRYING VALUE	賬面值
At end of the reporting period	於報告期末

18. 物業、廠房及設備(續)

於二零一七年三月三十一日，使用價值計算法按管理層批准之財務預算基準使用現金流計算，為期五年。管理層於計算現金產出單位的使用價值計算時，主要包括預算毛利率。估計使用價值之稅前折現率為13.59%。於二零一七年三月三十一日，減值測試導致於水電業務中確認2,935,000港元之物業、廠房及設備減值虧損，於綜合損益及其他全面收入表中支銷。

19. 商譽

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
COST		
At beginning of the reporting period	25,776	25,776
Acquisition of a subsidiary	24,874	–
	50,650	25,776
IMPAIRMENT		
At beginning of the reporting period	8,111	8,111
Impairment loss	34,027	–
At end of the reporting period	42,138	8,111
CARRYING VALUE		
At end of the reporting period	8,512	17,665

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19. GOODWILL (CONT'D)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (“CGUs”) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	Electronic products business		Hydroelectric power business		Total	
	2017	2016	2017	2016	2017	2016
	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Goodwill	8,512	17,665	–	–	8,512	17,665

Impairment testing of goodwill

Electronic products business cash-generating unit

The amount of goodwill is allocated to the cash-generating units within the Electronic products business segment. Goodwill is tested for impairment by the management by estimating the recoverable amount of these cash-generating units based on value in use calculations.

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

19. 商譽(續)

在收購時，企業合併獲得的商譽將分配至預期將從該企業合併中受益的現金產出單位（「現金產出單位」）。商譽賬面金額分配如下：

商譽之減值測試

電子產品業務現金產出單位

商譽金額分配予電子產品業務分部內之現金產生單位。商譽減值測試乃由管理層根據按使用價值計算法估算之該等現金產出單位之可收回金額而進行。

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

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19. GOODWILL (CONT'D)

Impairment testing of goodwill (CONT'D)

Electronic products business cash-generating unit (CONT'D)

During the year, the Group performed impairment review for goodwill based on cash flow forecasts derived from the most recent financial budget for the next five years approved by the management and cash flows beyond the five-year period are extrapolated using 0% (2016: 0%) growth rate. The rate used to discount the forecast cash flows is approximately 10% (2016: 10%). As at 31 March 2017, the impairment test results in the recognition of an impairment loss of goodwill of HK\$9,153,000 in the Electronic products business, which is expensed in the consolidated statement of profit or loss and other comprehensive income.

Hydroelectric power business cash-generating unit

The amount of goodwill is allocated to the cash-generating units within the Hydroelectric power business segment. Goodwill is tested for impairment by the management by estimating the recoverable amount of these cash-generating units based on value in use calculations.

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

19. 商譽(續)

商譽之減值測試(續)

電子產品業務現金產出單位(續)

於本年度，本集團根據管理層之批准未來五年最新財務預算所產生之現金流量預測審閱商譽減值，以及按0%（二零一六年：0%）增長率推算五年後之現金流量。用於計算預測現金流量之貼現率約為10%（二零一六年：10%）。於二零一七年三月三十一日，電子產品業務之減值測試結果為確認商譽減值虧損9,153,000港元，已於綜合損益及其他全面收益報表中扣除。

水電業務現金產生單位

商譽金額分配予水電業務分部內之現金產生單位。商譽減值測試乃由管理層根據按使用價值計算法估算之該等現金產出單位之可收回金額而進行。

可收回金額乃按使用價值計算法釐定。使用價值計算法所作出主要假設為關於貼現率、增長率以及預算期內收益和直接成本之預計變動。管理層採用除稅前利率估計貼現率，該利率反映市場現時對貨幣時間價值以及特有風險的評估。收益及直接成本之變動根據過往慣例及對市場預期未來變動作出估計。

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19. GOODWILL (CONT'D)

Impairment testing of goodwill (CONT'D)

Hydroelectric power business cash-generating unit (CONT'D)

As at 31 March 2017, the value in use calculation uses cash flow projections based on the financial budgets approved by the management covering a 5 year period. Key assumptions used by the management in the value in use calculation of the cash-generating unit include budgeted gross profit margin. The pre-tax discount rate used for estimating the value in use is 13.59%. As at 31 March 2017, the impairment test results in the recognition of an impairment loss of goodwill of HK\$24,874,000 in the Hydroelectric power business, which is expensed in the consolidated statement of profit or loss and other comprehensive income.

19. 商譽(續)

商譽之減值測試(續)

電子產品業務現金產出單位(續)

於二零一七年三月三十一日，使用價值計算法使用基於管理層批准之五年期財務預算之現金流量預測。管理層於現金產出單位使用價值計算法中使用之主要假設包括預算毛利率。用於估算使用價值的稅前貼現率為13.59%。於二零一七年三月三十一日，水電業務之減值測試結果確認之商譽減值虧損為24,874,000港元，已於綜合損益及其他全面收益報表中扣除。

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20. PRINCIPAL SUBSIDIARIES

(a) General information of subsidiaries

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

Company name 公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊/ 營業地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本/ 註冊資本面值	Percentage of equity interests attributable to the Company		Principal activities 主要業務
			2017 二零一七年	2016 二零一六年	
Cosmo Communications Corporation ("Cosmo")	USA/Canada 美國/加拿大	US\$1,571,000 1,571,000美元	93.80%	93.80%	Trading of electronic appliances and investment holding 電器產品貿易及投資控股
Harvest Way Holdings Limited	British Virgin Islands ("BVI") 英屬維爾京群島(「英屬維爾京群島」)	US\$1 1美元	100%	100%	Investment holding 投資控股
Master Light Enterprises Limited	Hong Kong 香港	HK\$2 2港元	100%	100%	Investment holding 投資控股
Starlight Electronics USA Inc.	USA 美國	US\$10,000 10,000美元	100%	100%	Trading in electronic products 電器產品貿易
Starlight Marketing Limited	Hong Kong 香港	HK\$2 2港元	100%	100%	Securities trading and trading in electronic products 證券買賣及電子產品貿易
Starlite Consumer Electronics (USA) Inc.	USA 美國	US\$20 20美元	100%	100%	Trading in electronic products 電器產品貿易

20. 主要附屬公司

(a) 附屬公司之一般資料

本公司之主要附屬公司詳情如下：

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20. PRINCIPAL SUBSIDIARIES (CONT'D)

(a) General information of subsidiaries (CONT'D)

Company name 公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊/ 營業地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股 本/註冊資本面值	Percentage of equity interests attributable to the Company		Principal activities 主要業務
			2017 二零一七年	2016 二零一六年	
The Singing Machine Company, Inc. ("SMC")**	USA	US\$380,706	51.34%	51.39%	Trading in consumer karaoke audio equipment and electronic products
[聲藝]**	美國	380,706美元			消費卡拉OK音響設備及 電子產品貿易
本溪同盛遠實業有限公司	PRC*	RMB20,000,000	100%	100%	Properties investment and sales and installation of elevators
	中國*	人民幣 20,000,000元			物業投資及銷售及 電梯安裝
本溪尊赫實業有限公司	PRC*	RMB20,000,000	100%	100%	Properties investment
	中國*	人民幣 20,000,000元			物業投資
本溪市威寧水力發電有限 公司	PRC*	RMB500,000	100%	100%	Operation and management of a hydroelectric power station
	中國*	人民幣500,000元			水電站運營及管理
本溪滿族自治縣付家 水力發電有限公司	PRC*	RMB50,000,000	100%	100%	Operation and management of a hydroelectric power station
	中國*	人民幣 50,000,000元			水電站運營及管理

* These subsidiaries were PRC wholly foreign owned enterprises.

