



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)

年報 2012
ANNUAL REPORT

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BOARD OF DIRECTORS

Executive Directors

Ms. JINGQUAN Yingzi
Mr. WONG Man Hung Patrick
Mr. SHAN Xiaochang
Mr. WU Zhongxin
Mr. FENG Xiaoping
Mr. Stephen William FROSTICK

Non-Executive Director

Professor LIU Guoshun

Independent Non-Executive Directors

Mr. SOUSA Richard Alvaro
Mr. LEE Chi Hwa Joshua

COMPLIANCE OFFICER

Mr. WONG Man Hung Patrick

AUTHORISED REPRESENTATIVES

Mr. WONG Man Hung, Patrick
Mr. FENG Xiaoping

NOMINATION COMMITTEE

Ms. JINGQUAN Yingzi (*Chairman*)
Mr. SOUSA Richard Alvaro
Mr. LEE Chi Hwa Joshua

AUDIT COMMITTEE

Mr. SOUSA Richard Alvaro (*Chairman*)
Mr. LEE Chi Hwa Joshua

REMUNERATION COMMITTEE

Mr. SOUSA Richard Alvaro (*Chairman*)
Mr. LEE Chi Hwa Joshua

COMPANY SECRETARY

Mr. CHOW Kim Hang (a practicing solicitor in Hong Kong)

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

董事會

執行董事

井泉瑛孜女士
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

監察主管

王文雄先生

授權代表

王文雄先生
封小平先生

提名委員會

井泉瑛孜女士 (*主席*)
蘇志汶先生
李智華先生

審核委員會

蘇志汶先生 (*主席*)
李智華先生

薪酬委員會

蘇志汶先生 (*主席*)
李智華先生

公司秘書

周劍恒先生 (香港執業律師)

註冊辦事處

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Hamilton HM 11
Bermuda

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Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
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Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
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Wanchai, Hong Kong

LEGAL ADVISORS

Tsun & Partners Solicitors & Notaries

AUDITORS

Baker Tilly 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

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主要股份過戶登記處

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Rosebank Centre
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Pembroke HM08
Bermuda

香港股份過戶登記分處

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秦覺忠 吳慈飛律師行

核數師

天職香港會計師事務所

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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 (the "Board") of directors ("Directors") of Code Agriculture (Holdings) Limited (the "Company") together with its subsidiaries (collectively, the "Group"), I hereby present the annual report for the year ended 31 March 2012.

FINANCIAL PERFORMANCE

During the year under review, the Group's turnover was approximately Hong Kong dollars ("HK\$") 663,896,000 and the Group's profit from operations was approximately HK\$76,909,000.

The Group loss attributable to owners of the Company was approximately HK\$34,790,000, representing a decrease of approximately HK\$190,198,000 or 84.5% from the correspondent year. Basic and diluted loss per share was approximately 1.28 HK cents.

BUSINESS REVIEW

Due to the slow recovery of global economy and the spreading of European debt crisis, the year under review was one of the most challenging years for the global economy since the financial turmoil in 2008. While the global economy continues to be weighted down by the issues in the developed economic zones, the Chinese economy in contrast remains relatively strong in the global economy. Despite the Chinese economic growth started to slow as a result of the lag effect from the progressive tightening monetary policy by central bank of the People Republic of China (the "PRC") during the year under review, the tobacco industry in the PRC recorded a healthy growth rate in 2011. Based on the 《Statistical Communique of the People Republic of China on the 2011 National Economic and Social Development》(《中華人民共和國2011年國民經濟和社會發展統計公報》) published by the National Bureau of Statistics of China, the total national output of flue-cured tobacco in 2011 was 2.87 million tons, representing a 5.1% growth in compared with previous year, which mainly due to the PRC's tobacco industry adopts a system of unified leadership, vertical management and monopolised operation with minimal adverse impacts from the changes in macro and micro economic environment for the year under review.

各位股東：

本人謹代表科地農業控股有限公司(「本公司」)及其子公司(合稱「本集團」)董事(「董事」)會(「董事會」)，提呈截至二零一二年三月三十一日止年度之年度報告。

財務表現

於回顧年度內，本集團之營業額約為663,896,000香港元(「港元」)，經營溢利約為76,909,000港元。

本公司擁有人應佔本集團虧損約為34,790,000港元，較上一年減少約190,198,000港元或84.5%。每股基本及攤薄虧損約為1.28港仙。

業務回顧

受全球經濟復甦緩慢以及歐債危機蔓延的影響，回顧年度是自二零零八年金融海嘯以來全球經濟面臨最嚴重挑戰的年度之一。當全球經濟發展受發達市場各項事件影響而持續低迷時，中國經濟與全球經濟相比依然表現強勁。雖然中華人民共和國(「中國」)央行於回顧年度內逐漸收緊貨幣政策的延遲影響已開始浮現，引致中國經濟增長開始放緩，但中國煙草行業仍於二零一一年錄得穩健增長。根據中國國家統計局發佈的《中華人民共和國2011年國民經濟和社會發展統計公報》，二零一一年中國全國的烤煙產量合計287萬噸，比去年增長5.1%。增長主要原因是因為中國煙草行業採取「統一領導、垂直管理及專營專買」的管理方法，將回顧年度內各種宏觀及微觀經濟環境變化的不利影響降至最低。

Chairman's Statement

主席報告書

BUSINESS REVIEW *(Continued)*

Tobacco agricultural operation is the Group's principal activity during the year under review. Manufacturing and sales of intensive flue-curing machinery continued to be one of the brightest spots for the Group's operation. During the year under review, intensive flue-curing machinery maintained its strong momentum to achieve sales of approximately HK\$563.8 million, representing 56.3% growth compared to last year. These series of product has become a major growth driver for the Group's operation as a result from the continuous modernisation in the PRC's tobacco agricultural industry. The management of the Company is optimistic in the performance of its tobacco agricultural operation by maintain its leading position in the intensive flue-curing machinery market and will continue to adopt proactive measures to further boost sales and to achieve sustain growth in this business.

During the year under review, the Group had persistently improved its internal and external management. In respect of internal management, the Group's corporate structure was enhanced by streamlining the corporate structure by dispose of certain companies. In relation to the external management, the Group was further strengthened its cooperation with the business partners and customers. In view of the changing macro and micro economic environment during the year, the Group had taken a prudent approach in its investment strategy. In response to the PRC's tightened monetary policy, the Group had made divestments in some capital intensive businesses in order to streamline the business structure, to enhance the cost-effectiveness of the operation and to maintain the Group's competitiveness in its core business.

PROSPECTS

During the past few years, under the leadership of State Tobacco Monopoly Administration ("STMA"), technology in the tobacco agricultural industry has been advancing sustainably. Significant breakthroughs were achieved in variety developments, including mechanising seeding production, mass curing, organic leaf tobacco production and information technology. It is foreseeable the modernisation of the industry will be continue in the coming few years, which in long run, it will facilitate the consolidation within the industry, which is beneficial to the long-term growth of the industry and the Company.

業務回顧 *(續)*

煙草農業是本集團於回顧年度內的主要業務。製造及銷售密集烘烤機械持續成為本集團業務的最大亮點之一。於回顧年度內，密集烘烤機械維持強勁的銷售勢頭，錄得銷售額約5億6,380萬港元，較去年增長56.3%。隨著中國煙草農業的持續現代化，該系列的產品已成為本集團業務的主要增長點之一。本公司管理層在保持密集烘烤機械市場領導地位的情況下，對其煙草農業業務表現感到樂觀，並將持續採取積極措施進一步拉動銷售，實現該業務的持續增長。

於回顧年度內，本集團持續改善其內部及外部管理。在內部管理方面，本集團透過出售若干公司簡化公司結構，從而提升自身的企業架構的效率。在外部管理方面，本集團進一步加強與業務夥伴及客戶的合作。考慮到宏觀及微觀經濟環境在年內不斷的變化，本集團已採取審慎的投資策略。為回應中國持續推行的貨幣緊縮政策，本集團出售多項對資金需求大的業務，以簡化業務結構、提升業務成本效益及維持本集團現有核心業務的競爭力。

展望

近年來，在國家煙草專賣局（「國家煙草局」）的領導下，煙草農業科技進步持續發展，在工場化育苗、密集式烘烤、無公害煙葉生產及信息技術等眾多領域取得了較大突破。可見未來幾年內行業現代化將會持續進行，長遠而言，將促進行業內的整合，有利於行業及本公司的長遠發展。

Chairman's Statement

主席報告書

PROSPECTS *(Continued)*

Looking forward, the Group will continue to reinforce its leading position in the intensive flue-curing machinery. The Group believe with technical competencies and effective operational management, we have established a solid foundation and a reputable brand name providing the comprehensive capability for sustainable development in the tobacco agricultural industry in the PRC. In order to meet the objective in relation to the technology innovation in the Tobacco industry set out in the 《Development Plan Outline for Medium to Long Term Technology Development in the Tobacco Industry (2006-2020)》(《煙草行業中長期科技發展規劃綱要(2006-2020年)》) issued by the STMA, the Group is remain optimistic and confident in the Group's future performance due to the continuous of the modernization in the tobacco industry in the PRC will drive consolidation amongst the industry participants and create additional business opportunities for the leading players in the industry.

As a leading player in the PRC tobacco agricultural industry, the Group believes the steps we took since the acquisition of the tobacco agricultural business in 2010 will assist the continuing modernization in the industry and were therefore also in the best interests of our shareholders, stakeholders, employees, and the tobacco farmers in the PRC. In view of the current challenging global economy, the Group will take a prudent approach to expose and capture new business opportunities to develop our business in the industry with an aim to maximise the long term return to the shareholders.

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 us. At the same time, I would also like to express my heartfelt gratitude to my fellow directors, management and employees for their efforts and contribution over the year under review.

JINGQUAN YINGZI

Chairman

21 June 2012

展望 (續)

展望未來，本集團將持續鞏固其於密集烘烤機械領域的領導地位。本集團相信，憑藉其雄厚的技術實力及高效的經營管理，我們已經為中國煙草農業的可持續發展建立了一個穩固的基礎及一個廣受推崇的品牌。為實現國家煙草局頒佈的《煙草行業中長期科技發展規劃綱要(2006-2020年)》所制定的煙草行業相關科技創新指標，本集團認為中國煙草行業的持續現代化將會推動行業內整合，並會為行業內的龍頭企業帶來更多業務發展機會，因此對本集團的未來表現充滿信心。

作為中國煙草農業領域的龍頭企業之一，本集團認為自二零一零年收購煙草農業業務後所採取的行動，在有助促進行業持續現代化的同時，亦符合各股東、各持份者、員工及中國煙農的最佳利益。面對當前充滿挑戰的環球經濟，本集團將採取較審慎的策略去探索及把握在行業內拓展業務的新機會，為股東創造最大的長期回報。

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，並衷心感謝董事全人、管理層及員工在回顧年度內的努力及貢獻。

井泉瑛孜

主席

二零一二年六月二十一日

Management Discussion and Analysis

管理層討論及分析

In the aftermath of a challenging year, the Group recorded a loss of HK\$32,394,000 and a loss attributable to owners of the Company of HK\$34,790,000 for the year ended 31 March 2012, after an impairment loss of HK\$59,105,000 was recognised by the Group during the year by writing down the carrying value of technologies to their fair value. In spite of this, the Group's overall turnover and gross profit went up by 11.0% and 43.6% from last year to HK\$663,896,000 and HK\$194,743,000 respectively. The increases in the Group's turnover and gross profit were principally due to continuous business growth of the Group's core operations, namely, tobacco agricultural operations.

於充滿挑戰的一年中，截至二零一二年三月三十一日止年度，在本集團確認將技術的賬面值減值至彼等之公平值而產生的減值虧損59,105,000港元後，本集團錄得虧損32,394,000港元及本公司擁有人應佔虧損34,790,000港元。儘管如此，本集團整體營業額及毛利分別較去年上升11.0%及43.6%至663,896,000港元及194,743,000港元。本集團營業額及毛利上升主要是由於本集團的核心煙草農業業務取得持續增長。

OPERATIONS REVIEW — CORE BUSINESS

During the year under review, the Group was principally engaged in manufacturing, sales and distribution of tobacco agricultural machinery, related products and provision of related services, provision of digital television service and distribution of healthcare products in the PRC. Turnover and their respective change of these principal business during the year were as follows:—

業務回顧 — 核心業務

於回顧年度，本集團的主要業務是於中國製造、銷售及分銷煙草農業機械、其相關產品及提供相關服務，提供數字電視服務及分銷保健產品。年內，該等主要業務之營業額及彼等各自之變化如下：—

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	Increase/ (Decrease) 增加/ (減少) %
Tobacco agricultural business	煙草農業業務			
Sales of flue-curing machinery, accessories and provision of construction services	銷售烘烤機械、相關配件及提供建築服務	613,462	474,280	29.3
Distribution of agricultural machinery	分銷農業機械	12,765	9,080	40.6
Distribution of fertilizer and pesticide	分銷肥料及農藥	29,598	111,047	(73.3)
Provision of consultancy service	提供顧問諮詢服務	2,361	—	N/A不適用
		658,186	594,407	
Provision of digital television services	提供數字電視服務	4,795	2,889	66.0
Sale of cordyceps-related and other healthcare products	銷售北冬蟲夏草相關產品及其他保健產品	915	836	9.4
		663,896	598,132	

Management Discussion and Analysis

管理層討論及分析

OPERATIONS REVIEW — CORE BUSINESS *(Continued)*

Tobacco agricultural operation

The Group's tobacco agricultural operation was principally focused on manufacturing, sales and distribution of tobacco agricultural machinery and other related products in the PRC were continued to deliver profitable result for the year under review. Turnover from the operation grew by 10.7% to HK\$658,186,000 (2011: HK\$594,407,000) with gross profit grew by 40.6% to HK\$192,862,000 (2011: HK\$137,160,000) and operating profit grew by 60.5% to HK\$85,437,000 (2011: HK\$53,242,000) in compared to last year. Such increases were principally due to the increased volume of higher margin products, flue-curing machinery and accessories were sold during the year, which translating into turnover for the year of HK\$583,187,000 (2011: HK\$375,971,000). During the year under review, the Group's "KH" series flue-curing machinery products which has been well received by the PRC tobacco market for its reliability, is currently the core product line of the operation. The KH-10 model of flue-curing machinery product has successfully expanded its market coverage to all major tobacco production areas in the PRC, including Henan Province; Yunnan Province; Sichuan Province; Guizhou Province; Chongqing City; Hunan Province; Hubei Province; Shandong Province; Northeast Provinces; Gansu Province and Ningxia Province.

The Company's wholly owned subsidiary, Jiangsu Kedi Modern Agriculture Company Limited ("Jiangsu Kedi"), a qualified modern tobacco drying machines supplier by the China National Tobacco Corporation and a leading market player, owned a ISO9001:2000 certified production plant in Yixing city of Jiangsu Province with daily production capacity of approximately 1000 units per day. Build on the success of the Group's "KH" series flue-curing machinery products, Jiangsu Kedi has setup a research team which leading by the non-executive director of the Company, Professor Liu Guoshun, for the further improvement and development of the intensive flue-curing machinery and other tomorrow technologies for the PRC tobacco industry such as comprehensive usage of biomass energy and organic fertilizer etc. The outlook of the flue-curing machinery products in China, where all of the operation's customers are based, remain positive and management expects the operation will continue to perform well in the coming years driving by the Group's leading position in the market.

業務回顧 — 核心業務 *(續)*

煙草農業業務

本集團的煙草農業業務主要為於中國製造、銷售及分銷煙草農業機械及其他相關產品，並於回顧年度內持續錄得盈利。與去年比較，本業務的營業額增長10.7%至658,186,000港元（二零一一年：594,407,000港元），毛利增長40.6%至192,862,000港元（二零一一年：137,160,000港元），經營溢利增長60.5%至85,437,000港元（二零一一年：53,242,000港元）。上述增長主要是由於年內高利潤產品烘烤機械及配件的銷量上升，帶來年度營業額583,187,000港元（二零一一年：375,971,000港元）。於回顧年度，本集團的「KH」系列烘烤機械產品憑藉其穩定可靠的性能暢銷中國煙草市場，目前已成為本業務的核心產品線。KH-10款式的烘烤機械產品已成功將市場覆蓋範圍延伸至中國所有主要的煙草產區，其中包括河南省、雲南省、四川省、貴州省、重慶市、湖南省、湖北省、山東省、東北三省、甘肅省及寧夏省。

本公司的全資子公司江蘇科地現代農業有限公司（「江蘇科地」）為中國煙草總公司的合資格現代煙草烘乾機械供應商，亦是業內龍頭企業。其於江蘇省宜興市並已獲得ISO9001:2000認證的工廠擁有日產能約1000台。借力於本集團「KH」系列烘烤機械產品取得的成功，江蘇科地組建了一支以本公司非執行董事劉國順教授為首的研發團隊，進一步改進並開發密集烘烤機械及其他中國煙草行業相關的未來科技，例如對生物質能源的綜合利用及生態一體肥等。展望未來，中國烘烤機械產品市場的前景仍然樂觀。受惠於本集團在市場上的領先地位，而本業務的客戶亦全部集中在中國，管理層預期本業務在未來數年內將可持續實現良好的發展。

Management Discussion and Analysis

管理層討論及分析

OPERATIONS REVIEW — CORE BUSINESS *(Continued)*

Tobacco agricultural operation *(Continued)*

During the year, the Group decided to slow down the development of the tobacco agricultural construction service as the projects from this business tied up huge amounts of capital and had a relatively low profit margin. In response to the decision, the Group entered into an agreement to dispose the Group's 51% shareholding in a subsidiary which principally engaged in the agricultural construction service for a consideration of Renminbi ("RMB") 7,000,000. The transaction was completed in January 2012 and a disposal loss of approximately HK\$1,632,000 was recorded.

On 8 April 2011, the Group entered into an asset transfer agreement to dispose certain of its land, property and equipments to a connected party of the Company in related to the manufacturing of fertilizers for a consideration of approximately RMB138,984,000. This transaction was duly approved by the Company's independent shareholders on 18 April 2012 and completed subsequent to the year end on 29 May 2012. Details of the transaction are contained in the Company's circular dated 29 April 2011. During the year, turnover from sales of fertilizers and pesticides were drop from HK\$111,047,000 to HK\$29,598,000 due to significant decrease in demand for these products of the Company and the turnover for the year mainly represented the disposal of the remaining inventory and distribution of pesticide products. Due to the strengthen of the Group's distribution network in the PRC tobacco industry, the management remains optimistic about its distribution business in the coming years.

Turnover from the provision of servicing income is a new source of income for the Group during the year under review. Turnover from this operation remained at a relatively small scale and a turnover of HK\$2,361,000 was reached.

On 8 December 2011, the Group entered into agreements with two independent third parties to dispose its' 20% and 11% shareholding in Xian Shenghua Electronic Engineering Company Limited ("Xian Shenghua") for the consideration of RMB6,000,000 and RMB3,300,000 respectively. The transaction was completed in December 2011 and a disposal loss of approximately HK\$2,779,000 was recorded. Subsequent to the disposal, the Group's shareholding in Xian Shenghua was reduced to 20%.

