



CODE AGRICULTURE (HOLDINGS) LIMITED

科地農業控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock code 股份代號: 8153)

2011

Annual Report 年報

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由於創業板上市公司新興之性質所然，在創業板買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

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CORPORATE INFORMATION 公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. Jingquan Yingzi (*Chairman*)
Mr. Wong Man Hung Patrick
Mr. Shan Xiaochang
Mr. Wu Zhongxin
Mr. Feng Xiaoping
Mr. Stephen William Frostick

Non-Executive Director

Prof. Liu Guoshun

Independent Non-Executive Directors

Mr. Sousa Richard Alvaro
Mr. Lee Chi Hwa Joshua
Ms. Chan Mei Bo Mabel

COMPLIANCE OFFICER

Mr. Wong Man Hung Patrick

AUTHORISED REPRESENTATIVES

Mr. Wong Man Hung, Patrick
Mr. Feng Xiaoping

AUDIT COMMITTEE

Mr. Sousa Richard Alvaro (*Chairman*)
Mr. Lee Chi Hwa Joshua
Ms. Chan Mei Bo Mabel

REMUNERATION COMMITTEE

Mr. Sousa Richard Alvaro (*Chairman*)
Mr. Lee Chi Hwa Joshua
Ms. Chan Mei Bo Mabel

董事會

執行董事

井泉瑛孜女士(*主席*)
王文雄先生
單曉昌先生
吳中心先生
封小平先生
Stephen William Frostick 先生

非執行董事

劉國順教授

獨立非執行董事

蘇志汶先生
李智華先生
陳美寶女士

監察主管

王文雄先生

授權代表

王文雄先生
封小平先生

審核委員會

蘇志汶先生(*主席*)
李智華先生
陳美寶女士

薪酬委員會

蘇志汶先生(*主席*)
李智華先生
陳美寶女士

CORPORATE INFORMATION 公司資料

COMPANY SECRETARY

Mr. Chow Kim Hang

公司秘書

周劍恒先生

REGISTERED OFFICE

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Bermuda

註冊辦事處

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Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Hong Kong

總辦事處及主要營業地點

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灣仔港灣道26號
華潤大廈38樓
3808-10室

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

主要股份過戶登記處

Butterfield Fulcrum Group
(Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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26th Floor, Tesbury Centre
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Wanchai, Hong Kong

香港股份過戶登記分處

卓佳雅柏勤有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

LEGAL ADVISORS

Tsun & Partners
廣東中安律師事務所

律師

秦覺忠 吳慈飛律師行
廣東中安律師事務所

CORPORATE INFORMATION

公司資料

AUDITORS

KL CPA Limited
Certified Public Accountants, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Shanghai Pudong Development Bank
China Construction Bank
Agricultural Bank of China

STOCK CODE

8153

COMPANY WEBSITE

www.code-hk.com

核數師

浩理會計事務所有限公司
香港執業會計師

主要往來銀行

中國銀行(香港)有限公司
上海浦東發展銀行
中國建設銀行
中國農業銀行

股份代號

8153

公司網址

www.code-hk.com

CHAIRMAN'S STATEMENT

主席報告書

Dear shareholders,

On behalf of the board of directors (the "Board"), I would like to present the annual results of Code Agriculture (Holdings) Limited (the "Company") and its subsidiaries (collectively as the "Group") for the year ended 31 March 2011 and audited consolidated financial statements.

BUSINESS REVIEW

I hereby announce that for the year ended 31 March 2011, the revenue of the Group amounted to HK\$597,268,000 (2010: HK\$220,796,000), representing an increase of 171% over last year, while the gross profit of the Group amounted to HK\$158,058,000 (2010: HK\$69,624,000), representing a significant increase of 127% over last year. Most increase in revenue and gross profit is due to the expansion of the Group's business to sales of agricultural machinery and fertilizer products since February 2010, and the results of the business was completely reflected during the year.

The sales of agricultural machinery segment focused on the sales of intensive flue-curing barn. The segment also engaged in businesses related to modern tobacco agriculture, such as launched different types and models of machinery products for tobacco, and expanded the construction of agriculture related facilities and technology services, and commenced their sales during the year. During the year, benefited from the full implementation of tobacco agriculture modernisation in the tobacco industry in the PRC and the complete reflection of results, revenue from the agricultural machinery segment increased approximately 372% to HK\$483,360,000 (2010: HK\$102,505,000). During the year, profit from operations amounted to HK\$52,473,000 (2010: HK\$33,438,000), representing an increase of 57% over last year. The growth for the year was lower than expected, as business financing was more difficult under the tightening monetary policy of increasing required reserve ratio and deposit and loan interest rates in the PRC. Meanwhile, as the wage and raw material prices in the PRC continued to increase, and the production cost of the major segment product (intensive flue-curing tobacco barn) increased under the re-established production standards of the State Tobacco Monopoly Bureau, gross profit margin decreased from approximately 40% last year to 30% this year. Based on the above factors, the Company made a one-off provision for impairment of approximately HK\$89,694,000 on certain technology patents it held. Accordingly, the segment results for the year was a loss of HK\$37,221,000 (2010: segment profit of HK\$33,438,000).

各位股東：

本人謹代表董事會(「董事會」)提呈科地農業控股有限公司(「本公司」)，連同其子公司(合稱「本集團」)截至二零一一年三月三十一日止年度之年度業績及已審計綜合財務報表。

業務回顧

本人宣佈，本集團於截至二零一一年三月三十一日止年度之收入為597,268,000港元(二零一零年：220,796,000港元)，較去年增長171%，而本集團之毛利為158,058,000港元(二零一零年：69,624,000港元)，亦較去年大幅增加127%。收入及毛利的大部份增長主要因為自二零一零年二月起本集團將業務擴展至銷售農業耕作機械及肥料產品，而該業務亦已經於年內全面反映。

農業耕作機械銷售分部以密集烘烤房為主要銷售產品的同時，又全面開展了煙草現代農業相關領域業務如推出更多不同類型及型號的煙草專用耕作機械產品、開拓農業相關設施建設及技術服務等，並已於年內開始實現銷售。年內，農業耕作機械部門受惠於中國煙草行業全面實行煙草農業現代化及本部業績於年內全面反映的兩大因素影響，收入躍升約372%至483,360,000港元(二零一零年：102,505,000港元)。分部經營溢利52,473,000港元(二零一零年：33,438,000港元)，比去年增長57%。年內，受中國持續增加存款準備金率及存貸利息等收緊銀根政策的影響，業務融資較以往困難，令年內增長較預期為低。同時，由於國內工資及原材料價格持續上升及主要產品密集烘烤房受國家煙草局重新制訂生產標準而引致生產成本有所上升的影響，毛利率由去年的約40%下降至今年的30%。基於上述各種因素，公司年內為一些持有的技術專利一次性計提減值撥備約89,694,000港元。因此，年內分部業績錄得虧損37,221,000港元(二零一零年：分部溢利33,438,000港元)。

CHAIRMAN'S STATEMENT

主席報告書

BUSINESS REVIEW *(Continued)*

The sales of fertilizer segment focused on the sales of tobacco-specific amino acid fertilizer. During the year, as a result of continuous increase in raw material costs, transportation costs and wage, product pricing was not attractive to customers in certain regions, leading to a significant decrease in the demand of fertilizer products. Accordingly, while the segment results have been accounted for fully during the year, the sales for the year was only HK\$111,047,000 (2010: HK\$110,543,000), representing a slight increase over the sales for around two months last year. The segment profit after segment expense was only HK\$2,102,000 (2010: HK\$23,356,000), representing a significant decrease over last year. Accordingly, after the end of the year, a subsidiary of the Group signed an assets transfer agreement, and agreed to dispose of the idle land, buildings and equipment related to the business and liquidise assets, which helps the Group to concentrate its resources on developing projects with higher potentials.

Affected by the above adverse factors on the two agriculture related operations during the year, the Company had to make a one-off provision of HK\$120,234,000 (2010: Nil) for goodwill arising from the acquisition of relevant project.

During the year, the number of users in the provision of TV digitalisation related business segment increased with the popularisation of digital TV in the PRC. The segment sales increased by 77% from last year to HK\$2,025,000 (2010: HK\$1,142,000). The segment loss was HK\$2,236,000 (2010: HK\$7,462,000), representing a significant decrease of approximately 70% from last year.

業務回顧(續)

肥料銷售分部年內以銷售氨基酸烟草專用肥料為主。年內，受原材料、運輸成本及工資持續上升影響，產品報價對部份地區的客户欠缺吸引力，引致對本部肥料產品的需求大幅下降。因此，雖然分部業績已於本年全部入帳，但年內銷售只有111,047,000港元(二零一零年：110,543,000港元)，比去年約兩個月的銷售輕微增加。扣除分部費用的分部溢利只有2,102,000港元(二零一零年：23,356,000港元)，比去年大幅減少。因此，於年結後，本集團的一家子公司簽訂了一份資產轉讓協議，同意將部份與本業務相關的閑置物業及設備出售，盤活資產，有利集團集中資源發展更具潛力的項目。

受以上兩個農業相關業務於年內各種不利因素的影響，公司需要為收購相關項目時產生的商譽計提一次性撥備120,234,000港元(二零一零年：無)。

年內，提供電視數字化相關業務分部受電視數字於中國普及化的發展，用戶量有所增加，分部銷售額較去年增加77%至2,025,000港元(二零一零年：1,142,000港元)。分部虧損為2,236,000港元(二零一零年：7,462,000港元)，較去年大幅減少約70%。

CHAIRMAN'S STATEMENT

主席報告書

BUSINESS REVIEW *(Continued)*

During the year, the agency agreement with China National Group Corp. of Traditional & Herbal Medicine, the sole agent in the PRC, was terminated. As a result, the segment sales of cordyceps related and other healthcare products significantly decreased to HK\$836,000 (2010: HK\$6,606,000). Due to slower sales of products than expected, the Company had to make a one-off provision of HK\$3,818,000 (2010: HK\$2,424,000) for inventories. In addition, the segment had to re-develop product markets after the termination of the agency agreement, leading to an increase of the marketing expenses for the year as compared to last year. Besides, the fixed expenses of the segment did not decrease significantly due to the decline in sales. Accordingly, the segment results turned from profit to loss and recorded a loss from operations for the year of HK\$10,619,000 (2010: profit of HK\$22,000). Given the operating condition during the year was not up to expectation, as at the year end date, a one-off provision for impairment of HK\$10,000,000 was made for an outstanding patent held (2010: patent HK\$88,000,000 and goodwill HK\$15,700,000). The segment results after the one-off provision for impairment recorded a segment loss of HK\$20,619,000 (2010: HK\$103,678,000).

For the year ended 31 March 2011, the Group recorded a loss attributable to owners of the Company of HK\$224,988,000 (2010: HK\$269,331,000) and a basic loss per share of HK\$8.30 cents (2010: HK\$14.20 cents). The losses were mainly resulted from the loss from operations of the Group's cordyceps related and other healthcare products, the one-off provision for impairment on patent, technology and goodwill of HK\$10,000,000, HK\$89,694,000 and HK\$120,234,000 respectively and the non-cash equity settled share based payment expenses of HK\$9,362,000 (2010: HK\$8,500,000). The equity settled share based payment expenses represented the recognised expenses of fair value of share options granted to the employees of the Company during the year, and did not result in cash outflow.

業務回顧(續)

年內，受到與產品中國總代理中國藥材集團解除代理協議的影響，北冬蟲夏草相關及其他保健產品的分部銷售大幅下跌至836,000港元(二零一零年：6,606,000港元)。由於產品銷售較預期緩慢，因此需要為存貨計提一次性減值撥備3,818,000港元(二零一零年：2,424,000港元)。另外，由於解除代理協議後公司需要重新自行開發產品市場，因此年內產生的市場費用比去年有所增加，加上公司的固定費用未有因銷售額下跌而大幅下降，因此，年內本部經營業績由盈轉虧，年度經營虧損10,619,000港元(二零一零年：溢利22,000港元)。鑑於年內營運狀況未如理想，於年結日，為一項持有的專利權餘額計提一次性減值撥備10,000,000港元(二零一零年：專利權88,000,000港元及商譽15,700,000港元)。扣除一次性減值撥備後的分部業績錄得分部虧損20,619,000港元(二零一零年：103,678,000港元)。

截至二零一一年三月三十一日止年度，本集團錄得本公司擁有人應佔虧損224,988,000港元(二零一零年：269,331,000港元)及每股基本虧損8.30港仙(二零一零年：14.20港仙)。有關虧損主要來自本集團北冬蟲夏草相關產品的經營虧損、對專利權、技術及商譽的一次性減值撥備10,000,000港元、89,694,000港元及120,234,000港元及非現金以權益結算並以股份為支付基準之開支9,362,000港元(二零一零年：8,500,000港元)。以權益結算並以股份為支付基準之開支指年內已授予本公司僱員購股權之公平值之已確認開支，當中並無涉及現金支出。

CHAIRMAN'S STATEMENT

主席報告書

PROSPECTS

Since the second half of 2010, the core business of the Group mainly focuses on the sales of modern agricultural machinery and facilities business. The State Tobacco Monopoly Administration plans to promote projects such as the modernisation, mechanisation and soil transformation of tobacco cultivation and the growing of organic tobacco in the next five years, and encourage the implementation of modern agricultural technologies such as greenhouse seedling, intensive flue-curing and accurate fertilisation, to bring the quality of tobacco in the PRC up to internationally advanced standards and reduce reliance on the import of high quality tobacco. This brings huge business opportunities to tobacco cultivation.

The Group is the first professional company to engage in tobacco agriculture in the PRC, and have strong professional technical teams and research and development experience. Currently, the market share of the Group's products is over 30%. It is expected that in the next few years, with higher requirements on tobacco quality, energy saving and emission reduction, more small enterprises with low research and development capacity, backward technology level and inadequate capital strength will be eliminated, providing the Group with larger market space. In view of the above favourable factors, the management is very optimistic about the future prospects of the Group's tobacco cultivation related business, and expects that the Group's tobacco cultivation related business will further improve the Group's revenue and contribute positively to the Group's performance in the coming year.

The Group successfully acquired Kang Yuan Universal Investment Limited and its subsidiaries in February 2010. After the acquisition, leveraging on its diversified businesses and leading edge in the industry, the Group engages in tobacco agriculture area comprehensively. With the re-positioning of the Group and the strengthening of modern tobacco agricultural business development, the Group will reduce the resources allocated to other businesses, including the provision of TV digitalisation related services and cordyceps related products, or dispose of these businesses to ensure the adequacy of resources for core businesses.

展望

自二零一零年下半年開始，集團的核心業務主要集中在現代化農業耕作機械及設施的銷售。根據國家煙草總局的計畫，於未來五年全面推廣煙草種植現代化、機械化作業、土壤改造及全面打造有機煙草，並鼓勵大棚育苗、密集烘烤及精確施肥料等現代化農業技術的實施，使中國的煙草品質達到國際先進國家水準，減少對進口高品質煙草的依賴，為煙草農業帶來巨大商機。

本集團是國內最早介入煙草農業的專業公司，具有較強的專業技術隊伍及研發經驗。目前，本集團的產品份額市場佔有率達到30%以上。預計未來幾年，隨著國家對煙草品質、節能減排的要求逐步提高，更多欠缺研發能力、技術水平落後、資本實力不足的小廠家將會被淘汰，本集團將會有更大的市場空間。鑑於以上各種利好因素，管理層對本集團煙草農業相關業務之未來前景感到非常樂觀，並預計本集團煙草農業領域業務於來年將會進一步改善本集團的收入及為本集團表現帶來正面貢獻。

集團於二零一零年二月成功收購康源環球投資顧問有限公司及其子公司，憑藉其多元化業務及在行業內的領先優勢，集團全面介入煙草農業。隨著集團重新定位並加強現代化煙草農業業務發展，集團將減少其他業務，包括提供電視數位化相關服務及冬蟲夏草相關產品的資源投放，或出售這些業務以確保主要業務的資源充足。

CHAIRMAN'S STATEMENT

主席報告書

PROSPECTS *(Continued)*

Looking ahead, the Group will conduct business in the modern tobacco agriculture area, and strengthen promotion of projects such as the comprehensive use of biomass energy and pesticide, tobacco-specific fertilizer and tobacco specialisation services, which will help facilitate the Group's business development and improve farmers' income, and maintain social stability. Internally, the Group will implement a series of cost control measures, and search for different ways of financing, to strengthen the capital of the Company and accelerate the future development of the key projects of the Company. In addition, upon the disposal of fertilizer business held by the Group, the management of the Group will continue to look for acquisition opportunities that are related to tobacco agriculture and match the long term development of the Company, expand the Company's scale and market territory and reinforce the Group's leading position in the industry, to reward its shareholders with growth. In February 2011, the Group entered into a memorandum of understanding with an independent third party in relation to the possible acquisition of 70% equity interest of a company engaged in the research, production and distribution of tobacco business in the PRC. The proposed transaction is subject to the signing of a formal agreement. Further announcement in respect of the progress of the proposed transaction will be made by the Company as and when appropriate.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank all shareholders, bankers and business partners for their continuous support to the Group, and express my sincere gratitude to my fellow directors, management and all employees for their efforts and contributions over the last year.

Ms. Jingquan Yingzi

Chairman

展望(續)

展望未來，集團會在煙草現代農業領域全面開展業務，並加強對生物質能源的綜合利用以及農藥、煙草專用肥及煙草專業化服務等的推廣，這將有助於集團業務發展及改善農民收入，維持社會穩定。內部方面，本集團在推行一系列成本控制方案的同時，正尋找不同的融資途徑，增強公司資本及加快公司重點項目的未來發展。另外，本集團的管理層在出售持有的肥料業務後，將繼續尋找與煙草農業相關而配合公司未來長遠發展的收購機會，拓展公司規模和版圖，鞏固集團在行業內的領頭地位，以增長來回報各位股東。於二零一一年二月，本集團與一獨立第三方訂立諒解備忘錄，內容有關可能收購一家於中國主要從事煙草研究、生產及分銷業務公司的70%股本權益。建議交易須待簽訂正式協議後方可作實，本公司將於適當時候就建議交易之進展另行發表公佈。

致謝

本人謹藉此機會，代表董事會感謝所有股東、往來銀行及業務夥伴對本集團的不斷支持，亦對董事全人、管理層及全體員工過去一年的努力及貢獻衷心感激。

井泉瑛孜女士

主席

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

The Group is principally engaged in agricultural related machinery and construction business, fertilizer business, TV digitalisation related business and cordyceps related and other healthcare products business.

For the year ended 31 March 2011, the Group recorded a revenue of approximately HK\$597,268,000, representing an increase of 171% as compared to last year's revenue of HK\$220,796,000. The main reason for the increase in revenue was that the results of the sales of agricultural machinery and fertilizer businesses acquired in February 2010 were completely reflected during the year. Among which the total revenue of sales of agricultural machinery and fertilizer amounted to HK\$594,407,000 (2010: HK\$213,048,000), representing 99.5% (2010: 96.5%) of the total revenue of the Group. The revenue of provision of TV digitalisation related services and sales of cordyceps related and other healthcare products businesses were approximately HK\$2,025,000 (2010: HK\$1,142,000) and HK\$836,000 (2010: HK\$6,606,000) respectively, together representing 0.5% (2010: 3.5%) of the Group's total revenue.

During the year, the Group recorded a gross profit of approximately HK\$158,058,000 (2010: HK\$69,624,000), representing an increase of 127% over last year. The gross profit of the sales of agricultural related machinery and construction and sales of fertilizer businesses were HK\$143,449,000 (2010: HK\$41,442,000) and HK\$15,656,000 (2010: HK\$24,287,000) respectively. Due to higher increase in costs than revenue, the provision of TV digitalisation related services segment recorded a gross loss of HK\$474,000 during the year, but the loss significantly decreased as compared to last year's HK\$1,224,000. With the digitalisation of the TV industry in the PRC, the segment results are expected to improve further. The termination of agreement with the PRC sole agent resulted in a significant decrease in sales. Therefore, the sales of cordyceps related and other healthcare products business recorded a gross loss of HK\$573,000 (2010: profit of HK\$5,119,000) during the year. The gross profit margin of the Group was 26.5%, slightly lower than last year's 31.5% of continuing operations, mainly because the profit margin of agricultural related machinery and construction business and fertilizer business, which accounted for larger share of the Group during the year, was lower than the cordyceps related and other healthcare products business, which accounted for larger share in the past, and the cordyceps related and other healthcare products recorded a gross loss for the reasons above. Furthermore, continuous increase in average wage and raw material prices in the PRC also increased production cost, putting pressure on gross profit margin.

財務回顧

本集團的主要業務為農業相關機械及建築業務、肥料業務、電視數字化相關業務及北冬蟲夏草相關及其他保健產品業務。

截至二零一一年三月三十一日止年度，本集團錄得收入約597,268,000港元，較去年收入220,796,000港元增長171%。收入增加主要原因是於二零一零年二月收購的農業耕作機械及肥料銷售業務於年內全面反映。其中銷售農業耕作機械及肥料的總收入合共594,407,000港元(二零一零年：213,048,000港元)，佔本集團總收入的99.5%(二零一零年：96.5%)。提供電視數字化相關服務及銷售北冬蟲夏草相關及其他保健產品的收入約2,025,000港元(二零一零年：1,142,000港元)及836,000港元(二零一零年：6,606,000港元)，合共佔本集團總收入的0.5%(二零一零年：3.5%)。

年內，本集團錄得毛利約158,058,000港元(二零一零年：69,624,000港元)，較去年增長127%。農業相關機械及建築銷售及肥料銷售業務之毛利分別為143,449,000港元(二零一零年：41,442,000港元)及15,656,000港元(二零一零年：24,287,000港元)。提供電視數字化相關服務因成本增長較收入高，年內錄得毛虧474,000港元，但較去年的1,224,000港元有所下降，隨著中國電視行業數碼化的發展，預計本部業績將會進一步改善。北冬蟲夏草相關及其他保健產品銷售業務受與中國總代理解除協議令銷售額大幅下降的影響，年內只錄得毛虧573,000港元(二零一零年：毛利5,119,000港元)。本集團的毛利率為26.5%，比去年持續經營業務的31.5%略低，原因主要是年內本集團所佔比重較高的農業相關機械及建築業務及肥料業務的邊際利潤比較過往比重較高的北冬蟲夏草相關及其他保健產品業務低。另外，中國平均工資及原材料價格的持續上升亦令生產成本增加，對毛利率構成壓力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW *(Continued)*

During the year, other revenue of the Group was approximately HK\$26,647,000, representing a significant increase as compared to last year's HK\$1,210,000, mainly due to the interest income for the year of HK\$2,431,000 (2010: HK\$615,000) as a result of continuous increase in the deposit interest rate in the PRC; an one-off income from waiver of interest on convertible bonds of HK\$8,108,000 (2010: Nil); the rental income from the short-term machinery lease of HK\$9,302,000 (2010: Nil) during the year. However, this business was discontinued upon the end of all short-term leases in 2010. A government grant income of HK\$4,593,000 (2010: Nil) was recognised.

During the year, distribution costs and administrative expenses were HK\$53,599,000 (2010: HK\$3,152,000) and HK\$109,008,000 (2010: HK\$39,212,000) respectively. The major reasons for the significant increase include the complete reflection of expenses related to the newly-acquired sales of agricultural machinery and fertilizer operations during the year, and the increase in expenses due to rising price indexes in the Mainland and Hong Kong.

During the year, finance costs was HK\$28,123,000, representing a significant increase of approximately 3.5 times as compared to last year's HK\$6,231,000, mainly due to the complete reflection of the effective interest expenses on convertible bonds issued by the Company in March 2010 and the interest on bank loans of the subsidiary acquired in February 2010 of HK\$9,394,000 (2010: HK\$1,775,000) and HK\$15,892,000 (2010: HK\$4,101,000) respectively.

For the year ended 31 March 2011, impairment loss on goodwill and other intangible assets amounted to HK\$219,928,000 (2010: HK\$103,810,000), included the impairment on patent of HK\$10,000,000, impairment on technology of HK\$89,694,000 and impairment on goodwill of HK\$120,234,000.

財務回顧(續)

年內，本集團其他收入約26,647,000港元，較去年1,210,000港元大幅增長。主要原因是中國存款利率持續上升使年內利息收入達2,431,000港元(二零一零年：615,000港元)；一項一次性的可換股債券利息免除收入8,108,000港元(二零一零年：無)；本集團於年內因短期租賃機器而產生的租金收入9,302,000港元(二零一零年：無)，唯本業務已於二零一零年內所有短期租賃合同完結後停止及已確認的政府獎勵收入4,593,000港元(二零一零年：無)。

年內，銷售費用及行政費用分別為53,599,000港元(二零一零年：3,152,000港元)及109,008,000港元(二零一零年：39,212,000港元)。增幅顯著的原因除新收購的農業耕作機械及肥料銷售相關的費用於年內全面反映的因素外，國內及香港的物價指數持續上升引致開支增加亦是另一主因。

年內，融資成本28,123,000港元，較去年6,231,000港元大幅增長約3.5倍。主要原因是公司於二零一零年三月份所發行的可換股債券的名義利息及於二零一零年二月份新收購子公司的銀行貸款利息於年內全面反映，分別為9,394,000港元(二零一零年：1,775,000港元)及15,892,000港元(二零一零年：4,101,000港元)。

截至二零一一年三月三十一日止年度，商譽及其他無形資產減值虧損為219,928,000港元(二零一零年：103,810,000港元)。其中包括專利權減值10,000,000港元、技術減值89,694,000港元及商譽減值120,234,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW *(Continued)*

For the year ended 31 March 2011, other comprehensive income which is arising from exchange differences on translating foreign operations amounted to HK\$20,557,000 (2010: HK\$382,000).

During the year, the Group did not have any discontinued operation. The discontinued operations last year included pre-mastering and other media services, audiovisual playout services and direct television sales businesses. Last year, discontinued operations contributed a loss of HK\$169,091,000 to the Group.

The loss for the year ended 31 March 2011 of the shareholders of the Company was HK\$224,988,000 (2010: HK\$269,331,000, including continuing and discontinued operations).

Liquidity and Financial Resources

At 31 March 2011, the Group had current assets of HK\$1,066,551,000 (2010: HK\$854,930,000). The group's current ratio at year end date, calculated based on current assets of HK\$1,066,551,000 (2010: HK\$854,930,000) divided by current liabilities of HK\$685,450,000 (2010: HK\$592,745,000), was at a healthy ratio of 1.56 (2010: 1.44).

The Company issued approximately 46.5 million new shares during the year as a result of exercise of share options granted. At year end date, equity attributable to owners of the Company amounting to HK\$705,750,000 (2010: HK\$904,851,000) and is equivalent to an attributable amount of HK\$0.26 per share of the Company (2010: HK\$0.34).

財務回顧(續)

截至二零一一年三月三十一日止年度，由換算海外業務產生之滙兌差額產生之其他全面收益為20,557,000港元(二零一零年：382,000港元)。

年內，本集團並沒有任何非持續經營業務。去年的非持續經營業務包括母版前期製作及其他媒體服務、影音播放服務及直銷電視銷售業務。於去年，非持續經營業務為集團帶來虧損169,091,000港元。

本公司股東於截至二零一一年三月三十一日止年度的年度虧損為224,988,000港元(二零一零年：269,331,000港元，包括持續經營業務及非持續經營業務)。

流動資金及財務資源

於二零一一年三月三十一日，本集團之流動資產為1,066,551,000港元(二零一零年：854,930,000港元)。按流動資產1,066,551,000港元(二零一零年：854,930,000港元)除以流動負債685,450,000港元(二零一零年：592,745,000港元)計算，本集團於年結日之流動比率為1.56(二零一零年：1.44)，處於健康水平。

由於已授出之購股權獲行使，本公司於年內發行約46,500,000股新股份。於年結日，本公司擁有人應佔權益為705,750,000港元(二零一零年：904,851,000港元)，相當於本公司每股應佔金額0.26港元(二零一零年：0.34港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW *(Continued)*

Liquidity and Financial Resources *(Continued)*

In March 2010, the Company issued convertible notes with total principal amount of HK\$1,098,000,000 which could be converted into ordinary shares of the Company at an initial conversion price of HK\$0.43 per share. At year end date, convertible bonds with principal HK\$25,000,000 were redeemed and thus convertible bonds with principal amount of HK\$1,073,000,000 were outstanding. At 31 March 2011, the group's total indebtedness comprised fair value of outstanding convertible bonds and borrowings with aggregate amount of HK\$933,351,000 (2010: HK\$972,434,000). The Group's gearing ratio, calculated on the basis of total indebtedness divided by total indebtedness and total equity, was 127.2% (2010: 106.8%) at the year end date. The convertible bonds, if not converted, would be due for repayment in March 2015 whereas the bank loans were all repayable within five years. The convertible bonds were denominated in Hong Kong dollars and bore fixed interest rate at 1% per annum whereas the bank loans were denominated in Renminbi and bore interest at fixed and floating rate ranged between 5.31% and 6.91%.

With the amount of liquid assets on hand as well as credit facilities available, the management is of the view that the Group will have sufficient financial resources to meet its ongoing operational requirements.

財務回顧 *(續)*

流動資金及財務資源 *(續)*

於二零一零年三月，本公司已發行本金總額為1,098,000,000港元之可換股票據，可按初步換股價每股0.43港元兌換為本公司普通股份。截至年結日，本金總額25,000,000港元之可換股債券已贖回，因此尚未兌換之可換股債券本金額為1,073,000,000港元。於二零一一年三月三十一日，本集團之總負債包括未兌換可換股債券之公平值及借貸合共933,351,000港元(二零一零年：972,434,000港元)。按總負債除以總權益計算，本集團於年結日之資本負債比率為127.2%(二零一零年：106.8%)。可換股債券，如不獲兌換，將於二零一五年三月到期償還，而銀行貸款則須於五年內悉數償還。以港元定值之可換股債券按固定年利率1厘計息，而以人民幣定值之銀行貸款則由5.31%至6.91%的固定及浮動利率計息。

憑藉手上的速動資產以及可動用之信貸融通額度，管理層認為本集團將擁有充裕的財務資源，以應付持續營運所需。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW *(Continued)*

Foreign Currency Management

The monetary assets and liabilities and business transactions of the Group was mainly carried and conducted in Hong Kong dollars and Renminbi. The Group continues to maintain a prudent strategy in its foreign currency risk management, to a large extent, foreign exchange risks are minimised by balancing the foreign currency monetary assets versus the corresponding currency liabilities, and foreign currency revenues versus the corresponding currency expenditures. In light of the above, it is considered that the Group's exposure to foreign exchange risk is insignificant and no hedging measure has been undertaken by the Group.

Pledge of assets

At 31 March 2011, the Group's certain leasehold land and buildings (including prepaid land lease payments) with aggregate carrying amount of approximately HK\$6,730,000 (2010: HK\$13,135,000) were pledged to secure general banking facilities granted to the Group.

At 31 March 2011, bank deposits denominated in Renminbi of HK\$231,372,000 (2010: HK\$135,918,000) were pledged to secure the banking facilities granted to the Group.

Contingent Liability

At 31 March 2011, the Group had no significant contingent liability.

Capital Commitment

Details of the capital commitment of the Group are set out in note 43 to the consolidated financial statements.

財務回顧(續)

外幣管理

本集團之貨幣資產及負債以及業務交易主要以港元及人民幣列賬和進行。本集團恪守穩健的外幣風險管理策略，主要透過維持外幣資產與相應貨幣負債之平衡，以及外幣收入與相應貨幣開支之平衡，將外匯風險減至最低。鑑於以上所述，本集團所承受的外匯風險相信並不重大，故本集團並無實行對沖措施。

資產抵押

於二零一一年三月三十一日，本集團將賬面值約6,730,000港元(二零一零年：13,135,000港元)之若干租賃土地及樓宇(包括預付土地租賃款)抵押，作為本集團獲授一般銀行融通額度之擔保。

於二零一一年三月三十一日，本集團將231,372,000港元(二零一零年：135,918,000港元)之人民幣定值銀行存款抵押，作為本集團獲授銀行融通額度之擔保。

或然負債

於二零一一年三月三十一日，本集團並無重大或然負債。

資本承擔

本集團之資本承擔詳情載於綜合財務報表附註43。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICY

At 31 March 2011, the Group had about 691 (2010:487) employees including directors. Total staff costs for the year, including directors' emoluments but excluding equity settled share based payment expenses, was approximately HK\$31,501,000 (2010: HK\$16,231,000). The increase in staff costs were mainly due to acquisition of Kang Yuen Universal Investment Limited and its subsidiaries in February 2010. The equity settled share based payment expenses of HK\$1,560,000 (2010: HK\$6,525,000) represented fair value of share options granted to directors and employees of the Group and were not resulted in any cash outflow.

Salary package for employees are structured by reference to market conditions, staff's experience and individual performance. Other benefits offered by the Group included medical insurance, mandatory provident fund scheme, training subsidies, share option scheme and discretionary bonus.

僱員及薪酬政策

於二零一一年三月三十一日，本集團之僱員(包括董事)總數約為691人(二零一零年：487人)。年內之總僱員成本約為31,501,000港元(二零一零年：16,231,000港元)，當中包括董事酬金但未計以權益結算並以股份為支付基準之開支。僱員成本增加主要是由於二零一零年二月收購康源環球投資有限公司及其子公司所致。以權益結算並以股份為支付基準之開支1,560,000港元(二零一零年：6,525,000港元)指授予本集團之董事及僱員之購股權的公平值，並不涉及任何現金支出。

僱員之薪酬福利乃參考市場情況，員工經驗及個人表現而制訂。本集團提供之其他福利包括醫療保險、強制性公積金計劃、培訓補貼、購股權計劃及酌情花紅。

DIRECTORS' PROFILE 董事履歷

EXECUTIVE DIRECTOR

Ms. JINGQUAN Yingzi, Chairman

Aged 36, joined the Company as Executive Director and was appointed as the Chairman of the Company in 2010. Ms. Jingquan has been engaged in corporate operation for years and has extensive experience in corporate management and corporate finance in the People Republic of China (the "PRC"). Ms. Jingquan is also a director of Jiangsu Kedi Modern Agriculture Company Limited, a subsidiary of the Company ("Jiangsu Kedi"), since July 2006.