** The common stock of SMC is quoted on the Over-the-Counter Bulletin Board in the United States of America.

20. 主要附屬公司(續)

(a) 附屬公司之一般資料(續)

* 該等附屬公司為中國外商獨資企業。

** 聲藝之普通股在美國場外交易議價板報價。

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20. PRINCIPAL SUBSIDIARIES (CONT'D)

(a) General information of subsidiaries (CONT'D)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results of the year or constitute a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Other than Harvest Way Holdings Limited and Seasonal Bliss Limited which are held directly by the Company, all other subsidiaries are held indirectly by the Company. None of the subsidiaries had any loan capital outstanding at the end of the year or at any time during the year.

The table below provides details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		As at 31 March	As at 31 March	As at 31 March	As at 31 March	As at 31 March	As at 31 March
附屬公司名稱	註冊成立地點及主要營業地點	非控股權益持有的所有權益及投票權比例		分配至非控股權益的溢利		累計非控股權益	
		於三月三十一日	於三月三十一日	於三月三十一日	於三月三十一日	於三月三十一日	於三月三十一日
		2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
				HK\$'000	HK\$'000	HK\$'000	HK\$'000
				千港元	千港元	千港元	千港元
SMC (note a)	USA						
聲藝(附註a)	美國	48.66%	48.61%	7,207	6,516	33,033	25,096

Notes:

(a) The subsidiaries of SMC are all wholly-owned during both years.

20. 主要附屬公司(續)

(a) 附屬公司之一般資料(續)

董事認為上表所列本公司附屬公司均對本年度之業績有重要的影響，或構成本集團資產淨值主要部份。董事認為如提供其他附屬公司之詳情，將令資料過於冗長。

除Harvest Way Holdings Limited及Seasonal Bliss Limited為本公司直接持有外，所有其他附屬公司均為本公司間接持有。於本年底或本年度內任何時間，均無附屬公司有任何未償還貸款資本。

下表載列本集團擁有重大非控股權益非全資擁有附屬公司之詳情：

附註：

(a) 於兩個年度內，聲藝的附屬公司均為全資擁有。

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20. PRINCIPAL SUBSIDIARIES (CONT'D)

(a) General information of subsidiaries (CONT'D)

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before elimination of intragroup transactions.

SMC

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產	22,006	22,314
Current assets	流動資產	72,068	60,889
Current liabilities	流動負債	(28,556)	(39,105)
Equity	權益	65,518	44,098
Revenue	收益	412,770	381,081
Other income and expenses	其他收益及開支	(16,831)	(367,794)
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	21,420	13,287
Net cash inflow from operating activities	經營活動現金流入淨額	7,929	19,906
Net cash outflow from investing activities	投資活動現金流出淨額	(1,156)	(1,059)
Net cash outflow from financing activities	融資活動現金流出淨額	(5,299)	(3,245)
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	1,474	15,602

20. 主要附屬公司(續)

(a) 附屬公司之一般資料(續)

下文載列本集團擁有重大非控股權益附屬公司之財務資料概要。下文載列的財務資料概要指對銷集團間交易之前之金額。

聲藝

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	22,006	22,314
Current assets	72,068	60,889
Current liabilities	(28,556)	(39,105)
Equity	65,518	44,098
Revenue	412,770	381,081
Other income and expenses	(16,831)	(367,794)
Profit and total comprehensive income for the year	21,420	13,287
Net cash inflow from operating activities	7,929	19,906
Net cash outflow from investing activities	(1,156)	(1,059)
Net cash outflow from financing activities	(5,299)	(3,245)
Net increase in cash and cash equivalents	1,474	15,602

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21. INTEREST IN AN ASSOCIATE

21. 於聯營公司之權益

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost of investments in an associate, unlisted	於聯營公司之投資成本，非上市	6,510	6,510
Share of post-acquisition results, net of dividend received	應佔收購後業績、已收股息淨額	944	282
Impairment loss	減值虧損	(3,751)	-
		3,703	6,792

As at 31 March 2017, the Group carried out reviews of the recoverable amount of investment in an associate. The recoverable amount has been determined based on the share of net asset value of the associate as at 31 March 2017. The impairment test results in the recognition of an impairment loss of HK\$3,751,000, which is expensed in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2017.

於聯營公司之投資成本，非上市應佔收購後業績，扣除已收股息減值虧損於二零一七年三月三十一日，本集團對聯營公司之可收回金額進行了審查。可收回金額乃根據於二零一七年三月三十一日應佔聯營公司之資產淨值而釐定。減值測試結果為確認減值虧損3,751,000港元，於截至二零一七年三月三十一日止年度之綜合損益及其他全面收益表扣除。

Details of the Group's associate are as follows:

本集團聯營公司之詳情如下：

Name of associate 聯營公司名稱	Form of business structure 業務結構形式	Place of registration/ operations 註冊／營業地點	Nominal value of registered capital 註冊資本面值	Attributable equity interest to the Group 本集團應佔股本權益		Principal activities 主要業務
				2017 二零一七年	2016 二零一六年	
Interforce Limited ("Interforce")	Limited liability company	Hong Kong	HK\$500,000	30.00%	30.00%	Trading of electronic products 買賣電子產品
賢邦有限公司 (「賢邦」)	有限責任公司	香港	500,000港元			買賣電子產品

The associate is indirectly held by the Company through its wholly-owned subsidiary.

聯營公司由本公司透過其全資附屬公司間接持有。

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21. INTEREST IN AN ASSOCIATE (CONT'D)

Included in the cost of investments in an associate is goodwill of HK\$Nil (2016: HK\$3,779,000) arising on acquisition of an associate in prior year.

Summarised financial information of the Group's associate

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's management accounts prepared in accordance with HKFRSs.

The Group's associate is accounted for using the equity method in these consolidated financial statements.