業務回顧 — 核心業務 *(續)*

煙草農業業務 *(續)*

年內，本集團決定放緩煙草農業建築服務的發展，原因是這項業務需要佔用巨額資金而利潤率相對較低。因應這一項決定，本集團簽訂了一份協議，以代價人民幣（「人民幣」）7,000,000元出售本集團於一家主要從事農業建築服務的子公司的51%股權。該交易已於二零一二年一月完成並錄得出售虧損約1,632,000港元。

於二零一一年四月八日，本集團簽訂一份資產轉讓協議，以代價約人民幣138,984,000元向本公司的一家關連方出售有關製造肥料的若干土地、物業及設備。此項交易已於二零一二年四月十八日獲本公司獨立股東正式批准，並於年結日後的二零一二年五月二十九日完成。交易詳情載於本公司於二零一一年四月二十九日刊發之通函。年內，來自銷售肥料及農藥之營業額由去年的111,047,000港元下降至29,598,000港元，原因是市場對本公司該等產品的需求大幅下降，而年內營業額主要來自出售剩餘存貨及分銷農藥產品。由於本集團於中國煙草業擁有強大的分銷網絡，管理層對未來幾年的分銷業務仍持樂觀態度。

於回顧年度，來自提供服務收入之營業額成為本集團全新的收入來源。此項業務之營業額仍相對較小，錄得營業額2,361,000港元。

於二零一一年十二月八日，本集團與兩名獨立第三方簽訂協議，分別以代價人民幣6,000,000元及人民幣3,300,000元，出售本集團持有西安聖華電子工程有限責任公司（「西安聖華」）的20%及11%股權。該交易已於二零一一年十二月完成並錄得出售虧損約2,779,000港元。於出售後，本集團於西安聖華的股權減少至20%。

Management Discussion and Analysis

管理層討論及分析

OPERATIONS REVIEW — CORE BUSINESS *(Continued)*

Tobacco agricultural operation *(Continued)*

During the year under review, the operating profit contributed by the tobacco agricultural operation was HK\$85,437,000 (2011: HK\$53,242,000), increased by 60.5% when compared to last year. Segment profit from this operation was HK\$26,332,000 (2011: Segment loss of HK\$156,686,000), after an impairment loss of HK\$59,105,000 (2011: HK\$89,694,000) was recognised by the Group by writing down the carrying value of technologies approximate to their fair value at the year end date.

On 28 February 2011, the Group entered into a memorandum of understanding with an independent third party for a possible acquisition of 70% interests in a company which was principally engaged in the tobacco related agricultural operation in the PRC. The memorandum of understanding was expired on 28 August 2011 and the Group and the seller were mutually agreed in oral to further extend the negotiation. At the date of the report, the discussion is still on-going and no formal agreement has been entered by both parties.

Digital television operation

The Group's digital television business in the PRC comprises an independent television program production platform and access to the cable network in the Hunan Province which owned by Hunan Provincial Television Network Company Limited (湖南省廣播電視網絡有限責任公司). The Group currently operates eight digitalised channels in different aspects, including movies; drama; Chinese opera; fashion TV; sport; entertainment; news and scientific channels. Apart from the scientific channel, the other channels are pay channels and can be reached by a province-wide potential customer base of over 4 million households. Since late 2010, the Group's scientific channel was partial unlocked in certain districts in Hunan Province and can watch freely by all digital television subscribers, in the major cities of Hunan Province such as Chengsha (長沙); Zhuzhou (株州); Xiangtan (湘潭), Yiyang (益陽) and Zhangjiajie (張家界). Due to the increasing coverage of our scientific channel to over 1.8 million households since 2010, the year under review saw a record high in advertising income to HK\$3,301,000 (2011: HK\$864,000), together with subscription from digital television customer base of HK\$1,494,000 (2011: HK\$2,014,000), helped boost the operation's revenue to HK\$4,795,000 (2011: HK\$2,889,000). The gross profit contributed by this operation was HK\$1,786,000 (2011: HK\$390,000), increased by about 3.6 times when compared to last year.

業務回顧 — 核心業務 *(續)*

煙草農業業務 *(續)*

於回顧年度，由煙草農業業務貢獻的經營溢利為85,437,000港元(二零一一年：53,242,000港元)，較去年增加60.5%。繼本集團透過確認將技術的賬面值撇減至其於年結日之公平值而產生的減值虧損59,105,000港元(二零一一年：89,694,000港元)後，本業務之分類溢利為26,332,000港元(二零一一年：分類虧損為156,686,000港元)。

於二零一一年二月二十八日，本集團與一名獨立第三方就可能收購一間主要於中國從事煙草相關農業業務的公司之70%權益訂立一項諒解備忘錄。該諒解備忘錄已於二零一一年八月二十八日到期，本集團與賣方口頭互相同意進一步延長談判。於本報告日期，討論仍在進行之中，雙方尚未達成任何正式協議。

數字電視業務

本集團於中國的數字電視業務包括擁有一個獨立的電視節目製作平台，並且有權使用由湖南省廣播電視網絡有限責任公司擁有的湖南省有線電視網絡。本集團目前經營八個涉及不同方面的數字化頻道，包括電影、戲劇、中國戲曲、時尚電視、體育、娛樂、新聞及科學頻道。除科學頻道外，其他頻道均為付費頻道，在全省擁有逾4百萬戶家庭的潛在客戶群。自二零一零年年底起，本集團的科學頻道已於湖南省部份地區被解鎖，可供長沙、株州、湘潭、益陽及張家界等湖南省主要城市的所有數字電視訂閱戶免費收看。由於本集團科學頻道的覆蓋範圍自二零一零年起已逐漸上升至超過180萬戶家庭，於回顧年度內廣告收入創下記錄新高，達到3,301,000港元(二零一一年：864,000港元)，加上數字電視客戶群訂閱費達到1,494,000港元(二零一一年：2,014,000港元)，令本業務收入上升至4,795,000港元(二零一一年：2,889,000港元)。本業務貢獻毛利1,786,000港元(二零一一年：390,000港元)，較去年增長約3.6倍。

Management Discussion and Analysis

管理層討論及分析

OPERATIONS REVIEW — CORE BUSINESS *(Continued)*

Digital television operation *(Continued)*

The operating margin continued to come under pressure from the rising running costs. Loss from operation was narrowed to HK\$1,781,000 from HK\$2,286,000 when compared to last year. In view of the fact that the delay in the delivery of the television broadcasting rights in Great China of a film to the Group after a further extension to the delivery date were given to the contractor in last year, the management decided, after due consideration, to make full impairment loss on the prepayment for a television broadcasting right abovesaid amounting to HK\$20,000,000. The Company has been seeking legal advice on necessary actions to be taken for the recovery of the amounts. As a result from the recognised impairment loss abovesaid, segment loss for the year under review was HK\$21,781,000 (2011: HK\$2,286,000). Since the impairment loss recorded for the year was a non-recurring expenses and the Group is in negotiation with the appropriate parties to further unlock its scientific channel in other cities in Hunan Province, the Group remains optimistic about the segment result in coming years.

Healthcare products operation

In contrast, the Group's healthcare products operation continued to come under considerable pressure from in the face of competition and rising costs. During the year under review, revenue from this operation was HK\$915,000 (2011:HK\$836,000) and operating loss and segment loss of HK\$5,464,000 (2011: operating loss of HK\$9,311,000 and segment loss of HK\$19,311,000, after an impairment loss of HK\$10,000,000 in patent owned was wrote down to its fair value) was recorded for the year under review. As the competitive pressure is not expected to ease and operating costs will remain high in the coming years, the operation will remain to be challenging. The Group is now considering various measures to further improve its performance and financial position or alternatively, dispose the operation if opportunity arises.

Associates

As mentioned in the section "tobacco agricultural operation", Xian Shenghua was re-classified as interests in an associate after the disposal of its 31% interests by the Group. The Group's 20% owned Xian Shenghua is principally engaged in manufacturing and sales of parts and accessories for the tobacco agricultural machinery. Since Xian Shenghua become the Group's associate, the profit shared from Xian Shenghua was HK\$611,000. The Group is expecting its investment in Xian Shenghua will provide a stable profit stream to the Group.

業務回顧 — 核心業務 *(續)*

數字電視業務 *(續)*

受來自營運成本持續攀升的影響，本業務利潤持續承受壓力。業務虧損由去年的2,286,000港元收窄至1,781,000港元。有鑑於合約方自去年本集團一再延長交付期後，依然未能如期交付一套電影於大中華地區的電視播放權，管理層在經過適當考慮之後，決定就上述電視播放權的預付款項20,000,000港元計提全額減值虧損。本公司已就為收回款項而須採取的必要行動尋求法律意見。由於確認上述減值虧損，回顧年度的分類虧損為21,781,000港元（二零一一年：2,286,000港元）。由於本年度的減值虧損為一次性支出及本集團正與各合適人士磋商在湖南省的其他城市進一步解鎖其科學頻道，本集團對未來幾年的分類業績仍持樂觀態度。

保健產品業務

相比之下，本集團保健產品業務因面臨競爭及成本上升而繼續承受很大的壓力。於回顧年度，本業務收入為915,000港元（二零一一年：836,000港元）及錄得業務虧損及分類虧損5,464,000港元（二零一一年：業務虧損為9,311,000港元及於將持有的專利權減值至公平值並確認減值虧損10,000,000港元後的分類虧損為19,311,000港元）。由於預期未來幾年業內競爭壓力不會減輕以及經營成本將持續高企，本業務仍將持續面臨挑戰。本集團目前正在考慮採取多種措施，以進一步提升其業績及財務狀況抑或於適當時機出售本業務。

聯營公司

誠如「煙草農業業務」一節所述，在本集團出售其31%的權益之後，西安聖華已重新分類為聯營公司權益。本集團擁有20%權益的西安聖華主要從事煙草農業機械零件及配件製造及銷售。自西安聖華成為本公司的聯營公司後，本集團由西安聖華分佔的利潤為611,000港元。本集團預期於西安聖華的投資將會為本集團帶來穩定的溢利流。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2012, the Group's turnover was HK\$663,896,000 (2011: HK\$598,132,000), representing an increase of 11% in compared to previous year. Turnover from tobacco agricultural operation, which representing approximately 99.2% of the Group's turnover, was increased by 10.7% to HK\$658,186,000 (2011: HK\$594,407,000) due to increase in sale volume of intensive flue-curing machinery and accessories. Turnover from digital television operation and healthcare products operation for the year under review were HK\$4,795,000 and HK\$915,000 respectively and representing approximately 0.7% and 0.1% respectively to the Group's turnover.

Cost of sales and services and Gross Profit

The Group's cost of sales and services mainly includes costs of inventory sold and transportation costs, together representing 98.4% (2011: 98.7%) of the Group's cost of sales and services. During the year under review, total cost of sales and services was HK\$469,153,000 and was at similar to last year (2011: HK\$462,488,000) as a result of the changes of product mix and increasing operating efficiency in the tobacco agricultural operation. The Group's gross profit for the year under review was increased sharply by approximately 43.6% to HK\$194,743,000 (2011: HK\$135,644,000). The Group's gross profit margin was enhanced to 29.3% for the year under review (2011: 22.7%).

Distribution costs

The Group's distribution costs for the year under review which mainly consisted of staff costs, travelling expenses and entertainment expenses was HK\$43,898,000 (2011: HK\$30,601,000). The increased distribution costs were mainly attributable to the additional staff costs resulted from the newly acquired subsidiaries and uprising pressure for wages in the PRC.

財務回顧

收入

截至二零一二年三月三十一日止年度，本集團的營業額為663,896,000港元（二零一一年：598,132,000港元），較上一年增長11%。來自煙草農業業務的營業額（佔本集團營業額的約99.2%）增長10.7%至658,186,000港元（二零一一年：594,407,000港元），原因是密集烘烤機械及配件的銷量增加。於回顧年度，來自數字電視業務及保健產品業務的營業額分別為4,795,000港元及915,000港元，分別佔本集團營業額的約0.7%及0.1%。

銷售及服務成本以及毛利

本集團的銷售及服務成本主要包括銷售存貨成本及運輸成本，合共佔本集團銷售及服務成本的98.4%（二零一一年：98.7%）。於回顧年度，銷售及服務成本總額為469,153,000港元，與去年相當（二零一一年：462,488,000港元），原因是產品組合變動及煙草農業業務的經營效益上升。於回顧年度，本集團毛利大幅上升約43.6%至194,743,000港元（二零一一年：135,644,000港元）。於回顧年度，本集團毛利率上升至29.3%（二零一一年：22.7%）。

分銷成本

於回顧年度，本集團分銷成本為43,898,000港元（二零一一年：30,601,000港元），主要包括僱員成本、差旅費及招待費。分銷成本上升的主要原因在於因新收購子公司而產生的額外僱員成本及中國工資上漲壓力導致。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW *(Continued)*

Administrative expenses

Despite the Group's operations in the PRC continued to come under considerable pressure in rising costs driving by the uprising Consumer Price Index during the year under review, the overall administrative expenses for the year was decreased by 13.2% to HK\$94,371,000. The decrease in administrative expenses was mainly attributable to the successful implementation of cost saving program on headquarter.

Profit from operations

Profit from operations for the year was HK\$76,909,000, representing a sharp increase of 2.48 times in compare with last year which primarily attributable to the favourable operation result by the tobacco agricultural operation.

Finance costs

The finance costs for the year under review including a reversal of interests expenses over-provided in last year of HK\$5,574,000. Aggregate gross interests expenses on bank and other loans for the year was HK\$26,935,000, representing a 43.8% increase in compared with last year, which mainly due to raised borrowing interest rate resulted from the uprising deposit reserve ratio and interest rate by the People's Bank of China and the increased loan size to support the business growth.

Impairment loss on prepayment for the television broadcasting rights of a film

Including in the other loss was an impairment loss on the prepayment paid for the television broadcasting rights of a film in a subsidiary amounted to HK\$20,000,000. The Company will take all appropriate actions to recover the outstanding amounts.

Impairment losses on goodwill and other intangible assets

During the year under review the other intangible assets were written down to their fair value at the year ended date. For details, please refer to note 10 of the financial statement.

財務回顧 *(續)*

行政費用

於回顧年度，儘管消費物價指數上漲導致本集團於中國的業務持續承受很大的成本上升壓力，惟整體年度行政費用較去年減少13.2%至94,371,000港元。行政費用減少的主要原因是針對總部開支的節流計劃取得成功。

經營溢利

年內的經營溢利為76,909,000港元，較去年大幅增長2.48倍，主要原因是煙草農業業務錄得良好的經營業績。

融資成本

本回顧年度內的融資成本包括回撥去年超額計提的利息支出5,574,000港元。年內，銀行及其他貸款的利息支出總額為26,935,000港元，較去年上升43.8%，主要原因是中國人民銀行上調存款準備金率及利率令借貸利率上升及為支持業務發展所增加的貸款額度引致。

一套電影電視播放權的預付款項減值虧損

計入其他虧損內包含就一間子公司為一套電影的電視播放權所支付預付款項的減值虧損20,000,000港元。本公司將採取一切適當行動收回欠款。

商譽及其他無形資產減值虧損

於回顧年度內，其他無形資產已撇減至其於年結日之公平值。有關詳情請參閱財務報表附註10。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Loss for the year and equity attributable to owners of the Company

Loss for the year was HK\$32,394,000, representing a significant decrease of 85.6% as compared to the loss of HK\$224,785,000 in last year.

At 31 March 2012, equity attributable to owners of the Company amounting to HK\$686,758,000 (2011: HK\$705,750,000) and is equivalent to an attributable amount of HK\$0.25 per share of the Company (2011: HK\$0.26).

CAPITAL STRUCTURE

There was no material change in the issued share capital of the Company during the year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the year under review, the Group generally financed its operations through internally generated cash flows and borrowings.

At 31 March 2012, the Group had aggregate cash and bank balance and pledged deposits of HK\$420,977,000 (2011: HK\$278,863,000). The Group's current ratio at year ended date, calculated based on current assets of HK\$1,284,133,000 (2011: HK\$1,066,551,000) divided by current liabilities of HK\$887,345,000 (2011: HK\$685,450,000), was at a healthy ratio of approximately 1.45 (2011: 1.56). The decrease in current ratio was primarily due to an increased bank and other borrowing was recorded as a result of more business activities during the year under review.

There was no material change in the issued convertible bonds of the Company during the year under review. At 31 March 2012, the Group's total indebtedness comprised fair value of outstanding convertible bonds, borrowings, bills payable, advance received from customers, amount due to a non-controlling shareholder of a subsidiary and amounts due to directors with aggregate amount of HK\$1,430,723,000 (2011: HK\$1,160,606,000). The gearing ratio of the Group, calculated on the basis of total indebtedness divided by total assets, was 64.2% (2011: 55.9%) at the year ended date. The increase in the Group's gearing ratio was primarily due to a higher total indebtedness was recorded as a result of more business activities during the year under review.

財務回顧(續)

年度虧損及本公司擁有人應佔權益

年度虧損為32,394,000港元，較去年的虧損224,785,000港元大幅減少85.6%。

於二零一二年三月三十一日，本公司擁有人應佔權益為686,758,000港元(二零一一年：705,750,000港元)，相當於本公司每股應佔金額0.25港元(二零一一年：0.26港元)。

資本結構

年內，本公司之已發行股本並無重大變動。

流動資金，財務資源及資本結構

於回顧年度內，本集團一般透過內部產生現金流量及借貸撥付營運資金。

於二零一二年三月三十一日，本集團擁有現金及銀行結存及已抵押存款合共為420,977,000港元(二零一一年：278,863,000港元)。按流動資產1,284,133,000港元(二零一一年：1,066,551,000港元)除以流動負債887,345,000港元(二零一一年：685,450,000港元)計算，本集團於年結日之流動比率為約1.45(二零一一年：1.56)，處於健康水平。流動比率降低主要是因為於回顧年度內業務活動增加導致銀行及其他借貸錄得上升所致。

於回顧年度內，本公司之已發行可換股債券並無重大變動。於二零一二年三月三十一日，本集團之總負債包括未兌換可換股債券之公平值、借貸、應付票據、客戶墊款、應付子公司一名非控股股東款項及應付董事款項合共1,430,723,000港元(二零一一年：1,160,606,000港元)。按總負債除以總資產計算，本集團於年結日之資產負債比率為64.2%(二零一一年：55.9%)。本集團資產負債比率上升主要是因為於回顧年度內業務活動增加導致總負債錄得上升所致。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE *(Continued)*

The convertible bonds, if not converted, would be due for repayment in March 2015 whereas the borrowings was due within one year. In terms of currency denomination, the convertible bonds were denominated in Hong Kong dollars. Of the borrowings, bills payable, advance received from customers, amount due to a non-controlling shareholder of a subsidiary and amounts due to directors, about 99.2% of the balance was denominated in Renminbi with the rest in Hong Kong dollars.

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.

FOREIGN CURRENCY MANAGEMENT

The monetary assets and liabilities and business transactions of the Group were mainly carried and conducted in Hong Kong dollars and Renminbi. The Group continuous 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 2012, the Group's certain leasehold land and buildings (including prepaid land lease payments) with aggregate carrying amount of approximately HK\$34,551,000 (2011: HK\$6,730,000), bank deposits denominated in Renminbi of HK\$260,222,000 (2011: HK\$231,372,000) and trade receivables denominated in Renminbi of HK\$4,391,000 (2011: Nil) were pledged to secure general banking facilities granted to the Group.

流動資金，財務資源及資本結構 *(續)*

可換股債券，如不獲兌換，將於二零一五年三月到期償還，而借貸則須於一年內償還。就幣值而言，可換股債券均以港元計值。就借貸、應付票據、客戶墊款、應付子公司一名非控股股東款項及應付董事款項而言，約99.2%結餘以人民幣計值，剩餘部份則以港元計值。

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。

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，相信本集團所承受的外匯風險並不重大，故本集團並無實行對沖措施。

資產抵押

於二零一二年三月三十一日，本集團已將賬面值合共約34,551,000港元(二零一一年：6,730,000港元)之若干租賃土地及樓宇(包括預付土地租賃款)、以人民幣計值的銀行存款260,222,000港元(二零一一年：231,372,000港元)及以人民幣計值的應收賬款4,391,000港元(二零一一年：零)抵押，作為本集團獲授一般銀行融通額度之擔保。

Management Discussion and Analysis

管理層討論及分析

CONTINGENT LIABILITY

At 31 March 2012 and 2011, the Group did not have any significant contingent liabilities.