Mr. WONG Man Hung Patrick

Aged 55, joined the Company as an Executive Director in 2008. Mr. Wong is also a director of various members of the Group. Mr. Wong holds a Master of Business Administration from the University of East Asia, Macau and a diploma in Management from the Columbia University, New York, United States of America (the "U.S.A."). Mr. Wong is also a founding member and visiting professor of the Institute of Business Engineering (IBE) degree course. Mr. Wong has over 30 year's experience in providing financial advisory service to the institutional clients and since 1990's, Mr. Wong has involved in various infrastructure projects financing in Hong Kong and the PRC.

執行董事

井泉瑛孜女士，主席

36歲，於二零一零年加入本公司出任執行董事並獲委任為本公司之主席。井泉女士從事多年企業營運，於中華人民共和國（「中國」）的企業管理及企業融資方面有豐富經驗。此外，井泉女士自二零零六年七月起為本公司子公司江蘇科地現代農業有限公司（「江蘇科地」）之董事。

王文雄先生

55歲，於二零零八年加入本公司出任執行董事。王先生亦為本集團多間成員公司之董事。王先生持有澳門東亞大學工商管理碩士學位，及美利堅合眾國（「美國」）紐約哥倫比亞大學的管理文憑。王先生亦是商業工程學會學位課程的創會會員兼客席教授。王先生擁有逾30年向機構客戶提供財務顧問服務之經驗。王先生自90年代初以來曾為不同機構於香港及中國之多項基建項目融資。

DIRECTORS' PROFILE 董事履歷

EXECUTIVE DIRECTOR *(Continued)*

Mr. SHAN Xiaochang

Aged 46, Mr. Shan joined the Company as an Executive Director in 2010. Mr. Shan is an entrepreneur in the PRC with over 15 years of experience in corporate finance, operation and cash flow management and research and development. Mr. Shan held senior positions in various private companies engaged in agriculture, environmental protection and chemical fertilizers in the PRC. Mr. Shan is a director of Jiangsu Kedi since June 2006. Mr. Shan is also the Chairman, the chief executive officer and an executive director of Sunrise (China) Technology Group Limited (stock code: 8226), which is listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited.

Mr. WU Zhongxin

Aged 46, joined the Company as an Executive Director in 2010. Mr. Wu has been engaged in research and promotion activities in the tobacco industry in the PRC for years and has extensive experience in practical and operational management in private entities. Mr. Wu is also a director of Jiangsu Kedi since July 2006.

執行董事(續)

單曉昌先生

46歲，單先生於二零一零年加入本公司出任執行董事。單先生為一名中國企業家，在企業融資、營運、現金流管理及研究與發展方面擁有逾15年經驗。單先生在多家於中國從事農業、環保及化肥之私人公司擔任高級職務。單先生自二零零六年六月起為江蘇科地之董事。單先生現為中昱科技集團有限公司(股份代號：8226)之主席、行政總裁及執行董事，該公司於香港聯合交易所有限公司創業板(「創業板」)上市。

吳中心先生

46歲，於二零一零年加入本公司出任執行董事。吳先生於中國從事煙草行業研究及推廣工作多年，對私人公司的實踐及經營管理擁有豐富經驗。此外，吳先生自二零零六年七月起為江蘇科地之董事。

DIRECTORS' PROFILE 董事履歷

EXECUTIVE DIRECTOR *(Continued)*

Mr. FENG Xiaoping

Aged 60, joined the Company as an Executive Director in 2005. Mr. Feng is also a director of Sky Dragon Digital Television and Movies Limited and Hunan Xiaoxiang Digital Television Broadcast Company Limited (Collectively "Sky Dragon"), being subsidiaries of the Company engaged in the development of digital set-top boxes and the system platform for the digital television network in the PRC. Mr. Feng is also one of the founders and an Executive Director of Crossprofit Development Limited, a company principally engaged in investment holding, property investment in Hong Kong and in the PRC and operation of toll highways in the PRC through its fellow companies and subsidiaries. During the period from 1998 to 2002, Mr. Feng was the director and chief executive officer of Asia Television Limited, a free-to-air terrestrial television broadcaster licensed in Hong Kong.

Mr. Stephen William FROSTICK

Aged 61, joined the Company as an Executive Director in 2008. Mr. Frostick obtained a Juris Doctorate in Old College School of Law, Nevada, U.S.A. in 1984, a Master of Public Administration and a Bachelor of Science in Business Administration at the University of Nevada, Las Vegas, U.S.A. in 1976 and 1974 respectively. Mr. Frostick is the president and chief executive officer of the Compeer Group (Macau) and Grey Eagle Group (Hong Kong). Mr. Frostick has over 35 years of experience in leading capacities in the State Government of Nevada, U.S.A., large corporations and international consulting organisations. During his employment in Kepner Tregoe Inc., Mr. Frostick was involved in the design, development and led the implementation of team Concept in Chrysler Motors Inc. Mr. Frostick is well experienced in strategic planning, operational management and organisation development. Mr. Frostick is also an executive director and the Chairman of China Public Healthcare (Holding) Limited (stock code: 8116), which is listed on the GEM of The Stock Exchange of Hong Kong Limited.

執行董事 *(續)*

封小平先生

60歲，於二零零五年加入本公司出任執行董事。封先生亦為天龍數碼影視有限公司及湖南瀟湘數字電視有限公司(統稱「天龍」)之董事。該等公司均為本公司之子公司並於中國從事開發數碼機頂盒及數碼電視網絡系統平台。封先生亦為財際發展有限公司之其中一位創辦人及執行董事，該公司之主要業務是投資控股，並透過其聯營公司及子公司於香港及中國從事地產投資及於中國經營收費公路。封先生於一九九八年至二零零二年間曾任職亞洲電視有限公司之董事及行政總裁，亞洲電視有限公司為一間於香港獲發牌照之免費大氣電波地面電視廣播機構。

Stephen William FROSTICK 先生

61歲，於二零零八年加入本公司出任執行董事。於一九八四年取得美國內華達州 Old College School of Law 之法律博士學位，並分別於一九七六年及一九七四年取得美國拉斯維加斯 University of Nevada 之公共行政碩士學位及工商管理學士學位。Frostick 先生為 Compeer Group (Macau) 及 Grey Eagle Group (Hong Kong) 之總裁及行政總裁。Frostick 先生曾於美國內華達州政府、大型企業及國際顧問機構出任要職，擁有逾35年經驗。Frostick 先生過去於 Kepner Tregoe Inc. 任職期間，曾參與設計、開發及領導推行 Chrysler Motors Inc. 之團隊概念 (Team Concept)。Frostick 先生於策略規劃、經營管理及組織發展方面均擁有豐富經驗。Frostick 先生亦為中國公共醫療(控股)有限公司(股份代號：8116)之執行董事及主席，該公司於香港聯合交易所有限公司創業板上市。

DIRECTORS' PROFILE

董事履歷

NON-EXECUTIVE DIRECTOR

Professor LIU Guoshun

Aged 56, Prof. Liu joined the Company as a Non-Executive Director in 2010. Prof. Liu is the Dean and a tutor of the Doctoral program students in the College of Tobacco Science of Henan Agricultural University. Prof. Liu is also the Director of National Tobacco Cultivation, Physiology and Biochemistry Research Centre and the Chief Expert in the PRC Tobacco Agriculture industry. Prof. Liu is the manager of the Major Projects of the State Tobacco Monopoly Administration.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. SOUSA Richard Alvaro

Aged 50, Mr. Sousa was appointed as an independent non-executive director of the Company in 2001. Mr. Sousa was qualified as a solicitor of the High Court of Hong Kong in May 1996 and is now a solicitor of Messrs. Chan, Lau and Wai.

Mr. LEE Chi Hwa Joshua

Aged 38, Mr. Lee was appointed as an independent non-executive director of the Company in 2007. Mr. Lee is a fellow member of the Association of Chartered Certified Accountants and a member of Hong Kong Institute of Certified Public Accountants. Mr. Lee has extensive experience in the fields of auditing, accounting and finance. Mr. Lee is also an independent non-executive director of China Public Healthcare (Holding) Limited (stock code: 8116), which is listed on the GEM of The Stock Exchange of Hong Kong Limited.

非執行董事

劉國順教授

56歲，劉教授於二零一零年加入本公司出任非執行董事。劉教授為河南農業大學煙草學院院長及博士生導師。劉教授亦為國家煙草栽培生理生化基地主任及中國煙草農業領域首席專家。劉教授目前擔任國家煙草局重大專項課題主持人。

獨立非執行董事

蘇志汶先生

50歲，蘇先生於二零零一年獲委任為本公司之獨立非執行董事。蘇先生於一九九六年五月成為香港高等法院認可律師，現於陳劉韋律師行任職律師。

李智華先生

38歲，李先生於二零零七年獲委任為本公司之獨立非執行董事。李先生為英國特許會計師公會資深會員及香港會計師公會會員。李先生於審計、會計及財務方面有豐富經驗。李先生同時為中國公共醫療(控股)有限公司(股份代號：8116)之獨立非執行董事，該公司於香港聯合交易所有限公司創業板上市。

DIRECTORS' PROFILE 董事履歷

INDEPENDENT NON-EXECUTIVE DIRECTOR

(Continued)

Ms. CHAN Mei Bo Mabel

Aged 38, Ms. Chan was appointed as an independent non-executive director of the Company in 2009. Ms Chan is the sole proprietor of Mabel Chan & Co, Certified Public Accountants. She has over 17 years' of experience in professional accounting. She holds a Bachelor of Arts (Honours) Degree in Accountancy from the City University of Hong Kong and a Master degree of Business Administration from the Hong Kong University of Science and Technology. Ms Chan was qualified as a member of the Association of Chartered Certified Accountants in 1996. She was also qualified as a practising Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants in 1998. She is currently the Council member of the Society of Chinese Accountants and Auditors, a member of the Taxation Institute of Hong Kong, the Honorary Treasurer of the Hong Kong Professionals Advancement Association and a member of Hong Kong Institute of Directors. Ms. Chan was the Past President of the Association of Women Accountant (Hong Kong).

獨立非執行董事(續)

陳美寶女士

38歲，陳女士於二零零九年獲委任為本公司之獨立非執行董事。陳女士為陳美寶會計師事務所之獨資經營者。陳女士於專業會計方面擁有超過17年經驗。陳女士持有香港城市大學會計學文學士(榮譽)學位及香港科技大學工商管理碩士學位。陳女士於一九九六年成為英國特許會計師公會之會員。陳女士於一九九八年亦成為香港會計師公會之執業會計師。陳女士現時為香港華人會計師公會理事會成員、香港稅務學會會員、香港專業促進會榮譽司庫及香港董事學會會員。陳女士亦為香港女會計師協會之前會長。

REPORT OF THE DIRECTORS 董事會報告

The board of directors of the Code Agriculture (Holdings) Limited (the “Company”) is pleased to submit their report together with the audited financial statements of the Company and its subsidiaries (Collectively, the “Group”) for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in note 23 to the consolidated financial statements.

An analysis of the Group’s performance for the year by operation segments is set out in note 6 to the consolidated financial statements

RESULTS

The results of the Group for the year ended 31 March 2011 are set out in the consolidated statement of comprehensive income on pages 51 to 52.

FINAL DIVIDEND

The Board of directors of the Company does not recommend the payment of a final dividend for the year ended 31 March 2011.

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately HK\$801,000.

科地農業控股有限公司(「本公司」)董事會欣然提呈本公司及其子公司(合稱「本集團」)截至二零一一年三月三十一日止年度之董事會報告及經審核財務報表。

主要業務及經營地區之分析

本公司之主要業務為投資控股。子公司之業務載於綜合財務報表附註23。

本集團於本年度按營運分類之表現分析載於綜合財務報表附註6。

業績

本集團截至二零一一年三月三十一日止年度之業績載於第51至52頁之綜合全面收益表。

末期股息

本公司董事會不建議派付截至二零一一年三月三十一日止年度之末期股息。

捐款

本集團於年內作出之慈善及其他捐款合共約801,000港元。

REPORT OF THE DIRECTORS 董事會報告

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE BONDS

Details of the movements in the Company's share capital, share options and convertible bonds are set out in note 38, 41 and 37 to the consolidated financial statements respectively.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity and in note 39 to the consolidated financial statements, respectively.

RETIREMENT BENEFIT SCHEME

The Group provides a mandatory provident fund scheme ("MPF Scheme") for its staff in Hong Kong in compliance with the requirements under the Hong Kong Mandatory Provident Fund Schemes Ordinance ("MPF Scheme Ordinance"). Under the MPF Scheme, the Group's contributions are at 5% of the employee's relevant income as defined in the MPF Scheme Ordinance up to a maximum of HK\$1,000 per employee per month. The employees also contribute a corresponding amount to the MPF Scheme if their relevant income is more than HK\$5,000 per month. The MPF contributions from the employer are 100% fully and immediately vested in the employees as accrued benefits once they are paid. All benefits derived from the mandatory contribution must be preserved until the employee reaches the retirement age of 65 subject to a few exceptions. There is no forfeited contribution that may be used by the Group to reduce the existing level of contributions. For the year ended 31 March 2010, the employees' pension costs charged to the statement of comprehensive income is HK\$1,801,000.

物業、廠房及設備

本集團及本公司物業、機器及設備之變動詳情載於綜合財務報表附註19。

股本、購股權及可換股債券

年內，本公司之股本、購股權及可換股債券之變動詳情分別載於綜合財務報表附註38、41及37。

儲備

本集團及本公司年內之儲備變動分別載於綜合權益變動表及綜合財務報表附註39內。

退休金計劃安排

為符合香港《強制性公積金計劃條例》(「強積金計劃條例」)之規定，本集團為其香港員工設立強制性公積金計劃(「強積金計劃」)。根據強積金計劃，本集團每月須作出由強積金計劃條例所界定，相等於僱員有關收入5%之供款(上限為每名僱員每月1,000港元)。倘僱員有關月入為5,000港元以上，則僱員亦須向強積金計劃作出同等金額之供款。僱主一經作出強積金供款，有關供款便即時全數撥入僱員之應計利益內。除若干個別情況外，強制性供款所產生之所有利益必須保留直至僱員達65歲之退休年齡。本集團並無已沒收供款可用作減低目前之供款水平。截至二零一零年三月三十一日止年度，計入全面收益表之僱員退休金成本為1,801,000港元。

REPORT OF THE DIRECTORS 董事會報告

DISTRIBUTABLE RESERVES

As at 31 March 2011, the Company had no distributable reserves available for distribution to shareholders of the Company.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the Companies Act 1981 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 published results and of the assets and liabilities of the Group for the last five financial years, extracted from the audited consolidated financial statements of the Company, is set out on page 176. This summary does not form part of the audited consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

可供分派儲備

於二零一一年三月三十一日，本公司並無可分派予本公司股東的可分派儲備。

優先購買權

本公司之公司細則或百慕達一九八一年公司法並無有關優先購買權之規定，故本公司毋須按比例發售新股予現有股東。

五年財務概要

摘錄自本公司之經審核綜合財務報表之本集團過往五個財政年度之已刊發業績及資產及負債概要載於第176頁。此概要並不構成經審核綜合財務報表之一部分。

購買、出售或贖回證券

本公司概無於年內贖回其任何股份。本公司或其各子公司概無於年內購買或出售本公司任何股份。

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION

Share Option Scheme

Share option scheme I

A share option scheme (the “Scheme 1”) was adopted by the Company pursuant to a resolution passed on 20 March 2001 and no share options were granted under the Scheme 1 since its adoption. The Scheme 1 was expired on 19 March 2011.

Share option scheme II

The Company operates a share option scheme (the “Scheme II”) for the purpose of to enable the Company to grant option (the “Option II”) to the eligible participants for their contribution to the growth of the Company or any subsidiary and to provide the Company or any subsidiary with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Person. Eligible participants of the Scheme II include any employee, director, supplier of goods or services, customer of the Company or any subsidiary; agent, adviser, consultant, strategist, contractor, sub-contractor, expert or entity that provides research, development or other technological support or any valuable services to Company or any subsidiary; shareholder of Company or any subsidiary or holder of any securities issued by Company or any subsidiary; to subscribe for shares in the Company. The Scheme II became effective on 2 February 2009 and, will remain in force for a period of ten years from that date.

購股權

購股權計劃

購股權計劃一

根據本公司於二零零一年三月二十日通過之決議案，本公司採納一項購股權計劃(「計劃一」)。自採納計劃一以來，並無根據計劃一授出購股權。計劃一已於二零一一年三月十九日過期。

購股權計劃二

本公司設有一項購股權計劃(「計劃二」)，該計劃之目的是使本公司可向合資格參與者授出購股權(「購股權二」)，作為彼等對本公司或任何子公司發展作出貢獻之鼓勵或獎勵，並讓本公司或任何子公司可以更靈活之方法向合資格人士提供獎勵、報酬、補償及／或福利。計劃二的合資格參與者包括本公司或任何子公司之任何僱員、董事、貨品或服務供應商、客戶；向本公司或任何子公司提供研發或其他技術支援或任何有價值服務之代理、顧問、諮詢人、策略師、承辦商、分承辦商、專家或實體；本公司或任何子公司之股東或本公司或任何子公司發行之任何證券之持有人，以認購本公司股份。計劃二於二零零九年二月二日生效，有效期自該日起計十年。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION *(Continued)*

Share Option Scheme *(Continued)*

Share option scheme II *(Continued)*

The maximum number of shares available for issue under the Scheme II and any other share option schemes of the Company must not, in aggregate, exceed 10% of the issued share capital of the Company as at the date of approval of Scheme II. The Board shall not grant any options which would result in the maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted but yet to be exercised under Scheme II and any other share option scheme adopted by the Company which provide for the grant of options to acquire or subscribe for shares exceeding, in aggregate, 30% of the issued share capital of the Company from time to time. The number of shares available for issue under the Scheme II was 211,379,824 shares representing approximately 7.79% of the issued share capital of the Company as at the date of this annual report.

The maximum number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme II to each participant in any 12-month period up to the date of grant must not exceed 1% of the shares in issue unless it is approved by shareholders (other than the grantees and/or their respective associates) in a general meeting of the Company. Any share option granted to a substantial shareholder or an independent non-executive director of the Company or to any of their associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of the grant) in excess of HK\$5 million, in any 12-month period, are subject to shareholders' approval in general meeting of the Company.

購股權 *(續)*

購股權計劃 *(續)*

購股權計劃二 *(續)*

根據計劃二及本公司任何其他購股權計劃可發行之股份總數，合共不得超過本公司於計劃二批准日期已發行股本之10%。董事會不得授出任何購股權，以致因行使根據計劃二及本公司採納為授出購股權以收購或認購股份訂定條文之任何其他購股權計劃授出但有待行使之所有未行使購股權而可予發行之最高股份總數合共超過本公司不時已發行股本之30%。於本年報日期，根據計劃二，本公司有211,379,824份購股權尚可發行，相當於本公司於該日之已發行股份約7.79%。

於任何十二個月期間內，根據計劃二可發行予每名合資格參與者之股份上限數目為本公司已發行股份之1%。凡再授出任何超出此上限之購股權，必須經股東(獲授購股權人士及/或之聯繫人士)於本公司的股東大會上批准。向本公司主要股東或獨立非執行董事或彼等之任何聯繫人士授予任何購股權，倘於任何12個月期間超過本公司任何時間已發行股份之0.1%及總價值(按聯交所於授出日期刊登之每日報價表所報之本公司股份收市價計算)超過5,000,000港元，則須經股東於股東大會事先批准。

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION *(Continued)*

Share Option Scheme *(Continued)*

Share option scheme II *(Continued)*

The offer of a grant of share options under Scheme II may be accepted, upon payment of a nominal consideration of HK\$1 in total by the grantee. A share option granted under Scheme II may be exercised in whole or in part in the manner provided in the Scheme II by a grantee giving notice in writing to the Company at any time during a period not to exceed 10 years from the date an share option granted under Scheme II is offered (the "Offer date II").

The subscription price of the share options granted under Scheme II is determinable by the Board and notified to the grantee, but in any event shall not be less than the greatest of: (i) the closing price of the Company's shares as stated in the daily quotation sheet issued by the Stock Exchange on the offer date II; (ii) the average closing price of the Company's shares as stated in the say quotation sheet issued by the Stock Exchange for the five business days immediately preceding the Offer Date II; and (iii) the nominal value of the Company's shares.

The Scheme II will remain valid until 1 February 2019.

購股權 *(續)*

購股權計劃 *(續)*

購股權計劃二 *(續)*

根據計劃二授出購股權之建議可於承授人支付象徵式代價合共1港元後接納。承授人可由本公司建議根據計劃二授出購股權當日(「建議授出日期二」)起計不超過10年之期間內，隨時向本公司發出書面通知，按計劃二所述之方式行使全部或部份根據計劃二授出之購股權。

根據計劃二授出購股權之認購價可由董事會釐定，並知會承授人，惟無論如何不得低於下列之最高者：(i)本公司股份於建議授出日期二在聯交所每日報價表所列之收市價；(ii)本公司股份緊接建議授出日期二前五個營業日在聯交所每日報價表所列之平均收市價；及(iii)本公司股份之面值。

計劃二將有效至二零一九年二月一日為止。

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION *(Continued)*

Share Option Scheme *(Continued)*

Details of specific categories of share options are as follows:

Tranche	Date of grant of share options	Exercise period of share options	Exercise price of share options	Closing price of the Company's shares
				immediately before the grant date
批次	授出購股權日期	購股權行使期	購股權行使價	緊接授出日期前本公司股份之收市價
			HK\$ per shares 每股港元	HK\$ per shares 每股港元
One 第一批	1 April 2009 二零零九年四月一日	9 March 2009 to 1 February 2019 二零零九年三月九日至二零一九年二月一日	0.125	0.12
Two 第二批	10 December 2010 二零一零年十二月十日	10 December 2010 to 9 December 2013 二零一零年十二月十日二零一三年十二月九日	0.328	0.32

Note:

- (a) The share options granted under Tranche One are vested upon granted.
- (b) The share options granted under Tranche Two may exercisable at any time during the Exercise period, provided the maximum number of Options which the grantee entitled to exercise shall not exceed:
 1. 30% of the total number of options during the exercise period from 10 December 2010 to 9 December 2011 (both days inclusive);
 2. 30% of the total number of options during the exercise period from 10 December 2011 to 9 December 2012 (both days inclusive);
 3. 40% of the total number of options during the exercise period from 10 December 2012 to 9 December 2013 (both days inclusive);

購股權(續)

購股權計劃(續)

特定類別購股權之詳情如下：

Tranche	Date of grant of share options	Exercise period of share options	Exercise price of share options	Closing price of the Company's shares
				immediately before the grant date
批次	授出購股權日期	購股權行使期	購股權行使價	緊接授出日期前本公司股份之收市價
			HK\$ per shares 每股港元	HK\$ per shares 每股港元
One 第一批	1 April 2009 二零零九年四月一日	9 March 2009 to 1 February 2019 二零零九年三月九日至二零一九年二月一日	0.125	0.12
Two 第二批	10 December 2010 二零一零年十二月十日	10 December 2010 to 9 December 2013 二零一零年十二月十日二零一三年十二月九日	0.328	0.32

附註：

- (a) 根據第一批授出之購股權於授出時歸屬。
- (b) 根據第二批授出之購股權可於行使期內任何時間行使，但承授人可行使的購股權最高數目不可超過：
 1. 於二零一零年十二月十日二零一一年十二月九日的行使期內(含首尾兩天)，全數購股權的百分之三十；
 2. 於二零一一年十二月十日二零一二年十二月九日的行使期內(含首尾兩天)，全數購股權的百分之三十；
 3. 於二零一二年十二月十日二零一三年十二月九日的行使期內(含首尾兩天)，全數購股權的百分之四十；

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION (Continued)

Share Option Scheme (Continued)

The movement of share options during the year is presented as follows:

購股權(續)

購股權計劃(續)

於本年度內，購股權變動如下：

Name or category of participant 參與者姓名或類別	Option type 購股權種類	Number of share options 購股權數目				At 31 March 2011 於二零一一年 三月三十一日	Weighted average closing price immediately before exercise date 緊接行使日期前 之加權平均收市價
		At 1 April 2010 於二零一零年 四月一日	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效		
Tranche One	第一批						
Options granted in excess of the individual limit	授出超過個人 上限之購股權						
Mr. Wong William 黃樟漢先生	Scheme II 計劃二	15,000,000	—	(15,000,000)	—	—	0.32
Mr. Ng Kwok Wing 吳國榮先生	Scheme II 計劃二	20,000,000	—	(20,000,000)	—	—	0.54
		35,000,000	—	(35,000,000)	—	—	
Other employees 其他僱員							
In aggregate 合共	Scheme II 計劃二	1,500,000	—	(1,500,000)	—	—	0.44
Suppliers 供應商							
In aggregate 合共	Scheme II 計劃二	10,000,000	—	—	—	10,000,000	n/a 不適用
Consultants 顧問							
In aggregate 合共	Scheme II 計劃二	10,000,000	—	(10,000,000)	—	—	0.54
Subtotal 小計		56,500,000	—	(46,500,000)	—	10,000,000	
Tranche Two	第二批						
Other employees 其他僱員							
In aggregate 合共	Scheme II 計劃二	—	10,000,000	—	—	10,000,000	n/a 不適用
Consultants 顧問							
In aggregate 合共	Scheme II 計劃二	—	50,000,000	—	—	50,000,000	n/a 不適用
Subtotal 小計		—	60,000,000	—	—	60,000,000	
Total 合計		56,500,000	60,000,000	(46,500,000)	—	70,000,000	

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS

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

Executive directors

Ms. Jingquan Yingzi
(appointed on 22 November 2010)
Mr. Wong Man Hung, Patrick
Mr. Shan Xiaochang
(appointed on 22 November 2010)
Mr. Wu Zhongxin
(appointed on 22 November 2010)
Mr. Feng Xiaoping
Mr. Stephen William Frostick
Mr. Law Kwok Leung
(resigned on 22 November 2010)

Non-executive director

Prof. Lau Guoshun
(appointed on 22 November 2010)

Independent non-executive directors

Mr. Sousa Richard Alvaro
Mr. Lee Chi Hwa Joshua
Ms. Chan Mei Bo Mabel

The directors are subject to retirement by rotation and re-election at the forthcoming annual meeting in accordance with the Company's bye-laws.

董事

於年內及截至本報告日期，本公司之董事如下：

執行董事

井泉瑛孜女士
(於二零一零年十一月二十二日獲委任)
王文雄先生
單曉昌先生
(於二零一零年十一月二十二日獲委任)
吳中心先生
(於二零一零年十一月二十二日獲委任)
封小平先生
Stephen William Frostick 先生
羅國樑先生
(於二零一零年十一月二十二日辭任)

非執行董事

劉國順教授
(於二零一零年十一月二十二日獲委任)

獨立非執行董事

蘇志汶先生
李智華先生
陳美寶女士

根據本公司之細則，董事須輪席告退，並於應屆股東週年大會上膺選連任。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' PROFILE

Brief biographical details of the directors are set out from page 17 to 21.

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' REMUNERATION

Details of the directors' remuneration are set out in note 18 to the consolidated financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the company, any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事履歷

董事之履歷載於第17至21頁。

董事之服務合約

在應屆股東週年大會上建議重選之董事概無與本公司訂立本公司不作賠償(法定賠償除外)則不得於一年內終止之服務合約。

董事酬金

董事酬金之詳情載於綜合財務報表附註18。

董事於合約之權益

本公司、其任何子公司、同系子公司或其母公司於年終時或年內任何時間概無訂立本公司董事於當中直接或間接擁有重大權益之其他重大合約。

REPORT OF THE DIRECTORS

董事會報告

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

As at 31 March 2011, the interest and short position of the directors and chief executives of the Company in the share of HK\$0.01 each in the share capital of the Company (the "Shares"), underlying Shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Future Ordinance (the "SFO"), as recorded in the register maintained by the Company under Section 352 of the SFO or as notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the SFO or the Rules Governing the Listing of Securities on the Growth Enterprise market of the Stock Exchange (the "GEM Listing Rules") were as follows:

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零一一年三月三十一日，本公司各董事或主要行政人員在本公司及其任何相聯法團(定義見證券及期貨條例)之本公司股本中每股面值0.01港元之股份(「股份」)、相關股份及債權證中，擁有記錄於本公司根據證券及期貨條例第352條存置之登記冊內之權益及淡倉，或根據證券及期貨條例或香港聯合交易所有限公司(「聯交所」)創業板證券上市規則(「創業板上市規則」)知會本公司及聯交所之權益及淡倉如下：

(a) Long positions in the ordinary shares of the Company

(a) 於本公司普通股之好倉

Name of director 董事姓名	Capacity and nature of interest 身份及權益性質	Number of shares held 持有股份數目	Approximate percentage of the Company's issued share capital 佔本公司已發行股本概約百分比
Ms. Jingquan Yingzi 井泉瑛孜女士	Interests held by controlled corporation and beneficial owner 受控制公司持有之權益及實益擁有人	2,409,069,767 (note (a) and (b)) (附註(a)及(b))	88.77%
Mr. Wong Man Hung Patrick 王文雄先生	Beneficial owner 實益擁有人	25,000,000 (附註(a)及(b))	0.92%
Mr. Shan Xiaochang 單曉昌先生	Interests held by controlled corporation and beneficial owner 受控制公司持有之權益及實益擁有人	2,381,519,767 (note (a) and (b))	87.76%
Mr. Feng Xiaoping (note (c)) 封小平先生(附註(c))	Interests held by controlled corporation 受控制公司持有之權益	31,718,750	1.17%

REPORT OF THE DIRECTORS 董事會報告

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

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉(續)

(a) Long positions in the ordinary shares of the Company (Continued)

Note:

- (a) 2,379,069,767 shares are held by Cyberland (China) Limited, which is legally and beneficially owned as to 45% and 40% by Rise Enterprises Limited ("Rise Enterprises") and Stepwise International Holdings Limited ("Stepwise") respectively.

Rise Enterprises is legally and beneficially owned as to 32.5% and 42.5% by Mr. Shan Xiaochang ("Mr. Shan") and Eagle Bliss Limited ("Eagle Bliss") respectively.

Stepwise is legally and beneficially wholly owned by Mr. Shan.

Ms. Jingquan Yingzi also holds derivative interests of the Company through her 100% interests in Wealth Way and Eagle Bliss.

- (b) The interests refer to the same parcel of shares.
- (c) 31,718,750 shares are held by Sino Unicorn technology Limited ("Sino Unicom"), a company in which Mr. Feng Xiaoping has an indirect interest of 51% therein.

Save as disclosed above, as at 31 March 2011, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which are required (a) to be recorded in the register maintained by the Company under section 352 of SFO or (b) to be notified to the Company and the Stock Exchange pursuant to the SFO or the GEM Listing Rules.

(a) 於本公司普通股之好倉(續)

附註：

- (a) 科地(中國)有限公司持有2,379,069,767股股份，該公司由康源興業有限公司(「康源興業」)及高智國際控股有限公司(「高智」)分別法定及實益擁有45%及40%。

康源興業由單曉昌先生(「單先生」)及Eagle Bliss Limited(「Eagle Bliss」)分別法定及實益擁有32.5%及42.5%。

高智由單先生法定及實益全資擁有。

井泉瑛孜女士亦通過其於Wealth Way及Eagle Bliss之100%權益持有本公司之衍生權益。

- (b) 權益乃指同一批股份。
- (c) Sino Unicorn technology Limited(「Sino Unicom」)持有31,718,750股股份，而封小平先生間接擁有該公司51%權益。

除上文所披露者外，於二零一一年三月三十一日，概無本公司董事或主要行政人員在本公司或任何相聯法團(定義見證券及期貨條例)之股份、相關股份及債權證中，擁有任何須(a)記錄於本公司根據證券及期貨條例第352條存置之登記冊內之權益或淡倉，或(b)根據證券及期貨條例或創業板上市規則知會本公司及聯交所之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include any full-time employee or executive of the Company or any of its subsidiaries, including any executive and non-executive directors, any discretionary object of a grantee which is a discretionary trust, and any shareholder of any member of the Group or any holder of any securities issued by any member of the Group.

Save as disclosed in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

董事購買股份或債券之權利

本公司設立一項購股權計劃(「該計劃」)，旨在鼓勵及獎賞對本集團創出佳績有功之合資格參與者。該計劃的合資格參與者包括本公司或其子公司任何全職僱員或高級職員，包括任何執行及非執行董事，任何作為全權信託之承授人之全權受益人，及本集團任何成員公司之任何股東或本集團任何成員公司所發行任何證券之任何持有人。

除上文「董事及主要行政人員於股份、相關股份及債權證之權益及淡倉」一節所披露者外，於本年度任何時間，概無任何董事或彼等各自之配偶或年幼子女獲授任何可透過收購本公司股份或債權證獲益之權利；彼等亦無行使任何有關權利；而本公司或其任何控股公司、子公司及同系子公司並無訂立任何安排使董事可取得任何其他法人團體之該等權利。

REPORT OF THE DIRECTORS

董事會報告

SUSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at 31 March 2011, so far as was known to the directors of the Company, the following persons (not being directors or chief executives of the Company) had, or were deemed to have, interests and long positions in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 & 3 of part XV of the SFO and were recorded in the register kept by the Company pursuant to section 336 of SFO.