Interforce

Non-current assets	非流動資產	841	1,625
Current assets	流動資產	17,806	14,267
Current liabilities	流動負債	(6,305)	(5,849)
Revenue	收益	137,900	120,375
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	2,299	823

21. 於聯營公司之權益(續)

於聯營公司之投資成本包括過往年度收購聯營公司所產生之商譽零港元(二零一六年: 3,779,000港元)。

本集團聯營公司之財務資料概要

有關本集團聯營公司之財務資料概列如下。以下財務資料概要指呈列於根據香港財務報告準則編製的聯營公司管理賬目之款項。

本集團之聯營公司採納權益法於該等綜合財務報表入賬。

賢邦

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	841	1,625
Current assets	17,806	14,267
Current liabilities	(6,305)	(5,849)
Revenue	137,900	120,375
Profit and total comprehensive income for the year	2,299	823

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21. INTEREST IN AN ASSOCIATE (CONT'D)

Summarised financial information of the Group's
associate (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

Interforce

Net assets of Interforce attributable to owners	擁有人應佔賢邦資產淨值	12,342	10,043
Proportion of the Group's ownership interest in Interforce	本集團於賢邦之擁有權權益比例	30%	30%
Goodwill	商譽	-	3,779
Carrying amount of the Group's interest in Interforce	本集團於賢邦之權益之賬面值	3,703	6,792

21. 於聯營公司之權益(續)

本集團聯營公司之財務資料概要(續)

以上財務資料概要與於綜合財務報表已確認應佔聯營公司權益之賬面值的對賬如下：

賢邦

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
--	----------------------------------	----------------------------------

	12,342	10,043
	30%	30%
	-	3,779
	3,703	6,792

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22. DEFERRED TAXATION

The followings are the major deferred tax (liabilities)/ assets recognised and movements thereon during the current and prior years:

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2015	於二零一五年 四月一日	1,690	16,358	210	18,258
(Charge)/credit to profit or loss	(扣自)/計入損益	(37)	841	(2,308)	(1,504)
At 31 March 2016	於二零一六年 三月三十一日	1,653	17,199	(2,098)	16,754
(Charge)/credit to profit or loss	(扣自)/計入損益	416	(12,062)	2,187	(9,459)
At 31 March 2017	於二零一七年 三月三十一日	2,069	5,137	89	7,295

Note: Others mainly represented temporary difference arising from unrealised profits on inventories.

22. 遞延稅項

本年度及過往年度已確認主要遞延稅項(負債)/資產及其變動如下:

附註: 其他主要指存貨之未變現溢利所產生之暫時差額。

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22. DEFERRED TAXATION (CONT'D)

For the purposes of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	7,295	18,852
Deferred tax liabilities	遞延稅項負債	-	(2,098)
		7,295	16,754

At the end of the reporting period, the Group has unused tax losses of HK\$351,655,000 (2016: HK\$322,157,000) and the Group has not recognised deferred tax asset in respect of tax losses of HK\$336,547,000 (2016: HK\$251,634,000) due to the unpredictability of future profit streams. Included in the unused tax losses are losses of HK\$102,972,000 (2016: HK\$100,209,000) that will expire in 2030 and losses of HK\$164,162,000 (2016: HK\$164,162,000) that will expire within 20 years, other tax losses may be carried forward indefinitely.

22. 遞延稅項(續)

就於綜合財務狀況報表呈列而言，若干遞延稅項資產及負債已對銷。用作財務報告用途之遞延稅項結餘分析如下：

於報告期末，本集團之未動用稅項虧損為351,655,000港元(二零一六年：322,157,000港元)。由於未能預計未來溢利來源，本集團並無就稅項虧損336,547,000港元(二零一六年：251,634,000港元)納入遞延稅項資產內。未使用稅項虧損包括將於二零三零年到期之虧損102,972,000港元(二零一六年：100,209,000港元)及將於二十年內到期之虧損164,162,000港元(二零一六年：164,162,000港元)，其他稅項虧損可無限期結轉。

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23. INVENTORIES

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Finished goods	製成品	62,807	54,299
		62,807	54,299

The cost of inventories recognised as an expense in the consolidated statement of profit or loss and other comprehensive income during the year amounted to HK\$469,223,000 (2016: HK\$322,478,000).

23. 存貨

於本年度，於綜合損益及其他全面收益表確認為支出之存貨成本達469,223,000港元（二零一六年：322,478,000港元）。

24. DEBTORS, DEPOSITS AND OTHER RECEIVABLES

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Trade debtors	應收貿易賬項	211,186	17,273
Deposits with securities brokers	證券經紀之按金	–	32
Consideration receivable from disposal of a subsidiary	出售一間附屬公司的應收代價	–	81,534
Prepayments and other receivables	預付款項及其他應收賬項	32,664	16,029
		243,850	114,868
Analysed for reporting purposes as: 就申報目的分析為：			
Current assets	流動資產	243,395	114,559
Non-current assets	非流動資產	455	309
		243,850	114,868

At the end of the reporting period, the Group pledged deposits with securities brokers of HK\$Nil (2016: HK\$32,000) to secure the the margin accounts with securities brokers.

24. 應收賬項、按金及其他應收賬項

於報告期末，本集團已抵押證券經紀之按金零港元（二零一六年：32,000港元）以擔保本集團獲授證券經紀的保證金賬戶。

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24. DEBTORS, DEPOSITS AND OTHER
RECEIVABLES (CONT'D)

The aged analysis of trade debtors net of allowance for doubtful debts presented based on the invoice dates at the end of the reporting period, which approximate the respective recognition dates, is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 – 30 days	0至30日	10,516	9,863
31 – 60 days	31至60日	874	1,459
61 – 90 days	61至90日	3,004	5,951
Over 90 days	超過90日	196,792	–
		211,186	17,273

The Group allows an average credit period ranging from 30 days to 365 days to its trade customers. Before accepting any new customers, the management will internally assess the credit quality of the potential customer and define appropriate credit limits. Management closely monitors the credit quality of trade and other receivables and considers the trade and other receivables that are neither past due nor impaired to be of a good quality.

Included in the Group's trade debtors are debtors with aggregate carrying amount of HK\$6,339,000 (2016: HK\$3,824,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The directors of the Company determined that these receivables are either due from customers of good credit quality with no history of default or covered by credit insurance. The Group does not hold any collateral over these balances.

24. 應收賬項、按金及其他應收賬
項(續)

於報告期末(與各自確認日期相符)按發票日期呈列之應收貿易賬項(扣除呆賬撥備)之賬齡分析如下:

本集團給予其貿易客戶之平均信貸期介乎30日至365日。於接納任何新客戶前，管理層將內部評估潛在客戶之信貸質素及訂立適當之信貸限額。管理層密切監察貿易及其他應收賬項之信貸質素，並認為未逾期亦未減值之貿易及其他應收賬項之質素良好。

本集團之應收貿易賬項包括賬面總值為6,339,000港元(二零一六年: 3,824,000港元)之應收賬項。有關賬項於報告日期已逾期，但本集團並未作出減值虧損撥備。本公司董事確定此等應收賬項為應收信貸質素良好且無拖欠記錄或受信貸保險保障之客戶之款項。本集團並無就此等結餘持有任何抵押品。

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24. DEBTORS, DEPOSITS AND OTHER
RECEIVABLES (CONT'D)

The aged analysis of trade debtors which are past due but not impaired is as follows:

Overdue 31 – 60 days	逾期31至60日
Overdue 61 – 90 days	逾期61至90日
Overdue over 90 days	逾期超過90日

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

Based on the experience of the management and repayment record of the customers, trade receivables which are past due but not impaired and not associated with litigations are generally recoverable.