CAPITAL COMMITMENT

At 31 March 2012 and 2011, the Group did not have any significant capital commitment.

EMPLOYEES AND REMUNERATION POLICY

At 31 March 2012, the Group had 471 (2011: 691) full-time employees including Directors. Total staff costs for the year, including director's emoluments but excluding equity settled share based payment expenses, was HK\$42,979,000 (2011: HK\$31,501,000). The decreases in numbers of staffs at the year ended date mainly reflected several subsidiaries were ceased to be the Company's subsidiaries during the year under review. The increase in staff costs primarily due to the staff costs from the subsidiaries ceased to be the Company's subsidiaries prior to the year ended date and the rising costs. The equity settled share based payment expenses of HK\$137,000 (2011: HK\$1,560,000) represented fair value of share options granted to eligible person of the share option scheme 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.

During the year under review, 7,000,000 share options were granted pursuant to the Group share option scheme on 7 October 2011.

或然負債

於二零一二年及二零一一年三月三十一日，本集團並無任何重大或然負債。

資本承擔

於二零一二年及二零一一年三月三十一日，本集團並無任何重大資本承擔。

僱員及薪酬政策

於二零一二年三月三十一日，本集團擁有471名(二零一一年：691名)全職僱員(包括董事)。年內之總僱員成本為42,979,000港元(二零一一年：31,501,000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。於年結日的僱員數目減少主要反映於回顧年度內數家子公司不再為本公司子公司。僱員成本增加主要是由於年結日前不再為本公司子公司的子公司所產生的僱員成本及成本不斷上升所致。以權益結算並以股份為支付基準之開支137,000港元(二零一一年：1,560,000港元)指授予購股權計劃之合資格人士之購股權的公平值，並不涉及任何現金流出。

僱員之薪酬福利乃參考市場情況、僱員經驗及個人表現而製定。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。

於回顧年度內，7,000,000份購股權已於二零一一年十月七日根據本集團之購股權計劃授出。

Biographical Details of Directors

董事履歷詳情

EXECUTIVE DIRECTORS

Ms. JINGQUAN Yingzi (井泉瑛孜), aged 37, joined Jiangsu Kedi in July 2006 and was appointed as an executive Director of the Company on 22 November 2010. She is the Chairman of the Company and is responsible for the formulation of corporate strategy and the steering the overall development of the Group. Ms. Jingquan has extensive experience in strategic planning and management for corporate in the PRC. Ms. Jingquan is also the chairman of the nomination committee and a director of certain subsidiaries of the Company.

Mr. WONG Man Hung, Patrick (王文雄), aged 56, joined the Group and was appointed as an executive director of the Company on 1 April 2008. Mr. Wong is responsible for overall management and strategy implementation for the Group. He obtained a master degree in business administration from University of East Asia (now known as University of Macau) in Macau and a diploma in management from Columbia University in the United States of America (the “United States”). Mr. Wong is also the co-founder of the Institute of Business Engineering (the “IBE”) and a visiting professor for the courses offering by IBE. Prior to joining the Company, Mr. Wong has extensive experience in corporate management and has over 30 years of experience in providing financial advisory service to the institutional clients and has involved in the financing activities for various infrastructure projects in Hong Kong and the PRC since the 1990s. Mr. Wong is also a director of certain subsidiaries of the Company.

執行董事

井泉瑛孜女士，37歲，於二零零六年七月加入江蘇科地，並於二零一零年十一月二十二日獲委任為本公司執行董事。彼為本公司主席，負責制定企業策略及領導本集團的整體發展。井泉女士於中國的企業策略規劃及管理方面擁有豐富經驗。井泉女士亦為提名委員會主席及本公司多間子公司之董事。

王文雄先生，56歲，於二零零八年四月一日加入本集團，出任本公司執行董事。王先生負責本集團的整體管理及策略實施。彼獲得澳門東亞大學（現稱「澳門大學」）工商管理碩士學位，及美利堅合眾國（「美國」）哥倫比亞大學的管理文憑。王先生亦是商業工程學會（「商業工程學會」）的共同創辦人及商業工程學會課程的客席教授。於加入本公司前，王先生於企業管理方面擁有豐富的經驗，並擁有逾30年向機構客戶提供財務顧問服務之經驗，自90年代以來曾參與香港及中國之多項基建項目的融資活動。王先生亦為本公司多間子公司之董事。

Biographical Details of Directors

董事履歷詳情

EXECUTIVE DIRECTORS *(Continued)*

Mr. SHAN Xiaochang (單曉昌), aged 47, joined Jiangsu Kedi in June 2006 and was appointed as an executive director of the Company on 22 November 2010. Mr. Shan is an entrepreneur in the PRC with over 16 years of experience in the areas of corporate finance, operational management, cash and treasury management and direct research and development activities. Prior to joining the Company, Mr. Shan held senior positions in numbers of private companies which focusing in the business related to agricultural, environmental protection and chemical fertilizers sectors in the PRC. Mr. Shan currently serves as an executive director, the Chairman and the Chief Executive Officer of Sunrise (China) Technology Group Limited (Stock Code: 8226), a company listed on the GEM of the Stock Exchange. Mr. Shan is also a director of certain subsidiaries of the Company.

Mr. WU Zhongxin (吳中心), aged 47, joined Jiangsu Kedi in July 2006 and was appointed as an executive director of the Company on 22 November 2010. Mr. Wu is responsible for overseeing the management and operation of Jiangsu Kedi. After earned his Master degree from the Institute of Virology Chinese Academy of Science, he was worked in the agricultural related education sector and was directed series of researches in tobacco for almost 10 years in Northeast Agricultural University and Henan Tobacco Research Institute respectively. During his time with these two academies, he had successfully completed a project awarded with the second prize in technology development in Henan Province and has over 20 thesis published. Mr. Wu had extensive experiences in the area of research and development and promotion, sales and market management. Mr. Wu is also a director of certain subsidiaries of the Company.

執行董事 *(續)*

單曉昌先生，47歲，於二零零六年六月加入江蘇科地，並於二零一零年十一月二十二日獲委任為本公司執行董事。單先生為一名中國企業家，在企業融資、營運管理、資金財務管理及主持研究與發展活動方面擁有逾16年經驗。於加入本公司前，單先生在多間私人公司擔任高級職務並專注於與中國農業、環保及化肥行業相關之業務。單先生現為中昱科技集團有限公司(股份代號：8226)之執行董事、主席及行政總裁，該公司於聯交所創業板上市。單先生亦為本公司多間子公司之董事。

吳中心先生，47歲，於二零零六年七月加入江蘇科地，並於二零一零年十一月二十二日獲委任為本公司執行董事。吳先生負責江蘇科地之管理及營運。彼於中國科學院病毒研究所獲得碩士學位後，分別在東北農業大學及河南煙草研究所從事農業教育及主持煙草研究等工作近10年，並於期間成功主持完成一項獲得河南省科技進步二等獎的項目及發表論文超過20篇。吳先生於技術研發及推廣、銷售及市場管理方面擁有豐富經驗。吳先生亦為本公司多間子公司之董事。

Biographical Details of Directors

董事履歷詳情

EXECUTIVE DIRECTORS (Continued)

Mr. FENG Xiaoping (封小平), aged 61, joined the Group and was appointed as an executive director of the Company on 29 April 2005. Mr. Feng is primary responsible for the operation and management of the Group's digital television operation and has extensive experience in investment field and television board casting industry. Mr. Feng is a co-founder and an executive director of Crossprofit Development Limited, a company principally engaged in investment holding, property investment in both Hong Kong and 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. Feng held directorship in both Sky Dragon Digital Television and Movies Limited and Hunan Xiaoxiang Digital Television Broadcast Company Limited, being subsidiaries of the Company engaged in the development of the system platform for the digital television network in the PRC.

Mr. Stephen William FROSTICK, aged 62, joined the Group and was appointed as an executive director of the Company on 3 December 2008. Mr. Frostick has extensive experience in the areas of strategic planning, operational management and corporate development. Mr. Frostick earned his juris doctorate degree from Nevada's Old College School of Law in the United States in 1984. In additions, Mr. Frostick graduated from the University of Nevada, Las Vegas in the United States with a Master of Public Administration degree and a Bachelor of Science in Business Administration in 1976 and 1974 respectively. Mr. Frostick is the Chief Executive Officer and President with Compeer Group (Macau) and Grey Eagle Group (Hong Kong). Prior to joining the Company, Mr. Frostick has over 35 years of experience in leading capacities from the State Government of Nevada in the United States, large corporations and international consulting organisations. During his employment with Kepner Tregoe Inc., Mr. Frostick was involved in the design, development and the implementation of "Team Concept" for Chrysler Motors Inc. and was participated in the negotiations with respect to the labour agreements between the United Auto Workers Union and Chrysler Motors Inc. Mr. Frostick currently serves as an executive director and the Chairman of China Public Healthcare (Holding) Limited (Stock Code: 8116), a company listed on the GEM Board. Mr. Frostick is also a director of certain subsidiaries of the Company.

執行董事 (續)

封小平先生，61歲，於二零零五年四月二十九日加入本集團，出任本公司執行董事。封先生主要負責本集團數字電視業務的營運及管理，於投資領域及電視廣播行業擁有豐富經驗。封先生為財際發展有限公司之共同創辦人及執行董事，該公司主要透過其同系公司及子公司於香港及中國從事投資控股、物業投資及於中國經營收費公路。於一九八八年至二零零二年期間，封先生曾任職亞洲電視有限公司之董事及行政總裁，該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。封先生為天龍數碼影視有限公司及湖南瀟湘數字電視有限公司之董事，該等公司均為本公司之子公司並於中國從事開發數碼電視網絡系統平台。

Stephen William FROSTICK先生，62歲，於二零零八年十二月三日加入本集團，出任本公司執行董事。Frostick先生於策略規劃、營運管理及企業發展方面均擁有豐富經驗。Frostick先生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。此外，Frostick先生分別於一九七六年及一九七四年於美國拉斯維加斯University of Nevada取得公共行政碩士學位及工商管理學學士學位。Frostick先生為Compeer Group (Macau)及Grey Eagle Group (Hong Kong)之行政總裁及總裁。於加入本公司前，Frostick先生曾於美國內華達州政府、大型企業及國際顧問機構等出任要職，擁有逾35年工作經驗。Frostick先生過去於Kepner Tregoe Inc.任職期間，曾參與為Chrysler Motors Inc.設計、開發及推行之團隊概念(Team Concept)，並曾參與美國汽車工人聯盟(United Auto Workers Union)與Chrysler Motors Inc.有關勞工協議的談判。Frostick先生現為中國公共醫療(控股)有限公司(股份代號：8116)之執行董事及主席，該公司於創業板上市。Frostick先生亦為本公司多間子公司之董事。

Biographical Details of Directors

董事履歷詳情

NON-EXECUTIVE DIRECTOR

Professor LIU Guoshun (劉國順), aged 57, joined the Group and was appointed as a non-executive director of the Company on 22 November 2010. Professor Liu is the Dean of the school in tobacco science and a tutor of the doctoral program students at the Henan Agricultural University. Professor Liu is a supervisor in national tobacco cultivation, physiology and biochemistry research centre and regarded as one of the leading experts in the PRC tobacco agricultural industry. Professor Liu currently serves as the manager of the major projects from the STMA.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. SOUSA Richard Alvaro (蘇志汶), aged 51, joined the Group and was appointed as an independent non-executive director of the Company on 30 January 2001. Mr. Sousa was admitted as a solicitor of the Supreme Court of Hong Kong in 1996 and has been practicing as a solicitor in Hong Kong and is a partner in Messrs. Chan, Lau and Wai. He is also the chairman of each of the audit committee and remuneration committee and a member of the nomination committee.

Mr. LEE Chi Hwa Joshua (李智華), aged 39, joined the Group and was appointed as an independent non-executive director of the Company on 1 December 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 currently serves as independent non-executive directors of China Public Healthcare (Holding) Limited (stock code: 8116), which is listed on the GEM Board and King Stone Energy Group Limited (stock code: 663), which is listed on the Main Board of The Stock Exchange of Hong Kong Limited. He is a member of each of the nomination committee, the audit committee and the remuneration committee.

非執行董事

劉國順教授，57歲，於二零一零年十一月二十二日加入本集團，出任本公司非執行董事。劉教授為河南農業大學煙草學院院長及博士生導師。劉教授為國家煙草栽培生理生化基地的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，51歲，於二零零一年一月三十日加入本集團，出任本公司獨立非執行董事。蘇先生於一九九六年成為香港高等法院認可律師並於香港執業，現為陳劉韋律師行之合夥人。彼亦為審核委員會、薪酬委員會主席以及提名委員會成員。

李智華先生，39歲，李先生於二零零七年十二月一日加入本集團，出任本公司獨立非執行董事。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、會計及財務方面擁有豐富經驗。李先生現為中國公共醫療(控股)有限公司(股份代號：8116)及金山能源集團有限公司(股份代號：663)之獨立非執行董事，中國公共醫療(控股)有限公司於創業板上市，金山能源集團有限公司於香港聯合交易所有限公司主板上市。彼為提名委員會、審核委員會及薪酬委員會成員。

Report of the Directors

董事會報告

The directors of the Code Agriculture (Holdings) Limited (the “Company”) are pleased to present their report together with the audited financial statements of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2012.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 21 and 22 to the consolidated financial statements, respectively.

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2012 are set out in the consolidated statement of comprehensive income on page 48.

The directors of the Company (the “Director”) do not recommend the payment of a final dividend for the year ended 31 March 2012.

DONATIONS

Donations made by the Group during the year amounted to approximately HK\$248,000.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group and the Company are set out in note 17 to the consolidated financial statements.

BORROWINGS AND CONVERTIBLE BONDS

Details of the Group’s borrowings and convertible bonds are set out in notes 30 and 33 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 34 to the consolidated financial statements.

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」)截至二零一二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

本公司為一間投資控股公司。其主要子公司及聯營公司之業務分別載於綜合財務報表附註21及22。

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。

業績及分配

本集團截至二零一二年三月三十一日止年度之業績載於第48頁之綜合全面收益表。

本公司董事(「董事」)不建議派付截至二零一二年三月三十一日止年度之末期股息。

捐款

本集團於年內作出之捐款合共約248,000港元。

物業、機器及設備

本集團及本公司之物業、機器及設備變動詳情載於綜合財務報表附註17。

借貸及可換股債券

本集團之借貸及可換股債券詳情載於綜合財務報表附註30及33。

股本

本公司年內之股本變動詳情載於綜合財務報表附註34。

Report of the Directors

董事會報告

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 50 and in note 35 to the consolidated financial statements, respectively.

The Company had no distributable reserve at 31 March 2012.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and restated and reclassified as appropriate, is set out on page 164 of this report. This summary does not constitute as part of the audited consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers and the largest customer accounted for approximately 43.9% and 13.3% of the turnover of the Group.

The five largest suppliers and the largest supplier accounted for approximately 28.7% and 8.3% of the cost of sales and services of the Group.

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws of the Company or the Companies Act 1981 of Bermuda which would oblige the Company to offer new shares of the Company (the "Share") on a pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF SHARES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any Shares of the Company during the year.

儲備

本集團及本公司年內之儲備變動詳情分別載於第50頁綜合權益變動表及綜合財務報表附註35。

於二零一二年三月三十一日，本公司並無可供分派儲備。

財務資料概要

摘錄自經審核財務報表並經適當重列及重新分類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本報告第164頁。此概要並不構成經審核綜合財務報表之一部份。

主要客戶及供應商

五大客戶及最大客戶佔本集團營業額約43.9%及13.3%。

五大供應商及最大供應商佔本集團銷售及服務成本約28.7%及8.3%。

本公司董事、其聯繫人士或任何股東（就董事所知擁有本公司已發行股本超過5%）概無於本集團任何五大客戶或供應商擁有任何權益。

優先購買權

本公司之公司章程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本公司新股份（「股份」）予現有股東。

購買、贖回或出售股份

本公司或其任何子公司概無於年內購買、贖回或出售本公司任何股份。

Report of the Directors

董事會報告

SHARE OPTIONS

A share option scheme (the “Scheme”) was adopted by the shareholders of the Company and become effective on 2 February 2009 and will remain in force for a period of 10 years from that date. A summary of the principal terms of the Scheme is set out as follows:—

(1) Purpose of the Scheme

The purpose of the Scheme is to enable the Company to grant share options of the Company (the “Options”) under the Scheme to the Eligible Participants (defined in paragraph (2) below) for their contribution to the growth of the Company or any subsidiaries of the Company and to provide the Company with a more flexible means to reward, remunerate, compensate and/or provide benefit to the Eligible Participants.

(2) Eligible Participants

Pursuant to the Scheme, the Board may, at their discretion, invite any directors and employees of the Group and any suppliers, customers, agents, advisors, consultants, strategists, contractors, sub-contractors, expert or entity that provides research, development or other technological support or any valuable services to the Group; shareholders and any securities holders of the Group (the “Participants”) to participate in the Scheme.

(3) Total number of Shares available for issue under the Scheme

The maximum number of the Shares in respect of which Options may be granted under the Scheme shall not exceed 10% of the issued Shares as at the date of approval of the Scheme. 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 the Scheme which provide for the grant of Options to acquire or subscribe for shares exceeding, in aggregate, 30% of the issued Shares from time to time. The number of shares available for issue under the Scheme was 204,379,824 shares representing approximately 7.5% of the issued Shares as at the date of this report.

購股權

本公司股東已採納一項購股權計劃（「計劃」），計劃自二零零九年二月二日起生效並將於該日期起計十年期間持續生效。計劃之主要條款概要載列如下：—

(1) 計劃之目的

計劃之目的為令本公司可根據計劃向合資格參與者（定義見下文第(2)段）授出本公司購股權（「購股權」），以嘉獎彼等為本公司或本公司任何子公司之增長作出之貢獻，以及為本公司提供一個更靈活之途徑以向合資格參與者提供嘉獎、酬報、補償及／或福利。

(2) 合資格參與者

根據計劃，董事會可酌情邀請本集團任何董事及僱員及任何供應商、客戶、代理、顧問、諮詢顧問、策路師、承包商、分包商、專家或為本集團提供研究、發展或其他技術支援或任何有價值服務的實體；本集團股東及任何證券持有人（「參與者」）參與計劃。

(3) 根據計劃可發行之股份總數

根據計劃授出之購股權所涉及之股份數目，最高不得超過於批准計劃當日已發行股份之10%。董事會不得授出任何購股權，導致根據規定可授出購股權以購買或認購股份之計劃而授出但尚未行使的全部購股權獲行使而可能發行的股份最高總數，合共超過不時的已發行股份之30%。根據計劃可發行之股份數目為204,379,824股，佔本報告日期已發行股份約7.5%。

SHARE OPTIONS *(Continued)*

(4) Maximum entitlement of each Participant

The maximum number of Shares, both issued and to be issued, upon exercise of the Options granted under the Scheme to each Participant in any 12 months period up to the date of grant must not exceed 1% of the issued Shares on date of grant unless it is approved by Shareholders in a general meeting of the Company with such Participant and his associates abstaining from voting.

Any 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 issued Shares 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.

(5) Term of exercise of the Options

The period within which the Options must be exercised will be specified by the Company at the time of grant. Options granted may be exercised in whole or in part in the manner provided in the Scheme by a grantee giving notice in writing to the Company at any time during a period not to exceed 10 years from the date of grant.

(6) Payment on acceptance of an Option offer

A nominal consideration of HK\$1.00 is payable by the Participants upon acceptance of the grant of Options.