主要股東於本公司股份及相關股份之權益及淡倉

於二零一一年三月三十一日，就本公司董事所知，以下人士（並非本公司董事或主要行政人員）於股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部之規定須予披露，及記錄於本公司根據證券及期貨條例第336條存置之登記冊內之權益及好倉：

Name of shareholders	股東名稱	Number of shares — long position 股份數目 — 好倉	Percentage of share capital 佔股本百分比 (%)	Derivative interests 衍生權益	
				Number of underlying shares — long position 相關股份數目 — 好倉	Percentage of share capital to issued capital at 31 March 2011 於二零一一年三月三十一日佔已發行股本之股本百分比 (%)
Mr. Lee Yuk Lun	李鏊麟先生	219,298,244	8.08	—	—
Mr. Au Yeung kai Wah	歐陽啟華先生	150,625,000	5.55	—	—
Cyberland (China) Limited	科地(中國)有限公司	—	—	2,379,069,767 (note (a) and (b)) (附註(a)及(b))	87.67
Eagle Bliss Limited				2,379,069,767 (notes (a), (c) and (e)) (附註(a)、(c)及(e))	87.67
Rise Enterprises Limited	康源興業有限公司			2,379,069,767 (notes (a) and (b)) (附註(a)及(b))	87.67
Stepwise International Holdings Limited	高智國際控股有限公司			2,379,069,767 (notes (a), (b) and (d)) (附註(a)、(b)及(d))	87.67
Ms. Wu Shuhua	吳淑華女士			2,381,519,767 (note (f)) (附註(f))	87.76

REPORT OF THE DIRECTORS

董事會報告

SUSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

(Continued)

Note:

- (a) The interests refer to the same parcel of shares.
- (b) Cyberland (China) Limited is legally and beneficially owned as to 45% and 40% by Rise Enterprises and Stepwise respectively.
- (c) Rise Enterprises is legally and beneficially owned as to 32.5% and 42.5% by Mr. Shan and Eagle Bliss respectively.
- (d) Stepwise is legally and beneficially wholly owned by Mr. Shan.
- (e) Ms. Jingquan Yingzi also holds derivative interests of the Company through her 100% interests in Eagle Bliss.
- (f) Ms. Wu Shuhua is the spouse of Mr. Shan Xiaochang. By virtue of the SFO, Ms. Wu Shuhua is also deemed to be interested in all shares in which Mr. Shan Xiaochang is interested and/or deemed to be interested.

Save as disclosed above and in the above section headed "Directors' and chief executives' interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation", the Company had not been notified of any other interests or short positions in the issued share capital of the Company to be recorded under Section 336 of the SFO as at 31 March 2011.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken in the usual course of business are set out in note 45 to the consolidated financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

主要股東於本公司股份及相關股份之權益及淡倉(續)

附註：

- (a) 權益乃指同一批股份。
- (b) 科地(中國)有限公司由康源興業及高智分別法定及實益擁有45%及40%。
- (c) 康源興業由單先生及Eagle Bliss分別法定及實益擁有32.5%及42.5%。
- (d) 高智由單先生法定及實益全資擁有。
- (e) 井泉瑛孜女士亦通過其於Eagle Bliss之100%權益持有本公司之衍生權益。
- (f) 吳淑華女士為單曉昌先生之配偶。根據證券及期貨條例，吳淑華女士亦被視為於單曉昌先生擁有權益及／或被視為擁有權益之所有股份中擁有權益。

除上文及上文「董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一節所披露者外，於二零一一年三月三十一日，本公司並未獲悉任何根據證券及期貨條例第336條須記錄之本公司已發行股本中之其他權益或淡倉。

關連方交易

於日常業務過程中進行之重大關連方交易詳情載於綜合財務報表附註45。該等關連人士交易概無構成上市規則所界定之須予披露關連交易。

REPORT OF THE DIRECTORS 董事會報告

PUBLIC FLOAT

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

EVENT AFTER THE REPORTING PERIOD

Details of the event after the reporting period of the Group are set out in note 47 to the consolidated financial statements.

CORPORATE GOVERNANCE

Corporate governance report of the company is set out on pages 39 to 47 of the annual report.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

Throughout the year ended 31 March 2011, the Company continued to adopt a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all Director and the Company was not aware of any non-compliance with the required standard of dealing and its code of conduct regarding securities transactions by the Directors.

COMPETING INTEREST

None of the directors or management shareholders of the Company (as defined in the GEM Listing Rules) has an interest in a business that competed or may compete with the business of the Group.

公眾持股量

按本公司取得之公開資料及據董事會所知，於本報告日期，公眾人士最少持有本公司全部已發行股本之25%。

呈報期後事項

本集團之呈報期後事項詳情載於綜合財務報表附註47。

企業管治

本公司之企業管治報告載於年報第39至47頁。

董事進行證券交易之行為守則

於截至二零一一年三月三十一日止整個年度內，本公司繼續採納有關董事進行證券交易之行為守則，其條款與創業板上市規則第5.48至5.67條所載之交易規定準則同樣嚴謹。本公司亦已向全體董事作出具體查詢，而據本公司所知，並無出現任何未能符合交易規定準則及有關董事進行證券交易之行為守則之情況。

競爭權益

本公司各董事或管理層股東(定義見創業板上市規則)競爭概無擁有與本集團業務構成或可能構成競爭之業務權益。

REPORT OF THE DIRECTORS 董事會報告

AUDIT COMMITTEE

The Company has established an audit committee comprising three independent non-executive directors and has adopted the terms of reference governing the authority and duties of the audit committee. The present members of the audit committee are Mr. Sousa Richard Alvaro, Mr. Lee Chi Hwa Joshua and Ms. Chan Mei Bo Mabel. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control of the Group. Four meetings were held during the year. The audit committee has reviewed the annual results of the Group.

AUDITORS

The consolidated financial statements have been audited by KL CPA Limited.

KL CPA Limited will retire and, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Jingquan Yingzi

Chairman

Hong Kong, 27 June 2011

審核委員會

本公司已成立審核委員會，成員包括三名獨立非執行董事，並已採納規管審核委員會權力及職責之職權範圍。審核委員會現時之成員為蘇志汶先生、李智華先生及陳美寶女士。審核委員會之主要職責為審閱及監管本集團之財務申報程序及內部監控。審核委員會於年內已舉行四次會議，並已審閱本集團全年業績。

核數師

綜合財務報表已由浩理會計師事務所有限公司審核。

浩理會計師事務所有限公司將任滿告退，惟符合資格並願意於本公司應屆股東週年大會接受續聘。

代表董事會

井泉瑛孜

主席

香港，二零一一年六月二十七日

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and the code provisions (the "Code") as set out in the Code on Corporate Governance Practices as set out in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"). The principles adopted by the Company emphasis a quality board, transparency and accountability to shareholders. In the opinion of the Board, the Company has complied with the Code for the year ended 31 March 2011, with the exception of the deviation in respect of the appointment term of non-executive directors as mentioned below.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors for the year ended 31 March 2011.

遵守企業管治常規守則

本公司之企業管治常規乃以載於香港聯合交易所有限公司創業板證券上市規則(「創業板上市規則」)附錄15之企業管治常規守則所載之原則及守則條文(「守則」)為基礎。本公司所採納之原則著重高質素董事會、透明度及對股東之問責性。董事會認為，本公司於截至二零一一年三月三十一日止年度已遵守守則，惟有關下述非執行董事任期之偏離除外。

董事證券交易

本公司已按創業板上市規則第5.48至5.67條所載之條款採納有關董事進行證券交易之行為守則。經向全體董事作出具體查詢後，各董事於截至二零一一年三月三十一日止年度已遵守該行為守則及交易規定準則及其有關董事進行證券交易之行為守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

The Directors acknowledge their responsibilities for the preparation of accounts, which shall give a true and fair view of the state of affairs of the Group. Details of the basis of preparation of accounts are set out in note 3 to the accounts. The Board is also responsible for formulating the Group's long-term strategy, determining and approving the Group's significant transactions and supervising the management to ensure thorough implementation of the Group's policies and effective performance of their duties. Other decisions are to be delegated to management. As at 31 March 2011, the Board comprised ten Directors, including six executive Directors (including the Chairman), one non-executive Director and three independent non-executive Directors. Biographies of the Directors are set out in pages 17 to 21.

There is no non-compliance with rules 5.05(1) and (2) of the GEM Listing Rules. To the best knowledge of the Directors, Ms. Jingquan Jingzi, Mr. Shan Xiaochang and Mr. Wu Zhongxin are indirectly interested in the entire issued share capital of Cyberland (China) Limited, a company which holds convertible bonds due 2015 of an aggregate nominal amount of HK\$1,073,000,000 of the Company as at the date of approval of this annual report. Save as disclosed herein, there is no relationship (including financial, business, family or other material/relevant relationship(s)) among members of the Board.

Under code provision A.4.1, non-executive directors should be appointed for specific term. There is no specific term of appointment of the non-executive Directors of the Company, however, they are subject to retirement by rotation in accordance with Bye-law of the Company. Accordingly the Company considers that sufficient measures have been taken to dealt with the requirement in respect of the appointment terms of non-executive Directors as required under the code provision.

董事會

董事知悉編製真實兼公平地反映本集團財務狀況之賬目乃其責任。賬目編製基準詳情載於賬目附註3。董事會亦負責制定本集團之長遠策略，決定及批准本集團之重大交易及監察管理層以確保徹底執行本集團之政策及有效履行其職責。其他決定將轉授予管理層。於二零一一年三月三十一日，董事會由十名董事組成，包括六名執行董事(包括主席)、一名非執行董事及三名獨立非執行董事。董事履歷載於第17至21頁。

並沒有不遵守創業板上市規則第5.05(1)及(2)條之情況。就董事所知，於本年報批准日，井泉瑛孜女士、單曉昌先生及吳中心先生間接於科地(中國)有限公司之全部已發行股本中擁有權益，該公司是一家持有本公司合共面值1,073,000,000港元，並於二零一五年到期的可換股債券之公司。除本文所披露者外，董事會成員之間並沒有任何財務、業務、家庭或其他重要／相關的關係。

根據守則條文A.4.1，非執行董事之委任應有指定任期。本公司之非執行董事並無指定任期，惟彼等須根據本公司之公司細則輪席告退。因此，本公司認為已採取足夠措施符合守則條文所規定有關非執行董事任期之規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(Continued)*

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

The Board held a board meeting for each quarter to approve the Group's results. In addition to quarterly meeting, it meets as and when warranted by particular circumstances. During the year under sixteen Board Meeting were held. Details of the attendance of the Board are as follows:

董事會 *(續)*

各獨立非執行董事已根據上市規則第5.09條發出年度獨立性確認書。本公司認為，全體獨立非執行董事均符合創業板上市規則第5.09條所載之獨立性指引，且根據指引之條款乃屬獨立。

董事會每季舉行董事會會議以批准本集團業績。除季度會議外，亦在特殊情況時召開會議。回顧年度內，共召開十六次董事會會議。董事會之出席率詳情如下：

		Attendance
		出席率
Executive Directors		
Ms. Jingquan Yingzi <i>(Chairman)</i> (appointed on 22 November 2010)	井泉瑛孜女士 <i>(主席)</i> (於二零一零年十一月二十二日獲委任)	3/4
Mr. Wong Man Hung Patrick	王文雄先生	16/16
Mr. Shan Xiaochang (appointed on 22 November 2010)	單曉昌先生 (於二零一零年十一月二十二日獲委任)	0/4
Mr. Wu Zhongxin (appointed on 22 November 2010)	吳中心先生 (於二零一零年十一月二十二日獲委任)	0/4
Mr. Feng Xiaoping	封小平先生	9/16
Mr. Stephen William Frostick	Stephen William Frostick 先生	12/16
Mr. Law Kwok Leung (resigned on 22 November 2010)	羅國樑先生 (於二零一零年十一月二十二日辭任)	2/12
Non-Executive Director		
Prof. Lau Guoshun (appointed on 22 November 2010)	劉國順教授 (於二零一零年十一月二十二日獲委任)	0/4
Independent Non-Executive Directors		
Mr. Sousa Richard Alvaro	蘇志汶先生	1/16
Mr. Lee Chi Hwa Joshua	李智華先生	12/16
Ms. Chan Mei Bo Mabel	陳美寶女士	3/16

CORPORATE GOVERNANCE REPORT

企業管治報告

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Under the code provision A.2.1, the roles of chairman and chief executive officer are separate and are not performed by the same individual. Mr. Wong Man Hung Patrick held the position of chairman of the Company (the “Chairman”) until his resignation as the chairman of the Company on 26 November 2010 (but remained as executive Director) and Ms. Jingquan Yingzi was appointed as the Chairman in place of Mr. Wong Man Hung Patrick on 26 November 2010. Mr. Law Kwok Leung held the position of chief executive officer of the Company (the “CEO”) until his resignation on 22 November 2010. Hence, during the period from 1 April 2010 to 21 November 2010, the Chairman was responsible for overseeing the function of the Board and formulating overall strategies and policies of the Company and the CEO, supported by the senior management, was responsible for managing the Group’s responsibilities, the business, implementing major strategies, making day-to-day decisions and coordinating overall business operations.

As at the date of this report, the Chairman is Ms. Jingquan Yingzi and the Company does not have a CEO. The Chairman is responsible for overseeing all Board functions, while the role of CEO is performed collectively by executive directors (excluding Ms Jingquan Yingzi) and senior management of the Company to oversee the day-to-day operations of the Group and implementing the strategies and policies approved by the Board.

The Board considers that under the current arrangement, the balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting operations of the Group.

主席及行政總裁

根據守則條文A.2.1，主席與行政總裁之角色應有區分，並不應由一人同時兼任。王文雄先生於二零一零年十一月二十六日辭任本公司主席(惟留任執行董事)前，擔任本公司主席(「主席」)一職，而井泉瑛孜女士於二零一零年十一月二十六日獲委任為主席接替王文雄先生。羅國樑先生於二零一零年十一月二十二日辭任前，擔任本公司行政總裁(「行政總裁」)一職。因此，於二零一零年四月一日至二零一零年十一月二十一日日期內，主席負責監管董事會的運作及制訂本公司整體策略及政策，而行政總裁則帶領高級管理層，負責管理本集團責任、業務、執行重要策略，參與日常營運決定及聯系各業務方。

於本報告日期，主席為井泉瑛孜女士，而本公司並無行政總裁。主席負責監管董事會的所有運作，而行政總裁之角色則由本公司執行董事(不包括井泉瑛孜女士)及高級管理層共同執行，以監督本集團每日運作及實行董事會所批准之策略及政策。

董事會認為根據現行安排，董事會(由富有經驗及極具才幹的人士組成)會定期開會商討有關影響本集團營運之事宜，故董事會之運作可確保權力及職權平衡。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION OF DIRECTORS

No nomination committee was established by the Company.

The Board is mainly responsible for identifying suitable candidates for members of the Board when there is a vacancy or any additional director is considered necessary. The Board will review the qualifications of the relevant candidate for determining the suitability to the Group on the basis of his qualifications, experience and background. The Board held a meeting during the year regarding the nomination and approval of appointment of the Directors. The Directors, namely Wong Man Hung Patrick, Feng Xiaoping, Stephen William Frostick and Lee Chi Hwa Joshua attended this meeting.

BOARD COMMITTEE

To assist the Board in discharge of its duties, the Board is supported by two board committees. Each committee has its defined scope of duties and terms of reference and the committee members are empowered to make decisions on matters within the terms of reference of each committee.

(1) Audit Committee

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are (a) to review the Group's annual reports, interim reports and quarterly reports; (b) to discuss and review with the auditors of the Company on the scope and findings of the audit; and (c) to supervise the financial reporting process and internal control procedures of the Group.

The Audit Committee consists of all of the Company's independent non-executive Directors, namely Mr. Sousa Richard Alvaro, Mr. Lee Chi Hwa Joshua and Ms. Chan Mei Bo Mabel. The chairman of the Audit Committee is Mr. Sousa Richard Alvaro.

董事提名

本公司並無成立提名委員會。

董事會主要負責識別適當人選於有空缺或認為需要新增任何額外董事時加入董事會。董事會將檢討有關人選之資格，以按其資格、經驗及背景決定是否適合本集團。董事會於年內舉行一次與提名及批准委任董事有關的會議。出席此會議的董事有王文雄、封小平、Stephen William Frostick及李智華。

董事委員會

為協助董事會履行其職責，董事會由兩個董事委員會支持。各委員會均具有清晰職責範圍及職權範圍，而委員會成員獲授權可作出各委員會職權範圍內事宜之決定。

(1) 審核委員會

本公司已遵守創業板上市規則第5.29條設立具書面職權範圍之審核委員會（「審核委員會」）。審核委員會之主要職責為(a)審閱本集團之年報、中期報告及季度報告；(b)與本公司之核數師討論及檢討審核範圍及結果；及(c)監察本集團之財務申報程序及內部監控程序。

審核委員會由本公司全體獨立非執行董事蘇志汶先生、李智華先生及陳美寶女士組成。審核委員會主席為蘇志汶先生。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEE (Continued)

(1) Audit Committee (Continued)

The Audit Committee held 4 meetings during the year under review. Details of the attendance of the Audit Committee meetings are as follows:

Members

Mr. Sousa Richard Alvaro
Mr. Lee Chi Hwa Joshua
Ms. Chan Mei Bo Mabel

成員

蘇志汶先生
李智華先生
陳美寶女士

The Group's unaudited quarterly and interim results and audited annual results during the year ended 31 March 2011 have been reviewed by the audit committee, which is of opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

The following is a summary of work performed by the Audit Committee during the year:

1. Reviewed and discussed the audited financial statements of the Group for the year ended 31 March 2010 with recommendations to the Board for approval;
2. Reviewed and discussed the unaudited interim financial statements of the Group for the six months ended 30 September 2010 with recommendations to the Board for approval;
3. Reviewed and discussed the unaudited quarterly financial statements of the Group for the three months ended 30 June 2010 and nine months ended 31 December 2010 with recommendations to the Board for approval;

董事委員會(續)

(1) 審核委員會(續)

審核委員會於回顧年度內舉行四次會議。審核委員會會議之出席率詳情如下：

Attendance 出席率

2/4
4/4
3/4

本集團截至二零一一年三月三十一日止年度之未經審核季度及中期業績及經審核年度業績均已由審核委員會審閱，該委員會認為該等業績乃遵照適用會計準則及規定而編製，且已作出足夠披露。

以下為審核委員會於年內進行之工作簡要：

1. 審閱及討論本集團截至二零一零年三月三十一日止年度之經審核財務報表，以及向董事會提出建議以供審批；
2. 審閱及討論本集團截至二零一零年九月三十日止六個月之未經審核中期財務報表，以及向董事會提出建議以供審批；
3. 審閱及討論本集團截至二零一零年六月三十日止三個月及截至二零一零年十二月三十一日止九個月之未經審核季度財務報表以及向董事會提出建議以供審批；

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEE *(Continued)*

(1) Audit Committee *(Continued)*

4. Reviewed and discussed with the management and auditors of the Company the accounting policies and practices which may affect the Group and financial reporting matters; and
5. Reviewed and discussed the appointment of the external auditor and make recommendations to the Board for approval and approved the remuneration and terms of engagement of the external auditor.

(2) Remuneration Committee

The Company has established a remuneration committee (the "Remuneration Committee") according to the relevant provisions of the GEM Listing Rules with written terms of reference. Its primary duties are (a) make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management; and (b) establish a formal and transparent procedure for developing policy on such remuneration.

The Remuneration Committee consists of all of the Company's independent non-executive Directors, namely Mr. Sousa Richard Alvaro, Mr. Lee Chi Hwa Joshua and Ms. Chan Mei Bo Mabel. The chairman of the Remuneration Committee is Mr. Sousa Richard Alvaro.

In June 2010, the Remuneration Committee met to discuss the remuneration related matters. Mr. Sousa Richard Alvaro and Mr. Lee Chi Hwa Joshua attended the meeting. During the meeting, the performance of executive directors was assessed, and the remuneration of whom and the policy of which was discussed and approved. Save as disclosed herein, no other meeting was held by the Remuneration Committee.

董事委員會 *(續)*

(1) 審核委員會 *(續)*

4. 與管理層及本公司核數師檢討及討論可能會影響本集團及財務報告事宜之會計政策及慣例；及
5. 檢討及討論外聘核數師之委任，以及向董事會提供建議以供審批，並批准外聘核數師之酬金及委聘條款。

(2) 薪酬委員會

本公司已根據創業板上市規則之有關條文設立具書面職權範圍之薪酬委員會（「薪酬委員會」）。其主要職責為 (a) 就本公司全體董事及高級管理人員薪酬之政策及架構向董事會提出建議；及 (b) 訂立正式及具透明度之程序以制定該薪酬政策。

薪酬委員會由本公司全體獨立非執行董事蘇志汶先生、李智華先生及陳美寶女士組成。薪酬委員會主席為蘇志汶先生。

於二零一零年六月，薪酬委員會舉行會議以討論薪酬相關事項。蘇志汶先生及李智華先生出席該會議。會上評估執行董事之表現，亦討論及批准該等董事之薪酬及政策。除本文所披露者外，薪酬委員會並未舉行其他會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL

The Board has overall responsibility for maintaining sound and effective internal control to safeguard the Group's assets and shareholders' interests. The Board has conducted regular reviews on the effectiveness of the Group's internal control system during the year, which covers all material controls, including financial, operational and compliance controls as well as risk management functions and an annual review on the adequacy of staffing of the accounting and financial reporting function.

The Board monitors the Group's progress on corporate governance practices. Periodic meetings are held, and circulars or guidance notes are issued to directors and senior management where appropriate, to ensure awareness of best corporate governance practices.

AUDITORS' REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities on the Company's financial statements for the year ended 31 March 2011 is set out in the section headed "Independent Auditor's Report" in this annual report.

During the financial year ended 31 March 2011, the fees paid and payable to auditors in respect of audit and non-audit services to the Group were approximately HK\$1,694,000 (2010: HK\$682,000) and Nil (2010: HK\$714,000) respectively.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board believes that a transparent and timely disclosure of the Group's information will enable shareholders and investors to make the best investment decision and to have better understanding on the Group's business performance and strategies. It is also vital for developing and maintaining continuing investor relations with the Company's potential and existing investors.

內部監控

董事會全面負責維持良好及有效之內部監控，以保障本集團之資產及股東之權益。董事會已就本集團於年內之內部監控系統之有效性進行定期檢討，當中涵蓋所有重大監控範疇，包括財務、營運及合規監控以及風險管理功能，以及就會計及財務報告相關員工是否足夠進行年度檢討。

董事會監察本集團之企業管治常規之進度，並定期舉行會議，有需要時向董事及高級管理人員發出通告或指引，以確保了解最佳企業管治常規。

核數師酬金

本公司外聘核數師有關其對於本公司截至二零一一年三月三十一日止年度的財務報表申報責任之聲明，載於本年報「獨立核數師報告」一節。

於截至二零一一年三月三十一日止財政年度內，就向本集團提供審核及非審核服務已付及應付核數師之費用分別約為1,694,000港元(二零一零年：682,000港元)及無(二零一零年：714,000港元)。

與股東及投資者之溝通

董事會相信，具透明度及適時披露本集團資料將有助股東及投資者作出最佳投資決定，並可使彼等更加了解本集團之業務表現及策略。此舉亦對發展及維繫與本公司的潛在投資者及現有投資者之持續投資者關係至為重要。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS *(Continued)*

The Company maintains a website at “www.code-hk.com” as a communication platform with shareholders and investors, where information and updates on the Group’s financial information and other information are available for public access. Shareholders and investors may write directly to the Company at its principal place of business for any inquiries. Inquiries are dealt with in an informative and timely manner.

The Board welcomes views of shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. The Chairman of the Board is normally present at the annual general meetings and other shareholders’ meetings of the Company to answer questions raised.

與股東及投資者之溝通(續)

本公司設有網站「www.code-hk.com」作為與股東及投資者溝通之平台，可供公眾人士瀏覽有關本集團財務資料及其他資料的資訊及最新消息。股東及投資者可直接致函本公司之主要營業地點查詢。本公司會適時及詳實處理有關查詢。

董事會歡迎股東提出意見，並鼓勵彼等出席股東大會以直接就其對董事會或管理層的任何存疑作出提問。董事會主席一般會出席本公司股東週年大會及其他股東大會以解答所提出之問題。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



浩理會計師事務所有限公司
KL CPA LIMITED

Room 303, Carpo Commercial Building,
18-20 Lyndhurst Terrace, Central, Hong Kong
香港中環擺花街 18-20 號
嘉寶商業大廈 303 室

Independent Auditor's Report
**To the shareholders of Code Agriculture (Holdings)
Limited**

(Incorporated in Bermuda with limited liability)

獨立核數師報告
致科地農業控股有限公司股東

(於百慕達註冊成立之有限公司)

We have audited the consolidated financial statements of Code Agriculture (Holdings) Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 51 to 175, which comprise the consolidated and Company statement of financial position as at 31 March 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

本核數師已完成審核第51至第175頁所載科地農業控股有限公司(前稱中國3C集團有限公司)(「貴公司」)及其子公司(合稱「貴集團」)之綜合財務報表，其中包括於二零一一年三月三十一日之綜合及公司財務狀況表，以及截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明附註。

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

董事編製財務報表之責任

貴公司董事須遵照香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)及香港公司條例之披露規定，編製綜合財務報表，以令綜合財務報表作出真實而公平的反映及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITY

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

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

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

核數師之責任

本核數師之責任是根據審核工作之結果對此等綜合財務報表作出意見，並根據百慕達一九八一年公司法第90條僅向閣下匯報本核數師之意見，而別無其他目的。本核數師概不會就本報告之內容向任何其他人士負責或承擔責任。本核數師之審核工作按照香港會計師公會頒佈之香港審計準則進行。該等準則要求本核數師遵守操守規定以及計劃及進行審核以就綜合財務報表是否不存在重大錯誤陳述取得合理保證。

審核工作涉及執执行程序以取得與綜合財務報表所載金額及披露事項有關之審核憑證。選取之程序須視乎核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險。在作出該等風險評估時，核數師會考慮與實體編製並真實兼公平地呈列綜合財務報表有關之內部監控，以便按情況設計適當之審核程序，但並非為對實體之內部監控是否有效表達意見。審核工作亦包括評價董事所採用之會計政策是否恰當及所作會計估算是否合理，以及評價綜合財務報表之整體呈列方式。

本核數師相信，本核數師已取得充分恰當之審核憑證，為本核數師之審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2011 and of the Group's results and cash flows for the year then ended in accordance with HKFRS and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KL CPA Limited

Certified Public Accountants

Lam Chi Ming Francis

Practising certificate number: P05323

Hong Kong, 27 June 2011

意見

本核數師認為，綜合財務報表根據香港財務報告準則足以真實兼公平地反映 貴公司及 貴集團於二零一一年三月三十一日之財務狀況及 貴集團截至該日止年度之業績及現金流量，並按照香港公司條例之披露規定妥為編製。

浩理會計師事務所有限公司

執業會計師

林志明

執業證書編號：P05323

香港，二零一一年六月二十七日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

		Note	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (重列)
Continuing operations	持續經營業務			
Revenue	收入	6	597,268	220,796
Cost of sales and services	銷售及服務成本		(439,210)	(151,172)
Gross profit	毛利		158,058	69,624
Other revenue	其他收入	7	26,647	1,210
Distribution costs	分銷成本		(53,599)	(3,152)
Administrative expenses	行政費用		(109,008)	(39,212)
Profit from operations	經營溢利		22,098	28,470
Finance costs	融資成本	8	(28,123)	(6,231)
Other losses	其他虧損	9	(10,494)	(32,630)
Impairment loss on goodwill and other intangible assets	商譽及其他無形資產 減值虧損	10	(219,928)	(103,810)
Loss before income tax	除所得稅前虧損	11	(236,447)	(114,201)
Income tax credit/(expense)	所得稅抵免/(支出)	12	11,662	(7,051)
Loss for the year from continuing operations	持續經營業務之年度 虧損		(224,785)	(121,252)
Discontinuing operations	終止經營業務			
Loss for the year from discontinuing operations	終止經營業務之 年度虧損	14	—	(169,091)
Loss for the year	年度虧損		(224,785)	(290,343)
Other comprehensive income	其他全面收益			
Exchange differences on translating foreign operations	換算海外業務產生之 匯兌差額		20,557	382
Total comprehensive income for the year	年度全面收益總額		(204,228)	(289,961)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

	Note 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (重列)
Loss attributable to:	以下人士應佔虧損：		
— Owners of the Company	— 本公司擁有人	(224,988)	(269,331)
— Non-controlling interests	— 非控股權益	203	(21,012)
		(224,785)	(290,343)
Total comprehensive income attributable to:	以下人士應佔全面收益總額：		
— Owners of the Company	— 本公司擁有人	(204,308)	(268,937)
— Non-controlling interests	— 非控股權益	80	(21,024)
		(204,228)	(289,961)
Loss per share	每股虧損		
From continuing and discontinuing operations	來自持續及終止經營業務		
Basic (HK cents per share)	基本(每股港仙)	(8.30)	(14.20)
From continuing operations	來自持續經營業務		
Basic (HK cents per share)	基本(每股港仙)	(8.30)	(5.28)

The notes on pages 60 to 175 form an integral part of these financial statements.

第60至175頁之附註組成此等財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2011 於二零一一年三月三十一日

		Note 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (重列)
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	19	83,514	213,543
Prepaid land lease payments	預付土地租賃款	20	6,730	8,523
Goodwill	商譽	21	777,347	817,195
Other intangible assets	其他無形資產	22	142,928	268,940
Interest in an associate	聯營公司權益	24	—	—
			1,010,519	1,308,201
Current assets	流動資產			
Inventories	存貨	25	64,745	18,753
Trade and bills receivables	應收賬款及應收票據	26	462,152	331,308
Prepayments, other receivables and deposits	預付款項、其他應收款 項及按金	27	152,075	166,787
Amounts due from customers for contract works	應收客戶合約工程款項	28	5,992	—
Financial assets at fair value through profit or loss	於損益賬按公平值處理 之金融資產	29	822	6,916
Tax recoverable	可回收稅項		—	226
Pledged deposits	已抵押存款	30	231,372	135,918
Cash and bank balances	現金及銀行結存	30	47,491	192,881
			964,649	852,789
Assets held for sale	持作轉售之資產	31	101,902	2,141
			1,066,551	854,930
Current liabilities	流動負債			
Trade and bills payables	應付賬款及應付票據	32	329,189	236,080
Other payables and accruals	其他應付款項及應計 費用		56,438	30,743
Amounts due to related companies	應付關連公司款項	33	1,807	6,644
Amounts due to directors	應付董事款項	33	6,013	—
Borrowings	借貸	34	288,063	312,227
Deferred income	遞延收入	35	583	—
Tax payable	應付稅項		3,357	7,051
			685,450	592,745
Net current assets	淨流動資產		381,101	262,185
Total assets less current liabilities	總資產減流動負債		1,391,620	1,570,386

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2011 於二零一一年三月三十一日

		Note 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (重列)
Capital and reserves	股本及儲備			
Share capital	股本	38	27,138	26,673
Reserves	儲備	39(a)	678,612	878,178
Equity attributable to owners of the Company	本公司擁有人應佔權益		705,750	904,851
Non-controlling interests	非控股權益		27,757	5,328
Total equity	總權益		733,507	910,179
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	36	12,825	—
Convertible bonds	可換股債券	37	645,288	660,207
			658,113	660,207
			1,391,620	1,570,386

Approved and authorised for issue by the board of directors on 27 June 2011.

由董事會於二零一一年六月二十七日批准及授權刊發。

On behalf of the board

代表董事會

Jingguan Yingzi

井泉瑛孜

Director

董事

Wong Man Hung Patrick

王文雄

Director

董事

The notes on pages 60 to 175 form an integral part of these financial statements.

第60至175頁之附註組成此等財務報表之一部份。

STATEMENT OF FINANCIAL POSITION

財務狀況表

As at 31 March 2011 於二零一一年三月三十一日

		Note 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	19	—	22
Interests in subsidiaries	子公司權益	23	1,402,545	1,417,080
			1,402,545	1,417,102
Current assets	流動資產			
Prepayments, other receivables and deposits	預付款項、其他應收款項及按金	27	1,374	2,779
Cash and bank balances	現金及銀行結存	30	7,343	92,978
			8,717	95,757
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計費用		908	2,306
Amount due to a director	應付董事款項	33	5,000	—
			5,908	2,306
Net current assets	淨流動資產		2,809	93,451
Total assets less current liabilities	總資產減流動負債		1,405,354	1,510,553
Capital and reserves	股本及儲備			
Share capital	股本	38	27,138	26,673
Reserves	儲備	39(b)	732,928	823,673
			760,066	850,346
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	37	645,288	660,207
			1,405,354	1,510,553

Approved and authorised for issue by the board of directors on 27 June 2011.

由董事會於二零一一年六月二十七日批准及授權刊發

On behalf of the board

代表董事會

Jingguan Yingzi

井泉瑛孜

Director

董事

Wong Man Hung Patrick

王文雄

Director

董事

The notes on pages 60 to 175 form an integral part of these financial statements.