Movements in the allowance for doubtful debts

At beginning of the year	年初	8,508	9,233
Impairment losses recognised	已確認之減值虧損	712	683
Amount written off	撇銷金額	-	(1,408)

Included in the allowance for doubtful debts are individually impaired trade and other debtors with an aggregated balance of HK\$9,220,000 (2016: HK\$8,508,000) which have either been placed under liquidation or in financial difficulties.

24. 應收賬項、按金及其他應收賬
項(續)

已逾期但未減值之應收貿易賬項之賬齡分析如下：

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
		3,313	2,301
		565	1,523
		2,461	-
		6,339	3,824

根據管理層之經驗及客戶之還款記錄，已逾期但未減值且未牽涉訴訟之貿易應收賬項一般可收回。

呆賬撥備變動

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
		8,508	9,233
		712	683
		-	(1,408)
		9,220	8,508

呆賬撥備包括個別已減值之貿易及其他應收賬項，總結餘為9,220,000港元(二零一六年：8,508,000港元)，有關欠款人正在進行清盤或面臨財政困難。

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25. PREPAID LAND LEASE PAYMENTS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 April	於四月一日	-	-
Additions	添置	45,156	-
Amortisation of prepaid land lease payments	已預付之土地租賃款項攤銷	(782)	-
At 31 March	於三月三十一日	44,374	-

25. 已預付之土地租賃款項

26. INVESTMENTS HELD FOR TRADING

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Equity securities, at fair value	股本證券，按公平值		
Listed in Hong Kong	於香港上市	139	211
Listed outside Hong Kong	於香港境外上市	241	240
		380	451

26. 持作買賣之投資

27. AMOUNTS DUE TO IMMEDIATE HOLDING COMPANY AND A DIRECTOR

The amounts are interest-free, unsecured and repayable on demand.

27. 應付直接控股公司和董事之款項

應付款項為免息、無抵押及按要求償還。

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28. AMOUNTS DUE FROM RELATED COMPANIES

Amounts due from related companies disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance are as follows:

Name	Name of directors having beneficial interest	Maximum amount outstanding during the year	Balance at	Balance at
			31 March 2017	31 March 2016
名稱	擁有實益權益之董事名稱	年內未償還賬款最高金額	於二零一七年三月三十一日結餘	於二零一六年三月三十一日結餘
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
遼寧實華集團房地產開發有限公司	Wang Jing 王晶	9,989	9,989	—
Sinostar Asset Management Limited	Wang Xing Qiao 王星喬	852	852	—
			10,841	—

All the above advances are unsecured, interest-free and have no fixed repayment terms.

29. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and bank deposits which carry interest at an average rate of 0.01% (2016: 0.01%) per annum.

28. 應收關聯公司之款項

根據香港《公司條例》第383(1)(d)條披露應收關聯公司之款項如下：

上述墊款為無擔保、免息且無固定償還期限。

29. 銀行結存及現金

銀行結存及現金包括本集團所持現金，以及按平均年利率0.01厘計息(二零一六年：0.01厘)之銀行存款。

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30. CREDITORS AND ACCRUED CHARGES

30. 應付賬項及應計費用

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Trade payables	應付貿易賬項	11,181	5,855
Note payable and accrued interest	應付票據及應計利息	7,207	5,932
Royalty and withholding tax payable	應付專利費及預扣稅	735	944
Consideration payable for acquisition of subsidiaries	應付收購附屬公司代價	39,996	20,383
Other creditors and accrued expenses	其他應付賬項及應計開支	52,872	55,331
		111,991	88,445
Analysed for reporting purposes as:	就申報目的分析為：		
Current liabilities	流動負債	111,991	73,434
Non-current liabilities	非流動負債	-	15,011
		111,991	88,445

Note payable with the principal amount of US\$Nil (equivalent to HK\$Nil) (2016: US\$697,000 (equivalent to HK\$5,434,000)) is unsecured and carries interest at Nil% (2016: 6%) per annum. At 31 March 2017, HK\$111,991,000 and HK\$Nil (2016: HK\$73,434,000 and HK\$15,011,000) are classified as current and non-current liabilities, respectively.

Included in other creditors is an amount of HK\$Nil (2016: HK\$15,011,000) which is unsecured, interest-free and repayable upon expiry of revolving credit facility granted to a subsidiary of the Company in July 2017. Accordingly, the amount is classified as a non-current liability.

本金額為零美元(相等於零港元)(二零一六年: 697,000美元(相等於5,434,000港元))之應付票據無擔保且按年利率零厘(二零一六年: 6厘)計息。於二零一七年三月三十一日, 111,991,000港元及零港元(二零一六年: 73,434,000港元和15,011,000港元)分別分類為流動及非流動負債。

計入其他應付賬項之零港元(二零一六年: 15,011,000港元)之款項為無擔保、免息且應於二零一七年七月授予本公司一家附屬公司之循環信貸融資到期前償還。因此, 該項款項被分類為非流動負債。

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**30. CREDITORS AND ACCRUED CHARGES
(CONT'D)**

The aged analysis of trade creditors presented based on the invoice dates at the end of the reporting period is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 – 30 days	0至30日	10,055	5,154
31 – 60 days	31至60日	380	9
61 – 90 days	61至90日	–	153
Over 90 days	超過90日	746	539
		11,181	5,855

The average credit period on purchases of goods is 90 days.

31. AMOUNTS DUE TO RELATED COMPANIES

The amounts are interest-free, unsecured and repayable on demand.

32. BORROWINGS

30. 應付賬項及應計費用(續)

於報告期末按發票日期呈列之應付貿易賬項之賬齡分析如下：

採購貨品之平均信貸期為90日。

31. 應付關聯公司之款項

應付款項為免息、無抵押及按要求償還。

32. 借貸

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Other borrowings, secured	其他已擔保借貸	99,500	119,903

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32. BORROWINGS (CONT'D)

The borrowings are repayable as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年之內	20,477	11,990
More than one year but not exceeding two years	超過一年但不超過兩年	79,023	23,981
More than two year but not exceeding five years	超過兩年但不超過五年	-	83,932
		99,500	119,903
Less: Amount due within one year shown under current liabilities	減：須於一年內償還的流動負債	(20,477)	(11,990)
Amount due after one year	須於一年後償還的款項	79,023	107,913

As at 31 March 2017, the Group's borrowings are fixed-rate borrowings and bears interest at 10.0% per annum (2016: 8.5%). The borrowings are secured by investment properties under construction of HK\$168,546,000 (2016: HK\$188,967,000).

33. CONVERTIBLE BONDS

On 30 July 2014, the Company issued 3% coupon convertible bonds (the "Bonds") at a principal amount of HK\$75,000,000 maturing on 30 July 2017 to the immediate holding company of the Company. The Bonds are denominated in Hong Kong dollars and the Company agrees to guarantee payment of all sums payable in relation to the Bonds. Interest of 3% per annum will be paid half-annually up until the settlement date.