(7) Basis on determining of the subscription price

The subscription price per Share under the Scheme is a price determined by the Board and notified to each Participant and shall not be less than the greatest of (i) the closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant; (ii) the average closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant.

(8) Remaining life of the Scheme

The Scheme will remain valid until 1 February 2019.

購股權 (續)

(4) 各參與者之配額上限

截至授出日期止任何12個月期間，因行使根據計劃授予各參與者之購股權而已發行及可發行的股份數目最高不得超過授出日期已發行股份之1%，除非經股東於本公司股東大會上批准（有關參與者及其聯繫人士須放棄投票）則作別論。

倘於任何12個月期間向本公司主要股東或獨立非執行董事或向彼等任何聯繫人士授出任何購股權，超過已發行股份0.1%及總價值（按授出日期的股份收市價計算）超過5,000,000港元，則須經股東於本公司股東大會上批准。

(5) 購股權之行使期限

行使購股權之期間將由本公司於授出時指定。所授出購股權可由承授人於不超過由授出日期起計十年內，隨時透過向本公司發出書面通知按計劃規定之形式全部或部份行使。

(6) 接納購股權要約時應付之款項

參與者於接納授予購股權時須支付名義代價1.00港元。

(7) 釐定認購價之基準

計劃項下之每股股份之認購價可由董事會釐定並知會各參與者，惟無論如何不得低於下列之最高者：(i)股份於授出日期在香港聯合交易所有限公司（「聯交所」）每日報價表所列之收市價；(ii)股份於緊接授出日期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)股份於授出日期之面值。

(8) 計劃之剩餘有效期

計劃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 OPTIONS (Continued)

Details of specific categories of the Options granted are as follows:—

購股權 (續)

已授出特定類別購股權之詳情如下：—

Tranche	Date of grant of Options	Exercise period of Options	Exercise price of 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 HK\$ per share 每股港元	緊接授出日期前本公司股份之收市價 HK\$ per share 每股港元
One 第一批	9 March 2009 二零零九年三月九日	9 March 2009 to 8 March 2012 二零零九年三月九日至二零一二年三月八日	0.125	0.120
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	0.320
Three 第三批	7 October 2011 二零一一年十月七日	7 October 2011 to 6 October 2016 二零一一年十月七日至二零一六年十月六日	0.170	0.169

Notes:

附註：

- | | |
|--|---|
| (a) The Options granted under Tranche One are vested upon granted | (a) 根據第一批授出之購股權於授出時歸屬 |
| (b) The Options granted under Tranche Two may be exercisable at any time during the Exercise period, provided the maximum number of Options which the grantee entitled to exercise shall not exceed: | (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. 30% of the total number of Options during the exercise period from 10 December 2010 to 9 December 2011 (both days inclusive); | 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. 30% of the total number of Options during the exercise period from 10 December 2011 to 9 December 2012 (both days inclusive); | 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. 40% of the total number of Options during the exercise period from 10 December 2012 to 9 December 2013 (both days inclusive); | 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； |
| (c) The Options granted under Tranche Three may be exercisable at any time during the Exercise period, provided the maximum number of Options which the grantee entitled to exercise shall not exceed: | (c) 根據第三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. 30% of the total number of Options during the exercise period from 7 October 2011 to 6 October 2012 (both days inclusive); | 1. 於二零一一年十月七日至二零一二年十月六日的行使期內(含首尾兩天)，全數購股權的百分之三十； |
| 2. 60% of the total number of Options during the exercise period from 7 October 2012 to 6 October 2013 (both days inclusive); | 2. 於二零一二年十月七日至二零一三年十月六日的行使期內(含首尾兩天)，全數購股權的百分之六十； |

Report of the Directors

董事會報告

SHARE OPTIONS (Continued)

The movement of Options under the Scheme during the year is presented as follows:—

購股權 (續)

於本年度內，計劃項下之購股權變動載列如下：—

Name or category of Participants 參與者姓名或類別	Number of Options 購股權數目					At 31 March 2012 於二零一二年 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 2011 於二零一一年 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	At 31 March 2012 於二零一二年 三月三十一日		
Tranche One 第一批							
Supplier 供應商							
In aggregate 合共	10,000,000	—	—	(10,000,000)	—	N/A 不適用	
Subtotal 小計	10,000,000	—	—	(10,000,000)	—		
Tranche Two 第二批							
Employees 僱員							
In aggregate 合共	10,000,000	—	—	—	10,000,000	N/A 不適用	
Consultants 諮詢顧問							
In aggregate 合共	50,000,000	—	—	—	50,000,000		
Subtotal 小計	60,000,000	—	—	—	60,000,000		
Tranche Three 第三批							
Employees 僱員							
In aggregate 合共	—	7,000,000	—	—	7,000,000	N/A 不適用	
Subtotal 小計	—	7,000,000	—	—	7,000,000		
Total 合計	70,000,000	7,000,000	—	(10,000,000)	67,000,000		

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 are as follows:

Executive Directors

Ms. Jingquan Yingzi
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
(resigned on 27 April 2012)

In accordance with the Bye-law of the Company, the Directors shall retire by rotation, and being eligible, have offered themselves for re-election at the forthcoming annual general meeting (the “AGM”).

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 5.09 of the Rules Governing the Listing of Securities on the Growth Enterprise market of the Stock Exchange (the “GEM Listing Rules”) and the Company still considers all of the independent non-executive directors to be independent.

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
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
(於二零一二年四月二十七日辭任)

根據本公司之章程細則，董事須輪席告退，及符合資格並願意於應屆股東週年大會（「股東週年大會」）上膺選連任。

本公司已收到各獨立非執行董事根據聯交所創業板證券上市規則（「創業板上市規則」）第5.09條就其獨立性作出之年度確認，而本公司認為全體獨立非執行董事均屬獨立人士。

Report of the Directors

董事會報告

DIRECTORS' PROFILE

The biographical details of the directors are set out on pages 18 to 21 of this report.

DIRECTORS' SERVICE CONTRACTS

No directors standing for re-election at the forthcoming AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Director's fees are subject to Shareholders' approval at general meetings. The remuneration, including any bonus payments, housing allowance and share options, to be paid to Directors, are recommended by the remuneration committee of the Board with reference to the written term of reference pursuant to the Corporate Governance Code as set out in the requirements under rules 5.34 and 5.35 to the GEM Listing Rules.

Directors' remuneration is set out in details in note 13 to the consolidated financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed herein under note 45 to the consolidated financial statement, no other contracts of significance to which the Company, any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director 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

董事之履歷詳情載於本報告第18至21頁。

董事之服務合約

在應屆股東週年大會上膺選連任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

董事袍金須待股東於股東大會上批准後方可作實。酬金(包括向董事支付的任何花紅、房屋津貼及購股權)乃由董事會薪酬委員會根據創業板上市規則第5.34及5.35條規定所載之企業管治守則,參考書面職權範圍而提出建議。

董事酬金之詳情載於綜合財務報表附註13。

董事於合約之權益

除綜合財務報表附註45所披露者外,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

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

At 31 March 2012, 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, 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 otherwise notified to the Company and the Stock Exchange pursuant to the SFO or the GEM Listing Rules were as follows:—

Long positions in the ordinary shares of the Company

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

於二零一二年三月三十一日，本公司各董事及主要行政人員在本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」））之本公司股本中每股面值0.01港元之股份、相關股份及債權證中，擁有須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創業板上市規則須知會本公司及聯交所之權益及淡倉如下：—

於本公司普通股之好倉

Name of Director	Capacity and nature of interest	Number of Shares and underlying Shares held	Approximate percentage of the Company's issued share capital
董事姓名	身份及權益性質	持有股份及相關股份數目	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	2,424,289,767 (notes (a) and (b)) (附註(a)及(b))	89.33%
Mr. Wong Man Hung Patrick 王文雄先生	Beneficial owner 實益擁有人	25,000,000	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 (notes (a) and (b)) (附註(a)及(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

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

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

Note:

- (a) 2,379,069,767 underlying 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 Eagle Bliss.

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

Save as disclosed above, as at 31 March 2012, no 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 the SFO or (b) to be notified to the Company and the Stock Exchange pursuant to the SFO or the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executives' interests and short positions in shares, underlying shares and debentures of the Company or any associated corporation" 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)

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股相關股份，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」)及鷹福有限公司(「鷹福」)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鷹福之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 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，於二零一二年三月三十一日，概無董事或本公司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。

董事購買股份或債權證之權利

除上文「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

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

主要股東於本公司股份及相關股份之權益及淡倉

At 31 March 2012, so far as was known to the Directors, 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 the SFO.

於二零一二年三月三十一日，就董事所知，以下人士（並非董事或本公司主要行政人員）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	Percentage of share capital	Derivative interests 衍生權益	
				Number of underlying shares- long position	Percentage of share capital to issued share capital at 31 March 2012
		股份數目 —好倉	佔股本百分比 (%)	相關股份數目 —好倉	於二零一二年 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	—	—
Cyberland (China) Limited	科地(中國)有限公司	—	—	2,379,069,767 (notes (a) and (b)) (附註(a)及(b))	87.67
Eagle Bliss Limited	鷹福有限公司			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

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

(Continued)

Notes:

- (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 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 at 31 March 2012.

RELATED PARTY AND CONNECTED TRANSACTIONS

Details of the significant related party transactions of the Group undertaken in the usual course of business are set out in note 45 to the consolidated financial statements.

There were no transactions required to be disclosed as non-exempt connected transactions or non-exempt continuing connected transactions in accordance with the GEM Listing Rules during the year. The Company has complied with the disclosure requirements in accordance with Chapter 19 of the GEM 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鷹福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鷹福之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為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，於二零一二年三月三十一日，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。

關連方及關連交易

本集團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。

年內，概無交易須根據創業板上市規則披露為非豁免關連交易或非豁免持續關連交易。本公司已根據創業板上市規則第19章遵守披露規定。

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, as at the latest practicable date prior to the issue of this report, the Company has maintained the prescribed public float under the GEM Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events after the reporting period of the Group are set out in note 46 to the consolidated financial statements.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the GEM Listing Rules. The information on the principal corporate governance practices adopted by the Company is set out on pages 37 to 43 of this report.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

Throughout the year ended 31 March 2012, 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. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct regarding securities transactions by the Directors for the year, except that Ms. Jingquan Yingzi, the Chairman of the Company, without notifying the designated director of the Company for the purpose of acknowledgement of the Chairman's dealings, acquired 1,304,000 Shares on 5 August 2011. The Company shall iterate and remind the Directors from time to time in respect of the relevant procedures, rules and requirements in relation to Director' dealing in order to ensure the Directors' compliance.

公眾持股量

按本公司取得之公開資料及據董事所知，於發佈本報告前之最後實際可行日期，本公司已維持創業板上市規則所規定之公眾持股量。

呈報期後事項

本集團之呈報期後重大事項詳情載於綜合財務報表附註46。

企業管治

本公司之企業管治常規乃根據創業板上市規則附錄十五所載之企業管治常規守則(「守則」)所載之原則及守則條文制定。本公司所採納之主要企業管治常規資料載於本報告第37至43頁。

董事進行證券交易之行為守則

於截至二零一二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。經向全體董事作出具體查詢後，除本公司主席井泉瑛孜女士於二零一一年八月五日收購本公司1,304,000股股份並無知會本公司就確認主席買賣指定之董事外，各董事於年內已遵守有關董事進行證券交易之行為守則。本公司會不時重申及提醒董事有關董事進行交易之相關程序、規例及要求，確保各董事遵守守則。

Report of the Directors

董事會報告

COMPETING INTEREST

As at 31 March 2012, as far as the Directors are aware of, none of the Directors or the 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.

AUDIT COMMITTEE

The Company established an audit committee on 20 March 2001 with written terms of reference in compliance with the requirements as set out in Rules 5.23 and 5.24 of the GEM Listing Rules. The primary duties of the audit committee are to review the Group's annual report and accounts, interim report and quarterly reports and provide advice and comments thereon to the Board and to review and to provide supervision over the financial reporting process and internal control system of the Group.

Following the resignation of Ms. Chan Mei Bo Mabel as a member of the audit committee on 27 April 2012, the audit committee comprises two independent non-executive directors. The present members of the audit committee are Mr. Sousa Richard Alvaro and Mr. Lee Chi Hwa Joshua. The members of the audit committee have reviewed the consolidated financial statements of the Group for the year ended 31 March 2012 and are of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements. Four meetings were held by audit committee during the year.

AUDITORS

KL CPA Limited had been the auditor of the Company for the year ended 31 March 2009, 31 March 2010 and 31 March 2011.

During the special general meeting held on 24 May 2012, an ordinary resolution has been passed by the shareholders of the Company for the appointment of Baker Tilly Hong Kong Limited as the auditor of the Company in order to fill the casual vacancy caused by the resignation of KL CPA Limited.

競爭權益

於二零一二年三月三十一日，據董事所知，本公司各董事或管理層股東（定義見創業板上市規則）概無於與本集團業務構成或可能構成競爭之業務中擁有權益。

審核委員會

本公司已於二零零一年三月二十日成立審核委員會，並已遵照創業板上市規則第5.23及5.24條所載規定制定書面職權範圍。審核委員會之主要職責包括審閱本集團年度報告及賬目、中期報告及季度報告，並就此向董事會提供建議及意見，以及審閱及監管本集團之財務申報程序及內部監控系統。

繼陳美寶女士於二零一二年四月二十七日辭任審核委員會成員一職後，審核委員會由兩名獨立非執行董事組成。審核委員會現時之成員為蘇志汶先生及李智華先生。審核委員會成員已審閱本集團截至二零一二年三月三十一日止年度之綜合財務報表，並認為該等報表已遵守適用會計準則、創業板上市規則及法律規定。審核委員會於年內已舉行四次會議。

核數師

於截至二零零九年三月三十一日、二零一零年三月三十一日及二零一一年三月三十一日止年度，浩理會計師事務所均獲委任為本公司之核數師。

於二零一二年五月二十四日舉行之股東特別大會上，委任天職香港會計師事務所有限公司為本公司核數師以填補浩理會計師事務所辭任後之臨時空缺之普通決議案已獲本公司股東通過。

Report of the Directors

董事會報告

AUDITORS *(Continued)*

A resolution will be proposed to re-appoint Baker Tilly Hong Kong Limited as the auditors of the Company at the forthcoming AGM.

On behalf of the Board

Jingquan Yingzi

Chairman

Hong Kong, 21 June 2012

核數師 *(續)*

有關重選天職香港會計師事務所有限公司為本公司核數師之決議案將於本公司應屆股東週年大會上提呈。

代表董事會

井泉瑛孜

主席

香港，二零一二年六月二十一日

Corporate Governance Report

企業管治報告

CODE ON CORPORATE GOVERNANCE PRACTICES

The corporate governance practices of Code Agriculture (Holdings) Limited (the “Company”) are followed the code provisions of the Code on Corporate Governance Practices as set out in Appendix 15 on the Growth Enterprise Market Listing Rules (the “GEM Listing Rules”). This aims to ensure the Company is complied with such code of conduct and to strive to attain high standards of corporate governance.

During the year ended 31 March 2012, the Company was in compliance with such code provisions with some deviations. Details of which will be explained in the related sections in this report.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in rules 5.48 to 5.67 to the GEM Listing Rules in dealing with the securities transaction by the directors of the Company (the “Directors”). All Directors have conformed and complied with such code of conduct throughout the year, except that Ms. Jingquan Yingzi, the Chairman of the Company, with no notification to the designated Directors for the purpose and acknowledgement of such dealings. The Company has immediately reminded the Directors of the required standard of dealings and the related code of conducts to ensure that all Directors shall comply with.

THE BOARD OF DIRECTORS

By the year ended 31 March 2012, the Board of Directors (the “Board”) consisted of ten directors, including six executive directors, one non-executive director and three independent non-executive directors. Subsequent to the year ended date, one of the independent non-executive directors had resigned on 27 April 2012. The number of independent non-executive directors is less than three, as set out in Rule 5.05(1) of the GEM Listing Rules. The Company is attempting to identify an appropriate candidate to fill up the causal vacancy within the stipulated time as set out in Rule 5.06 of the GEM Listing Rules.

企業管治常規守則

科地農業控股有限公司(「本公司」)之企業管治常規乃遵從創業板證券上市規則(「創業板上市規則」)附錄十五所載之企業管治常規守則之守則條文。此舉的目的在於確保本公司遵守該等行為守則及致力達致高標準之企業管治。

於截至二零一二年三月三十一日止年度，本公司已遵守該等守則條文，惟有若干偏離。有關詳情將於本報告相關章節中說明。

董事證券交易

本公司已採納創業板上市規則第5.48至5.67條所載之標準守則作為本公司董事(「董事」)進行證券交易之行為守則。除本公司主席井泉瑛孜女士並無知會就確認主席買賣所指定董事有關交易外，全體董事於整個年度均已遵守及遵從有關行為守則。本公司已立即提醒董事有關交易之規定準則及有關行為守則，確保全體董事均切實遵守。

董事會

截至二零一二年三月三十一日止年度，董事會(「董事會」)由十名董事組成，包括六名執行董事、一名非執行董事及三名獨立非執行董事。於年結日後，其中一名獨立非執行董事已於二零一二年四月二十七日辭任。獨立非執行董事人數少於三名，低於創業板上市規則第5.05(1)條規定之最低人數。本公司正積極物色合適人選以於創業板上市規則第5.06條所載之規定時間內填補該臨時空缺。

Corporate Governance Report

企業管治報告

THE BOARD OF DIRECTORS *(Continued)*

The Board has a balance of skill and experience appropriate for the requirements of the business of the Company. The Director's biographical information is set out in the section headed "Biographical Details of Directors" of this report.

There is no financial, business, family or other material or relevant relationships among the Directors.

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Under the code provision A.2.1, the roles of chairman and chief executive officer are separate and should not be performed by the same individual. As at 31 March 2012, the Chairman is Ms. Jingquan Yingzi and the Company has no appointment for the position of chief executive officer. The Chairman is responsible for overseeing all Board functions, while the role of chief executive officer 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. The Board will review the effectiveness of this arrangement from time to time and will consider appointing chief executive officer of the Company when it thinks appropriate.

NON-EXECUTIVE DIRECTOR

Under the Code Provision A.4.1, all the non-executive directors should be appointed for a specific term, subject to re-election. The non-executive directors are appointed and are subject to retirement by rotation in accordance with the Bye-law of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The three independent non-executive directors are persons of high caliber, with appropriate academic and professional qualifications in the field of accounting or law industry. The Company has received from each of independent non-executive directors an annual confirmation of his or her independence, and the Company considers that these directors to be independent under Rule 5.09 of the GEM Listing Rules.

董事會 (續)

董事會具備本公司業務所需之合適技能及經驗。董事之履歷資料載於本報告「董事履歷詳情」部份。

各董事之間概無任何財務、業務、家族或其他重大或相關關係。

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。截至二零一二年三月三十一日，主席為井泉瑛孜女士，而本公司並無委任行政總裁。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。董事會將不時檢討此安排之有效性，並將於適當時候考慮委任本公司行政總裁。

非執行董事

根據守則條文A.4.1，所有非執行董事之委任應有指定任期並應接受重選。非執行董事須根據本公司之公司章程細則委任並須輪席告退。

獨立非執行董事

三名獨立非執行董事均為極具才幹之人士，擁有會計領域或法律行業的適當學歷及專業資格。本公司已接獲每名獨立非執行董事有關其獨立身份之年度確認書。本公司認為，該等董事均屬創業板上市規則第5.09條項下之獨立人士。

Corporate Governance Report

企業管治報告

BOARD MEETINGS

By the year ended 31 March 2012, the Board has scheduled six times of Board meetings. The Board regularly meets in persons or through other electronic means of communication to review and determine the overall strategic direction and objectives and approve quarterly, interim and annual results, and other significant matters. Due notices of the meetings are given to all directors to attend and include matters for discussion.