第60至175頁之附註組成此等財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2011 截至二零一一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	Accumulated Losses	Merger Reserve	Capital Reserve	Share-based Payment Reserve	Exchange Reserve	Convertible Bonds Reserve	Subtotal	Non-Controlling Interests	Total
		股本	股份溢價	累計虧損	合併儲備	股本儲備	以股份為支付基準款項儲備	匯兌儲備	可換股債券儲備	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 2009	於二零零九年四月一日	17,593	612,184	(367,489)	(197)	—	7,382	(290)	—	269,183	26,352	295,535
Issue of shares, net of expenses	發行股份，已扣除開支	8,310	414,327	—	—	—	—	—	—	422,637	—	422,637
Issue of convertible bonds	發行可換股債券	—	—	—	—	—	—	—	437,793	437,793	—	437,793
Share option scheme: — proceeds of share issued	購股權計劃：— 已發行股份之所得款項	770	8,855	—	—	—	—	—	—	9,625	—	9,625
— lapse of share options	— 購股權失效	—	—	—	—	—	(6,000)	—	—	(6,000)	—	(6,000)
— value of services	— 服務價值	—	—	—	—	—	14,500	—	—	14,500	—	14,500
Acquisition of subsidiaries	收購子公司	—	—	—	—	26,062	—	—	—	26,062	—	26,062
Exchange differences (note a)	匯兌差額(附註a)	—	—	—	—	—	—	382	—	382	(12)	370
Loss for the year	年度虧損	—	—	(269,331)	—	—	—	—	—	(269,331)	(21,012)	(290,343)
At 31 March 2010 and 1 April 2010	於二零一零年三月三十一日及二零一零年四月一日	26,673	1,035,366	(636,820)	(197)	26,062	15,882	92	437,793	904,851	5,328	910,179
Redemption of convertible bonds	贖回可換股債券	—	—	—	—	—	—	—	(9,968)	(9,968)	—	(9,968)
Share option scheme: — proceeds from share issued	購股權計劃：— 已發行股份之所得款項	465	5,348	—	—	—	—	—	—	5,813	—	5,813
— exercise of share options	— 行使購股權	—	15,470	—	—	—	(15,470)	—	—	—	—	—
— value of services	— 服務價值	—	—	—	—	—	9,362	—	—	9,362	—	9,362
Acquisition of subsidiaries	收購子公司	—	—	—	—	—	—	—	—	—	22,349	22,349
Exchange differences (note a)	匯兌差額(附註a)	—	—	—	—	—	—	20,680	—	20,680	(123)	20,557
Loss for the year	年度虧損	—	—	(224,988)	—	—	—	—	—	(224,988)	203	(224,785)
At 31 March 2011	於二零一一年三月三十一日	27,138	1,056,184	(861,808)	(197)	26,062	9,774	20,772	427,825	705,750	27,757	733,507

Note:

- (a) Exchange differences represent adjustments arising on translation of financial statements of overseas subsidiaries and an associate.
- (b) The merger reserve of the Group represents the difference between the nominal value of the share capital of a subsidiary acquired and the nominal value of the shares issued by the Company in exchange thereof pursuant to the Group reorganisation on 20 March 2001 as set out in the prospectus of the Company dated 26 March 2001.

附註：

- (a) 匯兌差額指換算海外子公司及聯營公司財務報表所產生之調整。
- (b) 本集團之合併儲備指所收購子公司之股本面值與本公司為換股而根據本公司於二零一一年三月二十六日刊發之售股章程所載本集團於二零一一年三月二十日之重組所發行之股份面值之差額。

The notes on pages 60 to 175 form an integral part of these financial statements.

第60至175頁之附註組成此等財務報表之一部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

	Note 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流量		
Loss for the year	年度虧損	(224,785)	(290,343)
Adjustment for:	就下列各項調整：		
Income tax (credit)/expense	所得稅(抵免)/支出	(11,662)	7,051
Interest expenses	利息支出	28,123	6,273
Interest income	利息收入	(2,431)	(615)
Impairment loss on other receivables	其他應收款項減值虧損	3,630	27,642
Write-off of inventories	存貨撇減	3,926	3,995
Loss on disposals of property, plant and equipment	出售物業、機器及設備虧損	68	—
Waiver of interest on convertible bonds	免除可換股債券之利息	(8,108)	—
Share-based payments	以股份為支付基準款項	9,362	8,500
Depreciation and amortisation	折舊及攤銷	42,068	11,574
Impairment loss on goodwill	商譽減值虧損	120,234	81,400
Impairment loss on property, plant and equipment	物業、機器及設備減值虧損	47	11,770
Impairment loss on other intangible assets	其他無形資產減值虧損	99,694	172,140
Fair value loss/(gain) on financial assets at fair value through profit or loss	於損益賬按公平值處理之金融資產公平值虧損/(收益)	2,891	(3,838)
		287,842	325,892

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

		Note	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
		附註		
Operating profit before working capital change (Increase)/decrease in inventories	營運資金變動前之經營溢利 存貨(增加)/減少		63,057	35,549
Increase in trade and bills receivables	應收賬款及應收票據增加		(41,027)	118,995
Decrease/(increase) in prepayments, other receivables and deposits	預付款項、其他應收款項及按金減少/(增加)		(121,394)	(68,633)
Decrease in amounts due from customers for contract works	應收客戶合約工程款項減少		59,509	(47,880)
Increase/(decrease) in trade and bills payables	應付賬款及應付票據增加/(減少)		280	—
Decrease in other payables and accruals	其他應付款項及應計費用減少		111,732	(7,897)
Decrease in amounts due to related companies	應付關連公司款項減少		(21,160)	(17,529)
Increase/(decrease) in amount due to directors	應付董事款項增加/(減少)		(4,838)	(30)
			6,013	(6,065)
Cash generated from operations	營運產生之現金		52,172	6,510
Interest received	已收利息		2,431	615
Interest paid	已付利息		(19,421)	(6,273)
Income tax paid	已付所得稅		(12,875)	—
Net cash generated from operating activities	經營活動產生之現金淨額		22,307	852
Cash flows from investing activities	投資活動之現金流量			
Purchases of property, plant and equipment	購買物業、機器及設備		(16,371)	(17,550)
Proceeds on disposal of property, plant and equipment	出售物業、機器及設備之所得款項		205	48
Net cash outflow from acquisition of subsidiaries	收購子公司之現金流出淨額	40	(16,864)	(136,584)
Additions of financial assets	增購金融資產		(40,241)	—
Disposals of financial assets	出售金融資產		43,444	—
Increase in pledged deposits	已抵押存款增加		(95,454)	(135,918)
Net cash used in investing activities	投資活動所用之現金淨額		(125,281)	(290,004)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

			2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Net cash inflow from financing activities	融資活動之現金流入淨額			
Borrowings (repaid)/raised	(償還)/提取借貸	42	(48,590)	42,557
Proceeds from issuance of shares	發行股份之所得款項		—	422,637
Proceeds from exercise of share option	行使購股權之所得款項		5,813	9,625
Redemption of convertible bonds	贖回可換股債券		(25,000)	—
Net cash (used in)/from financing activities	融資活動(所用)/產生之現金淨額		(67,777)	474,819
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物之(減少)/增加淨額		(170,751)	185,667
Cash and cash equivalents at the beginning of year	年初之現金及現金等價物		192,881	6,976
Translation differences	匯兌差額		25,361	238
Cash and cash equivalents at the end of year	年終之現金及現金等價物		47,491	192,881
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘之分析			
Cash and bank balances	現金及銀行結存		47,491	192,881

The notes on pages 60 to 175 form an integral part of these financial statements.

第60至175頁之附註組成此等財務報表之一部份。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

1. GENERAL

The Company is a public listed company incorporated in Bermuda and domiciled in Hong Kong with limited liability. 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.

Pursuant to a special resolution in relation to the proposed change of company name at the special general meeting held 22 March 2010 and was approved by the Registrar of Companies in Bermuda and Hong Kong on 23 March 2010 and on 14 April 2010 respectively, the Company’s name was changed from China Chief Cable TV Group Limited (Chinese translation being 中國3C集團有限公司, for identification purpose only) to Code Agriculture (Holdings) Limited and adopted the Chinese name “科地農業控股有限公司” as the secondary name of the Company.

The Company is an investment holding company and its shares have been listed on Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The principal activities of its subsidiaries are set out in note 23.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants.

HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions
HKFRS 3 (as revised in 2008)	Business combinations
HKAS 27 (as revised in 2008)	Consolidated and separate financial statements
HKFRSs (Amendments)	Improvements to HKFRSs 2009

Except as described below, the adoption of the new and revised standards, amendments and interpretations in the current year has had no material effect on the consolidated financial statements.

1. 一般資料

本公司為於百慕達註冊成立及以香港為總部之公開上市有限公司。本公司之註冊辦事處兼主要營業地點於年報「公司資料」一節披露。

根據於二零一零年三月二十二日舉行之股東特別大會上有關建議更改公司名稱之特別決議案，及於二零一零年三月二十三日及二零一零年四月十四日分別獲百慕達及香港公司註冊處批准，本公司之名稱由China Chief Cable TV Group Limited (中文譯名為中國3C集團有限公司，僅供識別)更改為Code Agriculture (Holdings) Limited，並採納中文名稱「科地農業控股有限公司」為本公司之第二名稱。

本公司為投資控股公司。其股份於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。其子公司之主要業務載於附註23。

2. 應用新訂及經修訂香港財務報告準則

於本年度，本集團已應用以下香港會計師公會頒佈之新訂及經修訂準則、修訂及詮釋。

香港財務報告準則第2號 (修訂本)	集團以現金結算並以股份為支付基準之交易
香港財務報告準則第3號 (二零零八年經修訂)	業務合併
香港會計準則第27號 (二零零八年經修訂)	綜合及獨立財務報表
香港財務報告準則 (修訂本)	二零零九年香港財務報告準則之改進

除下文所述，於本年度採納新訂及經修訂之準則、修訂及詮釋對綜合財務報表並無重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

HKFRS 2 (Amendments), “Group cash-settled share-based payment transactions” — effective from 1 January 2010.

In addition to incorporating HK(IFRIC) 8, “Scope of HKFRS 2”, and HK(IFRIC) 11, “HKFRS 2 — Group and treasury share transactions”, the amendments expand on the guidance in HK(IFRIC) 11 to address the classification of group arrangements that were not covered by that interpretation.

HKFRS 3 (Revised), “Business combinations”, and consequential amendments to HKAS 27 “Consolidated and separate financial statements”, are effective prospectively to business combinations for which the acquisition date is on or after 1 April 2010.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. HKFRS 3 (revised) has had no impact on the current period, as there have been no contingent payments included in the purchase costs of the acquisition of the subsidiaries during the year.

2. 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第2號(修訂本)，「集團以現金結算並以股份為支付基準之交易」— 由二零一零年一月一日起生效。

除納入香港(國際財務報告詮釋委員會)第8號，「香港財務報告準則第2號之範圍」及香港(國際財務報告詮釋委員會)第11號，「香港財務報告準則第2號 — 集團及庫存股份交易」外，該修訂本擴大香港(國際財務報告詮釋委員會)第11號之指引，針對該詮釋以往並未涵蓋之集團安排之分類。

香港財務報告準則第3號(經修訂)「業務合併」及因而對香港會計準則第27號「綜合及獨立財務報表」作出之修訂，以未來適用法對收購日期為二零一零年四月一日或以後之業務合併生效。

此項經修訂準則繼續對業務合併採用收購法，但與香港財務報告準則第3號相比則有若干重大更改。例如，購買業務之所有付款按收購日期之公平值記賬，而分類為債務之或然付款其後於全面收益表重新計量。對於在被收購方之非控股權益，可按逐項收購基準以公平值或非控股權益應佔被收購方淨資產之比例計量。所有收購相關成本應予支銷。由於本期間並無或然付款計入收購子公司之購買成本，故香港財務報告準則第3號(經修訂)對本年度並無影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

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

HKAS 27 (Revised): Consolidated and separate financial statements

The revised HKAS 27 requires accounting for changes in ownership interests in a subsidiary, while maintaining control, to be recognised as an equity transaction. It also requires, when the Group loses control of a subsidiary, any interest retained in the former subsidiary to be re-measured at fair value with the gain or loss recognised in profit or loss.

HKFRSs (Amendments) — Improvements to HKFRSs (2009)

The “Improvements to HKFRSs (2009)” comprises a number of minor and non-urgent amendments to a range of HKFRSs which the HKICPA has issued as an omnibus batch of amendments. As part of improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 April 2010 based on information that existed at the inception of the leases. After reassessment, the directors of the Company concluded that no reclassification was necessary.

2. 應用新訂及經修訂香港財務報告準則(續)

香港會計準則第27號(經修訂)：綜合及獨立財務報表

經修訂香港會計準則第27號規定在本集團仍維持控制權時，於子公司之擁有權權益變動確認為股權交易。該準則亦規定倘本集團失去對子公司之控制權，保留於前子公司之任何權益將按公平值重新計量，所產生盈虧則於損益賬內確認。

香港財務報告準則(修訂本) — 二零零九年香港財務報告準則之改進

「香港財務報告準則之改進二零零九年」包括香港會計師公會提出對一系列香港財務報告準則作出之輕微及非迫切修訂。作為二零零九年頒佈之香港財務報告準則之改進之一部份，香港會計準則第17號「租賃」有關租賃土地之分類作出了修訂。香港會計準則第17號修訂前，規定本集團須將租賃土地歸類為經營租賃並於綜合財務狀況表上把租賃土地列為預付租賃款。香港會計準則第17號修訂後則已刪除該規定，此修訂規定租賃土地應按照香港會計準則第17號所載之一般原則進行分類，即以租賃資產擁有權所附帶風險及回報是否大部份已轉移至承租人為基準。

根據載於修訂香港會計準則第17號之過渡性條文，本集團按訂立租約時存在之資料重新評估於二零一零年四月一日未屆滿之租賃土地之分類。於重新評估後，本公司董事認為毋須重新分類。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

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

The Group has not early applied the following new or revised standards, amendments and interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 ¹
HKFRS 7	Disclosures — Transfer of financial assets ³
HKFRS 9	Financial instruments ⁴
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets ⁵
HKAS 24 (Revised)	Related party disclosures ⁶
HK(IFRIC) — INT 14 (Amendments)	Prepayments of a minimum funding requirements ⁶
HK(IFRIC) — INT 19	Extinguishing financial liabilities with equity instruments ²

- ¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.
- ² Effective for annual periods beginning on or after 1 July 2010.
- ³ Effective for annual periods beginning on or after 1 July 2011.
- ⁴ Effective for annual periods beginning on or after 1 January 2013.
- ⁵ Effective for annual periods beginning on or after 1 January 2012.
- ⁶ Effective for annual periods beginning on or after 1 January 2011.

The directors of the Company anticipate that the application of these new and revised standards, amendments and interpretations will have no material impact on the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(續)

本集團並無提前應用以下已頒佈但尚未生效之新訂或經修訂準則、修訂及詮釋：

香港財務報告準則 (修訂本)	二零一零年頒佈之香港財務報告準則之改進 ¹
香港財務報告準則第7號	披露 — 轉讓金融資產 ³
香港財務報告準則第9號	金融工具 ⁴
香港會計準則第12號(修訂本)	遞延稅項：收回相關資產 ⁵
香港會計準則第24號(經修訂)	關連方披露 ⁶
香港(國際財務報告詮釋委員會) — 詮釋第14號(修訂本)	最低資金要求之預付款項 ⁶
香港(國際財務報告詮釋委員會) — 詮釋第19號	以股本工具抵銷金融負債 ²

- ¹ 於二零一零年七月一日及二零一一年一月一日(視乎情況)或其後開始之年度期間生效。
- ² 於二零一零年七月一日或其後開始之年度期間生效。
- ³ 於二零一一年七月一日或其後開始之年度期間生效。
- ⁴ 於二零一三年一月一日或其後開始之年度期間生效。
- ⁵ 於二零一二年一月一日或其後開始之年度期間生效。
- ⁶ 於二零一一年一月一日或其後開始之年度期間生效。

本公司董事預期，應用該等新訂及經修訂準則、修訂或詮釋將不會對綜合財務報表造成重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by revaluation of financial assets at fair value through profit or loss which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies.

3. 主要會計政策概要

3.1 編製基準

綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)編製。此外，綜合財務報表包括香港聯合交易所有限公司創業板證券上市規則及香港公司條例規定之適用披露事項。

綜合財務報表乃根據歷史成本法編製，並已就於損益賬按公平值處理之金融資產(乃按公平值列賬)之重估作出修訂。

編製符合香港財務報告準則之財務報表須使用若干關鍵會計估計。此亦需要管理層在應用本公司之會計政策過程中行使其判斷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2011. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognized in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interest either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed.

3. 主要會計政策概要(續)

3.2 綜合賬目基準

綜合財務報表包括本公司及其子公司截至二零一一年三月三十一日止年度之財務報表。集團內公司間之交易及結餘連同未變現溢利均於編製綜合財務報表時全數對銷。除非有關交易提供所轉讓資產減值之證據，否則未變現虧損亦予以對銷，在此情況下，虧損於損益中確認。

於年內購入或售出之子公司之業績由收購生效日起計或計至出售生效日止(視情況而定)，列入綜合全面收益表內。必要時，子公司之財務報表將予調整以使其會計政策與本集團其他成員公司所使用者一致。

收購子公司或業務採用收購法入賬。收購成本乃按本集團(作為收購方)所轉讓資產、所產生負債及所發行股權於收購當日之公平值總額計量。所收購之可識別資產及所承擔負債則主要按收購當日之公平值計量。本集團先前所持被收購方之股權以收購當日公平值重新計量，而所產生之收益或虧損則於損益中確認。本集團可按每宗交易選擇按公平值或按應佔被收購方可識別資產淨值之比例計算非控股權益。所產生之收購相關成本列作開支。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at acquisition date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

3. 主要會計政策概要(續)

3.2 綜合賬目基準(續)

由收購方將予轉讓之任何或然代價按收購日期之公平值確認。其後對代價之調整僅於調整源自於計量期(最長為收購日期起12個月)內所取得有關於收購日期之公平值之新資料時方與商譽確認。分類為資產或負債之或然代價之所有其他其後調整均於損益中確認。

本集團於子公司權益變動如不失去控制權，入賬列為權益交易。本集團權益及非控股權益之賬面值均予以調整，以反映其各自於子公司之權益之變動。經調整後非控股權益金額與所付或所收代價公平值之任何差額，直接於權益中確認，並歸屬於本公司擁有人。

當本集團失去子公司控制權時，出售所產生溢利或虧損為以下兩者之差額：(i)已收代價之公平值與任何保留權益之公平值之總額；及(ii)該子公司之資產(包括商譽)及負債與任何非控股權益之過往賬面值。以往於其他全面收益確認與子公司有關之金額，入賬方式相同，猶如相關資產或負債已經出售。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.2 Basis of consolidation *(Continued)*

Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interest even if this results in the non-controlling interest having a deficit balance.

3.3 Subsidiaries

A subsidiary is an entity over which the Group is able to exercise control. Control is achieved where the Group, directly or indirectly, has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

The results of subsidiaries are included in the Company's statement comprehensive income to the extent of dividends received and receivable. In the Company's statement of financial position, interests in subsidiaries are stated at cost less any impairment losses.

3.4 Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

3. 主要會計政策概要(續)

3.2 綜合賬目基準(續)

收購後，非控股權益賬面值為按初步確認者，另加非控股權益其後應佔權益變動。即使全面收益總額歸屬於非控股權益後造成虧絀，仍如此入賬。

3.3 子公司

子公司指本集團能對其行使控制權之實體。倘本集團直接或間接有權管治一間實體之財務及經營政策藉以獲取其業務活動產生之利益，則本公司對其擁有控制權。於評估控制權時，亦同時計入目前可予行使之潛在投票權。

子公司之業績按已收及應收股息為基準計入本公司之全面收益表。於本公司之財務狀況表，子公司權益乃按成本減任何減值虧損列賬。

3.4 聯營公司

聯營公司指本集團可對其行使重大影響力，且並非子公司及合營企業的實體。重大影響力指有權參與決定被投資公司的財務及營運政策決定，但並非控制或共同控制該等政策。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.4 Associates *(Continued)*

Associates are accounted for using the equity method whereby they are initially recognized at cost and thereafter, their carrying amount are adjusted for the Group's share of the post acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognized only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate and the entire carrying amount of the investment is subject to impairment test, by comparing the carrying amount with its recoverable amount, which is higher of value in use and fair value less costs to sell.

3. 主要會計政策概要(續)

3.4 聯營公司(續)

聯營公司採用權益法入賬，據此，聯營公司首次按成本確認，此後其賬面值會按本集團應佔聯營公司淨資產內之收購後變動進行調整，惟超出本集團於聯營公司權益之虧損不予確認，除非有責任彌補該等虧損則除外。

本集團與其聯營公司間進行交易所產生之溢利及虧損僅以無關連投資者於聯營公司之權益限額確認。該投資者應佔聯營公司於該等交易產生溢利及虧損，與聯營公司賬面值對銷。

本集團就聯營公司支付之任何超出本集團應佔所收購可識別資產、負債及或然負債公平值之溢價，乃予以資本化，並計入聯營公司之賬面值，且投資之全數賬面值須以比較賬面值與可收回金額(即使用價值與公平值減銷售成本之較高者)方式進行減值測試。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.5 Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment at the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

3. 主要會計政策概要(續)

3.5 商譽

商譽首先按成本確認，而成本是指所轉讓代價及就非控股權益確認的數額之總和超出所收購可識別資產、負債及或然負債公平值之部份。倘可識別資產、負債及或然負債之公平值超出已付代價之公平值，則超出部份於收購日期於損益中經重估後確認。

商譽按成本減去減值虧損計量。就測試有否減值而言，因收購而產生之商譽乃分配至預計可從收購之協同效益受惠之各有關現金產生單位。獲分配商譽之現金產生單位每年及每當有跡象顯示該單位可能出現減值時，會測試其有否減值。

就於某一財政年度進行收購所產生之商譽而言，已獲分配商譽之現金產生單位會於該財政年度完結時進行減值測試。當現金產生單位之可收回金額少於該單位之賬面值時，會分配有關減值虧損以首先減低分配予該單位之任何商譽之賬面值，其後根據該單位各資產之賬面值按比例地減低分配予該單位之其他資產。商譽之任何減值虧損於損益確認及不會在隨後期間撥回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 Intangible assets (other than goodwill)

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. The amortisation expense is recognised in profit or loss and included in other operating expenses.

Intangible assets are tested for impairment as described in note 22.

(1) Club membership

Club membership is stated at cost less accumulated amortisation and accumulated impairment losses. Club membership is amortised over the life of the membership.

(2) Film rights

Film rights acquired by the Group are stated at cost less accumulated amortisation and any impairment losses. The cost of film rights is amortised on a systematic basis over the license period.

At the end of each reporting period, both internal and external market information are considered to assess whether there is any indication that film rights are impaired. If any such indication exists, the carrying amount of such assets is assessed and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the consolidated statement of comprehensive income.

3. 主要會計政策概要(續)

3.6 無形資產(商譽除外)

分開購入之無形資產最初按成本確認。在業務合併中購入無形資產之成本為收購日期之公平值。其後，具有有限使用年期之無形資產按成本減累計攤銷及累計減值虧損列賬。

具不確定使用年期之無形資產按成本減任何累計減值虧損列賬。攤銷開支於損益確認，並計入其他經營開支內。

無形資產按附註22所述方式作減值測試。

(1) 會所會籍

會所會籍按成本值扣除累計攤銷及累計減值虧損列賬。會所會籍按會籍年期攤銷。

(2) 電影版權

本集團所收購之電影版權按成本值扣除累計攤銷及任何減值虧損列賬。電影版權之成本有系統地按授權期攤銷。

於每個呈報期末均考慮內部及外來市場資料，以評估有否任何跡象顯示電影版權出現減值。倘出現任何減值跡象，則會評估資產之賬面值，並會確認減值虧損(如適用)，以將資產降至其可收回金額。該等減值虧損於綜合全面收益表確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.6 Intangible assets (other than goodwill) *(Continued)*

(3) Patent and License

Patent and License with indefinite useful life are recognized initially at fair value, which are tested for impairment annually individually. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

(4) Technologies

Purchased Technologies are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

3.7 Property, plant and equipment

Land and buildings are stated at valuation less accumulated depreciation. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

3. 主要會計政策概要(續)

3.6 無形資產(商譽除外)(續)

(3) 專利權及牌照

具有無限可使用年期之專利權及牌照初步以公平值確認，每年個別進行減值測試。該等無形資產不予攤銷。具有無限年期無形資產之可使用年期每年檢討，以確定無限年期之評估是否仍然有力。如無，可使用年期評估由無限改為有限年期時，乃按未來通用基準入賬。

(4) 技術

所購買之技術按成本扣除任何減值虧損列賬，並於其估計可使用年期10年內按直線基準攤銷。

3.7 物業、機器及設備

土地及樓宇按估值減累計折舊列賬。重估會充足地定期進行，以確保賬面值不會與於呈報期末使用公平值釐定者存在重大差異。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.7 Property, plant and equipment *(Continued)*

Increases in value arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of asset revaluation reserve. Decreases in value arising on revaluation are first offset against increases on earlier valuations in respect of the same property and thereafter recognised in profit or loss. Any subsequent increases are recognized in profit or loss up to the amount previously charged and thereafter to the asset revaluation reserve.

Upon disposal, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the asset revaluation reserve to retained profits.

Other 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognized as an expense in profit or loss during the financial period in which they are incurred.

3. 主要會計政策概要(續)

3.7 物業、機器及設備(續)

重估增值於其他全面收益中確認，並在資產重估儲備一欄下在權益中累計。重估減值首先對銷同一物業早前的估值增值，其後於損益中確認。其後任何增值以之前已扣除之金額為限於損益中確認，其後轉撥至資產重估儲備。

於出售時，就先前估值而變現之重估儲備相關部份由資產重估儲備轉撥至保留溢利。

其他物業、機器及設備乃按成本減累積折舊及任何減損列賬。

一項物業、機器及設備成本包括其購買價格及令該項資產達至其運作狀況及運送至其預期使用位置之任何直接成本。

往後成本只會在與項目有關的未來經濟利益將流入本集團，且項目之成本能可靠地計量之情況下，計入資產的賬面值或確認為獨立資產(視適用情況而定)。重置部份之賬面值取消確認。所有其他維修及保養於產生的財政期間內計入損益並確認為開支。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Property, plant and equipment (Continued)

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3%-10%
Leasehold improvements	10% or lease term, whichever is the shorter
Plant and machinery	10%-20%
Furniture, fixtures and office equipment	20%
Motor vehicles	10%-20%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

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

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

3. 主要會計政策概要(續)

3.7 物業、機器及設備(續)

折舊乃按每項物業、機器及設備之估計使用年期，以直線法將其成本值或估值撇銷至其剩餘價值計算。就此採用之主要年率如下：

樓宇	3%-10%
租賃物業裝修	10%或按租賃期計，以較短年期者為準
廠房及機器	10%-20%
傢俬、裝置及辦公室設備	20%
汽車	10%-20%

倘一項物業、機器及設備各部份之可使用年期並不相同，該項目各部份之成本值或估值將按合理基礎分配，而每部份將作個別折舊。

剩餘價值、可使用年期及折舊方法最少於每個呈報期末予以檢討，在適當情況下加以調整。

倘資產的賬面值高於資產之估計可收回金額，則即時撇減至其可收回金額。

出售一項物業、機器及設備之收益或虧損乃出售所得款項淨額與其賬面值之間的差額，於出售時於損益中確認。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.8 Prepaid land lease payments

Prepayment for obtaining land use rights is accounted for as prepaid lease payments and is charged to consolidated statement of comprehensive income on a straight-line basis over the lease terms.

3.9 Impairment of non-financial assets other than goodwill

Intangible assets, property, plant and equipment, prepaid land lease payments, the Company's interests in subsidiaries and the Group's interest in an associate are subject to impairment testing.

Intangible assets with indefinite useful life are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired.

In respect of all other assets, at the end of each reporting period, the Group reviews the carrying amounts of the assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

3. 主要會計政策概要(續)

3.8 預付土地租賃款

取得土地使用權之預付款項列作預付租賃款，並以直線法按租賃年期從綜合全面收益表扣除。

3.9 商譽以外之非金融資產減值

無形資產、物業、機器及設備、預付土地租賃款、本公司之子公司權益及本集團之聯營公司權益均須進行減值測試。

具不確定使用年期之無形資產最少每年一次進行減值測試，而不論是否有任何減值跡象。

就所有其他資產而言，於每個呈報期末，本集團檢討資產的賬面值，以釐定是否有跡象顯示資產已出現減值虧損或先前已確認之減值虧損不再存在或已減少。

倘資產之可收回金額(即公平值減銷售成本與使用價值兩者之較高者)估計將低於其賬面值，則將資產的賬面值遞減至其可收回金額。減值虧損即時確認為開支，惟有關資產根據另一香港財務報告準則按重估金額列賬除外，在此情況下，減值虧損根據該香港財務報告準則當作重估減值處理。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.9 Impairment of non-financial assets other than goodwill *(Continued)*

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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash generating unit level.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

3. 主要會計政策概要(續)

3.9 商譽以外之非金融資產減值(續)

於評估使用價值時，乃使用可反映貨幣時間價值及資產特有的風險之稅前折現率，將估計未來現金流量折現至其現值。

為了評估減值，當資產並無產生大致上獨立於其他資產的現金流的現金流入時，可收回金額乃就能獨立產生現金流入之最小組別資產(即現金產生單位)而釐定。因此，部份資產乃個別作減值測試，而部份則在現金產生單位層面作減值測試。

倘減值虧損其後撥回，資產的賬面值遞增至其可收回金額的經修訂估計值，惟增加的賬面值不得超出在假設以往年度並無就該資產確認減值虧損之情況下應釐定之賬面值。減值虧損撥回即時確認為收入，惟有關資產根據另一香港財務報告準則按重估金額列賬除外，在此情況下，減值虧損撥回根據該香港財務報告準則當作重估增值處理。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Assets held for sale

Non-current assets and disposal groups are classified as assets held for sale when:

- they are available for immediate sale;
- management is committed to a plan to sell;
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- an active programme to locate a buyer has been initiated;
- the asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- a sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- fair value less costs to sell.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated. The results of operations disposed of during the year are included in profit or loss up to the date of disposal.

3. 主要會計政策概要(續)

3.10 持作銷售之資產

非流動資產及出售組別在以下情況下分類為持作銷售資產：

- 可供即時銷售；
- 管理層已承諾根據一項計劃出售；
- 該計劃不大可能有重大改變或被撤回；
- 已展開積極尋找買家的行動；
- 資產或出售組別按相對於其公平值而言屬合理的價格進行推銷；及
- 預期於分類日期起計12個月內完成銷售。

分類為持作銷售之非流動資產及出售組別按以下較低者計量：

- 緊接根據本集團會計政策分類為持作銷售前之賬面值；及
- 公平值減銷售成本。

分類為持作銷售後，非流動資產（包括出售組別內的非流動資產）不予折舊。於年內出售業務之業績計入損益，直至出售日期為止。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under the operating leases are charged to the profit or loss on the straight-line basis over the lease terms.

Prepaid land premiums under operating leases are initially stated at cost and subsequently amortised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

3.12 Financial assets

The Group's financial assets include cash and bank balances, trade and other receivables, loan receivable and derivative financial instruments.

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

3. 主要會計政策概要(續)

3.11 經營租賃

資產擁有權絕大部份回報及風險仍然由出租人擁有之租賃列為經營租賃。根據經營租賃應予支付之租金於租期按直線法自損益扣除。

經營租賃下之預付地價初時按成本列賬，其後於租賃期內按直線基準攤銷。倘租賃金額未能可靠地分配至土地及樓宇部份，則租賃金額將全部作為融資租賃之土地及樓宇成本計入物業、機器及設備。

3.12 金融資產

本集團之金融資產包括現金及銀行結存、應付賬款及其他應付款項、應收貸款及衍生金融工具。

本集團於首次確認時視乎購入該資產之目的而將金融資產分類。於損益賬按公平值處理之金融資產按公平值進行首次計量，而所有其他金融資產則按公平值加收購金融資產直接應佔之交易成本進行首次計量。一般金融資產買賣按交易日基準確認或取消確認。一般買賣為一項合約下之金融資產買賣，該合約條款規定須於由相關市場一般條例或慣例所設立之時間框架內交付資產。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Financial assets (Continued)

Financial assets at fair value through profit or loss

These assets include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), and also incorporate other types of contractual monetary assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

3. 主要會計政策概要(續)

3.12 金融資產(續)

於損益賬按公平值處理之金融資產

該等資產包括持作買賣金融資產。倘其購入目的為於短期內出售，則該金融資產會歸類為持作買賣。

於首次確認後，於損益賬按公平值處理之金融資產乃按公平值計量，而公平值變動乃於產生期間於損益中確認。

貸款及應收款項

該等資產乃於活躍市場並無報價且具備固定或可釐定款項之非衍生工具金融資產。該等資產乃主要於向客戶提供貨品及服務過程中產生(應收賬款)，且同時亦包括其他類別之合約貨幣資產。於首次確認後，該等資產以實際利息法按攤銷成本減去任何已識別減值虧損列賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

3. 主要會計政策概要(續)

3.13 金融資產減值

本集團於各呈報期末評估是否有客觀跡象表明一項金融資產或一組金融資產出現減值。倘若並僅在首次確認一項或一組金融資產後發生一項或多項事件導致存在客觀減值跡象(一項已發生的「虧損事件」)之情況下，而該項虧損事件對該項或該組金融資產的估計未來現金流量所造成之影響能夠可靠地估計，則該項或該組金融資產會被視作減值。減值跡象可包括一名或一群債務人正面臨重大財政困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到之數據顯示估計未來現金流量出現可計量之減少，例如欠款數目變動或出現與違約相關之經濟狀況。

按攤銷成本列賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先會按個別基準就個別屬重大之金融資產或按組合基準就個別不屬重大之金融資產，評估是否存在客觀減值跡象。倘本集團認定按個別基準經評估之金融資產(無論具重要性與否)並無客觀跡象顯示存有減值，則該項資產會歸入一組具有相似信貸風險特性之金融資產內，並共同評估該組金融資產是否存在減值。經個別評估減值之資產，其減值虧損會予確認或繼續確認入賬，而不會納入綜合減值評估之內。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Impairment of financial assets (Continued)

Financial assets carried at amortised cost (Continued)

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the profit or loss.