32. 借貸(續)

借貸償還如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年之內	20,477	11,990
More than one year but not exceeding two years	超過一年但不超過兩年	79,023	23,981
More than two year but not exceeding five years	超過兩年但不超過五年	-	83,932
		99,500	119,903
Less: Amount due within one year shown under current liabilities	減：須於一年內償還的流動負債	(20,477)	(11,990)
Amount due after one year	須於一年後償還的款項	79,023	107,913

於二零一七年三月三十一日，本集團之借貸為固定利率貸款且按年利率10.0厘(二零一六年：8.5厘)計息。該等借貸乃以在建投資物業168,546,000港元作為擔保(二零一六年：188,967,000港元)。

33. 可換股債券

於二零一四年七月三十日，本公司向本公司之直接控股公司發行本金額為75,000,000港元於二零一七年七月三十日到期之3厘票息可換股債券(「債券」)。債券以港元計值且本公司同意就債券之一切應付款項的支付作出擔保。按年利率3厘計算之利息將每半年支付一次，直至結算日期止。

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33. CONVERTIBLE BONDS (CONT'D)

The Bonds are convertible, at the option of the bond holder, into ordinary shares of HK\$0.01 each of the Company at a conversion price of HK\$0.23 (after adjustment for capital reorganisation) per share, subject to anti-dilutive adjustments, at any time on or after 30 July 2014 up to and including the maturity date. Unless previously redeemed, converted or purchased and cancelled, the outstanding Bonds will be redeemed by the Company at 100% of its principal amount on the maturity date.

At initial recognition, the Bonds are split into an equity component of HK\$61,480,000 and a liability component of HK\$52,056,000. The liability component is determined based on the present value of the estimated future cash flows discounted at an effective interest rate of 16.21% per annum, being the average yield of similar financial instruments with similar credit rating and structure but without the call conversion option, which incorporated appropriate adjustments to reflect possible impact of country factors, firm specific risk and liquidity risk.

The equity component is presented as convertible bonds reserve in equity, whereas the liability component is classified under current liabilities and non-current liabilities at 31 March 2017 and 2016 respectively.

The movement of the liability component of the Bonds for the current year is set out below:

33. 可換股債券(續)

於二零一四年七月三十日當日或之後直至到期日(包括當日)之任何時間，債券持有人可選擇按換股價每股0.23港元(資本重組調整後)將債券轉換為本公司每股面值0.01港元之普通股，可進行反攤薄調整。除非提早贖回、轉換或購買及註銷，否則本公司將於到期日按其本金額的100%贖回尚未轉換之債券。

於初步確認時，債券拆細為權益部分61,480,000港元及負債部分52,056,000港元。負債部分乃根據按實際年利率16.21%(即具類似信貸評級及架構但並無附帶認購轉換權之類似金融工具之平均收益率，其已計入適當調整以反映國家因素、公司具體風險及流動性風險之可能影響)貼現估計未來現金流量之現值而釐定。

於二零一七年及二零一六年三月三十一日，權益部分作為可換股債券儲備於權益內呈列，而負債部分則分別分類至流動負債及非流動負債。

於本年度債券之負債部分之變動載列如下：

		HK\$'000 千港元
At 1 April 2015	於二零一五年四月一日	56,875
Imputed interest expense for the year	年內估算利息開支	9,774
Coupon interest paid	已付票息	(2,250)
At 31 March 2016	於二零一六年三月三十一日	64,399
Imputed interest expense for the year	年內估算利息開支	10,031
Coupon interest paid	已付票息	(2,256)
At 31 March 2017	於二零一七年三月三十一日	72,174

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33. CONVERTIBLE BONDS (CONT'D)

None of the Bonds has been converted into ordinary shares of the Company during both years.

33. 可換股債券(續)

於兩個年度內概無債券轉換為本公司普通股。

34. SHARE CAPITAL

34. 股本

		Nominal value per share 每股面值 HK\$ 港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:	法定股本：			
At 1 April 2015	於二零一五年四月一日	0.10	5,000,000,000	500,000
Consolidation of shares	股份合併		(3,750,000,000)	–
		0.40	1,250,000,000	500,000
Reduction of share capital	股本削減		–	(487,500)
At 31 March 2016 and 2017	於二零一六年及 二零一七年三月三十一日	0.01	1,250,000,000	12,500
Issued and fully paid:	已發行及繳足股本：			
At 1 April 2015	於二零一五年四月一日	0.10	2,433,808,485	243,381
Placing of shares	配售股份	0.10	486,760,000	48,676
			2,920,568,485	292,057
Consolidation of shares	股份合併		(2,190,426,364)	–
		0.40	730,142,121	292,057
Reduction of share capital	股本削減		–	(284,756)
		0.01	730,142,121	7,301
Issue of shares upon open offer	於公開發售時發行股份	0.01	2,920,568,484	29,206
At 31 March 2016 and 2017	於二零一六年及 二零一七年三月三十一日	0.01	3,650,710,605	36,507

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35. SHARE OPTION SCHEME

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 51.34% (2016: 51.39%) owned subsidiary of the Company

SMC's share option scheme was approved by SMC's shareholders at the special meeting held on 6 September 2001 (the "SMC Scheme"). The SMC Scheme was developed to provide a means whereby the directors and selected employees, officers, consultants, and advisors of SMC may be granted incentive or non-qualified stock options to purchase common stock of SMC. The SMC Scheme authorises an aggregate of 1,950,000 shares of SMC's common stock and a maximum of 450,000 shares to any one individual in any one fiscal year.

The maximum number of shares issued and to be issued upon exercise of the options granted to each participant in any 12 month period up to the date of the grant will be 300,000 shares.

The period within which the shares must be taken up under an option is any period as determined by the Board of SMC, which will not be more than 10 years (or 5 years in the case of a holder with 10% or more of the common stock) from the date on which the option is granted. Each option vested in one year from the date of grant.

The subscription price of the share options is determined by SMC's Stock Option Committee, which consists of two or more directors chosen by the Board of SMC. The subscription price of the share options will be no less than the closing price of SMC's shares on the offer date (or, if granted to a holder of 10% or more of the common stock, the subscription price will be no less than 110% of the closing price of SMC's shares on the offer date).