Attendance of each of the directors at Board meetings during the year ended 31 March 2012 is set out as follows:

董事會會議

截至二零一二年三月三十一日止年度，董事會已安排六次董事會會議。董事會定期舉行面對面或透過其他電子溝通方式之會議，以審閱及釐定整體策略方向及目標以及審批季度、中期及年度業績及處理其他重要事宜。會議之正式通知會寄發予全體董事，其中載有將予討論之事宜。

於截至二零一二年三月三十一日止年度，各董事之董事會會議出席率載列如下：

		Board meeting attended/eligible to attend 出席董事會 會議次數/ 合資格出席次數	Audit committee attended/eligible to attend 出席審核委員會 會議次數/ 合資格出席次數	Remuneration committee attended/eligible to attend 出席薪酬委員會 會議次數/ 合資格出席次數
Executive Directors	執行董事			
Ms. Jingquan Yingzi (<i>Chairman</i>)	井泉瑛孜女士 (主席)	6/6	N/A 不適用	N/A 不適用
Mr. Wong Man Hung, Patrick	王文雄先生	6/6	N/A 不適用	N/A 不適用
Mr. Shan Xiaochang	單曉昌先生	0/6	N/A 不適用	N/A 不適用
Mr. Wu Zhongxin	吳中心先生	0/6	N/A 不適用	N/A 不適用
Mr. Feng Xiaoping	封小平先生	1/6	N/A 不適用	N/A 不適用
Mr. Stephen William Frostick	Stephen William Frostick先生	5/6	N/A 不適用	N/A 不適用
Non-executive Director	非執行董事			
Prof. Liu Guoshun	劉國順教授	0/6	N/A 不適用	N/A 不適用
Independent Non-executive Directors	獨立非執行董事			
Mr. Sousa Richard Alvaro	蘇志汶先生	2/6	3/4	1/1
Mr. Lee Chi Hwa Joshua	李智華先生	2/6	4/4	1/1
Ms. Chan Mei Bo Mabel (resigned on 27 April 2012)	陳美寶女士 (於二零一二年四月二十七日辭任)	2/6	2/4	1/1

Board minutes are kept by the Company Secretary and are open for inspection by the Directors.

董事會會議紀錄由本公司秘書存置，並可供董事查閱。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE

The remuneration committee was established with specific written terms of reference in accordance with the relevant provisions of the GEM Listing Rules. The remuneration committee is responsible for reviewing and approving the remuneration policy and structure for all directors' and senior management.

During the year under review, the remuneration committee convened one meeting to discuss and approve the remuneration policy and terms of services of the executives directors for the year ended 31 March 2011. Mr. Sousa Richard Alvaro, Mr. Lee Chi Hwa Joshua and Ms. Chan Mei Bo Mabel attended the meeting.

Following the resignation of Ms. Chan Mei Bo Mabel as a member of the remuneration committee on 27 April 2012, the remuneration committee comprises two independent non-executive directors.

NOMINATION OF DIRECTORS

The nomination committee was established by the Company on 29 March 2012 with written terms of reference in accordance with the relevant provisions of the GEM Listing Rules. Ms. Jingquan Yingzi was appointed as the chairman of the nomination committee and other members include Mr. Sousa Richard Alvaro, Mr. Lee Chi Hwa Joshua and Ms. Chan Mei Bo Mabel. The nomination committee has the authority and duties as set out in the nomination committee terms of reference.

No meeting was held during the year.

Following the resignation of Ms. Chan Mei Bo Mabel as a member of the nomination committee on 27 April 2012, the nomination committee comprises three members.

AUDIT COMMITTEE

The formation of the audit committee with written terms of reference is complied with Rules 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.

薪酬委員會

本公司已成立薪酬委員會，並已根據創業板上市規則有關條文制定具體的書面職權範圍。薪酬委員會負責檢討及批准全體董事及高級管理層之薪酬政策及結構。

於回顧年度，薪酬委員會已召開一次會議，以討論及批准截至二零一一年三月三十一日止年度執行董事之薪酬政策及任期。蘇志汶先生、李智華先生及陳美寶女士出席了會議。

繼陳美寶女士於二零一二年四月二十七日辭任薪酬委員會成員一職後，薪酬委員會由兩名獨立非執行董事組成。

提名委員會

本公司已於二零一二年三月二十九日成立提名委員會，並已根據創業板上市規則有關條文制定書面職權範圍。井泉瑛孜女士獲委任為提名委員會主席，其他成員包括蘇志汶先生、李智華先生及陳美寶女士。提名委員會負有提名委員會職權範圍所載之職權及責任。

年內並無舉行會議。

繼陳美寶女士於二零一二年四月二十七日辭任提名委員會成員一職後，提名委員會由三名成員組成。

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。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE (CONTINUED)

The audit committee comprises 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.

Following the resignation of Ms. Chan Mei Bo Mabel as a member of the audit committee on 27 April 2012, the audit committee comprises two independent non-executive directors.

The audit committee held four meetings during the year under review. Details of the attendance of the audit committee meetings as prescribed aforesaid.

The Group's unaudited quarterly and interim results and audited annual results during the year ended 31 March 2012 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.

During the year under review, the audit committee had undertaken the following duties:

1. Reviewed and discussed the Company financial information package for the year ended 31 March 2011 for approval;
2. Reviewed and discussed the Company financial information package for the period ended 30 June 2011, 30 September 2011 and 31 December 2011 for approval;
3. Reviewed the quarterly, interim and annual financial statements prior to recommending them to the Board for approval;
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.

審核委員會 (續)

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。

繼陳美寶女士於二零一二年四月二十七日辭任審核委員會成員一職後，審核委員會由兩名獨立非執行董事組成。

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載於上文。

本集團截至二零一二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。

於回顧年度，審核委員會已履行以下職責：

1. 審閱及討論截至二零一一年三月三十一日止年度之本公司財務資料包以供審批；
2. 審閱及討論截至二零一一年六月三十日、二零一一年九月三十日及二零一一年十二月三十一日止期間之本公司財務資料包以供審批；
3. 審閱季度、中期及年度財務報表，並向董事會推薦該等報表以供審批；
4. 與本公司管理層及核數師檢討及討論可能會影響本集團及財務申報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。

Corporate Governance Report

企業管治報告

INTERNAL CONTROL

The Board has overall responsibility for maintaining and reviewing the effectiveness of the system of internal control of the Group. The internal control system is to safeguard the assets of the Group and the shareholders' investment and to ensure the reliability of financial reporting as well as compliance with the relevant requirements of the GEM Listing Rules.

During the year ended 31 March 2012, the Board had reviewed the effectiveness of the system of internal control of the Group, which covered all material aspects including financial, operational and compliance controls and risk management functions of the Group. The Board also considered the adequacy of resources, qualifications and experiences of staff of the Group's accounting and financial reporting function, and their training programme and budget.

AUDITORS' REMUNERATION

For the year ended 31 March 2012, the remuneration paid and payable to the auditor, in respect of the audit and non-audit services to the Group were HK\$1,333,000 (2011: HK\$1,694,000) and HK\$1,398,000 (2011: Nil) respectively.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The disclosure of the Group's information in a reasonable and time manner by the Board is to facilitate the shareholders as well as the investors to have better understanding in relation to the business performance, operations and strategies of the Group. Through our website which allow the Company's potential and existing investors as well as the public to assess and acquire the up-to-date company and financial information.

內部監控

董事會全面負責維持及檢討本集團內部監控系統之有效性。內部監控系統之目的為保障本集團之資產及股東之投資，以及確保財務申報之可靠性及遵守創業板上市規則之有關規定。

於截至二零一二年三月三十一日止年度，董事會已檢討本集團內部監控系統之有效性，其中涵蓋本集團之財務、營運及合規控制及風險管理職能等所有重大方面。董事會亦已考慮本集團在會計及財務申報職能方面的資源、員工資歷及經驗是否充足，以及有關培訓計劃及預算。

核數師薪酬

於截至二零一二年三月三十一日止年度，就向本集團提供審核及非審核服務已付及應付核數師之薪酬分別為1,333,000港元(二零一一年：1,694,000港元)及1,398,000港元(二零一一年：零)。

與股東及投資者之溝通

董事會合理及及時披露本集團資料，目的在於幫助股東及投資者更好地了解本集團的業務表現、營運及策略。透過我們的網站，讓本公司之潛在及現有投資者及公眾能了解及獲取最新的公司及財務資料。

Corporate Governance Report

企業管治報告

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS *(Continued)*

Information of the Company is disseminated to the shareholders, the investors and the public are as follows:

- Delivery of the annual, interim and quarterly reports;
- Publication of announcements on the annual, interim and quarterly results on the websites of the Stock Exchange and the Company's website, and issue of other announcements and notices, and shareholders' circulars in accordance with the continuing disclosure obligations under the GEM Listing Rules.

與股東及投資者之溝通 (續)

本公司向股東、投資者及公眾分發以下本公司資料：

- 寄發年度、中期及季度報告；
- 根據創業板上市規則項下的持續披露責任，於聯交所及本公司網站發佈年度、中期及季度業績公告，及刊發其他公告及通知及股東通函。

Independent Auditors' Report

獨立核數師報告



BAKER TILLY
HONG KONG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS

天職香港會計師事務所有限公司

2nd Floor, 625 King's Road
North Point, Hong Kong
香港北角英皇道625號2樓

Independent auditor's report to the shareholders of Code Agriculture (Holdings) Limited

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Code Agriculture (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 46 to 163, which comprise the consolidated and company statements of financial position as at 31 March 2012, 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 information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED 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 issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

致科地農業控股有限公司股東 獨立核數師報告

(於百慕達註冊成立之有限公司)

本核數師已完成審核第46至第163頁所載科地農業控股有限公司(「貴公司」)及其子公司(合稱「貴集團」)之綜合財務報表，其中包括於二零一二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資料。

董事編製綜合財務報表之責任

貴公司董事須遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，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 Auditors' Report

獨立核數師報告

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, 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 Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

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 2012 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 21 June 2012

Andrew David Ross

Practising certificate number P01183

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。

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公平地反映貴公司及貴集團於二零一二年三月三十一日之財務狀況及貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露規定妥為編製。

天職香港會計師事務所有限公司

執業會計師

香港，二零一二年六月二十一日

羅安狄

執業證書編號P01183

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		Note 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)
Turnover	營業額	6	663,896	598,132
Cost of sales and services	銷售及服務成本		(469,153)	(462,488)
Gross profit	毛利		194,743	135,644
Other revenue	其他收入	7	20,435	25,783
Distribution costs	分銷成本		(43,898)	(30,601)
Administrative expenses	行政費用		(94,371)	(108,728)
Profit from operations	經營溢利		76,909	22,098
Finance costs	融資成本	8	(32,203)	(28,123)
Other losses	其他虧損	9	(20,022)	(10,494)
Share of profits of associates	分佔聯營公司溢利	22	611	—
Gain on disposal of subsidiaries	出售子公司之收益	39	1,760	—
Loss on deconsolidation of subsidiaries	終止作為子公司 綜合列賬之虧損	40	(2,779)	—
Impairment losses on goodwill and other intangible assets	商譽及其他無形 資產減值虧損	10	(59,105)	(219,928)
Loss before income tax	除所得稅前虧損	11	(34,829)	(236,447)
Income tax credit	所得稅抵免	12	2,435	11,662
Loss for the year	年度虧損		(32,394)	(224,785)
Other comprehensive income, net of income tax	除所得稅後 之其他全面收益			
Exchange differences on translating foreign operations	換算海外業務產生 之匯兌差額		15,489	20,557
Reclassification adjustments relating to foreign operations disposed of during the year	年內出售海外業務之 重新分類調整		46	—
			15,535	20,557
Total comprehensive loss for the year	年度全面虧損總額		(16,859)	(204,228)
Profit/(loss) attributable to:	以下人士應佔溢利/(虧損)：			
— Owners of the Company	— 本公司擁有人		(34,790)	(224,988)
— Non-controlling interests	— 非控股權益		2,396	203
			(32,394)	(224,785)
Total comprehensive income/(loss) attributable to:	以下人士應佔全面 收益/(虧損)總額：			
— Owners of the Company	— 本公司擁有人		(19,129)	(204,308)
— Non-controlling interests	— 非控股權益		2,270	80
			(16,859)	(204,228)
Loss per share	每股虧損			
Basic and diluted	基本及攤薄			
— HK cents per share	— 每股港仙	15	(1.28)	(8.30)

The notes on pages 54 to 163 form an integral part of these consolidated financial statements

第54至163頁之附註組成此等綜合財務報表之一部份。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2012 於二零一二年三月三十一日

			At 31 March 2012 於二零一二年 三月三十一日	At 31 March 2011 於二零一一年 三月三十一日 (Restated) (重列)	At 1 April 2010 於二零一零年 四月一日 (Restated) (重列)
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Non-current assets					
非流動資產					
Property, plant and equipment	17	76,347	83,514	155,659	
Prepaid land lease payments	18	6,739	6,730	21,393	
Goodwill	19	776,323	777,347	896,557	
Other intangible assets	20	57,504	142,928	268,940	
Interests in associates	22	16,531	—	—	
Deferred tax assets	32	10,891	—	—	
		944,335	1,010,519	1,342,549	
Current assets					
流動資產					
Inventories	23	67,910	64,745	18,753	
Trade and bills receivables	24	442,635	462,152	331,308	
Prepayments, other receivables and deposits	24	249,180	152,075	166,787	
Amounts due from customers for contract works	25	—	5,992	—	
Financial assets at fair value through profit or loss	26	—	822	6,916	
Tax recoverable	27	—	—	226	
Pledged deposits	27	260,222	231,372	135,918	
Cash and bank balances	27	160,755	47,491	192,881	
		1,180,702	964,649	852,789	
Assets held for sale	28	103,431	101,902	2,141	
		1,284,133	1,066,551	854,930	
Current liabilities					
流動負債					
Trade and bills payables	29	62,236	210,141	236,080	
Other payables and accruals	29	67,434	56,438	30,743	
Amount due to a non-controlling shareholder of a subsidiary	29	1,522	1,807	6,644	
Amounts due to directors	29	5,186	6,013	—	
Borrowings	30	747,004	407,111	312,227	
Deferred income	31	—	583	—	
Tax payable		3,963	3,357	7,051	
		887,345	685,450	592,745	
Net current assets		396,788	381,101	262,185	
Total assets less current liabilities		1,341,123	1,391,620	1,604,734	

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2012 於二零一二年三月三十一日

		Note	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)	2010 二零一零年 HK\$'000 千港元 (Restated) (重列)
		附註			
Capital and reserves	股本及儲備				
Share capital	股本	34	27,138	27,138	26,673
Reserves	儲備	35	659,620	678,612	878,178
Equity attributable to owners of the Company	本公司擁有人應佔權益		686,758	705,750	904,851
Non-controlling interests	非控股權益		(497)	27,757	5,328
Total equity	總權益		686,261	733,507	910,179
Non-current liabilities	非流動負債				
Deferred tax liabilities	遞延稅項負債	32	9,462	12,825	34,348
Convertible bond	可換股債券	33	645,400	645,288	660,207
			654,862	658,113	694,555
			1,341,123	1,391,620	1,604,734

Approved and authorised for issue by the board of directors on 21 June 2012.

由董事會於二零一二年六月二十一日批准及授權刊發。

On behalf of the Board

代表董事會

Jingquan Yingzi

井泉瑛孜

Director

董事

Wong Man Hung Patrick

王文雄

Director

董事

The notes on pages 54 to 163 form an integral part of these consolidated financial statements.

第54至163頁之附註組成此等綜合財務報表之一部份。

Statement of Financial Position

財務狀況表

At 31 March 2012 於二零一二年三月三十一日

		Note 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	17	—	—
Interests in subsidiaries	子公司權益	21	1,333,031	1,402,545
			1,333,031	1,402,545
Current assets	流動資產			
Prepayments, other receivables and deposits	預付款項、 其他應收款項及按金	24	1,124	1,374
Cash and bank balances	現金及銀行結存	27	115	7,343
			1,239	8,717
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計費用	29	2,560	908
Amount due to a director	應付董事款項	29	—	5,000
			2,560	5,908
Net current (liabilities)/assets	淨流動(負債)/資產		(1,321)	2,809
Total assets less current liabilities	總資產減流動負債		1,331,710	1,405,354
Capital and reserves	股本及儲備			
Share capital	股本	34	27,138	27,138
Reserves	儲備	35	659,172	732,928
Total equity	總權益		686,310	760,066
Non-current liabilities	非流動負債			
Convertible bond	可換股債券	33	645,400	645,288
			1,331,710	1,405,354

Approved and authorised for issue by the board of directors on 21 June 2012.

由董事會於二零一二年六月二十一日批准及授權刊發。

On behalf of the Board

代表董事會

Jingquan Yingzi

井泉瑛孜

Director

董事

Wong Man Hung Patrick

王文雄

Director

董事

The notes on pages 54 to 163 form an integral part of these consolidated financial statements.

第54至163頁之附註組成此等綜合財務報表之一部份。

Consolidated Statement of Changes In Equity

綜合權益變動表

For the year ended 31 March 2012 截至二零一二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 2010	於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 bond	贖回可換股債券	-	-	-	-	-	-	-	(9,968)	(9,968)	-	(9,968)
Share option scheme	購股權計劃	-	-	-	-	-	-	-	-	-	-	-
- proceeds from shares issued	- 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
Transactions with owners	與擁有人交易	465	20,818	-	-	-	(6,108)	-	(9,968)	5,207	22,349	27,556
Loss for the year	年度虧損	-	-	(224,988)	-	-	-	-	-	(224,988)	203	(224,785)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	20,680	-	20,680	(123)	20,557
Total comprehensive income for the year	年度全面收益總額	-	-	(224,988)	-	-	-	20,680	-	(204,308)	80	(204,228)
At 31 March 2011 and 1 April 2011	於二零一一年三月三十一日 及二零一一年四月一日	27,138	1,056,184	(861,808)	(197)	26,062	9,774	20,772	427,825	705,750	27,757	733,507
Share option scheme	購股權計劃	-	-	-	-	-	-	-	-	-	-	-
- value of services	- 服務價值	-	-	-	-	-	137	-	-	137	-	137
- forfeiture of share options	- 沒收購股權	-	-	412	-	-	(412)	-	-	-	-	-
Disposal of subsidiaries	出售子公司	-	-	-	-	-	-	-	-	-	(9,478)	(9,478)
Deconsolidation of subsidiaries	終止作為子公司綜合列賬	-	-	-	-	-	-	-	-	-	(21,046)	(21,046)
Transfer to reserve	轉撥至儲備	-	-	(6,952)	-	6,952	-	-	-	-	-	-
Transactions with owners	與擁有人交易	-	-	(6,540)	-	6,952	(275)	-	-	137	(30,524)	(30,387)
Loss for the year	年度虧損	-	-	(34,790)	-	-	-	-	-	(34,790)	2,396	(32,394)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	15,661	-	15,661	(126)	15,535
Total comprehensive income for the year	年度全面收益總額	-	-	(34,790)	-	-	-	15,661	-	(19,129)	2,270	(16,859)
At 31 March 2012	於二零一二年三月三十一日	27,138	1,056,184	(903,138)	(197)	33,014	9,499	36,433	427,825	686,758	(497)	686,261

Note:

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 reorganization on 20 March 2001 as set out in the prospectus of the Company dated 26 March 2001.

附註:

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 54 to 163 form an integral part of these consolidated financial statements.