3. 主要會計政策概要(續)

3.13 金融資產減值(續)

按攤銷成本列賬之金融資產(續)

倘有客觀跡象顯示出現減值虧損，則虧損金額按該資產賬面值與估計未來現金流量(不包括並未產生之未來信貸虧損)現值之差額計量。估計未來現金流量之現值以金融資產之初始實際利率(即首次確認時計算之實際利率)折現。倘貸款之利率為浮動利率，則計量任何減值虧損之折現率為當前實際利率。

該資產之賬面值會直接減少或通過使用備抵賬而減少，而虧損金額於收益表中確認。利息收入於減少後賬面值中持續產生，且採用計量減值虧損時用以折現未來現金流量之利率累計。若日後收回不可實現，則撇銷貸款及應收款項連同任何相關撥備。

倘若在其後期間估計減值虧損金額由於確認減值之後發生的事項增加或減少，則透過調整備抵賬增加或減少先前確認之減值虧損。倘於其後收回未來撇銷，該項收回將計入損益。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 Financial liabilities

The Group's financial liabilities include trade and other payables, derivative financial instruments and interest-bearing bank loans.

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, bank loans and the debt element of convertible bonds issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognized in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

3. 主要會計政策概要(續)

3.14 金融負債

本集團之金融負債包括應付賬款及其他應付款項、衍生金融工具及付息銀行貸款。

本集團視乎產生負債之目的而將金融負債分類。於損益賬按公平值處理之金融負債最初按公平值計量，而按攤銷成本列賬之金融負債最初按公平值扣除產生之直接應佔成本後計量。

為短期內出售目的而持有之金融負債分類為持作買賣金融負債。衍生工具(包括獨立之嵌入式衍生工具)亦分類為持作買賣，除非被指定為有效之對沖工具。持作買賣負債之收益或虧損於損益中確認。

於首次確認後，於損益賬按公平值處理之金融負債按公平值計量，公平值變動於產生之期間內在損益中確認。

按攤銷成本列賬之金融負債

按攤銷成本列賬之金融負債包括應付賬款及其他應付款項、銀行貸款及本集團所發行可換股債券之債項部份，其後使用實際利息法按攤銷成本計量。有關利息支出於損益中確認。

當負債被取消確認並進行攤銷程序時，其收益或虧損於損益中確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the profit or loss.

3.16 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.17 Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the financial guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

3. 主要會計政策概要(續)

3.15 取消確認金融負債

當負債項下之責任被解除或取消或屆滿，金融負債將取消確認。

如現有金融負債由同一放債人以條款大致上相異之負債所取代，或現有負債之條款作出重大修訂，此類交換或修訂將被視為取消確認原負債及確認新負債處理，有關賬面值之差額於損益中確認。

3.16 金融工具抵銷

倘若及僅在本集團具有抵銷已確認金額之現時可執行法定權利，且有意以淨額結算或同時變現資產和清償負債之情況下，金融資產與金融負債可相互抵銷，並以相互抵銷後的淨額在財務狀況表內呈報。

3.17 財務擔保合約

財務擔保合約為由於指定欠債人未能根據債務工具之條款償付到期款項而招致持有人損失而向持有人作出彌償付款之合約。財務擔保合約將最初按其公平值經就簽發財務擔保而直接產生之交易成本作調整後確認為一項負債。最初確認之後，本集團將以下列兩者之中較高者對財務擔保合約進行衡量：(i) 於呈報期末償還現有債務所需開支之最佳估計金額；及(ii) 最初確認金額減去累積攤銷額(如適用)後之數額。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, a discounted cash flow analysis; and option pricing models.

3.19 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value of derivatives are taken directly to the profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

3.20 Convertible bonds

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

3. 主要會計政策概要(續)

3.18 金融工具之公平值

在活躍市場上交易的金融工具之公平值參考市場報價或交易方報價(好倉買入價及淡倉賣出價)確定，且不扣除任何交易成本。對於沒有活躍市場之金融工具，公平值採用恰當估價技術確定。這種技術包括採用近期公平市場交易，參考實質幾乎全部相同的另一工具之當前市場價值；折現現金流分析；及期權定價模型。

3.19 衍生金融工具

衍生金融工具先按其於衍生合約訂立日期當日之公平值確認，其後則按公平值重新計量。當衍生工具之公平值為正數時，則入賬列為資產；當公平值為負數時，則入賬列為負債。衍生工具公平值變動產生的任何收益或虧損直接計入損益，惟現金流對沖的有效部份除外，該部份在其他全面收益中確認。

3.20 可換股債券

本集團發行之可換股債券包括負債及兌換權部份，乃於首次確認時分開歸類至其各自之項目。將以固定金額的現金或另一項金融資產交換本公司固定數目之股本工具之方式結清之兌換權乃分類為股本工具。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.20 Convertible bonds (Continued)

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

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in equity component of convertible bonds reserve until the embedded option is exercised. Where the option remains unexercised at the expiry dates, the balance stated in equity component of convertible bonds reserve will be released to the retained profits. No gain or loss is recognized upon conversion or expiration of the option.

When the bonds are converted, the carrying amounts of the liability component together with the equity component at the time of conversion are transferred to share capital and share premium as consideration for the shares issued.

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

3. 主要會計政策概要(續)

3.20 可換股債券(續)

於首次確認時，負債部份之公平值乃按類似非可換股債項之現行市場利率釐定。發行可換股債券之所得款項與撥往負債部份(即持有人將債券兌換為權益之兌換權)之公平值之差額計入權益(可換股債券儲備)內。

於往後期間，可換股債券之負債部份以實際利息法按攤銷成本列賬。權益部份(即將負債部份兌換為本公司普通股之選擇權)將保留於可換股債券儲備之權益部份，直至附帶之選擇權獲行使為止。倘選擇權於到期日未獲行使，則可換股債券儲備的權益部份之結餘將轉撥至保留溢利。選擇權獲兌換或到期時將不會確認任何收益或虧損。

當債券獲兌換時，負債部份連同權益部份於兌換時之賬面值轉撥至股本及股份溢價，作為所發行股份之代價。

與發行可換股債券相關之交易成本按所得款項之分配比例而分配至負債及權益部份。與權益部份相關之交易成本直接從權益扣除。與負債部份相關之交易成本計入負債部份之賬面值，並以實際利息法於可換股債券有效期內攤銷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

3.22 Biological assets

Biological assets comprise immature cordyceps before harvest in farms.

Biological assets are stated at fair value less estimated point-of-sale costs from initial measurement up to the point of harvest, except where fair value cannot be measured reliably due to unavailability of market-determined prices and no reliable alternative estimates exist to determine fair value in which case the assets are held at cost less accumulated depreciation and impairment losses. Once the fair value becomes reliably measurable, the biological assets are measured at fair value less point-of-sale costs. Where assets are held at fair value, changes in fair value are taken to the consolidated statement of comprehensive income. Point-of-sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market.

After harvesting, cordyceps are transferred to inventories as agricultural produce at their deemed cost which is fair value at harvest less the estimated point-of-sale costs. Fair value at harvest is based on the selling prices for similar cordyceps prevailing in the market as at or close to the harvest dates.

3. 主要會計政策概要(續)

3.21 存貨

存貨按成本值及可變現淨值兩者之較低者列賬。成本值按先入先出法計算。在製品及製成品之成本，包括直接物料、直接工資及按比例分配之製造費用。可變現淨值乃根據估計售價扣除完成及出售時預期產生之任何成本計算。

3.22 生物資產

生物資產包括在園內收割前未成熟的北冬蟲夏草。

生物資產按公平值減去由初步計量至收割點的估計銷售點成本列賬，惟倘未能取得市場所定的價格，且估計公平值的其他方法屬不可靠，導致公平值未能可靠地計量時，則該等資產會按成本減去累計折舊及減值虧損計量。一旦能可靠地計量公平值，生物資產會按公平值減去銷售點成本計量。倘資產按公平值計算，公平值的變動將撥入綜合全面收益表。銷售點成本包括出售資產所需的一切成本，但不包括將資產運往市場所需的成本。

收割後，北冬蟲夏草以推定成本轉撥至農產品存貨，推定成本指收割時的公平值減去估計銷售點成本。收割時的公平值乃按同類北冬蟲夏草於收割日或接近收割日在市場上的現行售價釐定。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.23 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash that are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

3.24 Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the present value arising from the passage of time is included in finance costs in the income statement.

3. 主要會計政策概要(續)

3.23 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及通知存款，以及可隨時兌換成已知數額現金，價值變動風險不大，且於購入後短期內屆滿（一般為三個月內）之短期高流動性投資，減去按要求償還及構成本集團現金管理之整體部份之銀行透支。

就財務狀況表而言，現金及銀行結存包括不限用途之手頭及銀行現金（包括定期存款）。

3.24 撥備

撥備乃因過往發生之事宜而產生之目前債務（法定或推定），及將來可能因為要償還債務時而引致流出的資源，惟該債務之金額必須能可靠估計。

當折現之影響重大時，撥備之金額應確認為償還債務預期所需未來開支於呈報期末之現值。隨著時間而增加之現值於收益表計入融資成本。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.24 Provisions (Continued)

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognized in accordance with the general guidance for provisions above; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition.

3.25 Income tax

Income tax comprises current and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates 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 at the end of reporting period.

3. 主要會計政策概要(續)

3.24 撥備(續)

在業務合併中確認之或然負債最初按其公平值計算。其後，按(i)根據有關上述撥備之一般指引應予確認之金額；及(ii)最初確認金額減(如適用)根據確認收入的指引確認之累計攤銷後的數額兩者之較高者計算。

3.25 所得稅

所得稅包括當期及遞延稅項。

當期稅項乃根據日常業務之溢利或虧損，就所得稅而言毋須課稅或不可扣稅之項目作出調整，按呈報期末已制定或大致上制定之稅率計算。

遞延稅項乃因就財務報告而言資產與負債之賬面值與就稅務而言之相關數值之暫時差異而確認。除不影響會計或應課稅溢利之商譽及已確認資產與負債之外，所有暫時差異之遞延稅項負債均會確認。於可運用可扣稅之暫時差異抵銷應課稅溢利時，遞延稅項資產方會確認。遞延稅項乃按預期於有關負債結算或有關資產變現之期間適用之稅率根據呈報期末已制定或大致上制定之稅率計算。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.25 Income tax (Continued)

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

Income taxes are recognised in profit or loss except when they relate to items recognized in other comprehensive income in which case the taxes are also recognised in other comprehensive income.

3.26 Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) Revenue from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold. This is usually taken as the time when the goods are delivered and the customer has accepted the goods;
- (b) Revenue from the provision of TV digitalisation related service is recognized when the services are rendered;

3. 主要會計政策概要(續)

3.25 所得稅(續)

除本集團可控制撥回暫時差異且暫時差異於可見將來不會撥回者外，遞延稅項負債乃就於子公司及聯營公司之投資所產生之應課稅暫時差異而確認。

所得稅乃於損益中確認，惟該等稅項與於其他全面收益確認之項目有關則除外，而在此情況下，該等稅項亦於其他全面收益確認。

3.26 收入確認

當經濟利益可能流入本集團，且收入能可靠地計算時，按下列基準確認收入：

- (a) 銷售貨品之收入，於擁有權之重大風險及回報已轉移至買方時確認，惟本集團不再擁有一般視為與擁有權相關之管理權或對已售貨品之有效控制權時確認。時間通常為貨品交付及客戶已接收貨品之時；
- (b) 提供電視數碼化相關服務之收入於提供服務時確認；

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.26 Revenue recognition (Continued)

- (c) Revenue from the provision of premastering and other media services is recognised when the services are rendered;
- (d) Revenue from the provision of audiovisual playout services is recognised when the services are rendered;
- (e) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

3.27 Employee benefits

Pension schemes

The Group operates defined contribution retirement benefit schemes in Hong Kong, including a Mandatory Provident Fund scheme, for those employees who are eligible and have elected to participate in the schemes. Contributions are made based on a percentage of the participating employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. When an employee leaves the schemes, with the exception of the Mandatory Provident Fund scheme, prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of any forfeited contributions. In respect of the Mandatory Provident Fund scheme, the Group's employer contributions vest fully with the employees when contributed into the scheme.

3. 主要會計政策概要(續)

3.26 收入確認(續)

- (c) 提供母版前期製作及其他媒體服務之收入於提供服務時確認；
- (d) 提供影音播放服務之收入於提供服務時確認；
- (e) 利息收入乃參照本金餘額及適用利率按時間比例基準確認。

3.27 僱員福利

退休金計劃

本集團於香港為合資格及已選擇參與計劃之僱員設立定額供款之退休福利計劃(包括一項強制性公積金計劃)。供款乃按參與之僱員之基本薪金之某一百分比作出，並按該等計劃之規則於應付供款時自收益表扣除。該等計劃之資產以本集團以外之獨立管理基金持有。倘僱員於可全數保留其於本集團之僱主供款的權益前退出計劃(強制性公積金計劃除外)，則本集團持續應付之供款可以任何沒收之供款金額減低。至於強制性公積金計劃方面，本集團之僱主供款一旦注入計劃，即悉數歸僱員所有。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.27 Employee benefits (Continued)

Pension schemes (Continued)

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain amounts for the employees in Mainland China, pursuant to the local municipal government regulations. The contributions are charged to the profit or loss, as they become payable in accordance with the rules of the central pension scheme.

Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

3. 主要會計政策概要(續)

3.27 僱員福利(續)

退休金計劃(續)

本集團在中國內地營運之子公司之僱員須參加由地方市政府經營之中央退休金計劃。根據地方市政府法規，該等子公司須為中國內地之僱員作出若干款額之供款。由於供款根據中央退休金計劃規則於應付時自損益中扣除。

短期僱員福利

僱員所享有之年假權利於應計予僱員時確認。本集團就僱員截至呈報日前提供服務所享有年假之估計負債而作出撥備。

病假及產假等非累計有薪假期於放假之前不予確認。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.27 Employee benefits (Continued)

Share-based payment compensation

The Company operates an equity-settled, share-based compensation scheme. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

3. 主要會計政策概要(續)

3.27 僱員福利(續)

以股份支付基準之補償

本公司設有一項權益結算並以股份支付基準之補償計劃。僱員為獲取授予購股權而提供之服務之公平值確認為開支。在歸屬期內將列作開支之總金額參考授予之購股權之公平值釐定，不包括任何非市場歸屬條件(例如盈利能力及銷售增長目標)之影響。非市場歸屬條件包括在有關預期可行使之購股權數目之假設中。於每個呈報期末，本公司均修訂其對預期可行使購股權數目之估計。本公司於全面收益表確認對原估計修訂(如有)之影響，並按餘下歸屬期對權益作出相應調整。

於購股權獲行使時，收取之所得款項扣除任何直接應佔之交易成本後，撥入股本(面值)及股份溢價。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.28 Foreign currencies

These financial statements are presented in HK\$, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of subsidiaries in Mainland China is a currency other than HK\$. As at the end of the reporting period, the assets and liabilities of the subsidiaries are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and its statement of comprehensive income is translated into HK\$ at the weighted average exchange rate for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve (attributed to non-controlling interests as appropriate). On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

3. 主要會計政策概要(續)

3.28 外幣

此等財務報表以港元呈列，該貨幣為本公司之功能及呈報貨幣。本集團內各實體自行釐定本身之功能貨幣，各實體列入財務報表之項目均以有關實體之功能貨幣計量。本集團內各實體錄得之外幣交易初步按各自於交易日期適用的功能貨幣匯率列賬。以外幣計值的貨幣資產與負債按於呈報期末適用的功能貨幣匯率重新換算。所有差額均計入損益。

按外幣歷史成本計量的非貨幣項目按首次交易日期的匯率換算。按外幣公平值計量的非貨幣項目採用釐定公平值當日的匯率換算。

中國內地子公司的功能貨幣並非港元。於呈報期末，子公司的資產與負債按呈報期末的匯率換算為本公司的呈報貨幣，其全面收益表則按本年度的加權平均匯率換算為港元。因此而產生的匯兌差額在其他全面收益中確認，並在匯兌波動儲備(在適用情況下歸屬於非控股權益)中累計。出售外國業務時，其他全面收益中有關該項外國業務的部份於損益中確認。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.28 Foreign currencies (Continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the exchange reserve.

For the purpose of the consolidated statement of cash flows, the cash flows of the subsidiaries in Mainland China are translated into HK\$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the subsidiaries in Mainland China which arise throughout the year are translated into HK\$ at the weighted average exchange rate for the year.

3.29 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

3. 主要會計政策概要(續)

3.28 外幣(續)

收購海外業務時所產生之商譽及所收購可識別資產之公平值調整當作該海外業務之資產及負債處理，並按呈報期末之匯率換算。所產生之匯兌差額於匯兌儲備中確認。

就綜合現金流量表而言，中國內地子公司之現金流量乃以現金流量日之匯率換算為港元。於年內產生之中國內地子公司經常性現金流量乃以年內之加權平均匯率換算為港元。

3.29 借貸成本

當產生有關資產的開支、產生借貸成本以及為了準備資產作擬定用途或銷售而進行必要之活動時，借貸成本撥充為合資格資產的一部份成本。當為了準備合資格資產作擬定用途或銷售而進行之一切必要活動基本上完成時，借貸成本之資本化即會停止。

所有其他借貸成本於產生期間內在損益中確認。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.30 Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.31 Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (a) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (b) the Group and the party are subject to common control;
- (c) the party is an associate of the Group or a joint venture in which the Group is a venturer;

3. 主要會計政策概要(續)

3.30 政府補助金

政府補助金於本集團確認補助金擬補助的相關成本開支期間，有系統地於損益中確認。尤其是，以要求本集團購買、建造或收購非流動資產為主要條件的政府補助金乃於綜合財務狀況表確認為相關資產賬面值之扣減並於相關資產的可用年期內轉撥至損益中。作為已產生之補償費用或損失而應收取或為了給予即時財務資助而無日後相關成本的政府補助金，於其應收取期間在損益內確認。

3.31 關連方

就此等財務報表而言，在下列情況下，一方被視為與本集團有關連：

- (a) 該方有能力直接或間接透過一名或多名中介人士控制本集團或對本集團之財務及經營決策有重大影響力，或對本集團有共同控制權；
- (b) 本集團及該方受共同控制；
- (c) 該方為本集團之聯營公司或本集團參與投資之合營企業；

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.31 Related parties *(Continued)*

- (d) the party is a member of key management personnel of the Group or Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (e) the party is a close family member of a party referred to in (a) or is an entity under the control, joint control or significant influence of such individuals; or
- (f) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3.32 Segment reporting

The Group identifies operating segments and prepares segment information based on the chief operating decision maker internal financial information reported to the directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the chief operating decision maker are determined following the Group's major business lines.

3. 主要會計政策概要(續)

3.31 關連方(續)

- (d) 該方為本集團或本集團母公司之主要管理層成員，或上述人士之近親，或受上述人士控制、共同控制或重大影響之實體；
- (e) 該方為上文(a)所述人士之近親，或受該人士控制、共同控制或重大影響之實體；或
- (f) 該方為本集團或任何屬本集團關連人士之實體之僱員受益之離職後福利計劃。

一名人士之近親為預期在與有關實體交易時可影響該人士或受該人士影響之家庭成員。

3.32 分類報告

本集團根據向董事所匯報用作決定有關本集團業務單位的資源分配及檢討該等單位表現的主要營運決策人士內部財務資料而識別營運分類及編製分類資料。向主要營運決策人士所匯報內部財務資料之業務單位乃按本集團主要業務類別釐定。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.32 Segment reporting (Continued)

The Group has identified the following reportable segments:

- Agricultural related machinery and construction operation;
- Fertilizer operation;
- TV digitalisation related operation;
- Cordyceps related and other healthcare products operation;
- Provision of premastering and other media services operation;
- Provision of audiovisual playout services on audiovisual data operation; and
- Direct television sales operation.

Each of these operating segments is managed separately as each of the business lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

No asymmetrical allocations have been applied to reportable segments.

For management purposes, revenue, gross profit and operating results are the key indicators provided to the Group's chief operating decision maker to make decisions about resource allocation and assess performance.

3. 主要會計政策概要(續)

3.32 分類報告(續)

本集團已識別以下可報告分類：

- 農業相關機械及建築業務；
- 肥料業務；
- 電視數字化相關業務；
- 北冬蟲夏草相關及其他保健產品業務；
- 提供母版前期製作及其他媒體服務業務；
- 提供視聽資料之影音播放服務業務；及
- 電視直銷業務。

由於每項業務類別需要不同資源及市場推廣方法，故該等營運分類乃分開管理。所有分類間之轉撥均按公平價格進行。

概無於須可報告分類之間作出不公平分配。

就管理而言，收入、毛利及經營業績乃提供予本集團主要營運決策人士就資源分配及評估表現作決定之主要指標。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.32 Segment reporting *(Continued)*

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs when the operation is abandoned.

3. 主要會計政策概要(續)

3.32 分類報告(續)

終止經營業務

終止經營業務乃本集團業務之一部份，其營運及現金流量可與本集團其他業務清楚區分，且代表一項按業務或地區劃分之獨立主要業務，或作為出售一項按業務或地區劃分之獨立主要業務之單一統籌計劃一部份，或為一間純粹為轉售而收購之子公司。

倘業務被出售或符合列為持作銷售之標準(如較早)，則分類為終止經營業務。不再經營該業務時，有關業務亦會分類為終止經營業務。

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4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The categories of financial instruments, financial risk management and capital risk management are analysed as follows:

(a) Categories of financial instruments

Group

Financial assets

		2011 二零一一年			2010 二零一零年		
		Financial assets at fair value through profit or loss 於損益賬按公平值處理之金融資產			Financial assets at fair value through profit or loss 於損益賬按公平值處理之金融資產		
		Loans and receivables 貸款及應收款項		Total 合計	Loans and receivables 貸款及應收款項		Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade & bills receivables	應收賬款及應收票據	462,152	—	462,152	331,308	—	331,308
Other receivables	其他應收款項	60,610	—	60,610	83,482	—	83,482
Amounts due from customers for contract works	應收客戶合約工程款項	5,992	—	5,992	—	—	—
Financial assets at fair value through profit or loss	於損益賬按公平值處理之金融資產	—	822	822	—	6,916	6,916
Pledged deposits	已抵押存款	231,372	—	231,372	135,918	—	135,918
Cash and bank balances	現金及銀行結存	47,491	—	47,491	192,881	—	192,881
		807,617	822	808,439	743,589	6,916	750,505

4. 金融工具及資本風險管理

以下列出金融工具類別，財務風險管理及資本風險管理之分析：

(a) 金融工具類別

本集團

金融資產

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(a) Categories of financial instruments (Continued)

Group (Continued)

Financial liabilities

Trade and bills payables	應付賬款及應付票據
Other payables	其他應付款項
Borrowings	借貸
Amounts due to related companies	應付關連公司款項
Amounts due to directors	應付董事款項
Convertible bonds	可換股債券

4. 金融工具及資本風險管理 (續)

(a) 金融工具類別(續)

本集團(續)

金融負債

2011 二零一一年	2010 二零一零年
Financial liabilities at amortised costs 按攤銷成本列賬之金融負債 HK\$'000 千港元	Financial liabilities at amortised costs 按攤銷成本列賬之金融負債 HK\$'000 千港元
329,189	236,080
44,350	30,743
288,063	312,227
6,013	—
1,807	6,644
645,288	660,207
1,314,710	1,245,901

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4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(a) Categories of financial instruments (Continued)

Company

Financial assets

		2011 二零一一年 Loans and receivables 貸款及 應收款項 HK\$'000 千港元	2010 二零一零年 Loans and receivables 貸款及 應收款項 HK\$'000 千港元
Amounts due from subsidiaries	應收子公司款項	1,402,545	1,403,773
Cash and bank balances	現金及銀行結存	7,343	92,978
		1,409,888	1,496,751

Financial liabilities

		2011 二零一一年 Financial liabilities at amortised costs 按攤銷成本 列賬之 金融負債 HK\$'000 千港元	2010 二零一零年 Financial liabilities at amortised costs 按攤銷成本 列賬之 金融負債 HK\$'000 千港元
Amount due to a director	應付一名董事款項	5,000	—
Convertible bonds	可換股債券	645,288	660,207
		650,288	660,207

4. 金融工具及資本風險管理 (續)

(a) 金融工具類別(續)

本公司

金融資產

	2011 二零一一年 Loans and receivables 貸款及 應收款項 HK\$'000 千港元	2010 二零一零年 Loans and receivables 貸款及 應收款項 HK\$'000 千港元
Amounts due from subsidiaries	1,402,545	1,403,773
Cash and bank balances	7,343	92,978
	1,409,888	1,496,751

金融負債

	2011 二零一一年 Financial liabilities at amortised costs 按攤銷成本 列賬之 金融負債 HK\$'000 千港元	2010 二零一零年 Financial liabilities at amortised costs 按攤銷成本 列賬之 金融負債 HK\$'000 千港元
Amount due to a director	5,000	—
Convertible bonds	645,288	660,207
	650,288	660,207

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4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade and bills receivable, other receivables, amounts due from customers for contract work, pledged deposits, cash and bank balances, trade and bills payable, other payables, borrowings, amounts due to directors, amounts due to related companies 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. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Group's principal financial assets include trade and bills receivable, other receivables, amounts due from customers for contract works, financial assets at fair value through profit or loss, pledged deposits and cash and bank balances. The Group's maximum exposure to credit risk in the event of counterparties' failure to perform their obligations as at 31 March 2011 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.

4. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策

本集團之主要金融工具包括股本投資、應收賬款及應收票據、其他應收款項、應收客戶合約工程款項、已抵押存款、現金及銀行結存、應付賬款及應付票據、其他應付款項、借貸、應付董事款項、應付關連公司款項及可換股債券。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

信貸風險

本集團之主要金融資產包括應收賬款及應收票據、其他應收款項、應收客戶合約工程款項、於損益賬按公平值處理之金融資產、已抵押存款以及現金及銀行結存。倘交易對方未能履行彼等於二零一一年三月三十一日之承擔，則本集團就每類已確認金融資產所須承受之最大信貸風險為該等資產於綜合財務狀況表所示之賬面值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group has put in place policies to ensure that sales of products or services are made to customers with an appropriate credit history and the Group performs period credit evaluations of its customers. In addition, the Group reviews the recoverable amount of each individual receivable at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit-rating agency. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties.

4. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

本集團已制訂政策確保向有恰當信貸記錄之客戶銷售產品或服務，而本集團亦會對其客戶進行定期之信貸評估。此外，於各呈報期末，本集團評估每項個別應收款項之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

由於交易對手為獲國際信貸評級機構評為高信貸評級之信譽良好銀行，銀行結存之信貸風險已受限制。本集團並無重大集中信貸風險，風險乃分散於多個交易對手。

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Foreign currency risk

Certain assets and liabilities of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, management considers the foreign exchange exposure is relatively insignificant currently and will monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's loss before income tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

4. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策(續)

外幣風險

本集團若干資產及負債乃以外幣計值。目前，本集團並無外幣對沖政策。然而，管理層認為外匯風險目前相對輕微，並將監察外匯風險及在必要時考慮對沖重大外幣風險。

下表顯示假設所有其他變數維持不變，本集團之除所得稅前虧損（因貨幣資產及負債之公平值變動而產生）及本集團之權益於呈報期末對人民幣匯率之合理可能變動之敏感度。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Foreign currency risk (Continued)

		Increase (decrease) in RMB rate 人民幣匯率 上升(下跌) %	Increase (decrease) before income tax 除所得稅前 虧損增加 (減少) HK\$'000 千港元	Increase (decrease) in equity 權益增加 (減少) HK\$'000 千港元
2011	二零一一年			
If RMB weakens against HK\$	倘人民幣兌港元 貶值	(5)	(21,402)	(21,402)
If RMB strengthens against HK\$	倘人民幣兌港元 升值	5	23,654	23,654
2010	二零一零年			
If RMB weakens against HK\$	倘人民幣兌港元 貶值	(5)	(22,106)	(22,106)
If RMB strengthens against HK\$	倘人民幣兌港元 升值	5	23,212	23,212

Price risk

The Group is exposed to equity security price risk through its investments at fair value through profit or loss. Management manages this exposure by maintaining a portfolio of investments with different risk profiles.

4. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策(續)

外幣風險(續)

價格風險

本集團透過其於損益賬按公平值處理之投資須承受股本證券價格風險。管理層藉持有不同風險之投資組合管理是項風險。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Price risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date.

If equity prices had been 5% higher/lower, net loss for the year ended 31 March 2011 would decrease/increase by approximately HK\$41,000 (2010: decrease/increase by HK\$346,000). This is mainly due to the changes in fair value of investments at fair value through profit or loss.

Interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its bank saving balances and bank loans. The Group monitors the interest rate exposure on a continuous basis and adjusts the portfolio of bank saving balances and bank loans where necessary.

4. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策(續)

價格風險(續)

敏感度分析

以下敏感度分析是根據呈報日所承受之股價風險而釐定。

倘股價上升／下降5%，截至二零一一年三月三十一日止年度之虧損淨額將會減少／增加約41,000港元(二零一零年：減少／增加346,000港元)，主要由於損益賬按公平值處理之投資之公平值變動引致。

利率風險

本集團面對的利率變動風險主要有關來自銀行存款結餘及銀行貸款。本集團持續監察利率風險，並於有需要時調整銀行存款結餘及銀行貸款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable rate bank saving balances and bank loans at the end of the reporting period. The analysis is prepared assuming bank balances and the amounts of liability outstanding at the end of the reporting period were held/outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 31 March 2011 would decrease/increase by approximately HK\$2,070,000 (2010: decrease/increase by approximately HK\$539,000). This is mainly attributable to the Group's exposure to interest rates on its bank saving balances and bank loans.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient bank balances and cash and the availability of funding through an adequate amount of committed credit facilities. The Group also aims at maintaining flexibility in funding by arranging and keeping committed banking facilities and other external financing available.

The Group's primary cash requirements have been for capital investments and repayment of related debts. The Group finances its working capital requirements through a combination of funds generated from operations.

4. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策(續)

利率風險(續)

敏感度分析

下文之敏感度分析已根據於呈報期末之浮息銀行存款及銀行貸款承受利率風險而釐定。有關分析乃假設於呈報期末之銀行結存及未償還負債於全年持有／未償還。增加或減少50基點用於對主要管理層人員報告內部之利率風險，並指管理層對利率可能出現合理變動之評估。

倘利率上升／下降50基點而所有其他可變因素維持不變，則本集團截至二零一一年三月三十一日止年度之虧損將減少／增加約2,070,000港元(二零一零年：減少／增加約539,000港元)。此主要是因本集團就其銀行存款結餘及銀行貸款承受利率風險。

流動資金風險

審慎流動資金風險管理指保持充足銀行結存及現金，以及有足夠額度之已承諾信貸可供撥付資金所需。本集團亦旨在藉銀行信貸安排及保留承諾銀行信貸額以及其他可動用外部資金保持資金之靈活性。

本集團之主要現金需求為資本投資及償還相關債項。本集團透過經營所得資金撥付其營運資金需求。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contracted undiscounted payments, was as follows:

Group

		2011 二零一一年			Total 合計	
		On demand 按要求 HK\$'000 千港元	Within 1 year 一年內 HK\$'000 千港元	Within 1 to 2 years 一至兩年內 HK\$'000 千港元		Over 2 years 超過兩年 HK\$'000 千港元
Trade and bills payables	應付賬款及應付票據	59,380	263,091	6,718	—	329,189
Other payables and accruals	其他應付款項及應計費用	56,438	—	—	—	56,438
Borrowings	借貸	15,393	272,670	—	—	288,063
Amounts due to related companies	應付關連公司款項	1,807	—	—	—	1,807
Amounts due to directors	應付董事款項	1,013	5,000	—	—	6,013
Convertible bonds	可換股債券	—	—	—	645,288	645,288
		134,031	540,761	6,718	645,288	1,326,798

4. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

根據已訂約未折現款項，本集團於呈報期末之金融負債到期日載列如下：

本集團

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Group (Continued)

		2010 二零一零年				
		On demand	Within 1 year	Within 1 to 2 years	Over 2 years	Total
		按要求	一年內	一至兩年內	超過兩年	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Trade and bills payables	應付賬款及應付票據	—	215,035	21,045	—	236,080
Other payables and accruals	其他應付款項及應計費用	—	2,798	27,945	—	30,743
Borrowings	借貸	—	312,227	—	—	312,227
Amounts due to related companies	應付關連公司款項	6,644	—	—	—	6,644
Convertible bonds	可換股債券	—	—	—	660,207	660,207
		6,644	530,060	48,990	660,207	1,245,901

4. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

本集團 (續)

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Company

		2011 二零一一年				Total 合計 HK\$'000 千港元
		On demand 按要求 HK\$'000 千港元	Within 1 year 一年內 HK\$'000 千港元	Within 1 to 2 years 一至兩年內 HK\$'000 千港元	Over 2 years 超過兩年 HK\$'000 千港元	
Other payables and accruals	其他應付款項及應計費用	908	—	—	—	908
Amount due to a director	應付一名董事款項	—	5,000	—	—	5,000
Convertible bonds	可換股債券	—	—	—	645,288	645,288
		908	5,000	—	645,288	651,196

		2010 二零一零年				Total 合計 HK\$'000 千港元
		On demand 按要求 HK\$'000 千港元	Within 1 year 一年內 HK\$'000 千港元	Within 1 to 2 years 一至兩年內 HK\$'000 千港元	Over 2 years 超過兩年 HK\$'000 千港元	
Other payables and accruals	其他應付款項及應計費用	2,306	—	—	—	2,306
Convertible bonds	可換股債券	—	—	—	660,207	660,207
		2,306	—	—	660,207	662,513

4. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

本公司

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices, respectively;
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions; and
- The fair value of derivative instruments are calculated using quoted prices.

4. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策(續)

金融工具之公平值

金融資產及金融負債的公平值乃以下列方式釐定：

- 附有標準條款及條件，且於活躍及高流通性市場買賣的金融資產的公平值，乃分別參考所報的市場買入價及賣出價釐定；
- 其他金融資產及金融負債的公平值，乃根據普遍採納的定價模型，以折現現金流分析或可得的當前市場交易價格釐定；及
- 衍生工具之公平值按報價計算。

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Fair value of financial instruments (Continued)

Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate to their fair value.

Fair value measurements recognised in the consolidated statements of financial position

The Group's financial instruments that are measured subsequent to initial recognition at fair value are grouped into Level 1 to 3 based on the degree to which the fair value is observable.

4. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策(續)

金融工具之公平值(續)

倘無該等價格，則非期權衍生工具將以其有效期適用之孳息曲線進行折現現金流量分析釐定，而期權衍生工具則採用期權定價模型釐定。

本公司董事認為按於綜合財務報表列賬之金融資產及金融負債之賬面值與其公平值相若。

於綜合財務狀況表確認之公平值計量

本集團按公平值初步確認後計量之金融工具乃根據公平值之可觀察程度分類為第一級至第三級。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Fair value of financial instruments (Continued)

Fair value measurements recognised in the consolidated statements of financial position (Continued)

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策(續)

金融工具之公平值(續)

於綜合財務狀況表確認之公平值計量(續)

- 第一級公平值計量指以在活躍市場就相同之資產或負債取得的報價(未經調整)進行的計量；
- 第二級公平值計量指以第一級所包括之報價以外的資產或負債可觀察變數(無論是直接(即價格)或間接(即按價格推算))進行的計量；及
- 第三級公平值計量指透過運用並非基於可觀察市場資料之資產或負債變數(不可觀察的變數)的估值方法進行的計量。

	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	Total 合計 HK\$'000 千港元
Financial assets				
Financial assets at fair value through profit or loss	822	—	—	822
金融資產				
於損益賬按公平值處理之金融資產	822	—	—	822

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT *(Continued)*

(c) Capital risk management

The Group's objectives when managing capital to ensure that entities in the Group will be able to continue as a going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debts, which include convertible bonds and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on an annual basis. As a part of this review, the directors of the Company consider the cost of capital and other sources of funds other than issuance of shares, including issue of convertible bonds. Based on the recommendation of the directors of the Company, the Group will balance its overall capital structure through raising or repayment of borrowings.

4. 金融工具及資本風險管理 (續)

(c) 資本風險管理

本集團管理資本的目標為確保本集團旗下實體能夠同時透過優化債務與股本之比重，為權益持有人帶來最大回報。

本集團的資本結構由債務(包括可換股債券)及本公司擁有人應佔權益(包括已發行股本及儲備)組成。

本公司董事每年對資本結構進行檢討。檢討工作其中一環是由本公司董事考慮資本成本及發行股份以外的其他資金來源(包括發行可換股債券)。根據本公司董事的推薦意見，本集團會藉舉債或償還借貸以平衡整體資本結構。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions 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) Income tax

The Group is subject to income tax in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Provision for impairment of receivables

Significant judgement is exercised in the assessment of the collectability of accounts receivables from each customer. In making its judgment, management considers a wide range of factors such as results of follow up procedures, customers' payment trend including subsequent payments and customers' financial position.

5. 關鍵會計估計及判斷

估計與判斷會持續評估，並根據過往經驗及其他因素進行，包括在有關情況下對未來事件相信為合理的預測。

關鍵會計估計及假設

本集團對未來作出估計及假設。就此得出的會計估計按定義很少會與相關實際結果相同。有重大風險會導致在下一個財政年度對資產及負債賬面值作出重大調整的估計及假設在下文討論。

(a) 所得稅

本集團須繳納多個司法權區的所得稅。於釐定世界各地的所得稅撥備時需作出重要判斷。於日常業務運作過程中，有許多交易及計算均難以確定最終稅項的釐定。本集團須估計未來會否繳納額外稅項，從而確認對預期稅務審核事宜的責任。倘該等事宜的最終稅務結果與最初記錄的金額不同，有關差異會影響到有關釐定期間的所得稅及遞延稅項撥備。

(b) 應收款項減值撥備

整體評估應收各客戶賬款時須作出重要判斷。於作出判斷時，管理層須考慮諸多因素，如跟進程序結果、客戶之付款意向(包括其後之付款)及客戶之財務狀況。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

(c) Impairment assessment of property, plant and equipment and other intangible assets

Property, plant and equipment and other intangible assets are stated at cost less accumulated depreciation and identified impairment losses. Property, plant and equipment and other intangible assets are evaluated for possible impairment on a specific asset basis or in groups of similar assets, as applicable. This process requires management's estimate of future cash flows generated by each asset or group of assets. For any instance where this evaluation process indicates impairment, the relevant asset's carrying amount is written down to the recoverable amount and the amount of the write-down is charged against the results of operations.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of each reporting period based on changes in circumstances.

5. 關鍵會計估計及假設(續)

(c) 物業、機器及設備以及其他無形資產之減值評估

物業、機器及設備以及其他無形資產乃按成本減累計折舊及已識別減值虧損列賬。物業、機器及設備以及其他無形資產會被評估，以評估特定資產或同類資產組別(如適用)是否可能減值。此程序需要管理層估計各資產或資產組別所產生之未來現金流量。如評估程序顯示出現減值，則會將相關資產之賬面值撇減至可收回金額，而撇減之金額則於經營業績內扣除。

物業、廠房及設備項目之可使用年期及剩餘價值

於釐定物業、廠房及設備項目之可使用年期及剩餘價值時，本集團須考慮多項不同因素，例如資產的預期用途、預計實質損耗、資產的保養及維修，以及對資產用途的法例或同類限制。本集團估計資產的可使用年期時，乃基於對類似用途的同類資產之經驗而作出。倘物業、廠房及設備項目之估計可使用年期及／或剩餘價值與先前之估計不同則會計提額外折舊。於每個呈報期末均會根據情況之變化而作檢討。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

(d) Impairment on goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated above. The recoverable amount of cash generating unit has been determined based on value in use calculations. These calculation require the use of estimates.

(e) Estimate of fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

5. 關鍵會計估計及假設(續)

(d) 商譽減值

本集團根據上文所述之會計政策對商譽有否出現任何減值進行年度測試。現金產生單位之可收回款額乃按使用價值計算方法釐定。該等計算方法須作出估計。

(e) 金融工具公平值的估計

金融資產及金融負債公平值之釐定如下：

- 具有標準條款及條件並於活躍及高流動性市場買賣之金融資產及金融負債，其公平值乃分別參考市場所報之買入價及賣出價釐定；及
- 其他金融資產及金融負債之公平值乃使用可觀察現有市場交易價格或利率作為輸入因素，按照以折現現金流分析為基準之普遍採用定價模型釐定。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

(f) Measurement of convertible bonds

On issue of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bonds; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in the convertible bonds reserve, net of transaction cost. The splitting of the liability and equity components requires an estimation of the market interest rate.

(g) Measurement of fair value of equity-settled share-based payment transactions

The Company operates share option schemes with the employees (including directors) of the Group receive remuneration in the form of share-based payment transactions. The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted, using assumptions including expected volatility and risk free interest rate. Such cost is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled. The cumulative expenses recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

5. 關鍵會計估計及假設 (續)

(f) 可換股債券之計量

於發行可換股債券時，負債部份的公平值乃以一對等非可換股債券之市值釐定；此一數額按攤銷成本基準列於長期負債項下，直至轉換或贖回後刪除為止。所得款項餘額乃分配為換股權，該換股權於扣除交易成本後於可換股債券儲備內確認及計入。負債及權益部份之份開需要對市場利率作出估計。

(g) 對以權益結算並以股份支付基準之交易之公平值計量

本公司設有購股權計劃，據此，本集團之僱員(包括董事)以股份支付基準交易方式獲取報酬。與僱員之該等以權益結算交易之成本，是參考授出日期之公平值計算，並已就預期波幅及無風險利率作出假設。該等成本，連同相應之權益增加，乃於服務條件獲履行之期間內確認入賬。就以權益結算交易於各申報期結算日確認直至歸屬日期為止之累計開支，反映歸屬期之屆滿情況及本集團就最終將予歸屬之股本工具數目作出的最佳估計。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

(h) Fair value of biological assets

The Group's management determines the fair value of cordyceps-related products with reference to the market-determined prices, and growing conditions, costs incurred and expected yield. Should these assumptions be changed, there would be changes to the carrying amount of the biological assets.

6. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the research and development, manufacture, sales and marketing, and technical servicing of modern agricultural technology and products in the People's Republic of China (the "PRC"). Its modern tobacco agricultural business covers extensive aspects, including modified tobacco leaf, agricultural equipment and machinery, new energy, nursery greenhouse, fertilizer, pesticide, biotechnology and related professional services. Other businesses include the development of digital television system platform and cordyceps related and other healthcare products business in the PRC.

There is no discontinuing operation during the year ended 31 March 2011.

During the year ended 31 March 2010, the Group discontinued the operations of the provision of pre-mastering and other media services ("Media Services"), the provision of audiovisual playout services ("Playout Services") in Hong Kong, and direct television sales in the PRC.

5. 關鍵會計估計及假設(續)

(h) 生物資產之公平值

本集團之管理層參考市價及生長情況、所產生成本及預期收成釐定北冬蟲夏草相關產品之公平值。倘該等假設出現變動，生物資產之賬面值將有所變動。

6. 收入及分類資料

本集團主要於中華人民共和國(「中國」)從事現代化耕作技術及產品之研究及開發、生產、銷售及市場推廣及技術服務。其現代化烟草耕作業務範圍甚廣，當中涉及變性烟葉、耕作設備及機械、新能源、育苗溫室、肥料、殺蟲劑、生物技術及相關專業服務。其他業務包括於中國發展數碼電視系統平台及北冬蟲夏草相關及其他保健產品業務。

截至二零一一年三月三十一日止年度內，本集團並無終止經營業務。

截至二零一零年三月三十一日止年度內，本集團終止經營於香港提供母版前期製作及其他媒體服務(「媒體服務」)、提供影音播放服務(「播放服務」)及於中國進行直接電視銷售。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

6. REVENUE AND SEGMENT INFORMATION

(Continued)

An analysis of the Group's revenue for the year, for both continuing and discontinuing operations, are as follows:

6. 收入及分類資料(續)

本集團本年度來自持續及終止經營業務之收入分析如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Revenue	收入		
Continuing operations	持續經營業務		
Sales of agricultural machinery	銷售耕作機械	416,453	102,505
Sales of fertilizer	銷售肥料	111,047	110,543
Construction contract revenue	建設合同收入	66,907	—
Provision of TV digitalisation related services	提供電視數字化相關服務	2,025	1,142
Sales of cordyceps related and other healthcare products	銷售北冬蟲夏草相關及其他保健產品	836	6,606
		597,268	220,796
Discontinuing operations	終止經營業務		
Provision for pre-mastering and other media services	提供母版前期製作及其他媒體服務	—	14,484
Provision of audiovisual playout	提供影音播放	—	4,890
Direct television sales	直接電視銷售	—	563
		—	19,937
Total revenue	總收入	597,268	240,733

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

6. REVENUE AND SEGMENT INFORMATION

(Continued)

Operating Segment information

The Group has adopted HKFRS 8 “Operating Segments”. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the “CODM”), which is a group of executive directors of the Company, for the purpose of allocating resources to segments and to assessing their performance. In the past, the Group’s primary reporting format was business segment.

In a manner consistent with the way in which information is reported internally to CODM for the purpose of resources allocation and performance assessment, the Group is currently organized into the following operating segments:

Continuing operations

- Agricultural related machinery and construction operation;
- Fertilizer operation;
- TV digitalisation related operation;
- Cordyceps related and other healthcare products operation;

Discontinuing operations

- Provision of pre-mastering and other media services operation;
- Provision of audiovisual playout services on audiovisual data operation; and
- Direct television sales operation.

6. 收入及分類資料(續)

營運分類資料

本集團已採納香港財務報告準則第8號「營運分類」。香港財務報告準則第8號是一項披露準則，規定營運分類須按照主要營運決策人士（「主要營運決策人士」）（本公司之各執行董事）定期審閱之本集團組成部份之內部報告來劃分，從而在分類間分配資源及評估其表現。過往，本集團之主要申報方式為業務分類。

本集團以與向主要營運決策人士內部呈報資料以作出資源分配及表現評估之一致方式，分為下列營運分類：

持續經營業務

- 農業相關機械及建築業務；
- 肥料業務；
- 電視數字化相關業務；
- 北冬蟲夏草相關及其他保健產品業務；

終止經營業務

- 提供母版前期製作及其他媒體服務業務；
- 提供視聽資料之影音播放服務業務；及
- 電視直銷業務。

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6. REVENUE AND SEGMENT INFORMATION

(Continued)

(a) Business unit information

The following is an analysis of the Group's reportable segments:

6. 收入及分類資料(續)

(a) 業務單位資料

下列為本集團按可申報分類劃分之分析：

		31 March 2011 二零一一年三月三十一日 Continuing operations 持續經營業務				
		Agricultural related machinery and construction operation 農業相關機械及建築業務	Fertilizer operation 肥料業務	TV digitalisation related operation 電視數字化相關業務	Cordyceps related and other healthcare products operation 北冬蟲夏草相關及其他保健產品業務	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue and results	分類收入及業績					
Revenue from external customers	外部客戶收入	483,360	111,047	2,025	836	597,268
Gross profit/(loss)	毛利/(虧)	143,449	15,656	(474)	(573)	158,058
Profit/(loss) from operations	經營溢利/(虧損)	52,473	2,102	(2,236)	(10,619)	41,720
Impairment loss on other intangible assets	其他無形資產減值虧損	(89,694)	—	—	(10,000)	(99,694)
Segment results	分類業績	(37,221)	2,102	(2,236)	(20,619)	(57,974)
Interest income	利息收入					2,431
Other income	其他收入					8,114
Unallocated expenses	未分配開支					(34,030)
Finance costs	融資成本					(28,123)
Other losses	其他虧損					(6,631)
Impairment loss on goodwill	商譽減值虧損					(120,234)
Loss before income tax	除所得稅前虧損					(236,447)
Income tax credit	所得稅抵免					11,662
Loss for the year	年度虧損					(224,785)

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6. REVENUE AND SEGMENT INFORMATION

(Continued)

(a) Business unit information (Continued)

6. 收入及分類資料(續)

(a) 業務單位資料(續)

		31 March 2011 二零一一年三月三十一日 Continuing operations 持續經營業務				
		Agricultural related machinery and construction operation 農業相關機械及建築業務 HK\$'000 千港元	Fertilizer operation 肥料業務 HK\$'000 千港元	TV digitalisation related operation 電視數字化相關業務 HK\$'000 千港元	Cordyceps related and other healthcare products operation 北冬蟲夏草相關及其他保健產品業務 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Other information	其他資料					
Depreciation	折舊	8,391	—	423	3,891	12,705
Unallocated depreciation	未分配折舊					3,666
Total	合計					16,371
Capital expenditure	資本開支	12,360	—	328	2,207	14,895
Unallocated capital expenditure	未分配資本開支					403
Total	合計					15,298
Total assets	總資產					
Segment assets	分類資產	838,431	104,437	24,073	44,645	1,011,586
Financial assets at fair value through profit or loss	於損益賬按公平值處理之金融資產					822
Goodwill	商譽					777,347
Pledged deposits	已抵押存款					231,372
Cash and bank balances	現金及銀行結存					47,491
Unallocated assets	未分配資產					8,452
						2,077,070
Total liabilities	總負債					
Segment liabilities	分類負債	365,383	—	7,054	11,525	383,962
Borrowings	借貸					288,063
Deferred tax liabilities	遞延稅項負債					12,825
Convertible bonds	可換股債券					645,288
Unallocated liabilities	未分配負債					13,425
						1,343,563

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6. REVENUE AND SEGMENT INFORMATION

(Continued)

(a) Business unit information (Continued)

		31 March 2010 二零一零年三月三十一日										
		Continuing operations 持續經營業務				Total 合計	Provision of pre- mastering and other media services operation 提供母版 前期製作 及其他 媒體服務 業務	Discontinuing operations 終止經營業務			Total 合計	Consolidated 綜合
		Agricultural related machinery and construction operation 農業相關 機械及 建築業務	Fertilizer operation 肥料業務	TV digitalisation related operation 電視數字化 相關業務	Cordyceps related and other healthcare products operation 北冬蟲夏草 相關及其他 保健產品 業務			Provision of audiovisual payout services on audiovisual data operation 提供視聽 資料之影音 播放服務 業務	Direct television sales operation 電視 直銷業務	Total 合計		
		HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)	
Segment revenue and results	分類收入及業績											
Revenue from external customers	外部客戶收入	102,505	110,543	1,142	6,606	220,796	14,484	4,890	563	19,937	240,733	
Gross profit/(loss)	毛利/(虧)	41,442	24,287	(1,224)	5,119	69,624	3,064	(3,352)	(181)	(469)	69,155	
Profit/(loss) from operations	經營溢利/(虧損)	33,438	23,356	(7,352)	22	49,464	2,504	(3,920)	(9,789)	(11,205)	38,259	
Impairment loss on goodwill and other intangible assets	商譽及其他無形資產減值虧損	—	—	(110)	(103,700)	(103,810)	—	—	—	—	(103,810)	
Segment results	分類業績	33,438	23,356	(7,462)	(103,678)	(54,346)	2,504	(3,920)	(9,789)	(11,205)	(65,551)	
Interest income	利息收入					615				—	615	
Other income	其他收入					595				1	596	
Unallocated expenses	未分配開支					(22,204)				(1,176)	(23,380)	
Finance costs	融資成本					(6,231)				(42)	(6,273)	
Other losses	其他虧損					(32,630)				(6,939)	(39,569)	
Impairment loss on goodwill and other intangible assets	商譽及其他無形資產減值虧損					—				(149,730)	(149,730)	
Loss before income tax	除所得稅前虧損					(114,201)				(169,091)	(283,292)	
Income tax expense	所得稅支出					(7,051)				—	(7,051)	
Loss for the year	年度虧損					(121,252)				(169,091)	(290,343)	

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

6. REVENUE AND SEGMENT INFORMATION

(Continued)

(a) Business unit information (Continued)

		31 March 2010 二零一零年三月三十一日					Discontinuing operations 終止經營業務						
		Continuing operations 持續經營業務				Total 合計 HK\$'000 千港元 (Restated) (重列)	Provision of pre- mastering and other media services operation 提供母版 前期製作 及其他 媒體服務 業務 HK\$'000 千港元 (Restated) (重列)	Provision of audiovisual playout services on audiovisual data operation 提供視聽 資料之影音 播放服務 業務 HK\$'000 千港元 (Restated) (重列)	Direct television sales operation 電視 直銷業務 HK\$'000 千港元 (Restated) (重列)	Total 合計 HK\$'000 千港元 (Restated) (重列)	Consolidated 綜合 HK\$'000 千港元 (Restated) (重列)		
		Agricultural related machinery and construction operation 農業相關 機械及 建築業務 HK\$'000 千港元 (Restated) (重列)	Fertilizer operation 肥料業務 HK\$'000 千港元 (Restated) (重列)	TV digitalisation related operation 電視數字化 相關業務 HK\$'000 千港元 (Restated) (重列)	Cordyceps related and other healthcare products operation 北冬蟲夏草 相關及其他 保健產品 業務 HK\$'000 千港元 (Restated) (重列)								
Other information	其他資料												
Depreciation	折舊	763	1,150	1,382	1,520	4,815	489	489	840	1,818	6,633		
Unallocated depreciation	未分配折舊												122
Total	合計												6,755
Capital expenditure	資本開支	2,013	5,966	430	7,677	16,086	248	194	962	1,404	17,490		
Unallocated capital expenditure	未分配資本開支												60
Total	合計												17,550
Total assets	總資產												
Segment assets	分類資產	464,357	337,683	3,658	57,248	862,946	1,170	2,101	—	3,271	866,217		
Financial assets at fair value through profit or loss	於損益賬按公平 值處理之 金融資產												6,916
Goodwill	商譽												817,195
Pledged deposits	已抵押存款												135,918
Cash and bank balances	現金及銀行結存												192,881
Unallocated assets	未分配資產												144,004
													2,163,131
Total liabilities	總負債												
Segment liabilities	分類負債	206,186	42,390	12,772	12,019	273,367	2,061	243	1,346	3,650	277,017		
Borrowings	借貸												312,227
Convertible bonds	可換股債券												660,207
Unallocated liabilities	未分配負債												3,501
													1,252,952

6. 收入及分類資料(續)

(a) 業務單位資料(續)

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

6. REVENUE AND SEGMENT INFORMATION

(Continued)

(b) Geographical information

Non-current assets	非流動資產
Hong Kong	香港
PRC	中國

6. 收入及分類資料(續)

(b) 地區資料

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
21,792	100,508
2,055,278	2,062,623
2,077,070	2,163,131

No further geographical information is presented as all of the Group's revenue is derived from customers based in the PRC.

由於本集團全部收入來自位於中國之客戶，故並無呈列其他地區資料。

7. OTHER REVENUE

Interest income	利息收入
Government grants	政府補助
Rental income from lease of equipment	設備租賃租金收入
Waiver of interest on convertible bonds	免除可換股債券之利息
Sundry income	雜項收入

7. 其他收入

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
2,431	615
4,593	—
9,302	—
8,108	—
2,213	595
26,647	1,210

The government grants mainly include government grants received for investments in Jiangsu provinces in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

政府補助主要包括於中國江蘇省投資而獲得之政府補助。此等補助並無附帶任何未實現之條件或或有事項。

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

8. FINANCE COSTS

8. 融資成本

	Continuing operations		Discontinuing operations		Consolidated	
	持續經營業務		終止經營業務		綜合	
	2011	2010	2011	2010	2011	2010
	二零一一年	二零一零年	二零一一年	二零一零年	二零一一年	二零一零年
	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
Interest on bank loans wholly repayable within five years	15,892	4,456	—	—	15,892	4,456
Interest on other loans	2,837	—	—	42	2,837	42
Effective interest expenses on convertible bonds	9,394	1,775	—	—	9,394	1,775
	28,123	6,231	—	42	28,123	6,273

9. OTHER LOSSES

9. 其他虧損

	Continuing operations		Discontinuing operations		Consolidated	
	持續經營業務		終止經營業務		綜合	
	2011	2010	2011	2010	2011	2010
	二零一一年	二零一零年	二零一一年	二零一零年	二零一一年	二零一零年
	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
Fair value gain/(loss) on financial assets at fair value through profit or loss	(2,891)	3,838	—	—	(2,891)	3,838
Impairment loss on other receivables	(3,630)	(24,471)	—	(3,171)	(3,630)	(27,642)
Impairment loss on property, plant and equipment	(47)	(8,065)	—	(3,705)	(47)	(11,770)
Write-off of inventories	(3,926)	(3,932)	—	(63)	(3,926)	(3,995)
	(10,494)	(32,630)	—	(6,939)	(10,494)	(39,569)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

10. IMPAIRMENT LOSS ON GOODWILL AND OTHER INTANGIBLE ASSETS

For the year ended 31 March 2011, the impairment loss on goodwill and intangible assets are mainly related to the acquisition of Kang Yuan Universal investment Limited (“Kang Yuan”, which holds 100% equity interest of Jiangsu Kedi Modern Agricultural Company Ltd (“Jiangsu Kedi”) and the subsidiaries (collectively as “Jiangsu Kedi Group”). During the year, the production volume and sale volume of the major products of Jiangsu Kedi Group were lower than expected due to the business financing was more difficult in the PRC under the tightening monetary policies and the State Tobacco Monopoly Bureau had re-established the production standards of certain Jiangsu Kedi Group products. Accordingly, the Company had to make provision for impairment of HK\$120,234,000 and HK\$89,694,000 respectively on goodwill arising from the acquisition of Kang Yuan and certain technology patents. Other than that, as there was no improvement in the results of the New Success Group was achieved, the value of the remaining patent of HK\$10,000,000 was fully impaired during the year.

For the year ended 31 March 2010, the impairment loss on goodwill and other intangible assets are mainly related to the acquisition of 100% equity interest of Hong Kong New Success International Group Investment Company Limited (the “New Success Group”), which holds 72% equity interest of Fujian Tianxin Biological Technology Company Limited (“Tianxin”) and the entire interest of Quanzhou Liangxin Biological Technology Development Company Limited (the Liangxin”). Tianxin is principally engaged in the cultivation of cordyceps and various precious funguses. Liangxin is principally engaged in the cordyceps related business. The valuation of the New Success Group for the year ended 31 March 2010 significantly decreased due to the fact that the launch of the processed cordyceps and its related products to the market has been delayed.

10. 商譽及其他無形資產減值虧損

截至二零一一年三月三十一日止年度，商譽及無形資產減值虧損主要有關收購康源環球投資有限公司(「康源」，持有江蘇科地現代農業有限公司(「江蘇科地」)之100%股權及子公司(合稱「江蘇科地集團」)。年內，受中國推行收緊銀根政策的影響，令業務融資較以往困難及國家煙草局對部份江蘇科地集團產品重新制訂生產標準的影響，年內生產量及銷售量都較預期低，因此，公司需要為收購康源而產生的商譽及部分技術專利權分別計提減值撥備約120,234,000港元及89,694,000港元。除此以外，由於香港新勝國際集團之業績未有改善，故年內將餘下的專利權價值10,000,000港元全數減值。

截至二零一零年三月三十一日止年度，商譽及其他無形資產減值虧損主要有關收購香港新勝國際集團投資有限公司(「新勝集團」，持有福建省天馨生物科技有限公司(「天馨」)之72%股權及泉州良鑫生物科技開發有限公司(「良鑫」)之全部股權)之100%股權。天馨主要從事養殖北冬蟲夏草及各種珍貴菌類植物。良鑫主要從事北冬蟲夏草相關業務。由於加工北冬蟲夏草及其相關產品已延遲推出市場，故新勝集團截至二零一零年三月三十一日止年度之估值大幅減少。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

11. LOSS BEFORE INCOME TAX

11. 除所得稅前虧損

	Continuing operations		Discontinuing operations		Consolidated		
	持續經營業務		終止經營業務		綜合		
	2011	2010	2011	2010	2011	2010	
	二零一一年	二零一零年	二零一一年	二零一零年	二零一一年	二零一零年	
	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	
Costs of inventories sold	已售存貨之成本	436,711	149,480	—	10,412	436,711	159,892
Amortisation of intangible assets	無形資產攤銷						
— Club membership	— 會所會籍	7	7	—	—	7	7
— Film rights	— 電影版權	—	110	—	—	—	110
— Technologies	— 技術	26,318	4,400	—	—	26,318	4,400
— Amortisation of prepaid land lease payments	— 預付土地租賃款攤銷	445	302	—	—	445	302
Auditors' remuneration	核數師酬金						
— Audit services	— 核數服務	1,694	562	—	120	1,694	682
— Non-audit services	— 非核數服務	—	714	—	—	—	714
Depreciation	折舊	15,298	4,937	—	1,818	15,298	6,755
Exchange (gain)/loss	匯兌(收益)/虧損	635	135	—	(15)	635	120
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	68	—	—	—	68	—
Operating lease charges in respect of	關於下列各項之經營租賃費用						
— land and building	— 土地及樓宇	4,933	1,418	—	4,222	4,933	5,640
— plant and equipment	— 機器及設備	27	—	—	2,880	27	2,880
Other share-based payments	其他以股份為支付基準款項	7,802	1,975	—	—	7,802	1,975
Impairment loss on goodwill	商譽減值虧損	120,234	15,700	—	65,700	120,234	81,400
Impairment loss on other intangible assets	其他無形資產減值虧損						
— Patent	— 專利	10,000	88,000	—	—	10,000	88,000
— TV licence	— 電視牌照	—	—	—	83,000	—	83,000
— Film right	— 電影版權	—	110	—	1,030	—	1,140
— Technology	— 技術	89,694	—	—	—	89,694	—
Research and development costs	研究及開發費用	624	—	—	—	624	—

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

12. INCOME TAX CREDIT/(EXPENSE)

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

12. 所得稅抵免／(支出)

本集團須就本集團成員公司註冊及經營業務所在司法權區所產生或源自該等司法權區之溢利按實體基準繳納所得稅。

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Continuing operations	持續經營業務		
Hong Kong profits tax	香港利得稅	—	—
PRC enterprise income tax	中國企業所得稅	(9,401)	(7,051)
		(9,401)	(7,051)
Deferred tax (Note 36):	遞延稅項(附註36):		
— Current year	— 本年度	21,063	—
		11,662	(7,051)

Note:

No provision for Hong Kong profits tax has been made in the financial statements as there was no estimated assessable profit for the year (2010: Nil).

In accordance with the relevant tax laws in the PRC, the subsidiaries of the Company in the PRC are subject to an enterprise income tax rate of 25% (2010: 25%) for its taxable income. However, in accordance with the relevant tax laws in the PRC, a subsidiary of the Company is exempted from enterprise income tax for its first two profit-making years (after deducting losses incurred in previous years) and is entitled to a 50% tax reduction for the succeeding three years. The year of 2010 is the third profit-making years of that subsidiary and accordingly, the applicable income tax rate for that subsidiary is 12.5% for the year. In addition, one of the subsidiaries of the Company had been designated as a high-tech enterprise and its PRC enterprise income tax rate was reduced from 25% to 15% in accordance to the relevant tax law in the PRC. The remaining subsidiaries of the Company in the PRC are subject to PRC enterprise income tax at 25% for their taxable income.

附註:

由於本年度並無估計應課稅溢利，故財務報表並無作出香港利得稅撥備（二零一零年：無）。

根據中國有關稅法，本公司之中國子公司須就其應課稅收入按25%（二零一零年：25%）之企業所得稅稅率繳稅。然而，根據中國有關稅法，本公司之一家子公司於首兩個獲利年度（經扣除過往年度產生之虧損後）獲豁免繳納企業所得稅及在其後三年享有50%稅項減免。二零一零年屬該子公司之第三個獲利年度，因此該子公司之年度適用所得稅稅率為12.5%。此外，本公司之一家子公司被授予高新科技企業資格，根據中國有關稅法，該公司之中國企業所得稅稅率由25%減至15%。本公司之其他中國子公司須就其應課稅收入按25%之中國企業所得稅稅率繳稅。

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

12. INCOME TAX CREDIT/(EXPENSE)

(Continued)

The tax credit/(expense) for the year can be reconciled to the loss before income tax per consolidated statement of comprehensive income as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損		
Continuing operations	持續經營業務	236,447	114,201
Discontinuing operations	終止經營業務	—	169,091
		236,447	283,292
Tax at domestic income tax rate of 16.5% (2010: 16.5%)	按本地所得稅稅率 16.5% (二零一零年：16.5%) 計算之稅項	39,014	46,743
Tax effect of non-taxable profits	毋須課稅溢利之稅項影響	1,642	822
Tax effect of non-deductible expenses	不可扣稅支出之稅項影響	(32,066)	(44,179)
Tax effect of current year's tax loss recognized	本年度已確認稅項虧損之稅項影響	—	(12,979)
Profit not subject to tax due to tax concession	因稅務寬減而毋須課稅溢利	(4,474)	2,113
Effect of different tax rates at overseas jurisdictions	海外司法權區不同稅率之影響	7,546	—
Others	其他	—	429
Tax credit/(expense) for the year	本年度稅項抵免/(支出)	11,662	(7,051)

As at 31 March 2011 and 2010, the Group has unused tax losses that are available indefinitely for offsetting against future taxable profits. Deferred tax assets have not been recognized in respect of these losses as they have arisen in the companies that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

12. 所得稅抵免/(支出)(續)

本年度之稅項抵免/(支出)可與綜合全面收益表呈列之除所得稅前虧損對賬如下：

於二零一一年及二零一零年三月三十一日，本集團擁有可無限期地用作抵銷未來應課稅溢利之未動用稅項虧損。由於該等虧損來自一些持續錄得虧損之公司，故認為不可能會有應課稅溢利動用該等稅項虧損抵銷，因此並無就該等虧損確認遞延稅項資產。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

13. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company for the year ended 31 March 2011 in the financial statements of the Company is HK\$95,487,000 (2010: HK\$626,487,000).

14. DISCOUNTING OPERATIONS

There is no discontinuing operation for the year ended 31 March 2011.

During the year ended 31 March 2010, the Company discontinued the operations of the pre-mastering and other media services, audiovisual playout service and direct TV sales segments in order to concentrate its financial and human resources on its high growth businesses.

The carrying amounts of the assets of the discontinuing operation classified as assets held for sale have been disclosed in Note 31.

The results of the discontinuing operations included in the consolidated results of the Company for the year ended 31 March 2011 together with the comparative figures for the corresponding year in 2010 are set out below.