The movements of the share options granted to directors of the Company and employees of the Group pursuant to the SMC Scheme were as follows:

35. 購股權計劃

本公司持有51.34% (二零一六年: 51.39%) 權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權計劃

SMC之購股權計劃已於二零零一年九月六日舉行之股東特別大會上獲SMC股東批准(「SMC計劃」)。SMC計劃乃授予SMC董事及經挑選僱員、高級人員、顧問及諮詢人士獎勵或無條件認購權以認購SMC普通股之方法。SMC計劃授權合共1,950,000股SMC普通股，而每名人士於各財政年度可獲授最高450,000股股份。

於授出日期前的12個月內，各參與人行使所授購股權而發行及將予發行之最高股份數目將為300,000股。

購股權可行使期限由SMC董事局決定，惟不可於授出日期起計超過10年(或倘為持有普通股10%或以上之持有人，則為5年)。各購股權於授出日期起一年後歸屬。

購股權之認購價由SMC認購權委員會決定，委員會由SMC董事局所挑選之兩名或以上董事組成。購股權之認購價將不低於SMC股份於要約日期之收市價(或倘就授予持有普通股10%或以上之持有人而言，認購價將不低於SMC股份於要約日期收市價之110%)。

根據SMC計劃，向本公司董事及本集團僱員授出購股權之變動載列如下：

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35. SHARE OPTION SCHEME (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 51.34% (2016: 51.39%) owned subsidiary of the Company (CONT'D)

35. 購股權計劃(續)

本公司持有51.34% (二零一六年：51.39%) 權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權計劃(續)

		Number of share options 購股權數目					
Date of grant	授出日期	Exercise price	Outstanding at beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at end of the year
		行使價	年初尚未行使	年內已授出	年內已行使	年內已失效	年末尚未行使
For the year ended 截至二零一七年							
31 March 2017 三月三十一日止年度							
10 April 2006	二零零六年四月十日	0.33	42,000	-	-	-	42,000
31 March 2007	二零零七年三月三十一日	0.93	60,000	-	-	-	60,000
31 March 2008	二零零八年三月三十一日	0.45	120,000	-	-	-	120,000
31 March 2009	二零零九年三月三十一日	0.11	120,000	-	-	-	120,000
31 March 2010	二零一零年三月三十一日	0.03	60,000	-	-	-	60,000
29 October 2010	二零一零年十月二十九日	0.06	520,000	-	-	-	520,000
31 March 2011	二零一一年三月三十一日	0.04	60,000	-	-	-	60,000
31 March 2012	二零一二年三月三十一日	0.12	60,000	-	-	-	60,000
31 March 2013	二零一三年三月三十一日	0.18	60,000	-	-	-	60,000
1 July 2013	二零一三年七月一日	0.21	580,000	-	-	-	580,000
31 March 2014	二零一四年三月三十一日	0.16	60,000	-	-	-	60,000
31 March 2015	二零一五年三月三十一日	0.17	60,000	-	-	-	60,000
1 July 2015	二零一五年七月一日	0.17	25,000	-	-	-	25,000
31 March 2016	二零一六年三月三十一日	0.24	145,000	-	-	-	145,000
			1,972,000	-	-	-	1,972,000
Exercisable at end of the year	於年末可予行使						1,802,000
Weighted average exercise price (US\$)	加權平均行使價(美元)		0.19	-	-	-	0.19
Holders of the share options are analysed as follows:							
Directors	董事		80,000	-	-	-	80,000
Employees	僱員		1,892,000	-	-	-	1,892,000
			1,972,000	-	-	-	1,972,000

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35. SHARE OPTION SCHEME (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 51.34% (2016: 51.39%) owned subsidiary of the Company (CONT'D)

35. 購股權計劃(續)

本公司持有51.34% (二零一六年: 51.39%) 權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權計劃(續)

Date of grant	授出日期	Exercise price	Number of share options				Outstanding at end of the year
			Outstanding at beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	
		行使價	年初尚未行使	年內已授出	年內已行使	年內已失效	年末尚未行使
For the year ended 31 March 2016	截至二零一六年三月三十一日止年度						
9 May 2005	二零零五年五月九日	0.60	34,000	-	-	(34,000)	-
31 March 2006	二零零六年三月三十一日	0.32	60,000	-	(20,000)	(40,000)	-
10 April 2006	二零零六年四月十日	0.33	42,000	-	-	-	42,000
31 March 2007	二零零七年三月三十一日	0.93	60,000	-	-	-	60,000
31 March 2008	二零零八年三月三十一日	0.45	120,000	-	-	-	120,000
31 March 2009	二零零九年三月三十一日	0.11	120,000	-	-	-	120,000
31 March 2010	二零一零年三月三十一日	0.03	60,000	-	-	-	60,000
29 October 2010	二零一零年十月二十九日	0.06	520,000	-	-	-	520,000
31 March 2011	二零一一年三月三十一日	0.04	60,000	-	-	-	60,000
31 March 2012	二零一二年三月三十一日	0.12	60,000	-	-	-	60,000
31 March 2013	二零一三年三月三十一日	0.18	60,000	-	-	-	60,000
1 July 2013	二零一三年七月一日	0.21	580,000	-	-	-	580,000
31 March 2014	二零一四年三月三十一日	0.16	60,000	-	-	-	60,000
31 March 2015	二零一五年三月三十一日	0.17	60,000	-	-	-	60,000
1 July 2015	二零一五年七月一日	0.17	-	25,000	-	-	25,000
31 March 2016	二零一六年三月三十一日	0.24	-	145,000	-	-	145,000
			1,896,000	170,000	(20,000)	(74,000)	1,972,000
Exercisable at end of the year	於年末可予行使						1,802,000
Weighted average exercise price (US\$)	加權平均行使價(美元)		0.20	0.23	0.32	0.45	0.19
Holders of the share options are analysed as follows:	購股權持有人分析如下:						
Directors	董事		80,000	-	-	-	80,000
Employees	僱員		1,816,000	170,000	(20,000)	(74,000)	1,892,000
			1,896,000	170,000	(20,000)	(74,000)	1,972,000

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35. SHARE OPTION SCHEME (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 51.34% (2016: 51.39%) owned subsidiary of the Company (CONT'D)

The above options were granted for an exercise period of nine years from the date on which the options are vested.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes pricing model.

Fair value of share options and assumptions:

Grant date	授出日期	1.7.2015	31.3.2016
Fair value at measurement date (US\$)	於計量日期之公平值(美元)	0.11	0.24
Share price (US\$)	股價(美元)	0.17	0.32
Exercise price (US\$)	行使價(美元)	0.17	0.24
Expected volatility	預計波幅	107.61%	119.80%
Expected option life (years)	預計購股權期限(年)	3	3
Expected dividend yield	預期股息率	0%	0%
Risk-free interest rate	無風險利率	0.26%	0.59%

Expected volatility was determined by using the historical volatility of the SMC's share price over the previous one year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations. Changes in the subjective input assumptions could materially affect the fair value estimate.

The Group recognised total expense of HK\$Nil (2016: HK\$130,000) for the year in relation to share options granted by SMC.