第54至163頁之附註組成此等綜合財務報表之一部份。

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Note 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 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	(32,394)	(224,785)
Adjustments for:	就下列各項調整：		
Income tax credit recognised in profit or loss	於損益確認之 所得稅抵免	12 (2,435)	(11,662)
Share of profits of associates	分佔聯營公司溢利	(611)	—
Finance costs recognised in profit or loss	於損益確認之融資成本	32,203	28,123
Interest income	利息收入	(7,272)	(2,431)
Dividends from equity investment	股本投資之股息	(32)	—
Write-off of inventories	存貨撇銷	—	3,927
Net gain on disposal of subsidiaries	出售子公司之淨收益	(1,760)	—
Loss on deconsolidation of subsidiaries	終止作為子公司 綜合列賬之虧損	2,779	—
Loss on disposal of property, plant and equipment	出售物業、機器 及設備之虧損	19	68
Loss on disposal of financial assets designated at fair value through profit or loss	出售為於損益賬按公平 值處理之金融資產 之虧損	22	3,186
Waiver of interest on convertible bonds	免除可換股債券之利息	(10,730)	(8,108)
Expenses recognised in respect of equity-settled share-based payments	就以權益結算 並以股份為支付基準 款項確認之開支	137	9,362
Depreciation and amortisation	折舊及攤銷	35,671	42,068
Impairment loss on prepayment	預付款項減值虧損	20,000	—
Impairment loss on other receivables	其他應收款項減值虧損	—	3,630
Impairment loss on goodwill	商譽減值虧損	—	120,234
Impairment loss on other intangible assets	其他無形資產減值虧損	59,105	99,694
Impairment loss on property, plant and equipment	物業、機器 及設備減值虧損	—	46
Fair value loss 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	—	(295)
		127,096	287,842

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Note 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Operating profit before working capital changes	營運資金變動前之經營溢利	94,702	63,057
Increase in inventories	存貨增加	(12,126)	(41,027)
Increase in trade and bills receivables	應收賬款及應收票據增加	(73,488)	(121,394)
(Increase)/decrease in prepayments, other receivables and deposits	預付款項、其他應收款項及按金(增加)/減少	(172,849)	59,509
(Increase)/decrease in amounts due from customers for contract works	應收客戶合約工程款項(增加)/減少	(17,004)	280
Increase in amounts due from associates	應收聯營公司款項增加	(7,048)	—
(Decrease)/increase in trade and bills payables	應付賬款及應付票據(減少)/增加	(114,154)	111,732
Increase/(decrease) in other payables and accruals	其他應付款項及應計費用增加/(減少)	119,838	(21,160)
Decrease in amount due to a non-controlling shareholder of a subsidiary	應付子公司一名非控股股東款項減少	(23,267)	(4,838)
(Decrease)/increase in amounts due to directors	應付董事款項(減少)/增加	(827)	6,013
Cash (used in)/generated from operations	營運(所用)/產生之現金	(206,223)	52,172
Interest received	已收利息	7,272	2,431
Interest paid	已付利息	(21,361)	(19,421)
Income tax paid	已付所得稅	(10,950)	(12,875)
Net cash (used in)/generated from operating activities	經營活動(所用)/產生之現金淨額	(231,262)	22,307
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	(3,863)	(16,371)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備之所得款項	207	205
Net cash inflow from disposal of subsidiaries	出售子公司之現金流入淨額	2,813	—
Net cash inflow from deconsolidation of subsidiaries	終止作為子公司綜合列賬之現金流入淨額	9,845	—
Net cash outflow from acquisition of subsidiaries	收購子公司之現金流出淨額	—	(16,862)
Dividends received from financial assets of fair value through profit or loss	已收於損益賬按公平值處理之金融資產股息	32	—
Purchases of financial assets	購買金融資產	(14,633)	(40,241)
Proceeds from disposal of financial assets	出售金融資產之所得款項	15,433	43,444
Increase in pledged deposits	已抵押存款增加	(28,850)	(95,454)
Net cash used in investing activities	投資活動所用之現金淨額	(19,016)	(125,279)

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Note 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Cash flows from financing activities 融資活動之現金流量			
Proceeds from exercise of share options 行使購股權之所得款項		—	5,813
Redemption of convertible bond 贖回可換股債券		—	(25,000)
Net borrowings raised/(repaid) 已籌措/(償還)借貸淨額		354,440	(48,590)
Net cash generated from/(used in) from financing activities 融資活動產生/(所用)之現金淨額		354,440	(67,777)
Net increase/(decrease) in cash and cash equivalents 現金及現金等價物之增加/(減少)淨額		104,162	(170,749)
Cash and cash equivalents at the beginning of year 年初之現金及現金等價物		47,491	192,881
Effects of exchange rate changes on the balance of cash held in foreign currencies 以外幣持有之現金結餘匯率變動之影響		9,102	25,359
Cash and cash equivalents at the end of year 年終之現金及現金等價物		160,755	47,491
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	27	160,755	47,491

The notes on pages 54 to 163 form an integral part of these consolidated financial statements.

第54至163頁之附註組成此等綜合財務報表之一部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1. GENERAL INFORMATION

Code Agriculture (Holdings) Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of this report.

The Company is an investment holding company and the principal activities of the Company’s subsidiaries are set out in note 21.

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

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

The following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) have been applied by the Company and its subsidiaries (collectively, the “Group”) in the current year.

HKAS 24 (revised 2009)	Related Party Disclosures
Improvements to HKFRSs (2010)	
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK (IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

1. 一般資料

科地農業控股有限公司(「本公司」)為於百慕達註冊成立之獲豁免有限責任公司。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。本公司之註冊辦事處兼主要營業地點於本報告「公司資料」一節中披露。

本公司為投資控股公司。其子公司之主要業務載於附註21。

綜合財務報表乃以港元(港元)呈列，與本公司之功能貨幣相同。

2. 應用新訂及經修訂香港財務報告準則

本年度，本公司及其子公司(合稱「本集團」)應用香港會計師公會(「香港會計師公會」)頒佈之下列新訂及經修訂香港財務報告準則(「香港財務報告準則」)。

香港會計準則第24號 (二零零九年經修訂)	關連人士披露
香港財務報告準則之 改進(二零一零年)	
香港會計準則第32號 (修訂本)	供股之分類
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
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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

Except as described below, the adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

HKAS 24 Related Party Disclosures (as revised in 2009)

HKAS 24 (as revised in 2009) has been revised on the following two aspects: (a) HKAS 24 (as revised in 2009) has changed the definition of a related party and (b) HKAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

The Company and its subsidiaries are not government-related entities. The application of the revised definition of related party set out in HKAS 24 (as revised in 2009) in the current year does not have any material impact on the Group's related party disclosures in the current and previous periods.

2. 應用新訂及經修訂香港財務報告準則 *(續)*

除下文所述者外，採納該等新訂及經修訂香港財務報告準則並未使本集團的會計政策、本集團綜合財務報表的呈報方式及本年度及過往年度呈報的金額出現重大變動。

香港會計準則第24號「關連人士披露」(二零零九年經修訂)

香港會計準則第24號(二零零九年經修訂)已修訂下列兩個範疇：(a)香港會計準則第24號(二零零九年經修訂)已更改關連人士之釋義；及(b)香港會計準則第24號(二零零九年經修訂)引進局部豁免政府相關實體之披露規定。

本公司及其子公司並非政府相關實體。於本年度應用香港會計準則第24號(二零零九年經修訂)所載關連人士之經修訂釋義不會對本期間及過往期間之本集團關連方披露產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

New and revised HKFRSs in issue but not yet effective

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

		Effective for accounting periods beginning on or after 於下列日期或其後 開始之會計期間生效
Amendments to HKFRS 7 香港財務報告準則第7號(修訂本)	<i>Disclosures – Transfers of financial assets</i> 披露 – 轉讓金融資產	1 July 2011 二零一一年七月一日
HKFRS 9 香港財務報告準則第9號	<i>Financial instruments</i> 金融工具	1 January 2013 二零一三年一月一日
HKFRS 10 香港財務報告準則第10號	<i>Consolidated financial statements</i> 綜合財務報表	1 January 2013 二零一三年一月一日
HKFRS 11 香港財務報告準則第11號	<i>Joint arrangements</i> 共同安排	1 January 2013 二零一三年一月一日
HKFRS 12 香港財務報告準則第12號	<i>Disclosure of interests in other entities</i> 於其他實體權益之披露	1 January 2013 二零一三年一月一日
HKFRS 13 香港財務報告準則第13號	<i>Fair value measurement</i> 公平值計量	1 January 2013 二零一三年一月一日
Amendments to HKAS 1 香港會計準則第1號(修訂本)	<i>Presentation of financial statements – Presentation of items of other comprehensive income</i> 財務報表之呈列 – 其他全面收益項目之呈列	1 July 2012 二零一二年七月一日
Amendments to HKAS 12 香港會計準則第12號(修訂本)	<i>Income taxes – Deferred tax: Recovery of underlying assets</i> 所得稅 – 遞延稅項：收回相關資產	1 January 2012 二零一二年一月一日
HKAS 19 (as revised in 2011) 香港會計準則第19號 (二零一一年經修訂)	<i>Employee benefits</i> 僱員福利	1 January 2013 二零一三年一月一日
HKAS 27 (as revised in 2011) 香港會計準則第27號 (二零一一年經修訂)	<i>Separate financial statements</i> 獨立財務報表	1 January 2013 二零一三年一月一日
HKAS 28 (as revised in 2011) 香港會計準則第28號 (二零一一年經修訂)	<i>Investments in associates and joint ventures</i> 於聯營公司及合營企業之投資	1 January 2013 二零一三年一月一日
HK(IFRIC) – Int 20 香港(國際財務報告詮釋委員會) – 詮釋第20號	<i>Stripping costs in the production phase of a surface mine</i> 露天採礦場生產階段之剝採成本	1 January 2013 二零一三年一月一日

The Group is assessing the impact of these amendments and new standards and has so far concluded that they are not in a position to state whether their adoption will have a significant impact on the Group's results of operations and financial position.

2. 應用新訂及經修訂香港財務報告準則 *(續)*

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提前應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

		Effective for accounting periods beginning on or after 於下列日期或其後 開始之會計期間生效
		1 July 2011 二零一一年七月一日
		1 January 2013 二零一三年一月一日
		1 January 2013 二零一三年一月一日
		1 January 2013 二零一三年一月一日
		1 January 2013 二零一三年一月一日
		1 July 2012 二零一二年七月一日
		1 January 2012 二零一二年一月一日
		1 January 2013 二零一三年一月一日
		1 January 2013 二零一三年一月一日
		1 January 2013 二零一三年一月一日
		1 January 2013 二零一三年一月一日

本集團正評估此等修訂及新準則之影響，迄今認為未能確定本集團之經營業績及財務狀況會否因採用此等修訂及新準則而受到重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

3.2 Changes in prior year figures

3.2.1 Change in presentation of consolidated statement of comprehensive income and consolidated statement of financial position

In the current year, the directors of the Company (“Directors”) decided to change the classification of certain line items in the consolidated statement of comprehensive income and consolidated statement of financial position to better reflect the relevance of financial information relating to the Group’s activities and financial position. Certain bills of exchange with non-trade nature were reclassified from trade and bills payables to borrowings and the amounts due to a related company was reclassified to amount due to a non-controlling shareholder of a subsidiary. Prior year figures have been re-presented to reflect the new presentation. The reclassification has had no net effect on the results of the Group for the year ended 31 March 2011.

3. 主要會計政策

3.1 編製基準

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括創業板證券上市規則（「創業板上市規則」）及香港公司條例規定之適用披露事項。

綜合財務報表按歷史成本基準編製，惟若干按公平值計量之金融工具除外。歷史成本一般基於換取資產而付出之代價之公平值。

主要會計政策載列如下。

3.2 上一年度數字變更

3.2.1 綜合全面收益表及綜合財務狀況表之呈列變動

於本年度，本公司董事（「董事」）決定更改綜合全面收益表及綜合財務狀況表內若干項目之分類，以更有效反映財務資料與本集團業務及財務狀況之相關程度。若干非貿易性質之匯票已由應付賬款及應付票據重新分類至借貸及將應付關連公司款項重新分類至應付子公司一名非控股股東款項。上一年度之數字已重新呈列以反映新呈列方式。重新分類對本集團截至二零一一年三月三十一日止年度之業績並無造成影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.2 Changes in prior year figures (Continued)

3.2.1 Change in presentation of consolidated statement of comprehensive income and consolidated statement of financial position (Continued)

The effect of changes in presentation for the prior year by line items presented in the consolidated statement of comprehensive income and consolidated statement of financial position is as follows:

		Originally Stated 原本所列 HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	Restated 重列 HK\$'000 千港元
Consolidated statement of comprehensive income	綜合全面收益表			
Turnover	營業額	597,268	864	598,132
Other revenue	其他收入	26,647	(864)	25,783
Cost of sales and services	銷售及服務成本	(439,210)	(23,278)	(462,488)
Distribution costs	分銷成本	(53,599)	22,998	(30,601)
Administrative expenses	行政費用	(109,008)	280	(108,728)
Consolidated statement of financial position	綜合財務狀況表			
Trade and bills payables	應付賬款及應付票據	329,189	(119,048)	210,141
Borrowings	借貸	288,063	119,048	407,111
Amount due to a related company	應付關連公司款項	1,807	(1,807)	—
Amount due to a non-controlling shareholder of a subsidiary	應付子公司一名非控股股東款項	—	1,807	1,807

No consolidated statement of financial position as at 1 April 2011 has been presented as the change in accounting policy and re-classifications disclosed above have no effects on the financial position of the Group presented in the consolidated statement of financial position in respect of the end of the previous financial year.

3. 主要會計政策 (續)

3.2 上一年度數字變更 (續)

3.2.1 綜合全面收益表及綜合財務狀況表之呈列變動 (續)

於綜合全面收益表及綜合財務狀況表所呈列上一年度項目之呈列方式變動之影響如下：

由於上文所披露的會計政策變動及重新分類並無對上一財政年度末的綜合財務狀況表所呈列的本集團財務狀況造成影響，故並無呈列截至二零一一年四月一日的綜合財務狀況表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.2 Changes in prior year figures (Continued)

3.2.2 Adjustments made in respect of correction of prior year error

In the previous financial year, an error was made in the measurement of goodwill upon the acquisition of the subsidiaries. The error was detected during the year ended 31 March 2011 and the relevant accounts were adjusted as “adjustments to fair value adjustment for acquisition of subsidiaries in prior periods” in the consolidated financial statements. In accordance with HKAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, the error is now recognised retrospectively in the consolidated statement of financial position as at 1 April 2010 and certain comparative figures have been restated.

The effect of adjustments in the prior year accounts by line item presented in the consolidated statement of financial position, is as follows:—

3. 主要會計政策 (續)

3.2 上一年度數字變更 (續)

3.2.2 就更正上一年度錯誤所作調整

於上一財政年度，收購子公司所產生商譽之計量存在錯誤。該錯誤已於截至二零一一年三月三十一日止年度發現及相關金額已於綜合財務報表中調整為「更正在過往期間收購子公司時之公平值調整」。根據香港會計準則第8號「會計政策、會計估計更改及錯誤更正」，該錯誤現已於二零一零年四月一日之綜合財務狀況表中追溯確認，若干比較數字已經重列。

於綜合財務狀況表內呈列項目之上一年度賬目調整之影響如下：—

		At 1 April 2010		
		於二零一零年四月一日		
		Originally Stated	Adjustments	Restated
		原本所列	調整	重列
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Property, plant and equipment	物業、機器及設備	213,543	(57,884)	155,659
Prepaid land lease payments	預付土地租賃款	8,523	12,870	21,393
Goodwill	商譽	817,195	79,362	896,557
Deferred tax liabilities	遞延稅項負債	—	(34,348)	(34,348)

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries) for the year ended 31 March 2012. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance (effective from 1 January 2010 onwards).

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.

All intra-group transactions, balances, income and expenses are eliminated in full on consideration.

3. 主要會計政策 (續)

3.3 綜合賬目基準

綜合財務報表包括本公司及本公司所控制之實體(包括特別目標實體)(其子公司)截至二零一二年三月三十一日止年度之財務報表。當本公司有權力規管某實體之財務及經營政策以從其活動中獲益，將視為取得控制權。

於年內購入或售出之子公司之收益及開支由收購生效日起計及計至出售生效日止(視情況而定)，列入綜合全面收益表內。子公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此會導致非控股權益出現虧絀結餘亦屬如此(自二零一零年一月一日起生效)。

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。

所有集團內公司間的交易、結餘、收入及開支均於綜合賬目時對銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.3 Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's 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 interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost; (ii) derecognises the carrying amount of any non-controlling interest in the former subsidiary at the date when the control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3. 主要會計政策 (續)

3.3 綜合賬目基準 (續)

本集團於現有子公司之擁有權權益變動

本集團於子公司擁有權權益變動如不導致本集團失去對該子公司之控制權，則入賬列為權益交易。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。

倘本集團失去對一間子公司之控制權，則其(i)於失去控制權當日按賬面值終止確認該子公司之資產(包括任何商譽)及負債，(ii)於失去控制權當日終止確認前子公司任何非控股權益之賬面值(包括彼等應佔之其他全面收益之任何組成部份)，及(iii)確認所收取代價公平值及任何保留權益公平值之總額，所產生之差額於損益內確認為本集團應佔之收益或虧損。倘子公司之資產按重估金額或公平值計量，而相關累計收益或虧損已於其他全面收益確認並於權益累計，則早前於其他全面收益確認及於權益累計之金額將會以猶如本集團已直接出售相關資產之方式入賬(即根據適用香港財務報告準則之規定重新分類至損益或直接轉撥至保留盈利)。於失去控制權當日仍保留於前子公司之任何投資公平值，則根據香港會計準則第39號「金融工具：確認及計量」，於其後入賬時視為初步確認之公平值，或(如適用)於聯營公司或共同控制實體之投資之初步確認成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.4 Business combination

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

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other type of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRSs.