13. 本公司擁有人應佔虧損

截至二零一一年三月三十一日止年度已計入本公司財務報表之本公司擁有人應佔虧損為95,487,000港元(二零一零年：626,487,000港元)。

14. 終止經營業務

截至二零一一年三月三十一日止年度內，本集團並無終止經營業務。

截至二零一零年三月三十一日止年度內，本公司終止經營母版前期製作及其他媒體服務、影音播放服務及直接電視銷售分類之業務，以將其財務及人力資源集中於其高增長業務。

分類為持作銷售之終止經營業務資產之賬面值於附註31披露。

截至二零一一年三月三十一日止年度，計入本公司綜合業績之終止經營業務之業績，連同二零一零年同期之比較數字載列如下。

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

14. DISCONTINUING OPERATIONS

(Continued)

14. 終止經營業務(續)

		2011 二零一一年 HK'000 千港元	2010 二零一零年 HK'000 千港元
Revenue	收入	—	19,937
Cost of sales and services	銷售及服務成本	—	(20,406)
Gross loss	毛虧	—	(469)
Other revenue	其他收入	—	1
General, administrative and other expenses	一般、行政及其他費用	—	(11,912)
Loss from operations	經營虧損	—	(12,380)
Finance costs	融資成本	—	(42)
Other losses	其他虧損	—	(6,939)
Impairment loss on goodwill and intangible assets	商譽及無形資產減值虧損	—	(149,730)
Loss before income tax	除所得稅前虧損	—	(169,091)
Income tax expense	所得稅支出	—	—
Loss for the year from discontinuing operations	終止經營業務之年度虧損	—	(169,091)
Cash flows from discontinued operations	終止經營業務之現金流量		
Net cash flows used in operating activities	經營活動所用現金流量淨額	—	(885)
Net cash flows used in investing activities	投資活動所用現金流量淨額	—	(1,403)
Net cash outflows from discontinued operations	終止經營業務之現金流出淨額	—	(2,288)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

15. LOSS PER SHARE

For continuing and discontinuing operations

The calculation of the basic loss per share attributable to the ordinary owners of the Company is based on the following data:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Loss	虧損		
Loss for the purpose of basic loss per share	用以計算每股基本虧損之虧損	(224,988)	(269,331)

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	用以計算每股基本虧損之普通股加權平均數	2,709,804	1,897,172

From continuing operations

The calculation of the basic loss per share from continuing operations attributable to the ordinary owners of the Company is based on the following data:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Loss for the year attributable to owners of the Company	本公司擁有人應佔年度虧損	(224,988)	(269,331)
Less:	減：		
Loss for the year from discontinuing operations	來自終止經營業務之年度虧損	—	169,091
Loss for the purpose of basic loss per share from continuing operations	用以計算來自持續經營業務之每股基本虧損之虧損	(224,988)	(100,240)

15. 每股虧損

持續及終止經營業務

本公司普通股擁有人應佔之每股基本虧損乃按以下數據計算：

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Loss		
Loss for the purpose of basic loss per share	(224,988)	(269,331)

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	2,709,804	1,897,172

來自持續經營業務

本公司普通股擁有人應佔來自持續經營業務之每股基本虧損乃按以下數據計算：

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Loss for the year attributable to owners of the Company	(224,988)	(269,331)
Less:		
Loss for the year from discontinuing operations	—	169,091
Loss for the purpose of basic loss per share from continuing operations	(224,988)	(100,240)

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

15. LOSS PER SHARE (Continued)

From discontinuing operations

For the year ended 31 March 2010, basic loss per share for the discontinuing operations is 8.92 HK cents per share based on the loss for the year from the discontinuing operations of HK\$169,091,000.

The diluted loss per share for the years ended 31 March 2011 and 2010 have not been disclosed as the share options outstanding these years and convertible bonds issued during the year had an anti-dilutive effect on the basic loss per share for these years.

16. DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 March 2011 (2010: Nil).

17. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	Continuing operations 持續經營業務		Discontinuing operations 終止經營業務		Consolidated 綜合	
	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Wages and salaries 工資及薪金	29,700	5,802	—	9,443	29,700	15,245
Pension costs 退休金成本	1,801	407	—	579	1,801	986
Share-based payments 以股份支付 基準款項	1,560	6,525	—	—	1,560	6,525
	33,061	12,734	—	10,022	33,061	22,756

The Group reviews the emoluments payable to staff annually on a performance related basis and makes reference to the market conditions.

15. 每股虧損(續)

來自終止經營業務

截至二零一零年三月三十一日止年度，終止經營業務之每股基本虧損為每股8.92港仙，乃按終止經營業務之年度虧損169,091,000港元計算。

由於截至二零一一年及二零一零年三月三十一日止年度尚未行使之購股權及年內已發行之可換股債券對該等年度之每股基本虧損有反攤薄影響，故並無披露該等年度之每股攤薄虧損。

16. 股息

董事會不建議就二零一一年三月三十一日止年度派發任何股息(二零一零年：無)。

17. 僱員成本(包括董事酬金)

本集團每年按僱員表現及參考市場狀況檢討應付予僱員之酬金。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

18. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the 8 (2010: 7) directors were as follows:

		Salaries, allowances, and other remuneration		Pension costs	2011	2010
		Fees	Fees		Total emoluments	Total emoluments
		袍金	薪金、津貼及其他酬勞	退休金成本	二零一一年總酬金	二零一零年總酬金
		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
Executive Directors	執行董事					
Ms. Jingquan Yingzi (Chairman)	井泉瑛孜女士 (主席)	—	391	—	391	—
Mr. Wong Man Hung Patrick	王文雄先生	—	1,508	12	1,520	4,331
Mr. Shan Xiaochang	單曉昌先生	—	391	—	391	—
Mr. Wu Zhongxin	吳中心先生	—	391	—	391	—
Mr. Feng Xiaoping	封小平先生	—	—	—	—	1,316
Mr. Stephen William Frostick	Stephen William Frostick 先生	—	360	12	372	402
Mr. Law Kwok Leung	羅國樑先生	—	—	—	—	996
Non-Executive Directors	非執行董事					
Prof. Liu Guoshun	劉國順教授	—	—	—	—	—
Independent Non-Executive Directors	獨立非執行董事					
Mr. Sousa Richard Alvaro	蘇志汶先生	78	—	—	78	78
Mr. Lee Chi Hwa Joshua	李智華先生	78	—	—	78	78
Ms. Chan Mei Bo Mablel	陳美寶女士	78	—	—	78	22
Total	總額	234	3,041	24	3,299	7,223

18. 董事及高級管理人員之酬金

(a) 董事酬金

已付或應付八名(二零一零年：七名)董事每人之酬金如下：

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

18. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

(a) Directors' emoluments (Continued)

Mr. Feng Xiaoping waived his emoluments amounted to HK\$1,200,000 for both years ended 31 March 2011 and 2010. Apart from that, no director waived or agreed to waive any of their emoluments in respect of two years ended 31 March 2011 and 2010.

The directors' emoluments are determined by the Board with reference to their contribution in terms of time, effort and their expertise and will be reviewed on an annual basis.

(b) Five highest paid individuals

The five individuals whose remuneration were the highest in the Group for the year included one (2010: three) directors whose remuneration are reflected in the analysis presented above. The remuneration paid and payable to the remaining four (2010: two) individuals during the year are as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Salaries, allowances and other benefits in kind	薪金、津貼及其他實物利益	3,706	939
Pension costs	退休金成本	47	24
Share-based payments	以股份為支付基準款項	780	2,900
		4,533	3,863

18. 董事及高級管理人員之酬金(續)

(a) 董事酬金(續)

於截至二零一一年及二零一零年三月三十一日止兩個年度，封小平先生已放棄其酬金1,200,000港元。除此之外，概無董事已放棄或同意放棄彼等截至二零一一年及二零一零年三月三十一日止兩個年度之任何酬金。

董事酬金乃由董事會參考其貢獻之時間、努力及專業知識而釐定，並於每年檢討。

(b) 五位最高薪人士

本集團年內五位最高薪人士包括一名(二零一零年：三名)董事，彼等之酬金已於上文呈列之分析反映。年內已付及應付餘下四名(二零一零年：兩名)人士之酬金如下：

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

18. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

(b) Five highest paid individuals (Continued)

The number of the highest paid individuals whose remuneration fell within the following band is as follows:

HK\$ Nil to HK\$1,000,000	零港元至 1,000,000 港元
HK\$1,000,001 to HK\$3,000,000	1,000,001 港元至 3,000,000 港元
HK\$3,000,001 to HK\$5,000,000	3,000,001 港元至 5,000,000 港元

During the years ended 31 March 2011 and 2010, no emoluments have been paid by the Group to the directors and the five highest paid individuals as an inducement to join the Group, or as compensation for loss of office.

18. 董事及高級管理人員之酬金(續)

(b) 五位最高薪人士(續)

介乎下列酬金範圍之最高薪人士數目如下：

	2011 二零一一年	2010 二零一零年
HK\$ Nil to HK\$1,000,000	3	2
HK\$1,000,001 to HK\$3,000,000	2	1
HK\$3,000,001 to HK\$5,000,000	—	2
	5	5

截至二零一一年及二零一零年三月三十一日止年度內，本集團並無向董事及五位最高薪人士支付酬金作為加盟本集團之獎勵或離職補償。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

19. PROPERTY, PLANT AND EQUIPMENT

19. 物業、機器及設備

		Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及 機器 HK\$'000 千港元	Group 本集團 Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost and valuation	成本及估值							
At 1 April 2009	於二零零九年四月一日	—	7,005	43,605	6,589	2,540	—	59,739
Acquisition of subsidiaries	收購子公司	25,682	46,396	86,995	1,850	6,561	30,568	198,052
Reclassification	重新分類	—	—	456	(599)	143	—	—
Reclassification to held for sale	重新分類至持作銷售	—	(2,181)	(19,042)	(993)	—	—	(22,216)
Additions	增購	—	4,135	4,931	2,070	448	5,966	17,550
Disposals	出售	—	—	—	(2)	(48)	—	(50)
At 31 March 2010	於二零一零年三月三十一日	25,682	55,355	116,945	8,915	9,644	36,534	253,075
Acquisition of subsidiaries	收購子公司	—	—	2,094	551	1,460	—	4,105
Adjustments to fair value adjustment for acquisition of subsidiaries in prior periods (Note 40)	更正在過往期間收購 子公司時之公平值 調整(附註40)	3,847	(47,178)	—	—	—	(14,914)	(58,245)
Transfer	調動	—	—	880	—	—	(880)	—
Reclassification to held for sale	重新分類至持作銷售	—	—	(73,977)	—	—	(25,705)	(99,682)
Additions	增購	3,723	2,784	3,790	1,392	817	3,865	16,371
Disposals	出售	—	(58)	(103)	(134)	(348)	—	(643)
Exchange differences	匯兌差額	1,495	388	5,736	175	469	1,100	9,363
At 31 March 2011	於二零一一年三月三十一日	34,747	11,291	55,365	10,899	12,042	—	124,344
Accumulated depreciation and impairment	累計折舊及減值							
At 1 April 2009	於二零零九年四月一日	—	915	34,408	2,011	859	—	38,193
Acquisition of subsidiaries	收購子公司	—	1,382	2,062	243	401	—	4,088
Reclassification	重新分類	—	—	123	(266)	143	—	—
Reclassification to held for sale	重新分類至持作銷售	—	(988)	(18,689)	(398)	—	—	(20,075)
Charge for the year	年度折舊	80	1,008	3,810	1,396	461	—	6,755
Disposals	出售	—	—	—	—	(2)	—	(2)
Impairment	減值	—	—	774	3,779	—	6,158	10,711
Exchange differences	匯兌差額	—	2	11	(75)	3	(79)	(138)
At 31 March 2010	於二零一零年三月三十一日	80	2,319	22,499	6,690	1,865	6,079	39,532
Adjustments to fair value adjustment for acquisition of subsidiaries in prior periods (Note 40)	更正在過往期間收購 子公司時之公平值 調整(附註40)	1,264	(1,625)	—	—	—	—	(361)
Reclassification to held for sale	重新分類至持作銷售	—	—	(8,864)	—	—	(6,310)	(15,174)
Charge for the year	年度折舊	1,168	1,021	10,626	1,032	1,451	—	15,298
Disposals	出售	—	(14)	(91)	(58)	(207)	—	(370)
Impairment	減值	—	—	46	—	—	—	46
Exchange differences	匯兌差額	92	54	1,333	52	97	231	1,859
At 31 March 2011	於二零一一年三月三十一日	2,604	1,755	25,549	7,716	3,206	—	40,830
Carrying value	賬面值							
At 31 March 2011	於二零一一年三月三十一日	32,143	9,536	29,816	3,183	8,836	—	83,514
At 31 March 2010	於二零一零年三月三十一日	25,602	53,036	94,446	2,225	7,779	30,455	213,543

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19. PROPERTY, PLANT AND EQUIPMENT

(Continued)

19. 物業、機器及設備(續)

		Company 本公司 Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元
Cost	成本	
At 1 April 2009	於二零零九年四月一日	11
Additions	增購	20
At 31 March 2010	於二零一零年三月三十一日	31
Write-off	撇銷	(31)
At 31 March 2011	於二零一一年三月三十一日	—
Accumulated depreciation	累計折舊	
At 1 April 2009	於二零零九年四月一日	5
Charge for the year	年度折舊	4
At 31 March 2010	於二零一零年三月三十一日	9
Charge for the year	年度折舊	3
Write-off	撇銷	(12)
At 31 March 2011	於二零一一年三月三十一日	—
Carrying value	賬面值	
At 31 March 2011	於二零一一年三月三十一日	—
At 31 March 2010	於二零一零年三月三十一日	22

At 31 March 2010, the buildings amounting to HK\$6,575,000 were pledged as security for bank borrowings granted to the Group.

於二零一零年三月三十一日，樓宇為數6,575,000港元已抵押作為本集團所獲銀行借貸之擔保。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

20. PREPAID LAND LEASE PAYMENTS

20. 預付土地租賃款

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At 1 April	於四月一日	8,523	—
Acquired upon acquisitions of subsidiaries	收購子公司時收購	12,870	9,886
Amortisation provided during the year	年內已撥備攤銷	(445)	(302)
Reclassified as assets held for sale	重新分類至持作銷售之資產	(15,253)	—
Impairment	減值	—	(1,059)
Exchange differences	匯兌差額	1,035	(2)
At 31 March	於三月三十一日	6,730	8,523

The prepaid land lease payments were acquired by its subsidiaries in February 2007 with a term of 50 years in the PRC.

預付土地租賃款由其子公司於二零零七年二月於中國收購，年期為50年。

The prepaid land lease payments of HK\$6,730,000 (2010: HK\$6,560,000) were pledged as security for bank borrowings granted to the Group.

預付土地租賃款為數6,730,000港元(二零一零年：6,560,000港元)已抵押作為本集團所獲銀行借貸之擔保。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

21. GOODWILL

21. 商譽

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At 1 April	於四月一日	817,195	81,400
Adjustments to fair value adjustment for acquisition of subsidiaries in prior periods (Note 40)	更正在過往期間收購 子公司時之公平值 調整(附註40)	79,362	—
Acquired upon acquisitions of subsidiaries (Note a)	收購子公司時產生 (附註a)	1,024	817,195
Impairment loss (Note b)	減值虧損(附註b)	(120,234)	(81,400)
At 31 March	於三月三十一日	777,347	817,195

Note:

(a) During the year ended 31 March 2011, the Group acquired several subsidiaries at a consideration of HK\$24,286,000. As disclosed in Note 40, the Group share if identifiable net assets of these subsidiaries at the date of acquisition amounted of HK\$45,610,000 resulting in goodwill HK\$1,024,000.

(b) During the year ended 31 March 2011, the Group assessed the recoverable amount of goodwill by an independent valuer, Stirling Appraisal Limited, and determined that goodwill associated with the Group's agricultural machinery and fertilizer operations were impaired by HK\$120,234,000.

附註：

(a) 於截至二零一一年三月三十一日止年度內，本集團按代價24,286,000港元收購若干子公司。誠如附註40所披露，本集團於收購日期所佔該等子公司之可識別淨資產為45,610,000港元，產生商譽1,024,000港元。

(b) 於截至二零一一年三月三十一日止年度內，本集團由獨立估值師中寧評估有限公司估計商譽之可收回金額，並釐定與本集團之耕作機械及肥料業務相關之商譽分別減值120,234,000港元。

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

21. GOODWILL (Continued)

Impairment testing of Goodwill

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. This calculations use cash flow projections based on financial budgets prepared by the management. The cash flows are discounted by a discount rate. The discount rate used is pre-tax and reflect specific risks related to the industry.

The impairment loss recognized during the year solely relates to the Group's agricultural related machinery and construction and fertilizers operations. As the cash generating unit has been reduced to its recoverable amount, any adverse change in assumptions used in the calculation of recoverable amount would result in further impairment losses.

21. 商譽(續)

商譽及之減值測試

現金產生單位的可收回數額按照使用價值計算而釐定。此等計算採用按管理層編製之財務預算作出之稅前現金流量預測。現金流量預測以貼現率貼現。所用貼現率為稅前，並反映行業特定風險。

於本年度內確認的減值虧損僅與本集團農業機械及建築及肥料業務有關。由於現金產生單位已削減至其可收回金額。惟任何計算可收回金額時所用的假設的不利變動會引致進一步減值虧損

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

22. OTHER INTANGIBLE ASSETS

22. 其他無形資產

		Club 會所會籍 HK\$'000 千港元	Film rights 電影版權 HK\$'000 千港元	Group 本集團			Total 總計 HK\$'000 千港元
				Patents 專利權 note(b) 附註(b) HK\$'000 千港元	License 牌照 note(b) 附註(b) HK\$'000 千港元	Technologies 技術 note(a) 附註(a) HK\$'000 千港元	
At 1 April 2009	於二零零九年 四月一日	165	1,254	98,000	83,000	—	182,419
Acquisition of subsidiaries	收購子公司	—	—	—	—	263,182	263,182
Amortisation for the year (Note c)	年度攤銷 (附註c)	(7)	(110)	—	—	(4,400)	(4,517)
Exchange differences	匯兌差額	—	(4)	—	—	—	(4)
Impairment loss (Note d)	減值虧損(附註d)	—	(1,140)	(88,000)	(83,000)	—	(172,140)
Carrying value At 31 March 2010	於二零一零年 三月三十一日 之賬面值	158	—	10,000	—	258,782	268,940
Acquisition of subsidiaries	收購子公司	—	—	—	—	—	—
Amortisation for the year (Note c)	年度攤銷 (附註c)	(7)	—	—	—	(26,318)	(26,325)
Impairment loss (Note d)	減值虧損(附註d)	—	—	(10,000)	—	(89,694)	(99,694)
Exchange differences	匯兌差額	7	—	—	—	—	7
Carrying value At 31 March 2011	於二零一一年 三月三十一日 之賬面值	158	—	—	—	142,770	142,928

Note:

- (a) The technologies were purchased as part of business combinations in the year ended 31 March 2010.
- (b) The patents (including precious tunguse, health vino and oxygenated water patent) (collectively known as "Patents") and TV License ("License") were purchased as part of business combinations in the year ended 31 March 2009.

附註：

- (a) 技術於截至二零一零年三月三十一日止年度購入，屬業務合併之一部份。
- (b) 專利權(包括珍貴菌類、健康飲液及充氧水專利權)(統稱「專利權」)及電視牌照(「牌照」)於截至二零零九年三月三十一日止年度購入，屬業務合併之一部份。

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財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

22. OTHER INTANGIBLE ASSETS (Continued)

Note: (Continued)

(b) (Continued)

The patents and license are considered by the management of the Group as having an indefinite useful life and will not be amortised until its useful life is determined to be finite upon reassessment of its useful life annually by the management. Instead they will be tested for impairment annually and whenever there is an indication that it may be impaired.

(c) Amortisation charge of HK\$26,325,000 (2010: HK\$4,517,000) with respect to other intangible assets have been included in administrative expenses in the consolidated statement of comprehensive income.

(d) The carrying amounts of patents, license and technologies have been reduced to their recoverable amounts through recognition of impairment loss of HK\$10,000,000 (2010: HK\$88,000,000), Nil (2010: 83,000,000) and HK\$89,694,000 (2010: Nil) respectively which have been included in impairment loss on goodwill and other intangible assets in the consolidated statement of comprehensive income.

22. 其他無形資產(續)

附註：(續)

(b) (續)

本集團管理層認為專利權及牌照具有無限可使用年期，故此不會被攤銷，直至管理層就其可使用年期按年重新評估後，斷定其可使用年期有限為止。該等專利權及牌照將被每年及在出現可能減值跡象時進行減值測試。

(c) 有關其他無形資產之26,325,000港元(二零一零年：4,517,000港元)攤銷費用已計入綜合全面收益表之行政費用。

(d) 專利、牌照及技術之賬面值已分別透過確認減值虧損10,000,000港元(二零一零年：88,000,000港元)、無(二零一零年：83,000,000港元)及89,694,000港元(二零一零年：無)減至其可收回金額，減值虧損已計入綜合全面收益表之商譽及其他無形資產減值虧損。

23. INTERESTS IN SUBSIDIARIES

23. 子公司權益

		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Unlisted shares, at cost (Note a)	非上市股份，按成本(附註a)	13,307	13,307
Less: Impairment loss	減：減值虧損	(13,307)	—
		—	13,307
Amounts due from subsidiaries (Note b)	應收子公司款項(附註b)	2,087,164	2,033,111
Less: Impairment loss	減：減值虧損	(684,619)	(629,338)
		1,402,545	1,403,773
		1,402,545	1,417,080

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

23. INTERESTS IN SUBSIDIARIES (Continued)

23. 子公司權益(續)

(a) The following is a list of the principal subsidiaries at 31 March 2011

(a) 下表列示於二零一一年三月三十一日之主要子公司詳情

Name 名稱	Place of incorporation 註冊成立地點	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital/registered capital 已發行股本/ 註冊資本詳情	Interest held 所持權益
Held directly: 直接持有：				
M21 Investment Limited	British Virgin Islands 英屬處女群島	Investment holding in Hong Kong 在香港投資控股	400 ordinary shares of US\$1 each 400股每股面值 1美元之普通股	100%
Big Success Enterprises Limited 顯成企業有限公司	British Virgin Islands 英屬處女群島	Investment holding in Hong Kong 在香港投資控股	1 ordinary share of US\$1 each 1股每股面值1美元之 普通股	100%
Held indirectly: 間接持有：				
Fujian Tianxin Biological Technology Company Limited 福建省天馨生物科技 有限公司	PRC 中國	Sales of cordyceps-related products and other healthcare products in the PRC 在中國銷售北冬蟲夏草相關產品及 其他保健產品	US\$2,500,000 2,500,000美元	72%
Goodside International Limited 傲海國際有限公司	Hong Kong 香港	Investment holding in Hong Kong 在香港投資控股	1 ordinary share of HK\$1 each 1股每股面值 1港元之普通股	100%

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23. INTERESTS IN SUBSIDIARIES (Continued)

23. 子公司權益(續)

(a) The following is a list of the principal subsidiaries at 31 March 2011 (Continued)

(a) 下表列示於二零一一年三月三十一日之主要子公司詳情(續)

Name 名稱	Place of incorporation 註冊成立地點	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital/registered capital 已發行股本/ 註冊資本詳情	Interest held 所持權益
Hong Kong New Success International Group Investment Company Limited 香港新勝國際集團投資有限公司	Hong Kong 香港	Investment holding in the PRC 在中國投資控股	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元之普通股	100%
Hunan Xiaoxiang Digital Television Broadcast Company Limited 湖南瀟湘數字電視有限公司	PRC 中國	Provision of TV digitalization services in the PRC 在中國提供電視數字化服務	RMB50,000,000 人民幣50,000,000元	70%
Jiangsu Kedi Modern Agriculture Co., Ltd 江蘇科地現代農業有限公司	PRC 中國	Manufacturing and trading of tobacco flue-curing agricultural machinery and agricultural antibiotic fertilizer in the PRC 在中國生產及買賣烟草烘烤耕作機械及耕作用抗菌肥料	US\$11,600,000 11,600,000美元	100%
Jiangsu Kedi Runxin Steel Construction Company Limited 江蘇科地潤鑫鋼結構製造有限公司	PRC 中國	Steel construction in the PRC 在中國製造鋼結構	RMB10,000,000 人民幣10,000,000元	51%

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

23. INTERESTS IN SUBSIDIARIES (Continued)

(a) The following is a list of the principal subsidiaries at 31 March 2011 (Continued)

23. 子公司權益(續)

(a) 下表列示於二零一一年三月三十一日之主要子公司詳情(續)

Name 名稱	Place of incorporation 註冊成立地點	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital/registered capital 已發行股本/ 註冊資本詳情	Interest held 所持權益
Kang Yuan Universal Investment Limited 康源環球投資有限公司	Hong Kong 香港	Investment holding in the PRC 在中國投資控股	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元之普通股	100%
Quanzhou Liangxin Biological Technology Development Company Limited 泉州良鑫生物科技開發有限公司	PRC 中國	Sales of cordyceps-related products and other healthcare products in the PRC 在中國銷售北冬蟲夏草相關產品及其他保健產品	US\$200,000 200,000美元	100%
Sky Dragon Digital Television and Movies Limited 天龍數碼影視有限公司	Hong Kong 香港	Investment holding in Hong Kong 在香港投資控股	21,000,000 ordinary shares of HK\$1 each 21,000,000股每股面值1港元之普通股	100%
Sparkle View Enterprises Limited 景輝企業有限公司	British Virgin Islands 英屬處女群島	Investment holding in Hong Kong 在香港投資控股	1 ordinary share of US\$1 each 1股每股面值1美元之普通股	100%

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23. INTERESTS IN SUBSIDIARIES (Continued)

(a) The following is a list of the principal subsidiaries at 31 March 2011 (Continued)

Name 名稱	Place of incorporation 註冊成立地點	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital/registered capital 已發行股本/ 註冊資本詳情	Interest held 所持權益
Xian Shenghua Electronic Engineering Company Limited 西安聖華電子工程有限責任 公司	PRC 中國	Manufacturing and trading of tobacco flue-curing agricultural machinery in the PRC 在中國生產及買賣烟草烘烤耕作機械	RMB3,000,000 人民幣3,000,000元	51%
Zhengzhou Ruihao Tobacco Technology Company Limited 鄭州瑞豪烟草科技有限公司	PRC 中國	Manufacturing and trading of agricultural machinery in the PRC 在中國生產及買賣耕作機械	RMB10,000,000 人民幣10,000,000元	100%

A complete list of the particulars of all subsidiaries would be of excessive length and therefore the subsidiaries as set out above are those which principally affect the results or net assets of the Group.

(b) The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

23. 子公司權益(續)

(a) 下表列示於二零一一年三月三十一日之主要子公司詳情(續)

如將所有子公司列出將會過於冗長，故僅列出上述主要影響本集團之業績或淨資產之子公司。

(b) 應收子公司款項為無抵押、免息及按要求償還。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

24. INTEREST IN AN ASSOCIATE

24. 聯營公司權益

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (重列)
Unlisted shares, at cost	非上市股份·按成本	5,569	5,569
Share of post-acquisition results	所佔收購後業績	(5,569)	(5,569)
		—	—
Amount due from an associate	應收聯營公司款項	4,457	4,457
Less: Impairment loss	減：減值虧損	(4,457)	(4,457)
		—	—

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24. INTEREST IN AN ASSOCIATE (Continued)

The summarised financial information of the Group's associate is set out below:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Non-current assets	非流動資產	6,842	6,842
Current assets	流動資產	882	882
Current liabilities	流動負債	(5,028)	(5,028)
		2,696	2,696
Revenue	收入	—	113
Loss for the year	年度虧損	—	(1,191)

Note:

- (a) Particular of an associate at 31 March 2011 is as follow:

Name 名稱	Place of incorporation 註冊成立日期	Principal activities 主要業務	Particulars of registered capital 註冊資本詳情	Percentage of equity interest attributable to the Group 本集團應佔股權 百分比
Jiangsu BCTV Fashion Media Limited Company 江蘇廣電時尚傳媒有限公司	PRC 中國	Dormant 停業	RMB10,000,000 人民幣 10,000,000元	39.2%

- (b) The associate is dormant since 2010.

24. 聯營公司權益(續)

本集團聯營公司之財務資料概要列載如下：

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Non-current assets	6,842	6,842
Current assets	882	882
Current liabilities	(5,028)	(5,028)
	2,696	2,696
Revenue	—	113
Loss for the year	—	(1,191)

附註：

- (a) 於二零一一年三月三十一日之聯營公司詳情如下：

Name 名稱	Place of incorporation 註冊成立日期	Principal activities 主要業務	Particulars of registered capital 註冊資本詳情	Percentage of equity interest attributable to the Group 本集團應佔股權 百分比
Jiangsu BCTV Fashion Media Limited Company 江蘇廣電時尚傳媒有限公司	PRC 中國	Dormant 停業	RMB10,000,000 人民幣 10,000,000元	39.2%

- (b) 此聯營公司自二零一零年起停業。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

25. INVENTORIES

25. 存貨

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Raw materials	原料	36,416	3,117
Work in progress	在製品	23,616	12,688
Finished goods	製成品	4,626	1,305
Biological assets	生物資產	87	1,643
		64,745	18,753

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Reconciliation of carrying amounts of biological assets	生物資產賬面值之調節		
Reconciliation of carrying amounts of cordyceps related and other healthcare products	北冬蟲夏草相關及其他保健產品之賬面值之調節		
Carrying amounts at 1 April	於四月一日之賬面值	1,643	1,945
Increases due to production	因生產增加	1,892	4,649
Net gain arising from changes in fair value less estimated point-of-sale costs attributable to physical changes	實質變動應佔公平值減估計銷售點成本變動產生之收益淨額	260	1,308
Decreases due to sales	因銷售減少	(516)	(6,245)
Impairment loss	減值虧損	(3,192)	—
Exchange differences	匯兌差額	—	(14)
Carrying amounts at 31 March	於三月三十一日之賬面值	87	1,643

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

26. TRADE AND BILLS RECEIVABLES

Details of the aging analysis of trade and bills receivables at the end of the reporting period were as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade receivables	應收賬款		
Current	即期	338,716	300,110
30 — 90 days	30至90天	61,624	362
91 — 180 days	91至180天	59,370	2,254
Over 180 days	180天以上	1,135	4,208
		460,845	306,934
Bills receivables	應收票據	1,307	24,374
		462,152	331,308

The Group's credit term granted to customers generally ranges from 30 to 270 days.

Based on past experience of the Group, it is determined that no provision for impairment is necessary in respect of past due balances as there has not been a significant change in credit quality of the customers and the balances are still considered to be fully recoverable. The Group does not hold any collateral over these balances.

26. 應收賬款及應收票據

於呈報期末之應收賬款及應收票據賬齡分析詳情如下：

本集團授予客戶之信貸期一般介乎30至270天。

根據本集團過往的經驗，由於顧客的信貸質素沒有重大改變，已過期結餘被視為可以全數收回，因此本集團認為毋須就此作出任何減值準備。本集團也沒有就這些結餘持有任何抵押品。

27. PREPAYMENTS, OTHER RECEIVABLES AND DEPOSITS

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Prepayments	預付款項	90,492	19,831	527	2,779
Other receivables	其他應收款項	60,610	83,482	15	—
Deposits	按金	973	63,474	832	—
		152,075	166,787	1,374	2,779

27. 預付款項，其他應收款項及按金

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

28. AMOUNTS DUE FROM CUSTOMERS UNDER CONTRACT WORKS

28. 應收客戶合約工程款項

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Contracts in progress at the end of the reporting period:	於呈報期末之在建合約工程：		
Contracts costs included plus recognized profits less recognized losses	合約工程費用加已確認溢利減已確認虧損	9,756	—
Less: progress billings	減：進度付款	(3,764)	—
		5,992	—
Represented by:	其中包含：		
Amounts due from customers under contract works	應收客戶合約工程款項	5,992	—

29. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

29. 於損益賬按公平值處理之金融資產

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Equity securities, listed in Hong Kong at fair values	香港上市之股本證券，按公平值	822	6,916

The fair values of the listed investments are determined based on the quoted market bid prices available on the Stock Exchange.

上市投資之公平值乃按聯交所所報之市場買入價而釐定。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

30. CASH AND BANK BALANCES

30. 現金及銀行結存

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	47,491	192,881	7,343	92,978
Time deposits	定期存款	231,372	135,918	—	—
		278,863	328,799	7,343	92,978
Less: Pledged deposits (Note a)	減：已抵押存款 (附註 a)	(231,372)	(135,918)	—	—
		47,491	192,881	7,343	92,978

Cash at bank earns interest at floating rates based on daily bank deposits rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The bank balances and time deposits are deposited with credit worthy banks with no recent history of default.

Note:

- (a) As at 31 March 2011, the Group's bank deposits of HK\$231,372,000 (2010: HK\$135,918,000) were pledged to secure the banking facilities granted to the Group.

銀行現金按每日銀行存款利率以浮動利率計息。短期存款之存款期各有不同，介乎一日至三個月，視乎本集團之即時現金需要而定，並按有關短期存款利率計息。銀行結存及定期存款均存放於並無近期違約紀錄之信譽良好銀行。

附註：

- (a) 於二零一一年三月三十一日，本集團231,372,000港元(二零一零年：135,918,000港元)之銀行存款抵押，作為本集團獲授銀行融通額度之擔保。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

31. ASSETS HELD FOR SALE

31. 持作銷售資產

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Property, plant and equipment	物業、機器及設備	86,649	2,141
Prepaid land lease payments	預付土地租賃款	15,253	—
		101,902	2,141

Note:

(a) As disclosed in note 47, the Group intends to dispose of certain land use rights and property, plant and equipment totalling of HK\$99,761,000. No impairment loss was recognised on reclassification of these assets held for sale as at 31 March 2011. An special general meeting was held and the resolution relating to the Disposal was duly passed by the independent shareholders of the Company on 18 May 2011. At annual report date, the Disposal is not completed.