35. 購股權計劃(續)

本公司持有51.34% (二零一六年: 51.39%) 權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權計劃(續)

以上購股權由購股權歸屬日期起九年內行使。

就取得服務而授出購股權之公平值乃參考所授出購股權之公平值計量。所取得服務之公平值乃按柏力克-舒爾斯定價模式計量。

購股權之公平值及假設：

預計波幅乃採用SMC於過去一年之歷史股價波幅釐定。該模式所採用之預計期限已根據管理層之最佳估計，就不可轉讓性、行使限制及行為考慮因素之影響而作出調整。主觀性之輸入假設變動可對公平值估計構成重大影響。

本集團於年內就SMC授出之購股權確認之開支總額為零港元(二零一六年: 130,000港元)。

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36. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the amount due to immediate holding company, borrowings and convertible bonds disclosed in notes 27, 32 and 33, respectively net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

36. 資本風險管理

本集團管理其資本以確保本集團之實體可持續經營，同時通過優化債務及權益總額使股東回報最大化。本集團之整體策略與上年一致。

本集團之資本架構由淨債務(包括應付直接控股公司款項)組成，附註27、32及33所披露之借款及可換股債券，本公司擁有人各自應佔現金及現金等價物淨值及權益，包括已發行股本及儲備。

本公司董事局定期審查資本架構。作為本次審查的一部分，董事考慮資本成本和每類資本相關風險。本集團將通過新股發行及股份回購以及發行新債務或贖回現有債務來平衡其整體資本架構。

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37. ACQUISITION OF SUBSIDIARIES

On 31 March 2016, the Group acquired the entire equity interest in 本溪市威寧水力發電有限公司 (“Benxi Weining”) from an independent third party for a cash consideration of RMB30,000,000 (equivalent to HK\$35,860,000). Benxi Weining is currently engaged in operation and management of a hydroelectric power station in the PRC. The transaction has been accounted for using the acquisition method. The acquisition is part of the on-going expansion strategy of the Group with the aim of diversifying its operations and broadening its source of revenue.

On 23 August 2016, the Group acquired the entire equity interest in 本溪滿族自治縣付家水力發電有限公司 (“Benxi Manchu”) from an independent third party for a cash consideration of RMB36,000,000 (equivalent to HK\$41,886,000). Benxi Manchu is currently engaged in operation and management of a hydroelectric power station in the PRC. The transaction has been accounted for using the acquisition method. The acquisition is part of the on-going expansion strategy of the Group with the aim of diversifying its operations and broadening its source of revenue.

37. 收購附屬公司

於二零一六年三月三十一日，本集團以現金代價人民幣30,000,000元(相等於35,860,000港元)向一名獨立第三方收購本溪市威寧水力發電有限公司(「本溪威寧」)之全部股權。目前本溪威寧於中國從事水力發電廠之營運及管理。此項交易已按收購法入賬。收購事項屬本集團現時擴展策略之一，以期實現業務多元化及拓寬收益來源之目標。

於二零一六年八月二十三日，本集團以現金代價人民幣36,000,000元(相等於41,886,000港元)向一名獨立第三方收購本溪滿族自治縣付家水力發電有限公司(「本溪滿族」)之全部股權。目前本溪滿族於中國從事水力發電廠之營運及管理。此項交易已按收購法入賬。收購事項屬本集團現時擴展策略之一，以期實現業務多元化及拓寬收益來源之目標。

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37. ACQUISITION OF SUBSIDIARIES
(CONT'D)

The fair value of the identifiable assets and liabilities acquired as at its date of acquisition is as follows:

		Benxi Weining 本溪威寧 HK\$'000 千港元	Benxi Manchu 本溪滿族 HK\$'000 千港元
Net assets acquired:	已收購資產淨值：		
Fair value of identifiable assets acquired at the date of obtaining control was as follows:	於獲得控制權之日 已收購可識別資產 之公平值如下：		
Property, plant and equipment	物業、廠房及設備	35,781	16,638
Bank balances and cash	銀行結餘及現金	79	374
Goodwill	商譽	–	24,874
		35,860	41,886
Consideration transferred, satisfied by cash	以現金支付的已轉讓代價	15,477	15,125
Deferred consideration included in other payables in current liabilities	計入流動負債之其他 應付款項之遞延代價	20,383	26,761
		35,860	41,886
Analysis of net outflow of cash and cash equivalents in respect of acquisition:	有關收購之現金及現金 等價物流出淨額分析：		
Cash consideration paid	已付現金代價	(15,477)	(15,125)
Bank balances and cash acquired	已收購銀行結餘及現金	79	374
		(15,398)	(14,751)

During the year ended 31 March 2016, the acquisition of Benxi Weining has no contribution to the Group's revenue or loss in the consolidated financial statements.

Had the acquisition of Benxi Weining been completed on 1 April 2015, the Group's revenue for the year would have been HK\$425,922,000, and loss for the year would have been HK\$14,211,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2015, nor is it intended to be a projection of future results.

37. 收購附屬公司(續)

於收購之日已收購可識別資產及負債之公平值如下：

	Benxi Weining 本溪威寧 HK\$'000 千港元	Benxi Manchu 本溪滿族 HK\$'000 千港元
Net assets acquired:		
Fair value of identifiable assets acquired at the date of obtaining control was as follows:		
Property, plant and equipment	35,781	16,638
Bank balances and cash	79	374
Goodwill	–	24,874
	35,860	41,886
Consideration transferred, satisfied by cash	15,477	15,125
Deferred consideration included in other payables in current liabilities	20,383	26,761
	35,860	41,886
Analysis of net outflow of cash and cash equivalents in respect of acquisition:		
Cash consideration paid	(15,477)	(15,125)
Bank balances and cash acquired	79	374
	(15,398)	(14,751)

截至二零一六年三月三十一日止年度，對本溪威寧的收購並未對本集團之綜合財務報表收益或虧損產生貢獻。

倘本溪威寧的收購事項已於二零一五年四月一日完成，則本集團之年度收益將為425,922,000港元，年度虧損為14,211,000港元。備考資料僅供說明之目的，並不一定表明本集團於二零一五年四月一日完成收購後實際獲得的收益及經營業績，亦不構成對將來業績的預測。

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For the year ended 31 March 2017
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37. ACQUISITION OF SUBSIDIARIES (CONT'D)

Had the acquisition of Benxi Manchu been completed on 1 April 2016, the Group's revenue for the year would have been HK\$3,082,000, and loss for the year would have been HK\$18,391,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2016, nor is it intended to be a projection of future results.

38. CAPITAL COMMITMENTS

Capital expenditure in respect of acquisition and construction of properties contracted for but not provided in the consolidated financial statements

就已訂約但未在綜合財務報表撥備之有關收購及建造物業的資本開支

	6,207	5,084
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37. 收購附屬公司(續)

倘本溪滿族的收購事項已於二零一六年四月一日完成，則本集團之年度收益將為3,082,000港元，年度虧損為18,391,000港元。備考資料僅供說明之目的，並不一定表明本集團於二零一六年四月一日完成收購後實際獲得的收益及經營業績，亦不構成對將來業績的預測。

38. 資本承擔

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
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	6,207	5,084
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39. LEASE COMMITMENTS

Commitments under operating leases

As lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年之內	10,035	4,484
In the second to fifth years, inclusive	二至五年內，含	20,294	14,830
		30,329	19,314

Operating lease payments represent rentals payable by the Group for its office and warehouses. Leases are negotiated for terms ranging from one to five years (2016: from one to five years) and rentals are fixed over the lease terms.