3. 主要會計政策 (續)

3.4 業務合併

收購子公司採用收購法入賬。於業務合併轉撥之代價按公平值計量，而計算方法為本集團所轉撥之資產及本集團於交換被收購方之控制權時對被收購方之前擁有人所產生之負債及本集團所發行股權於收購日期之公平值之總和。與收購有關之成本一般於產生時在損益中確認。

商譽乃以所轉讓之代價、任何非控股權益於被收購方中所佔金額及收購方以往持有之被收購方股權公平值(如有)之總和超出所收購可識別資產及所承擔的負債於收購日期之淨值之部份計量。倘經過評估後，所收購可識別資產及所承擔負債於收購日期之淨值超出所轉讓代價、任何非控股權益於被收購方中所佔金額以及收購方以往持有之被收購方股權公平值(如有)之總和，則超出部份即時於損益內確認為議價收購收益。

屬現時擁有權權益且於清盤時讓持有人有權按比例分佔實體淨資產之非控股權益，可初步按公平值或非控股權益應佔被收購方可識別淨資產之已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別之非控股權益乃按其公平值或(如適用)按另一個香港財務報告準則指定之基準計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.4 Business combination (Continued)

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

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

3. 主要會計政策 (續)

3.4 業務合併 (續)

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，則或然代價按其收購日期公平值計量並視為於業務合併中所轉讓代價之一部份。具備計量期間調整資格之或然代價之公平值變動乃作追溯調整，並對商譽作出相應調整。計量期間調整乃於「計量期間」（自收購日期起計不可超過一年）因取得有關於收購日期已存在事實及情況之額外資料所作出之調整。

並不合資格作為計量期間調整之或然代價公平值變動之其後會計處理，取決於或然代價如何分類。分類為權益之或然代價不會於其後呈報日期重新計量，而其隨後結算於權益內入賬。分類為資產或負債之或然代價根據香港會計準則第39號或香港會計準則第37號「撥備、或然負債及或然資產」（如適用）於其後呈報日期重新計量，而相應收益或虧損乃於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. 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 (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其後期間撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.6 Interest in associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting except when the investment is classified as held for sale. Under the equity method, interest in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of the associates equals or exceeds its interest in the associates (which includes any long-term interests that, in substance, form part of the Group's net interest in the associates), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's interest in associates. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Asset as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 主要會計政策 (續)

3.6 於聯營公司之權益

聯營公司指本集團可對其行使重大影響力，且並非子公司及於合營企業之權益的實體。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。

除投資被歸類為持作銷售之情況外，聯營公司之業績及資產與負債乃按權益會計法納入綜合財務報表內。根據權益法，於聯營公司之權益乃按成本於綜合財務狀況表初步確認，並於其後就本集團應佔該等聯營公司之溢利或虧損及其他全面收益作出調整。當本集團應佔一間聯營公司之虧損等於或超出其於該聯營公司之權益（包括實質上構成本集團於該聯營公司之權益淨額一部份之任何長期權益），則本集團不再確認其應佔之進一步虧損。額外虧損僅以本集團已產生法定或推定責任或代表該聯營公司支付之款項為限確認。

本集團會應用香港會計準則第39號之規定，以釐定是否有必要確認有關本集團於聯營公司之權益之任何減值虧損。倘有需要，投資之賬面總值（包括商譽）會按照香港會計準則第36號「資產減值」，透過比較投資可收回金額（使用價值與公平值減出售成本兩者之較高者）與賬面值，作為單一資產進行減值測試。任何已確認之減值虧損構成投資賬面值之一部份。減值虧損之任何撥回按照香港會計準則第36號以投資可收回金額於其後之增加為限確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.7 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sales if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

3.8.1 Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer, provided that the Group retains 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;

3. 主要會計政策 (續)

3.7 持作銷售之非流動資產

倘非流動資產及出售組別之賬面值將主要透過出售交易，而非透過持續使用收回時，則該等非流動資產及出售組別將分類為持作銷售。此條件僅於出售機會相當高及非流動資產（或出售組別）可於其現況下即時出售時方被視為獲符合。管理層必須致力進行出售，預期有關出售自分類當日起計一年內合資格確認為已完成出售。

倘本集團所進行之出售計劃涉及失去一間子公司之控制權，倘符合上文所述條件，則該子公司之所有資產及負債將分類為持作銷售，不論本集團於出售后會否保留其於前子公司之非控股權益。分類為持作銷售之非流動資產（及出售組別）按過往之賬面值或公平值減出售成本（以較低者為準）計量。

3.8 收入確認

收入按已收或應收代價的公平值計算。收入已扣除估計客戶回報、回扣及其他類似津貼。

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：

3.8.1 銷售貨品之收入，於貨品擁有權之重大風險及回報已轉移至買方時確認，惟本集團不再保留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。時間通敘為貨品交付及客戶已接收貨品之時；

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.8 Revenue recognition (Continued)

3.8.2 Revenue from the provision of services is recognised when the services are rendered;

3.8.3 Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably);

3.8.4 Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition;

3.8.5 The Group's accounting policy for recognition of revenue from government grant is described in the accounting policy under "Government grant" as below.

3.8.6 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

3. 主要會計政策 (續)

3.8 收入確認 (續)

3.8.2 提供服務之收入於提供服務時確認；

3.8.3 來自投資之股息收入於股東收取款項之權利確立時確認，惟經濟利益須很可能流入本集團及收入金額能可靠計量；

3.8.4 當經濟利益很可能流入本集團及收入金額能可靠計量時，金融資產之利息收入方予以確認。利息收入按時間基準，並參照尚欠本金額及按所適用之實際利率累計，而實際利率為於首次確認時透過金融資產之預期可用年期將估計未來現金收入準確折現至該資產之賬面淨值之比率；

3.8.5 本集團有關確認政府補助金收入之會計政策載於下文所述之「政府補助金」會計政策中。

3.8.6 建設合同

倘建設合同之結果能夠可靠地估計，收入及成本則會根據呈報期末合同活動之完成階段予以確認，並按工程進行至該日所產生之合同成本佔估計總合同成本之比例計量，惟不能代表完成階段者除外。合同工程之變動、索償及獎金款項僅於金額能可靠地計量及被認為很大可能收回之情況下方予以入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.8 Revenue recognition (Continued)

3.8.6 Construction contracts (Continued)

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract works. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract works. Amounts received before the related works is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

3. 主要會計政策 (續)

3.8 收入確認 (續)

3.8.6 建設合同 (續)

倘建設合同之結果不能可靠地估計，則合同收入會按已產生且將有可能收回之合同成本確認。合同成本會於其產生之期間確認為開支。

倘總合同成本可能超過總合同收入，則預期虧損立即確認為開支。

倘由產生時起計至今所產生之合同成本加已確認溢利及減去已確認虧損後，超逾按進度開發賬單之數額，則盈餘會被視為應收合同工程客戶之款項。倘按進度開發賬單之數額超逾至今所產生之合同成本加已確認溢利減去已確認虧損，則盈餘會被列為應付合同工程客戶之款項。有關工程進行前已收取之款項計入綜合財務狀況表為負債，並入賬列為已收墊款。就已進行工程已開發賬單而客戶尚未支付之款項計入綜合財務狀況表列作應收賬款及其他應收款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.9 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

3. 主要會計政策 (續)

3.9 租賃

凡租賃條款將所有權的絕大部份風險及回報轉移予承租人的租賃，均歸類為融資租賃。所有其他租賃則列作經營租賃。

本集團作為承租人

經營租賃付款按直線法於租期內確認為開支，惟倘有另一種系統基準更能反映租賃資產的經濟利益被消耗的時間模式則除外。經營租賃產生的或然租金於其所產生的期間內確認為開支。

倘訂立經營租賃可獲得租賃獎勵，則該等獎勵確認為負債。獎勵的利益總額按直線法確認為租金開支減少，惟倘有另一種系統基準更能反映租賃資產的經濟利益被消耗的時間模式則除外。

自用的租賃土地

倘一項租賃同時包括土地及樓宇部份，則本集團會依照各部份擁有權相關的絕大部份風險及回報是否已轉讓予本集團，分別將各部份的分類評定為融資或經營租賃，除非兩個部份均明確為經營租賃，於此情況下整項租賃分類為經營租賃。具體而言，最低租賃款項(包括任何一筆過支付的預付款項)會按訂立租約時租賃土地部份與樓宇部份租賃權益的相關公平值的比例，於土地及樓宇部份之間分配。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.9 Leasing (Continued)

Leasehold land for own use (Continued)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

3.10 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit and loss for the period in which they arise.

3. 主要會計政策 (續)

3.9 租賃 (續)

自用的租賃土地 (續)

倘能夠可靠分配租賃款項，則入賬列為經營租賃的租賃土地權益會於綜合財務狀況表內呈列為「預付租賃款項」，並於租期內按直線法攤銷。倘未能可靠地於土地及樓宇部份之間分配租賃款項，則整項租賃一般會分類為融資租賃，並入賬列作物業、機器及設備。

3.10 外幣

於編製各個別集團實體的財務報表時，倘交易貨幣與該實體的功能貨幣(外幣)不同，則以其功能貨幣(即實體經營業務所在的主要經濟環境的貨幣)按交易日期的現行匯率換算入賬。於呈報期末，以外幣列值的貨幣項目按該日的現行匯率重新換算。以外幣列值並按歷史成本計量的非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目所產生的匯兌差額乃於其產生期間內於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.10 Foreign currencies (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Hong Kong dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange difference arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

3. 主要會計政策 (續)

3.10 外幣 (續)

為呈列綜合財務報表，本集團境外業務的資產及負債乃按於各呈報期末的現行匯率換算為港元。收支項目乃按期內的平均匯率進行換算。所產生的匯兌差額(如有)乃於其他全面收益確認，並於匯兌儲備下的權益累計。

於出售境外業務(即出售本集團於境外業務之全部權益，或涉及失去對一間子公司(包括境外業務)之控制權之出售、涉及失去對一間共同控制實體(包括境外業務)之共同控制權之出售、或失去對一間聯營公司(包括境外業務)之重大影響力之出售)時，就本公司擁有人應佔該業務而於權益內累計之所有匯兌差額重新分類至損益。

因收購境外業務而產生之有關所收購可識別資產之商譽及公平值調整乃作為該境外業務之資產及負債處理，並按於各呈報期末的現行匯率進行換算。產生之匯兌差額於其他全面收入確認及於匯兌儲備下的權益內累計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.11 Borrowing costs

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

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

3.12 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants 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. 主要會計政策 (續)

3.11 借貸成本

收購、建造或生產合資格資產（即需要長時間方可作其擬定用途或供銷售的資產）直接應佔的借貸成本，將加入該等資產的成本，直至有關資產大致可用於其擬定用途或可供銷售。若未用作合資格資產開支之特定借貸暫時用於投資，所賺取之投資收入自合資格可撥充資本之借貸成本扣除。

所有其他借貸成本均於其產生期間於損益確認。

3.12 政府補助金

政府補助金於可合理地確定本集團將遵守補助金附帶的條件及收取補助金時予以確認。

政府補助金於本集團確認補助金擬補助的相關成本為開支期間，有系統地於損益中確認。具體而言，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。作為已產生之開支或損失的補償或為向本集團提供即時財務援助且並無日後相關成本而可收取的政府補助金，於其可收取期間在損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.13 Employee benefits

Pension schemes

Payments to the Mandatory Provident Fund Scheme in Hong Kong and state-managed retirement benefit schemes in the PRC for the eligible employees are recognised as an expense when employees have rendered service entitling them to the contributions.

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.

The employees of the Group's subsidiaries which operate in the PRC 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 the PRC, 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.

3. 主要會計政策 (續)

3.13 僱員福利

退休金計劃

為合資格僱員支付的香港強制性公積金計劃及中國國家管理的退休福利計劃的供款於僱員已提供服務使其有權取得供款時確認為開支。

有關計劃之資產以獨立管理基金形式持有，與本集團之資產分開。倘僱員於可全數保留其於本集團僱主供款之權益前退出有關計劃（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。

本集團於中國營運之子公司之僱員須參加由地方市政府營運之中央退休金計劃。根據地方市政府規定，該等子公司須為中國之僱員作出若干款額之供款。有關供款在根據中央退休金計劃條例應付時，自損益中扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.13 Employee benefits (Continued)

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.

3.14 Share-based payment compensation

Equity-settled share-based payment transactions

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payment reserve).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

At the time when the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to accumulated losses.

3. 主要會計政策 (續)

3.13 僱員福利 (續)

短期僱員福利

僱員可享有之年假於累計予僱員時確認。本集團會就僱員截至截至呈報日期止已提供之服務而可享有之年假之估計負債作出撥備。

非累計補償缺席(如病假及產假)於休假時方予以確認。

3.14 以股份為支付基準之補償

以權益結算並以股份為支付基準之交易

就授出須達成指定歸屬條件的購股權而言，參照授出當日已授出購股權的公平值而釐定已收取服務的公平值，於歸屬期間按直線法支銷，而權益(以股份為支付基準款項儲備)則相應增加。

於各呈報期末，本集團會修訂其對預期最終將予歸屬的購股權數目的估計。於歸屬期間修訂原先估計的影響(如有)在損益中確認，以累積開支反映經修訂估計，並對以股份為支付基準款項儲備作出相應調整。

當購股權獲行使時，過往於以股份為支付基準款項儲備確認的金額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於屆滿日期仍未行使，則過往於以股份為支付基準款項儲備確認的金額將轉撥至累計虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax deferred assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 主要會計政策 (續)

3.15 稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利不計入其他年度的應課稅或可扣稅收支項目，亦不計入毋須課稅或不可扣稅項目，故有別於綜合全面收益表中所呈報溢利。本集團的即期稅項負債乃使用於呈報期末已實施或實質上已實施的稅率計算。

於綜合財務報表的資產及負債賬面值與用作計算應課稅溢利的相應稅基兩者的暫時差額確認為遞延稅項。一般將會就所有應課稅暫時差額確認遞延稅項負債。遞延稅項延遞資產一般於可能有應課稅溢利可用以抵銷所有可扣稅暫時差額時就該等可扣稅暫時差額確認。倘暫時差額因商譽或因初步確認(除業務合併外)一項不影響應課稅溢利或會計溢利的交易的其他資產及負債而產生，則有關遞延資產及負債不予確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.15 Taxation (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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 主要會計政策 (續)

3.15 稅項 (續)

遞延稅項負債就於子公司及聯營公司的投資產生的應課稅暫時差額予以確認，惟倘本集團可控制暫時差額的撥回及該暫時差額有可能不會於可見將來撥回則除外。因與有關投資及權益相關的可扣稅暫時差額而產生的遞延稅項資產僅於可能有足夠應課稅溢利以動用該暫時差額的利益並預期可於可見將來撥回時確認。

遞延稅項資產的賬面值於呈報期末作檢討，並於可能不再有足夠應課稅溢利收回全部或部分資產時作調減。

遞延稅項以清償負債或變現資產期間預期適用的稅率計算，根據於呈報期末已實施或實質上已實施的稅率（及稅法）計算。遞延稅項負債及資產的計量反映呈報期末本集團預期將來能收回或清償其資產及負債賬面值的稅務後果。

即期及遞延稅項於損益確認，惟倘其與在其他全面收益中確認或直接在權益中確認的項目相關則除外，於該情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益中確認。倘因業務合併的初步會計處理而產生即期或遞延稅項，有關稅務影響會計入業務合併的會計處理內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.16 Property, plant and equipment

Property, plant and equipment including buildings and leasehold lands held for use in the production or supply of goods or services, or for administrative purposes, other than construction in progress, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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 vehicle	10%-20%

3. 主要會計政策 (續)

3.16 物業、機器及設備

物業、機器及設備(包括持作生產或供應貨品或服務用途或行政用途的樓宇及租賃土地(除在建工程外))乃按成本減其後累計折舊及其後累計減值虧損(如有)列入綜合財務狀況表。

折舊乃按物業、機器及設備項目(除在建工程外)的估計可使用年期以直線法確認以撇銷其成本(減去其剩餘價值)。估計可使用年期、剩餘價值及折舊方法於各呈報期末進行檢討，任何估計變動的影響按預提基準入賬。

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%

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.16 Property, plant and equipment (Continued)

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.17 Intangible assets (other than goodwill)

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3. 主要會計政策 (續)

3.16 物業、機器及設備 (續)

在建工程包括用作生產或供其自用的在建中物業、機器及設備。在建工程乃按成本減任何已確認減值虧損列賬。當在建工程完工及可作其擬定用途時，則歸入適當的物業、機器及設備類別。該等資產於可作其擬定用途時開始折舊，折舊基準與其他物業資產的基準相同。

物業、機器及設備項目於出售或當預期持續使用該資產不會帶來未來經濟利益時取消確認。出售或廢棄物業、機器及設備項目產生的任何收益或虧損按出售所得款項與資產賬面值間的差額釐定，並於損益內確認。

3.17 無形資產 (商譽除外)

單獨取得的具有有限可使用年期的無形資產乃按成本減累計攤銷及累計減值虧損列賬。攤銷乃於其估計可使用年期以直線法確認。估計可使用年期及攤銷方法於各呈報期末進行檢討，任何估計變動的影響按預提基準入賬。單獨取得的具有無限可使用年期的無形資產乃按成本減累計減值虧損列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.17 Intangible assets (other than goodwill)

(Continued)

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets are tested for impairment as described in note 20.

3.17.1 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 of 29 years and 5 months.

3.17.2 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.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. 主要會計政策 (續)

3.17 無形資產 (商譽除外) (續)

在企業合併中取得並且與商譽分開確認的無形資產初步按其在購買日的公平值確認。在初步確認後，企業合併中取得的無形資產按與單獨取得的無形資產相同的基準，按成本減累計攤銷及累計減值虧損呈報。

無形資產按附註20所述方式作減值測試。

3.17.1 會所會籍

會所會籍按成本減累計攤銷及累計減值虧損列賬。會所會籍按會籍年期29年零5個月攤銷。

3.17.2 技術

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

無形資產於出售後或當預期使用或出售將不會再產生未來經濟利益時取消確認。於取消確認無形資產時所產生之收益及虧損（以該資產出售所得款項淨額與賬面值之差額計算）將在取消確認該資產時於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.18 Impairment of tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策 (續)

3.18 有形及無形資產(商譽除外)之減值

於呈報期末，本集團會檢討其有形及無形資產之賬面值以釐定是否有跡象顯示該等資產出現減值虧損。倘出現任何該等跡象，則會估計資產之可收回金額以釐定減值虧損(如有)之程度。

可收回金額為公平值減銷售成本及使用價值之較高者。當無法估計個別資產之可收回金額，本集團會估計該資產所屬現金產生單位之可收回金額。當可識別合理及一致之分配基準，則公司資產亦會分配至個別現金產生單位，或分配至現金產生單位內可識別合理及一致分配基準之最小組別。

評估使用價值時，估計未來現金流量乃使用除稅前折現率貼現至彼等之現值，該折現率反映了市場對貨幣之時間價值及估計未來現金流量未作調整之資產之特定風險之當前評估。倘估計資產(或現金產生單位)之可收回金額低於其賬面值，資產(或現金產生單位)之賬面值會被減至其可收回金額。減值虧損即時於損益中確認。

倘減值虧損其後撥回，則該資產(或現金產生單位)之賬面值將增至重新估計之可收回金額，但經增加之賬面值不得超過資產(或現金產生單位)於過往年度並無確認減值虧損而應釐定之賬面值。減值虧損撥回即時於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.19 Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

3. 主要會計政策 (續)

3.19 研究及開發開支

研究活動的開支於其產生期間確認為開支。

當且僅當以下所有各項得到證明時，方會對由開發項目（或內部項目的開發階段）內部產生的無形資產予以確認：

- 完成該無形資產以使其可供使用或出售的技術可行性；
- 完成該無形資產並將其使用或出售的意圖；
- 使用或出售該無形資產的能力；
- 該無形資產將如何產生可能的未來經濟利益；
- 具備充足的技術、財務及其他資源，以完成開發並使用或出售該無形資產；及
- 可靠地計量該無形資產在其開發期間應佔相關開支的能力。

內部產生的無形資產的初步確認金額為有關無形資產首次符合上述所列確認標準當日起所產生的開支總額。倘並無內部產生的無形資產可予確認，則開發開支會於其產生期間在損益中扣除。

初步確認後，內部產生的無形資產按與單獨取得的無形資產相同的基準，按成本減累計攤銷及累計減值虧損（如有）計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.20 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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 (續)

3.20 存貨

存貨按成本及可變現淨值兩者的較低者入賬。成本按加權平均法計算。可變現淨值為存貨的估計售價減所有估計完工成本及進行銷售所需的成本。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.22 Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

3. 主要會計政策 (續)

3.21 撥備

倘本集團因過往事件而須承擔現有法律責任或推定責任，且本集團很可能須履行該責任，並能可靠地估計所須承擔的金額，則須確認撥備。撥備乃按對於呈報期末履行現有責任所需代價作出的最佳估計計量，並計及有關責任的風險及不明朗因素。當撥備按履行現有責任估計所需的現金流量計量時，其賬面值為有關現金流量的現值（如貨幣時間價值的影響重大）。

當結算撥備所需的部份或全部經濟利益預期可自第三方收回時，倘大致確定將可獲償付及能可靠地計量應收款項金額，則將應收款項確認為資產。

3.22 關連方

- (a) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司之主要管理層成員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.22 Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

3. 主要會計政策 (續)

3.22 關連方 (續)

(b) 倘符合下列任何條件，則實體與本集團有關連：

- (i) 該實體與本集團屬同一集團之成員公司（即各母公司、子公司及同系子公司彼此間有關連）。
- (ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體為其成員公司之集團旗下成員公司之聯營公司或合營企業）。
- (iii) 兩間實體均為同一第三方之合營企業。
- (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.22 Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies: (Continued)
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

3. 主要會計政策 (續)

3.22 關連方 (續)

- (b) 倘符合下列任何條件，則實體與本集團有關連：(續)
- (v) 該實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
- (vi) 該實體受(a)內所識別人土控制或共同控制。
- (vii) (a)(i)內所識別人土對該實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員。

一名人士之近親是指與該實體交易時預期可影響該人士或受該人士影響之家庭成員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.23 Financial Instrument

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.23.1 Financial assets

The Group's financial assets are classified into loans and receivables and financial assets at fair value through profit or loss ("FVTPL"). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策 (續)

3.23 金融工具

金融資產及金融負債於集團實體訂立工具合約條文時於綜合財務狀況表確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(除於損益賬按公平值處理之金融資產及金融負債外)直接應佔的交易成本,於初步確認時加入或從金融資產或金融負債(如適用)的公平值扣除。收購於損益賬按公平值處理之金融資產或金融負債直接應佔的交易成本,即時於損益確認。

3.23.1 金融資產

本集團的金融資產分類為貸款及應收款項以及於損益賬按公平值處理(「於損益賬按公平值處理」)之金融資產。有關分類取決於金融資產的性質及目的,並於初步確認時釐定。所有正常購買或銷售的金融資產,按交易日的基準確認及取消確認。正常購買或銷售是指按照市場規定或慣例須在一段期限內交付資產的金融資產買賣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.23 Financial Instrument (Continued)

3.23.1 Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

3. 主要會計政策 (續)

3.23 金融工具 (續)

3.23.1 金融資產 (續)

實際利率法

實際利率法乃計算債務工具的攤銷成本及於有關期間分配利息收入的方法。實際利率乃按債務工具的預計年期或適用的較短期間，將估計未來現金收入（包括構成實際利率不可或缺部份的一切已付或已收費用、交易成本及其他溢價或折讓）確切折讓至初步確認時的賬面淨值的利率。

債務工具的利息收入乃按實際利率基準確認，惟分類為於損益賬按公平值處理的金融資產除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.23 Financial Instrument (Continued)

3.23.1 Financial assets (Continued)

Financial assets at FVTPL

The Group's held-for-trading investments are classified as financial assets at FVTPL.