(b) As disclosed in note 14, the Group intends to dispose of a parcel of property, plant and equipment and prepaid land lease payments totalling of HK\$2,141,000 it no longer utilises. The property, plant and equipment was previously used in the pre-mastering and other media services, audiovisual playout service and direct TV sales segments. A search is underway for a buyer. No impairment loss was recognised on reclassification of the property, plant and machinery as assets held for sale as at 31 March 2011.

附註：

(a) 誠如附註47所披露，本集團擬出售若干土地使用權以及物業、機器及設備總值99,761,000港元。於二零一一年三月三十一日，並無就重新分類該等資產為持作銷售資產確認減值虧損。於呈報期末後，本公司已於二零一一年五月十八日舉行股東特別大會，而有關出售事項之決議案已於股東特別大會上獲本公司獨立股東正式通過。於年報日，出售事項尚未完成。

(b) 誠如附註14所披露，本集團擬出售其不再使用之物業、機器及設備總值2,141,000港元之部份。該等物業、機器及設備先前用於母版前期製作及其他媒體服務、影音播放服務及直接電視銷售分類。本集團正物色買家。於二零一一年三月三十一日，並無就重新分類該等物業、機器及設備為持作銷售資產確認減值虧損。

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32. TRADE AND BILLS PAYABLES

Details of the aging analysis of trade and bills payables at the end of the reporting period were as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade payables	應付賬款		
Current	即期	59,380	7,460
30 — 90 days	30至90天	3,052	52,961
91 — 180 days	91至180天	24,563	29,684
Over 180 days	180天以上	25,108	38,466
		112,103	128,571
Bills payables	應付票據	217,086	107,509
		329,189	236,080

The carrying amounts of the Group's trade and bills payables approximate their fair values. The Group does not hold any collateral over these balances.

於呈報期末之應付賬款及應付票據賬齡分析詳情如下：

本集團應付賬款及應付票據之賬面值與其公平值相若。本集團並無對此等結餘持有任何抵押品。

33. AMOUNTS DUE TO RELATED COMPANIES AND DIRECTORS

(a) Amounts due to related companies

As at 31 March 2011 and 2010, the amounts due to Hunan TV and Sky Dragon Holdings are unsecured, interest free and have no fixed terms of repayment.

(b) Amounts due to directors

The amounts due to directors are unsecured, interest free and repayable on demand.

33. 應付關連公司及董事款項

(a) 應付關連公司款項

於二零一一年及二零一零年三月三十一日，應付湖南電視及天龍控股之款項為無抵押、免息及無固定還款期。

(b) 應付董事款項

應付董事款項為無抵押、免息及按要求償還。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

34. BORROWINGS

All borrowings are wholly repayable within five years:

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Secured bank loans	有抵押銀行貸款		
Variable interest rate (Note a)	浮動利率(附註a)	207,143	243,182
Fixed interest rate (Note b)	固定利率(附註b)	50,595	45,454
Unsecured other loans	無抵押其他貸款		
Interest free	免息	5,893	5,625
Fixed interest rate (Note c)	固定利率(附註c)	24,432	17,966
		288,063	312,227
Less: Amount due within one year shown under current liabilities	減：於一年內到期並包括在 流動負債內之 貸款	(288,063)	(312,227)
		—	—

The above loans are denominated in RMB. At 31 March 2011, certain bank loans are secured by prepaid land lease payments of HK\$6,730,000 and personal guarantee provided by the Group's director.

At 31 March 2010, certain bank loans are secured by the Group's prepaid land lease payments and buildings of HK\$6,560,000 and HK\$6,575,000 respectively, and certain land use rights owned by the Group's director with an aggregate net carrying amount of HK\$48,295,000 (RMB42,500,000 equivalent).

34. 借貸

所有借貸均須於五年內悉數償還：

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Secured bank loans	有抵押銀行貸款		
Variable interest rate (Note a)	浮動利率(附註a)	207,143	243,182
Fixed interest rate (Note b)	固定利率(附註b)	50,595	45,454
Unsecured other loans	無抵押其他貸款		
Interest free	免息	5,893	5,625
Fixed interest rate (Note c)	固定利率(附註c)	24,432	17,966
		288,063	312,227
Less: Amount due within one year shown under current liabilities	減：於一年內到期並包括在 流動負債內之 貸款	(288,063)	(312,227)
		—	—

以上貸款以人民幣為單位。於二零一一年三月三十一日，若干銀行貸款以本集團6,730,000港元的預付土地租賃款及本集團董事提供之個人擔保作擔保。

於二零一零年三月三十一日，若干銀行貸款以本集團6,560,000港元的預付土地租賃款及6,575,000港元的樓宇，以及本集團董事擁有總賬面淨值為48,295,000港元(相等於人民幣42,500,000元)之若干土地使用權作擔保。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

34. BORROWINGS (Continued)

Note:

- (a) Bank loans bear interest ranging from 5.32% to 6.91% (2010: 4.78% to 5.84%).
- (b) Bank loans bear interest at 5.31% and 5.84% (2010: 5.31%) per annum.
- (c) Other loans bear interest at various rates between 1.5% and 5% (2010: 2% and 5%) per annum.

35. DEFERRED INCOME

At 1 April	於四月一日	—	—
Acquisition of subsidiaries	收購子公司	583	—
At 31 March	於三月三十一日	583	—
Represented by:	其中包含：		
Current portion	流動部份	583	—

Deferred income represents subsidies obtained from government authorities in relation to the research and development projects executed by the Group.

34. 借貸(續)

附註：

- (a) 銀行貸款按介乎5.32%至6.91%(二零一零年：4.78%至5.84%)之利率計息。
- (b) 銀行貸款按年利率5.31%及5.84%(二零一零年：5.31%)計息。
- (c) 其他貸款按年利率1.5%至5%(二零一零年：2%至5%)計息。

35. 遞延收入

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At 1 April	於四月一日	—	—
Acquisition of subsidiaries	收購子公司	583	—
At 31 March	於三月三十一日	583	—
Represented by:	其中包含：		
Current portion	流動部份	583	—

遞延收入為政府機構對本集團所進行研究和開發計劃提供的資助。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

36. DEFERRED TAX LIABILITIES

36. 遞延稅項負債

		Group 本集團		
		Revaluation of properties 物業重估 HK\$'000 千港元	Techologies 技術 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2009 and 31 March 2010	於二零零九年 四月一日及 二零一零年 三月三十一日	—	—	—
Adjustment to fair value adjustment for acquisition of subsidiaries (Note 40)	更正在過往期間收購 子公司時之公平值 調整(附註40)	(9,077)	43,425	34,348
Credit to profit or loss (Note 12)	計算入損益中 (附註12)	(1,195)	(19,868)	(21,063)
Exchange differences	匯兌差額	(460)	—	(460)
At 31 March 2011	於二零一一年三月 三十一日	(10,732)	23,557	12,825

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2010: 16.5%).

At the end of reporting period, the Group had unused tax losses of approximately HK\$103,826,000 (2010: HK\$78,040,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the above unused tax losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

遞延稅項乃採用負債法就暫時差異按主要稅率16.5%(二零一零年: 16.5%)全數計算。

於呈報期末，本集團有未動用稅項虧損約103,826,000港元(二零一零年: 78,040,000港元)可供抵銷未來溢利。由於未來溢利來源難以預測，故並無就上述未動用稅項虧損確認遞延稅項資產。稅項虧損可能無限期結轉。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

37. CONVERTIBLE BONDS

37. 可換股債券

		Group and Company 本集團及本公司		
		Liability portion 負債部份	Equity portion 權益部份	Total 總計
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
At 1 April 2009	於二零零九年 四月一日	—	—	—
Issue CB 2015	發行二零一五年 可換股債券	660,207	437,793	1,098,000
At 31 March 2010	於二零一零年 三月三十一日	660,207	437,793	1,098,000
Interest expense	利息支出	11,169	—	11,169
Waiver of interest expense	免除利息支出	(8,108)	—	(8,108)
Interest paid	已付利息	(2,948)	—	(2,948)
Redemption during the year	年內贖回	(15,032)	(9,968)	(25,000)
At 31 March 2011	於二零一一年 三月三十一日	645,288	427,825	1,073,113

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37. CONVERTIBLE BONDS (Continued)

On 16 September 2010, the Company redeemed part of the outstanding convertible bond issued by the Company on 11 August 2010 (“redeemed CB”) at an amount of HK\$25,000,000 (“redeemed amount”) which is equal to 100% of principal amount of the Redeemed CB. The redemption amount has been satisfied by the internal financial resources of the Group.

On 25 March 2010, the Company issued 1% convertible bonds with an aggregate amount of HK\$1,098,000,000 (“CB 2015”). The bondholder has the option to convert the CB 2015 into ordinary shares of the Company of HK\$0.01 each at a conversion price of HK\$0.43 at any time during the period commencing from 25 March 2012. Unless previously converted or purchased or redeemed, each CB 2015 shall be redeemed by the Company at 100 per cent of its principal amount on 25 March 2015 (the maturity date of the Convertible Bonds).

The proceeds from the issuance of the Convertible Bonds have to be split into liability and equity components. On issuance of the Convertible Bonds, the fair value of the equity component is determined using an option price model; and this amount is carried as in reserve until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the liability component and is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The equity component is measured at fair value on the issuance date and any subsequent changes in fair value of the equity component as at the end of reporting period are recognised in the reserve.

37. 可換股債券(續)

於二零一零年九月十六日，本公司按相等於已贖回可換股債券本金額100%之25,000,000港元(「贖回金額」)贖回部份本公司於二零一零年八月十一日發行之未贖回可換股債券(「已贖回可換股債券」)。贖回金額已由本集團內部財務資源支付。

於二零一零年三月二十五日，本公司發行本金總額1,098,000,000港元1厘可換股債券(「二零一五年可換股債券」)，債券持有人有權於二零一二年三月二十五日起期間內任何時間，將二零一五年可換股債券按每股0.43港元之換股價轉換為本公司每股面值0.01港元之普通股。除非之前已轉換或購買或贖回，否則本公司須於二零一五年三月二十五日(可換股債券到期日)按本金額之100%贖回每份二零一五年可換股債券。

發行該可換股債券之所得款項分為負債和權益部份。於發行可換股債券時，權益部份之公平值由期權定價模型確定直至悉數轉換或贖回時取消；所得款項之剩餘款項被分配為負債部份並以負債逐期攤銷成本，直至轉換或贖回時取消。權益部份以發行日之公平值計量，其後於呈報期末之任何權益部份之公平值變動在儲備確認。

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38. SHARE CAPITAL

38. 股本

		Group and Company 本集團及本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Authorised	法定		
At the beginning of the year 10,000,000,000 (2010: 2,000,000,000) ordinary shares of HK\$0.01 each	年初 10,000,000,000 股 (二零一零年： 2,000,000,000 股) 每股面值 0.01 港元之普通股	100,000	20,000
Increase during the year (2010: 8,000,000,000) ordinary shares of HK\$0.01 each (note a)	年內增加(二零一零年： 8,000,000,000 股) 每股面值 0.01 港元之普通股 (附註 a)	—	80,000
At the end of the year 10,000,000,000 (2010: 2,000,000,000) ordinary shares of HK\$0.01 each	年終 10,000,000,000 股 (二零一零年： 2,000,000,000 股) 每股面值 0.01 港元之普通股	100,000	100,000
Issued and fully paid	已發行及繳足股款		
At the beginning of the year 2,667,300,000 (2010: 1,759,298,000) ordinary shares of HK\$0.01 each	年初 2,667,300,000 股 (二零一零年： 1,759,298,000 股) 每股面值 0.01 港元之普通股	26,673	17,593
Issue of new shares upon exercise of share options (note b)	於行使購股權時發行新股份 (附註 b)	465	770
Issue of new shares under share subscriptions (note c)	根據股份認購發行新股份 (附註 c)	—	8,310
At the end of the year 2,713,798,000 (2010: 2,667,298,000) ordinary shares of HK\$0.01 each	年終 2,713,798,000 股 (二零一零年： 2,667,298,000 股) 每股面值 0.01 港元之普通股	27,138	26,673

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

38. SHARE CAPITAL (Continued)

Note:

- (a) Pursuant to special general meeting held on 2 July 2009, the authorised share capital of the Company was increased from HK\$20,000,000 to HK\$100,000,000 by the creation of 8,000,000,000 additional new shares of HK\$0.01 each, ranking pari passu in all respects with the existing shares of the Company.
- (b) On 31 December 2009, a supplier and a consultant exercised share options to subscribe 600,000 shares and 20,000,000 shares of the Company at an exercise price of HK\$0.125 per share with consideration of HK\$75,000 and HK\$2,500,000 respectively, of which a total of HK\$206,000 was credited to share capital account and the balance HK\$2,369,000 was credited to share premium account.

On 25 January 2010, two employee, a consultant and a supplier exercised share options to subscribe 7,000,000 shares, 5,000,000 shares and 19,400,000 shares of the Company at an exercise price of HK\$0.125 per share with consideration of HK\$875,000, HK\$624,000 and HK\$2,425,000 respectively, of which a total of HK\$314,000 was credited to share capital account and the balance HK\$3,611,000 was credited to share premium account.

On 22 March 2010, Mr. Wong Man Hung Patrick, a director of the Company exercised share options to subscribe 25,000,000 shares of the Company at an exercise price of HK\$0.125 per share with a total consideration of HK\$3,125,000, of which HK\$250,000 was credited to share capital account and the balance HK\$2,875,000 was credited to share premium account.

38. 股本(續)

附註：

- (a) 根據於二零零九年七月二日舉行之股東特別大會，本公司之法定股本透過增設8,000,000,000股每股面值0.01港元之額外新股份，由20,000,000港元增至100,000,000港元，該等新股份在各方面與本公司之現有股份享有同等權益。
- (b) 於二零零九年十二月三十一日，一名供應商及一名顧問分別按行使價每股0.125港元行使購股權，認購600,000股及20,000,000股本公司股份，代價分別為75,000港元及2,500,000港元，其中合共206,000港元計入股本賬目，而餘額2,369,000港元則計入股份溢價賬內。

於二零一零年一月二十五日，兩名僱員、一名顧問及一名供應商分別按行使價每股0.125港元行使購股權，認購7,000,000股、5,000,000股及19,400,000股本公司股份，代價分別為875,000港元、624,000港元及2,425,000港元，其中合共314,000港元計入股本賬目，而餘額3,611,000港元則計入股份溢價賬內。

於二零一零年三月二十二日，本公司董事王文雄先生按行使價每股0.125港元行使購股權，認購25,000,000股本公司股份，總代價為3,125,000港元，其中250,000港元計入股本賬目，而餘額2,875,000港元則計入股份溢價賬內。

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For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

38. SHARE CAPITAL (Continued)

Note: (Continued)

(b) (Continued)

On 9 April 2010, an employee and two consultants exercised share options to subscribe 30,000,000 shares of the Company at an exercise price of HK\$0.125 per share with a total consideration of HK\$3,750,000, of which HK\$300,000 was credited to share capital account and the balance of HK\$3,450,000 was credited to share premium account.

On 26 April 2010, an employee exercised share options to subscribe 1,500,000 shares of the Company at an exercise price of HK\$0.125 per share with a total consideration of HK\$187,000, of which HK\$15,000 was credited to share capital account and the balance of HK\$172,000 was credited to share premium account.

On 6 July 2010, a consultant exercised share options to subscribe 15,000,000 shares of the Company at an exercise price of HK\$0.125 per share with a total consideration of HK\$1,875,000, of which HK\$150,000 was credited to share capital account and the balance of HK\$1,725,000 was credited to share premium account.

39. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 56 of the financial statements.

38. 股本(續)

附註：(續)

(b) (續)

於二零一零年四月九日，一名僱員及兩名顧問按行使價每股0.125港元行使購股權，認購30,000,000股本公司股份，總代價為3,750,000港元，其中300,000港元計入股本賬目，而餘額3,450,000港元則計入股份溢價賬。

於二零一零年四月二十六日，一名僱員按行使價每股0.125港元行使購股權，認購1,500,000股本公司股份，總代價為187,000港元，其中15,000港元計入股本賬目，而餘額172,000港元則計入股份溢價賬。

於二零一零年七月六日，一名顧問按行使價每股0.125港元行使購股權，認購15,000,000股本公司股份，總代價為1,875,000港元，其中150,000港元計入股本賬目，而餘額1,725,000港元則計入股份溢價賬。

39. 儲備

(a) 本集團

本集團於本年度及過往年度之儲備金額及其變動已載列於財務報表第56頁之綜合權益變動表內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

39. RESERVES (Continued)

(b) Company

		Share premium	Accumulated losses	Contributed surplus	Share-based payment reserve	Convertible bonds reserve	Total
		股份溢價	累計虧損	實繳盈餘	以股份支付基準款項儲備	可換股債券儲備	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
				(Note(i))			
				(附註(i))			
At 1 April 2009	於二零零九年四月一日	604,002	(43,806)	13,107	7,382	—	580,685
Issue of shares	發行股份	414,327	—	—	—	—	414,327
Share option scheme:	購股權計劃：						
— Proceeds from share issued	— 發行股份所得款項	—	—	—	14,500	—	14,500
— Exercise of share option	行使購股權	8,855	—	—	—	—	8,855
— Lapse of share options	購股權失效	—	—	—	(6,000)	—	(6,000)
Issue of convertible bonds	發行可換股債券	—	—	—	—	437,793	437,793
Loss for the year	年度虧損	—	(626,487)	—	—	—	(626,487)
At 31 March 2010	於二零一零年三月三十一日	1,027,184	(670,293)	13,107	15,882	437,793	823,673
Share option scheme:	購股權計劃：						
— Proceeds from share issued	— 發行股份所得款項	5,348	—	—	—	—	5,348
— Exercise of share options	— 行使購股權	15,470	—	—	(15,470)	—	—
— Value of services	— 服務價值	—	—	—	9,362	—	9,362
Issue of convertible bonds	發行可換股債券	—	—	—	—	—	—
Conversion of convertible bonds	兌換可換股債券	—	—	—	—	(9,968)	(9,968)
Loss for the year	年度虧損	—	(95,487)	—	—	—	(95,487)
At 31 March 2011	於二零一一年三月三十一日	1,048,002	(765,780)	13,107	9,774	427,825	732,928

39. 儲備(續)

(b) 本公司

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

39. RESERVES (Continued)

(b) Company (Continued)

Note:

- (i) The contributed surplus of the Company represents the difference between the underlying net assets of the subsidiaries acquired by the Company and the nominal value of the shares issued by the Company in exchange thereof pursuant to the Group reorganisation on 20 March 2001 as set out in the prospectus of the Company dated 26 March 2001. Under the Companies Act 1998 of Bermuda (as amended), contributed surplus is available for distribution to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (a) it is, or would after the payment be, unable to pay its liabilities as they become due, or (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

39. 儲備(續)

(b) 本公司(續)

附註：

- (i) 本公司之實繳盈餘指本公司收購子公司之相關資產淨值與本公司為換股而根據本公司於二零零一年三月二十六日刊發之售股章程所載本集團於二零零一年三月二十日之重組所發行之股份面值之差額。根據百慕達一九九八年公司法(經修訂)，實繳盈餘可供分派予股東，惟倘(a)本公司於繳款後無法或將無法償還到期負債，或(b)本公司資產之可變現值將少於其負債、已發行股本及股份溢價賬之總額，則本公司不得宣派或派付股息，亦不得分派實繳盈餘。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

40. ACQUISITION OF SUBSIDIARIES

During the year ended 31 March 2011, the Group acquired 51% interests of Jingsu Runxin and Xian Shenghua Group for a considerations of consideration of HK\$6,071,000 and HK\$18,214,000 respectively. Since the Jiangsu Runxin and Xian Shenghua Group became the Group's subsidiaries.

40. 收購子公司

截至二零一一年三月三十一日止年度內，本集團購入江蘇潤鑫及西安聖華集團之51%權益，代價分別為6,071,000港元及18,214,000港元。此後，江蘇潤鑫及西安聖華集團成為本集團之子公司。

		Group 本集團		
		Jingsu Rumxin 江蘇潤鑫	Xian Shenghua Group 西安聖華集團	
		Acquiree's carrying amount and fair value before combination 被收購公司 合併前之賬面值 及公平值 HK\$'000 港元	Acquiree's carrying amount and fair value before combination 被收購公司 合併前之賬面值 及公平值 HK\$'000 港元	Total fair value 公平值總額 HK\$'000 港元
Net assets acquired:	所得資產淨值：			
Property, plant and equipment	物業、機器及設備	2,442	1,760	4,202
Inventories	存貨	5,711	3,180	8,891
Trade and bills receivables	應收賬款及應收票據	676	8,774	9,450
Prepayments, other receivables and deposits	預付款項、其他應收款項及按金	26,877	21,550	48,427
Amounts due from customers for contract work	應收客戶合約工程款項	6,271	—	6,271
Cash and bank balances	現金及銀行結存	3,012	4,411	7,423
Trade and bills payables	應付賬款及應付票據	(2,498)	(1,882)	(4,380)
Other payables and accruals	其他應付款項及應計費用	(20,300)	(3,077)	(23,377)
Borrowings	借貸	(10,714)	—	(10,714)
Deferred income	遞延收入	—	(583)	(583)
		11,477	34,133	45,610
Non-controlling interests	非控股權益	(5,623)	(16,725)	(22,348)
Goodwill (Note 21)	商譽(附註21)			1,024
				24,286

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

40. ACQUISITION OF SUBSIDIARIES

(Continued)

40. 收購子公司(續)

		2011 二零一一年 HK\$'000 千港元
Total consideration satisfied by:	以下列形式支付之總代價：	
Cash	現金	24,286
		24,286
Net cash outflow arising on acquisition:	因收購而產生之現金流出淨額：	
Cash consideration paid	已付現金代價	24,286
Less: Cash and bank balances acquired	減：所得現金及銀行結存	(7,423)
		16,863

During the year ended 31 March 2010, the Group acquired entire interest of Kang Yuan Group for a consideration of HK\$1,402,544,000. Since then, Kang Yuan Group became the Group's subsidiaries.

Subsequent to the year ended 31 March 2010, additional information was received by the Group indicated the fair value of the property plant and equipment and prepaid land lease payments at the date of acquisition was HK\$135,480,000 and HK\$22,756,000 respectively. The calculation in year 2010 have been adjusted to reflect the fair value at the acquisition date.

截至二零一零年三月三十一日止年度內，本集團購入康源集團之全部權益，代價為1,402,544,000港元。此後，康源集團成為本集團之子公司。

於截至二零一零年三月三十一日止年度後，本集團所得之額外資料顯示，物業、機器及設備以及預付土地租賃款於收購日期之公平值分別為135,480,000港元及22,756,000港元。二零一零年之計算已作出調整，以反映於收購日期之公平值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

40. ACQUISITION OF SUBSIDIARIES

(Continued)

The net assets acquired in the transaction and the goodwill arising are as follows:

40. 收購子公司(續)

交易所得之資產淨值及產生之商譽如下：

		Acquiree's carrying amount before combination		Group		Total Fair value	
		Fair value	Fair value adjustment	Fair value	Adjustment	Fair value	Fair value
		賬面值	公平值調整	公平值總額	調整	公平值總額	公平值總額
		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
				(originally stated)		(restated)	
				(原本所列)		(重列)	
Net assets acquired:	所得資產淨值：						
Property, plant and equipment (Note 19)	物業、機器及設備(附註19)	180,330	13,634	193,964	(57,884)	136,080	
Prepaid land lease payments (Note 20)	預付土地租賃款(附註20)	33,516	(23,630)	9,886	12,870	22,756	
Trade and bills receivables	應收賬款及應收票據	254,903	—	254,903	—	254,903	
Other intangible assets	其他無形資產	—	263,182	263,182	—	263,182	
Inventories	存貨	138,092	—	138,092	—	138,092	
Prepayment, other receivables, deposits	預付款項、其他應收款項及按金	108,692	—	108,692	—	108,692	
Pledged deposits	已抵押存款	107,393	—	107,393	—	107,393	
Cash and bank balances	現金及銀行結存	60,567	—	60,567	—	60,567	
Trade and bills payables	應付賬款及應付票據	(240,049)	—	(240,049)	—	(240,049)	
Other payables and accruals	其他應付款項及應計費用	(30,674)	—	(30,674)	—	(30,674)	
Borrowings	借貸	(254,545)	—	(254,545)	—	(254,545)	
Capital reserve	資本儲備	(26,062)	—	(26,062)	—	(26,062)	
		332,163	253,186	585,349	(45,014)	540,335	
Goodwill (Note 21)	商譽(附註21)			817,195	79,362	896,557	
Deferred tax liabilities (Note 36)	遞延稅項負債(附註36)			—	(34,348)	(34,348)	
				1,402,544	—	1,402,544	

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

40. ACQUISITION OF SUBSIDIARIES

(Continued)

40. 收購子公司(續)

		2010 二零一零年 HK\$'000 千港元
Total consideration satisfied by:	以下列形式支付之總代價：	
Cash	現金	304,544
Issue of convertible bonds	發行可換股債券	1,098,000
		1,402,544
Net cash outflow arising on acquisition:	因收購而產生之現金流出淨額：	
Cash consideration paid	已付現金代價	304,544
Less: Cash and bank balances acquired	減：所得現金及銀行結存	(167,960)
		136,584

41. SHARE OPTIONS

41. 購股權

		Group and Company 本集團及本公司		
		Number of share options 購股權數目		
		Scheme I 計劃一	Scheme II 計劃二	Total 總額
At 1 April 2009	於二零零九年四月一日	—	53,500,000	53,500,000
Granted during the year	於年內授出	—	100,000,000	100,000,000
Exercised during the year	於年內行使	—	(77,000,000)	(77,000,000)
Lapsed during the year	於年內失效	—	(20,000,000)	(20,000,000)
At 31 March 2010	於二零一零年三月三十一日	—	56,500,000	56,500,000
Granted during the year	於年內授出	—	60,000,000	60,000,000
Exercised during the year	於年內行使	—	(46,500,000)	(46,500,000)
At 31 March 2011	於二零一一年三月三十一日	—	70,000,000	70,000,000

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

41. SHARE OPTIONS (Continued)

Note:

- (a) A share option scheme (the "Scheme 1") was adopted by the Company pursuant to a resolution passed on 20 March 2001. No share options were granted under the Scheme 1 since its adoption. Scheme 1 was expired on 19 March 2011.
- (b) Under the share option scheme II ("Scheme II") approved by the shareholders, the Board of the Company may, at its discretion, invite any employee, director, supplier of goods or services, customer of Company or any Subsidiary; agent, adviser, consultant, strategist, contractor, sub-contractor, expert or entity that provides research, development or other technological support or any valuable services to Company or any Subsidiary; shareholder of Company or any Subsidiary or holder of any securities issued by Company or any Subsidiary to take up options to subscribe for shares in the Company representing in aggregate, not exceed 10% of the issued share capital of the Company as at the date of approval of Scheme II and a maximum of 30% of the issued share capital of the Company from time to time, excluding for this purpose from the calculation of issued share capital (i) any shares issued pursuant to the exercise of options under the Share Option Scheme or pursuant to the exercise of options under any other scheme; and (ii) any pro rata entitlements to further shares issued in respect of those shares referred to in (i) above during a period of 10 consecutive years from the date of adoption of the Share Option Scheme.

The options are exercisable within a period not more than 10 years from the Offer Date.

41. 購股權(續)

附註：

- (a) 本公司根據於二零零一年三月二十日通過之決議案採納一項購股權計劃(「計劃一」)。自採納購股權計劃一以來，概無根據計劃一授出購股權。計劃一已於二零一一年三月十九日屆滿。
- (b) 根據股東批准之購股權計劃二(「計劃二」)，本公司董事會可酌情邀請本公司或任何子公司之任何僱員、董事、貨品或服務供應商、客戶；向本公司或任何子公司提供研發或其他技術支援或任何有價值服務之代理、顧問、諮詢人、策略師、承辦商、分承辦商、專家或實體；本公司或任何子公司之股東或本公司或任何子公司發行之任何證券之持有人接納可認購合共不得超過本公司於計劃二批准日期已發行股本之10%及最多達本公司當時已發行股本30%股份之購股權，惟就此而言，上述已發行股本之計算方法並不包括(i)因行使根據購股權計劃或任何其他計劃授出之購股權而發行之任何股份；及(ii)於採納購股權計劃日期起計連續十年期內就上文(i)所述之該等股份而按比例發行之任何其他股份。

購股權可於建議授出日期起計不多於10年期間內行使。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

41. SHARE OPTIONS (Continued)

The fair value of the Options were calculated by independent valuation company in 2011 and 2010 respectively. Fair value are measured using the Black-Scholes-Merton Option Pricing Model. The inputs into the model were as follows:

	Note 附註	10 December 2010 二零一零年十二月一日	1 April 2009 二零零九年四月一日
Exercise price 行使價		HK\$0.328 0.328 港元	HK\$0.125 0.125 港元
Risk free rate 無風險利率	(i)	0.894%	1.143%
Expected life 預期年期	(ii)	3 years 3 年	4 years 4 年
Volatility 波幅	(iii)	103.65%	138.119%
Expected dividend yield 預期股息率		0%	0%

Note:

- (i) The risk free rate is determined by the reference to the yield of the Hong Kong Exchange Fund Notes and their expected life.
- (ii) Expected life of the share options was contractual life of the options.
- (iii) The price volatility of the share price of the Company was based on historical volatility.

41. 購股權(續)

購股權之公平值由獨立估值公司分別於二零一一年及二零一零年計算，公平值乃按畢蘇期權定價模式計量。該模式所用數據如下：

附註：

- (i) 無風險利率乃參考香港外匯基金票據收益率及其預期年期而釐定。
- (ii) 購股權預期年期乃根據購股權合同年期而釐定。
- (iii) 本公司股價之價格波幅乃根據過往波幅而釐定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

42. 綜合現金流量表附註

Borrowings:

借貸：

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At the beginning of year	年初	312,227	15,125
Translation difference	匯兌差額	13,712	—
Bank and other loans acquired	所取得之銀行及其他貸款	10,714	254,545
Bank and other loans repaid	已償還之銀行及其他貸款	(57,419)	—
Bank and other loans raised	所提取之銀行及其他貸款	8,829	42,557
<hr/>			
At the end of year	年終	288,063	312,227

43. CAPITAL COMMITMENTS

43. 資本承擔

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Contracted but not provided for:	已簽約但未撥備：		
Construction in progress	在建工程	5,121	17,350

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

44. OPERATING LEASE ARRANGEMENTS

The Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of renting of premises which fall due as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within one year	一年內	5,789	4,831
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	5,468	13,273
Over five years	五年以上	3,141	32,599
		14,398	50,703

The Company had no significant operating lease arrangement at the end of reporting period.

45. RELATED PARTY TRANSACTIONS

Except for the transactions noted below, the Group and the Company have not been a party to any material related party transactions during the year ended 31 March 2011:

Compensation of key management personnel

The directors' emoluments set out in note 18 represent the compensation paid/payable to the key management personnel.

The remuneration of directors and key executives is reviewed by the remuneration committee having regard to the performance of individuals and market trends

44. 經營租賃安排

根據有關租賃物業之不可撤銷經營租賃，本集團有於以下期間到期之未來最低租金承擔：

於呈報期末，本公司並無重大經營租賃安排。

45. 關連方交易

除下文所述的交易外，截至二零一一年三月三十一日止年度，本集團及本公司並無參與任何與連繫人士的重大交易。

主要管理人員之薪酬

附註18所載之董事酬金指已付／應付主要管理人員之酬金。

薪酬委員會根據個人表現及市場趨勢檢討董事及主要行政人員之酬金。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011 截至二零一一年三月三十一日止年度

46. COMPARATIVE FIGURES

Certain comparative figures have been reclassified and adjusted to conform with the current year's presentation.

47. EVENT AFTER THE REPORTING PERIOD

Subsequent to 31 March 2011, an indirect wholly-owned subsidiary of the Company entered into an asset transfer agreement with an connected person of the Company to dispose certain property and equipment with a total consideration of approximately RMB138,000,000 (the "Disposal"). An special general meeting was held and the resolution relating to the Disposal was duly passed by the independent shareholders of the Company on 18 May 2011. At annual report date, the Disposal is not completed.

46. 比較數字

若干比較數字已重新分類及作出調整，以符合本年度之呈列方式。

47. 呈報期後事項

於二零一一年三月三十一日後，本公司一家間接全資子公司與本公司一名關連人士訂立一份資產轉讓協議以總代價約人民幣138,000,000元出售部份物業及設備（「出售事項」）。本公司已於二零一一年五月十八日舉行股東特別大會，而有關出售事項之決議案已於股東特別大會上獲本公司獨立股東正式通過。於年報日，出售事項尚未完成。

FIVE-YEAR FINANCIAL SUMMARY

其他財務資料

FINANCIAL SUMMARY

財務摘要

		Year ended	Year ended	Year ended	Year ended	Year ended
		31 March	31 March	31 March	31 March	31 March
		2011	2010	2009	2008	2007
		截至	截至	截至	截至	截至
		二零一一年	二零一零年	二零零九年	二零零八年	二零零七年
		三月	三月	三月	三月	三月
		三十一日	三十一日	三十一日	三十一日	三十一日
		止年度	止年度	止年度	止年度	止年度
		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					
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(224,988)	(269,331)	(283,421)	(25,687)	(17,061)
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		As at	As at	As at	As at	As at
		31 March	31 March	31 March	31 March	31 March
		2011	2010	2009	2008	2007
		於	於	於	於	於
		二零一一年	二零一零年	二零零九年	二零零八年	二零零七年
		三月	三月	三月	三月	三月
		三十一日	三十一日	三十一日	三十一日	三十一日
		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	資產總值	2,077,070	2,163,131	344,925	146,042	58,217
Total liabilities	負債總額	(1,343,563)	(1,252,952)	(49,390)	(34,022)	(79,735)
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		733,507	910,179	295,535	112,020	(21,518)