39. 租賃承擔

經營租賃承擔

作為承租人

於報告期末，根據所租出物業之不可撤銷經營租約，本集團對未來最低租賃付款之承擔如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年之內	10,035	4,484
In the second to fifth years, inclusive	二至五年內，含	20,294	14,830
		30,329	19,314

經營租約之付款指本集團之辦公室及倉庫應付租金。租約之期限於一至五年內(二零一六年：一至五年)可協調，但其租金於租期內為固定。

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For the year ended 31 March 2017
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40. RELATED PARTY TRANSACTIONS

The Group entered into the following related party transactions.

- (a) During the year ended 31 March 2017, the Company paid coupon interest of HK\$2,256,000 (2016: HK\$2,250,000) to the immediate holding company of the Company.
- (b) As at 31 March 2017 and 2016, Mr. Wang Jing, a director of the Company, and his wife have provided personal guarantees to a bank in respect of the Group's borrowings as at 31 March 2017 and 2016.
- (c) As at 31 March 2017 and 2016, ultimate holding company of the Company has provided corporate guarantee to a bank in respect of the Group's borrowings as at 31 March 2017 and 2016.
- (d) Details of the remuneration of key management personnel, who are the directors, during the year are set out in note 13. Key management personnel are deemed to be the members of the Board of Directors of the Company which has responsibility for planning, directing and controlling the activities of the Group.

40. 關聯方交易

本集團訂立以下關聯方交易。

- (a) 截至二零一七年三月三十一日止年度，本公司向本公司之直接控股公司支付票息2,256,000港元(二零一六年：2,250,000港元)。
- (b) 於二零一七年及二零一六年三月三十一日，本公司一名董事王晶先生及其妻子就本集團於二零一七年及二零一六年三月三十一日的借款向銀行提供個人擔保。
- (c) 於二零一七年及二零一六年三月三十一日，本公司最終控股公司就本集團於二零一七年及二零一六年三月三十一日的借款向銀行提供企業擔保。
- (d) 本年度主要管理人員(董事)之酬金詳情載於附註13。主要管理人員被視為本公司董事局之成員，負責規劃、指導及控制本公司之活動。

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For the year ended 31 March 2017
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41. STATEMENT OF FINANCIAL POSITION
OF THE COMPANY AS AT 31 MARCH

41. 本公司於三月三十一日之財務
狀況表

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	3,521	-
Investments in subsidiaries	附屬公司投資	-	-
Amount due from subsidiaries	應收附屬公司款項	-	248,813
		3,521	248,813
CURRENT ASSETS	流動資產		
Deposits and prepayments	按金及預付款項	3,317	243
Amounts due from subsidiaries	應收附屬公司款項	343,425	134,530
Amount due from a related company	應收一間關連公司款項	852	-
Amount due from a fellow subsidiary	應收一間同系附屬公司款項	58,031	-
Bank balances and cash	銀行結餘及現金	716	206,784
		406,341	341,557
CURRENT LIABILITIES	流動負債		
Accrued charges	應計費用	1,465	3,115
Amounts due to subsidiaries	應付附屬公司款項	59	161
Amount due to a director	應付董事款項	140	140
Amount due to a related company	應付一間關連公司款項	1,587	-
Amount due to immediate holding company	應付直接控股公司款項	5,898	176,687
Convertible bonds	可換股債券	72,174	-
		81,323	180,103
NET CURRENT ASSETS	流動資產淨值	325,018	161,454
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	328,539	410,267
NON-CURRENT LIABILITIES	非流動負債		
Convertible bonds	可換股債券	-	64,399
NET ASSETS	資產淨值	328,539	345,868
EQUITY	權益		
Issued capital	已發行股本	36,507	36,507
Reserves	儲備	292,032	309,361
TOTAL EQUITY	總權益	328,539	345,868

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

41. STATEMENT OF FINANCIAL POSITION
OF THE COMPANY AS AT 31 MARCH
(CONT'D)

The amounts of the Company's reserves and the movements therein for the year ended 31 March 2017 are as follows:

		Share premium	Convertible bonds reserve	Capital redemption reserve	Contributed surplus	Accumulated losses	Total
		股份溢價	可換股 債券儲備	資本 贖回儲備	實繳盈餘	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2015	於二零一五年四月一日	24,000	61,365	292,448	99,172	(646,181)	(169,196)
Loss and other comprehensive expense for the year	年度虧損及其他全面開支	-	-	-	-	(34,514)	(34,514)
Placing of shares	配售股份	11,682	-	-	-	-	11,682
Transactions costs incurred in connection with placing of shares	配售股份所產生之交易費用	(759)	-	-	-	-	(759)
Reduction of share capital upon capital reorganisation	資本重組下股本減少	-	-	284,756	-	-	284,756
Issue of shares upon open offer	公開發售之股份發行	221,963	-	-	-	-	221,963
Transaction costs incurred in connection with open offer	公開發售所產生之交易成本	(4,571)	-	-	-	-	(4,571)
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日 及二零一六年四月一日	252,315	61,365	577,204	99,172	(680,695)	309,361
Loss and other comprehensive expense for the year	年度虧損及其他全面開支	-	-	-	-	(17,329)	(17,329)
At 31 March 2017	於二零一七年三月三十一日	252,315	61,365	577,204	99,172	(698,024)	292,032

42. APPROVAL OF FINANCIAL
STATEMENTS

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 30 June 2017.

41. 本公司於三月三十一日之財務
狀況表(續)

本公司截至二零一七年三月三十一日止年度之儲備金額及其變動情況如下：

42. 財務報表之批准

該等綜合財務報表於二零一七年六月三十日由董事局批准及授權刊發。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

		Year ended 31 March 截至三月三十一日止年度				
		2013	2014	2015	2016	2017
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
RESULTS	業績					
Revenue	收入	515,408	366,953	381,863	425,523	632,015
Loss before taxation	除稅前虧損	(65,776)	(199,046)	(245,868)	(14,495)	(17,447)
Taxation	稅務	7,389	9,682	(1,263)	(1,504)	(21,559)
Loss for the year	年度虧損	(58,387)	(189,364)	(247,131)	(15,999)	(39,006)
Attributable to:	下列人士應佔款項：					
Owners of the Company	本公司擁有人	(69,829)	(193,036)	(246,934)	(22,243)	(46,055)
Non-controlling interests	非控股權益	11,442	3,672	197	6,244	7,049
		(58,387)	(189,364)	(246,737)	(15,999)	(39,006)

		At 31 March 於三月三十一日				
		2013	2014	2015	2016	2017
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	685,728	530,375	280,040	829,444	679,829
Total liabilities	總負債	201,004	192,249	182,740	450,567	364,965
		484,724	338,126	97,300	378,877	314,864
Attributable to owners of the Company	本公司擁有人應佔 款項	472,893	321,716	82,044	357,136	285,344
Non-controlling interests	非控股權益	11,831	16,410	15,256	21,741	29,520
		484,724	338,126	97,300	378,877	314,864

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