A financial asset is classified as held-for-trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Group manages together and has recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from re-measurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend earned on the financial assets and is included in the other gains and losses' line item in the consolidated statement of comprehensive income. Fair value is determined in the manner described in note 26.

3. 主要會計政策 (續)

3.23 金融工具 (續)

3.23.1 金融資產 (續)

於損益賬按公平值處理之金融資產

本集團之持作買賣投資分類為於損益賬按公平值處理之金融資產。

倘金融資產屬下列情況，則分類為持作買賣：

- 主要為於不久將來出售而購入；
- 構成本集團合併管理的已識別金融工具組合一部份，且具有近期實際短期獲利模式；或
- 屬於未被指定的衍生工具，並可有效作為對沖工具。

於損益賬按公平值處理之金融資產按公平值計量，而重新計量產生的公平值變動則直接於產生期間於損益中確認。於損益中確認的收益或虧損淨額乃包括任何就金融資產賺取的股息，並列入綜合全面收益表內「其他收益及虧損」項下。公平價值乃按附註26所述方式釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.23 Financial Instrument (Continued)

3.23.1 Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade, bills and other receivables, amounts due from customers for contract works, pledged deposits and cash and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Loans and receivables are assessed for indicators of impairment at the end of the reporting period. Loans and receivables are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows have been affected.

The objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- breach of contract, such as a default or delinquency in interest or principal payments;

3. 主要會計政策 (續)

3.23 金融工具 (續)

3.23.1 金融資產 (續)

貸款及應收款項

貸款及應收款項為固定或可確定付款金額及並非於活躍市場報價的非衍生金融資產。於初步確認後，貸款及應收款項（包括應收賬款、應收票據及其他應收款項、應收客戶合約工程款項、已抵押存款及現金及銀行結存）乃使用實際利率法按攤銷成本減任何可識別減值虧損列賬（參閱下文有關金融資產的減值虧損的會計政策）。

金融資產的減值

於呈報期末，會評估貸款及應收款項有否減值跡象。倘有客觀證據顯示因於初步確認後發生的一項或多項事件而引致估計未來現金流量受到影響，則貸款及應收款項被視為出現減值。

減值的客觀證據可包括：

- 發行人或對手方出現嚴重財政困難；
- 違約，如逾期支付或拖欠利息或本金；

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.23 Financial Instrument (Continued)

3.23.1 Financial assets (Continued)

Loans and receivables (Continued)

Impairment of financial assets (Continued)

- it becomes probable that the borrower will enter bankruptcy or financial re-organization; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of loans and receivables, such as trade receivable, assets are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delay payments in the portfolio past the Group's average credit period.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

3. 主要會計政策 (續)

3.23 金融工具 (續)

3.23.1 金融資產 (續)

貸款及應收款項 (續)

金融資產的減值 (續)

- 借款人有可能破產或進行財務重組；或
- 因出現財政困難導致該金融資產失去活躍市場。

此外，應收賬款及資產等被評估為非個別減值之若干貸款及應收款項類別，將按整體基準進行減值評估。應收款項組合之客觀減值證據可包括本集團之過往收款經驗、組合內延遲還款至超逾本集團平均信貸期之次數增加。

就所有金融資產而言，減值虧損會直接於金融資產的賬面值中作出扣減，惟應收賬款除外，其賬面值會透過撥備賬作出扣減。當應收賬款被視為不可收回時，其將於撥備賬內撇銷。其後收回先前撇銷的金額於撥備賬內對銷。撥備賬之賬面值變動於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.23 Financial Instrument (Continued)

3.23.2 Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade, bills and other payables, amounts due to a non-controlling shareholder of a subsidiary, amounts due to directors and borrowings are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

3. 主要會計政策 (續)

3.23 金融工具 (續)

3.23.2 金融負債及股本工具

由集團實體發行的金融負債及股本工具乃根據合約安排的實質以及金融負債及股本工具的定義分類為金融負債或股本。

股本工具

股本工具為證明集團資產經扣除其全部負債後尚有殘餘利益的任何合約。由本集團發行的股本工具按已收所得款項(扣除直接發行成本)確認。

金融負債

金融負債(包括應付賬項、應付票據及其他應付款項、應付子公司一名非控股股東款項、應付董事款項及借貸)其後乃採用實際利率法按攤銷成本計量。

實際利率法

實際利率法為計算金融負債攤銷成本及於有關期間分配利息開支的方法。實際利率乃按金融負債的預計年期或適用的較短期間，將估計未來現金付款(包括構成實際利率不可或缺部份的一切已付或已收費用及基點、交易成本及其他溢價或折讓)確切折讓至初步確認時的賬面淨值的利率。

利息開支乃按實際利率基準確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.23 Financial Instrument (Continued)

3.23.3 Convertible bonds

Convertible bonds issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. 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.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in convertible bonds reserve until the conversion option is exercised, in which case, the balance recognised in convertible bonds reserve will be transferred to share premium. Where the conversion option remains unexercised at the maturity date, the balance recognised in convertible bonds reserve will be released to accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

3. 主要會計政策 (續)

3.23 金融工具 (續)

3.23.3 可換股債券

本集團發行之可換股債券乃根據合約安排之實質及金融負債與股本工具之定義分開歸類為金融負債及權益。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。

於初步確認時，負債部份之公平值乃按類似非可換股工具之現行市場利率釐定。該金額採用實際利率法按攤銷成本基準列為負債，直至於轉換或該工具到期日為銷為止。

分類為權益之兌換權乃透過自整體複合工具之公平值中扣減負債部份金額而釐定。其將於扣除所得稅影響後在權益中確認及記賬，且隨後不可重新計量。此外，分類為權益之兌換權將一直保留於可換股債券儲備內，直至該兌換權獲行使，而在此情況下，於可換股債券儲備內確認之結餘將轉入股份溢價。倘兌換權於到期日尚未獲行使，於可換股債券儲備確認之結餘將轉撥至累計虧損。兌換權兌換或到期時將不會於損益中確認任何盈虧。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.23 Financial Instrument (Continued)

3.23.3 Convertible bonds (Continued)

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 gross proceeds. Transaction costs relating to the equity component are charged directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the convertible bonds using the effective interest method.

3.23.4 Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group either transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. 主要會計政策 (續)

3.23 金融工具 (續)

3.23.3 可換股債券 (續)

與發行可換股債券相關之交易成本按所得款項總額之分配比例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，並採用實際利率法於可換股債券有效期內攤銷。

3.23.4 取消確認

本集團僅於自資產獲取現金流量的合約權利到期時，或本集團將金融資產及資產所有權的絕大部份風險及回報轉讓予另一實體時取消確認金融資產。倘本集團未轉讓亦無保留所有權的絕大部份風險及回報，而是繼續控制已轉讓資產，則本集團繼續確認該資產（以持續參與的程度為限）並確認為相關負債。倘本集團保留已轉讓金融資產所有權的絕大部份風險及回報，則本集團繼續確認該金融資產，亦會就已收取的所得款項確認擔保借貸。

全面取消確認金融資產時，資產賬面值與已收及應收代價以及累計損益（已於其他全面收益確認並於權益累積）總和之間的差額會於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.23 Financial Instrument (Continued)

3.23.4 Derecognition (Continued)

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

3.24 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.

The Group has identified the following reportable segments:

- Tobacco agricultural operation;
- Digital television operation;
- Healthcare products 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.

3. 主要會計政策 (續)

3.23 金融工具 (續)

3.23.4 取消確認 (續)

本集團僅在本集團的責任獲解除、取消或終止時，方會取消確認金融負債。取消確認的金融負債的賬面值與已付及應付代價之間的差額會於損益確認。

3.24 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。

本集團已識別以下可報告分類：

- 煙草農業業務；
- 數字電視業務；
- 保健產品業務；

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.24 Segment Reporting (Continued)

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.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

3. 主要會計政策 (續)

3.24 分類報告 (續)

概無於可報告分類之間作出不平均分配。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。

4. 估計不明朗因素的主要來源

於應用本集團會計政策(如附註3所述)時，本公司董事須對尚無法從其他渠道確認的資產及負債賬面值作出判斷、估計及假設。該等估計及有關假設乃根據過往經驗及視作有關的其他因素作出。實際結果可能有別於該等估計。

該等估計及相關假設將按持續基準檢討。倘會計估計的修訂僅影響修訂估計的期間，則該修訂會於該期間確認；倘修訂對當前及未來期間均有影響，則在作出修訂的期間及未來期間確認。

以下是於呈報期末有關未来的主要假設及估計不明朗因素的其他估計不明朗因素的主要來源，有關假設及來源具有導致資產及負債的賬面值於下一財政年度內作出大幅調整的重大風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes in these jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes 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.

Impairment of goodwill and other intangible assets

Determining whether goodwill and other intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which goodwill and other intangible assets have been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value.

At 31 March 2012, the carrying amount of goodwill and other intangible assets amounted to approximately HK\$776,323,000 and HK\$57,504,000 respectively (2011: HK\$777,347,000 and HK\$142,928,000).

Impairment of trade, bills and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

4. 估計不明朗因素的主要來源 *(續)*

所得稅

本集團須繳納多個司法權區的所得稅。於釐定該等司法權區的所得稅撥備時需作出重要判斷。於日常業務過程中，有許多交易及計算均難以確定最終稅項的釐定。本集團根據對未來會否須繳納額外稅項的估計，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，有關差異會影響到作出有關釐定期間的所得稅及遞延稅項撥備。

商譽及其他無形資產的減值

釐定商譽及其他無形資產是否減值須估計獲分配有關商譽及其他無形資產之現金產生單位之使用價值。計算使用價值時，管理層須對預期可自現金產生單位產生之未來現金流量以及計算現值之適用貼現率作出估計。

於二零一二年三月三十一日，商譽及其他無形資產之賬面值分別約為776,323,000港元及57,504,000港元（二零一一年：777,347,000港元及142,928,000港元）。

應收賬款、應收票據及其他應收款項的減值

應收賬款及其他應收款項初步確認時按公平值計量，其後採用實際利率法按攤銷成本計量。倘有客觀證據顯示資產減值，則會於損益中就估計不可收回款項確認適當撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Impairment of trade, bills and other receivables *(Continued)*

In making the estimates, management considered detailed procedures have been in place to monitor this risk as a significant proportion of the Group's financial assets are devoted to trade and other receivables. In estimating whether allowance for bad and doubtful debts is required, the Group takes into consideration the ageing status and the likelihood of collection. For the identification of doubtful other receivables, management closely monitors the settlement status and evaluate the recoverability.

As at 31 March 2012, the carrying amounts of trade and bills receivables and other receivables are approximately HK\$442,635,000 (2011: HK\$462,152,000) and HK\$59,081,000 (2011: HK\$60,610,000) respectively.

Estimate of fair value of financial instruments

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

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;
- The fair values of other financial assets and financial liabilities are determined using valuation techniques that include inputs based on observable current market transactions.

4. 估計不明朗因素的主要來源 *(續)*

應收賬款、應收票據及其他應收款項的減值 *(續)*

於作出估計時，管理層認為，由於本集團大部份金融資產均受制於應收賬款及其他應收款項，故已設立詳盡程序以監控此項風險。於估計是否須就呆壞賬作出撥備時，本集團會考慮賬款的賬齡及收回的可能性。為發現其他呆賬，管理層會密切監控還款狀態及評估收回的可能性。

於二零一二年三月三十一日，應收賬款及應收票據以及其他應收款項之賬面值分別約為442,635,000港元（二零一一年：462,152,000港元）及59,081,000港元（二零一一年：60,610,000港元）。

金融工具公平值的估計

金融資產及金融負債之公平值乃按下列方式釐定：—

- 具有標準條款及條件並於活躍流通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；
- 其他金融資產及金融負債之公平值乃採用估值技術（包括以可觀察的當前市場交易為基準之輸入因素）釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Estimate of fair value of share-based payments

The Company operates a share option scheme with the eligible participants of the share option scheme receive remuneration in the form of share-based payment transactions. The costs of these equity-settled transactions are 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.

Estimate of 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.

At 31 March 2012, the carrying amount of biological assets amounted to HK\$ Nil (2011: HK\$87,000).

4. 估計不明朗因素的主要來源 *(續)*

以股份為支付基準款項之公平值估計

本公司設有購股權計劃，購股權計劃之合資格參與者以股份為支付基準之交易方式獲取報酬。該等以權益結算交易之成本乃參考授出日期之公平值計量，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。於歸屬日期前各呈報期末就以權益結算交易確認之累計開支，乃反映歸屬期屆滿之程度及本集團對最終將予歸屬之股本工具數目作出的最佳估計。

生物資產之公平值估計

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。

於二零一二年三月三十一日，生物資產之賬面值為零港元(二零一一年：87,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Useful lives and residual value of property, plant and equipment

The Group's management determines the residual values, useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual residual value and useful lives of property, plant and equipment of similar nature and functions and may vary significantly as a result of technical innovations and keen competitions from competitors, resulting in higher depreciation charge and/or write-off or write-down of technically obsolete assets when residual value or useful lives are less than previously estimated.

At 31 March 2012, the carrying amount of property, plant and equipment amounted to approximately HK\$76,347,000 (2011: HK\$83,514,000).

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.

4. 估計不明朗因素的主要來源 *(續)*

物業、機器及設備的可使用年期及殘餘價值

本集團管理層釐定本集團物業、機器及設備的殘餘價值、可使用年期及有關折舊開支。該估計乃根據過往對性質及功能相若的物業、機器及設備的實際殘餘價值及可使用年期的估計經驗而進行，可能會因技術創新及競爭對手的激烈競爭而出現重大變動，倘殘餘價值或可使用年期低於預先估計，會導致折舊開支會增加及／或需撇銷或撇減技術陳舊資產。

於二零一二年三月三十一日，物業、機器及設備之賬面值約為76,347,000港元(二零一一年：83,514,000港元)。

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兌換權，該兌換權於扣除交易成本後於可換股債券儲備內確認及計入。分開負債及權益部份需要對市場利率作出估計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS BY CATEGORY

5. 按類別劃分之金融工具

a. The categories of financial instruments

a. 金融工具的類別

Financial assets

金融資產

		Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Loans and receivables	貸款及應收款項				
Trade and bills receivables	應收賬款及應收票據	442,635	462,152	—	—
Other receivables	其他應收款項	59,081	60,610	—	—
Amounts due from subsidiaries	應收子公司款項	—	—	1,333,031	1,402,545
Amounts due from associates	應收聯營公司款項	7,048	—	—	—
Amounts due from customers for contract works	應收客戶合約工程款項	—	5,992	—	—
Pledged deposits	已抵押存款	260,222	231,372	—	—
Cash and bank balances	現金及銀行結存	160,755	47,491	115	7,343
		929,741	807,617	1,333,146	1,409,888
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	—	822	—	—
		—	822	—	—
		929,741	808,439	1,333,146	1,409,888

Financial liabilities

金融負債

		Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Trade and bills payables	應付賬款及應付票據	62,236	210,141	—	—
Other payables	其他應付款項	52,030	44,350	—	908
Borrowings	借貸	747,004	407,111	—	—
Amount due to a non-controlling shareholder of a subsidiary	應付子公司一名 非控股股東款項	1,522	1,807	—	5,000
Amounts due to directors	應付董事款項	5,186	6,013	—	—
Convertible bond	可換股債券	645,400	645,288	645,400	645,288
		1,513,378	1,314,710	645,400	651,196

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

b. Financial risk management objectives and policies

The Group's major financial instruments include, trade and bills receivables, other receivables, pledged deposits, cash and bank balances, trade and bills payables, other payables, borrowings, amounts due to directors, amount due to a non-controlling shareholder of a subsidiary and convertible bond. 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.

c. Market risk

The Group's activities expose it primarily to the market risks of changes in interests rates and foreign currency exchange rates risks. There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk over the year.

Interest rate risk management

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market rate on bank balances, bank and other borrowings which are carried at prevailing market interest rates and variable rate based on the interest rates quoted by the People's Bank of China.

The Group's fair value interest rate risk relates primarily to pledged bank deposits, bank and other borrowings and convertible bond which are carried at fixed interest rate. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rate risks on financial liabilities are detailed in the liquidity risk management section of this note.

5. 按類別劃分之金融工具 *(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應收賬款及應收票據、其他應收款項、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、應付子公司一名非控股股東款項及可換股債券。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。

c. 市場風險

本集團的活動令其主要面對利率變動的市場風險及外幣匯率風險。年內，本集團所面對的市場風險或其管理及衡量風險的方式並無重大變動。

利率風險管理

由於銀行結存與銀行及其他借貸（按現行市場利率及根據中國人民銀行所報利率計算的浮動利率計息）的現行市場利率波動，本集團面對現金流量利率風險。

本集團的公平值利率風險主要與已抵押銀行存款、按固定利率計息之銀行及其他借貸及可換股債券有關。本集團現時並無利用任何衍生工具合約對沖其面對的利率風險。然而，管理層於有需要時會考慮對沖重大利率風險。

本集團面對與金融負債有關的利率風險之詳情載於本附註流動資金風險管理一節。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

c. Market risk *(Continued)*

Interest rate sensitivity

The sensitivity analysis below has been prepared based on the exposure to interest rates for non-derivative instruments carried at variable rate (bank balances and bank and other borrowings) at the end of the reporting period and assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease for interest rates on bank balances and bank and other borrowings are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rate in respect of bank and other borrowings and bank balances respectively.

If interest rates had been increased/decreased by 50 basis points in respect of bank and other borrowings and all other variables were held constant, the Group's loss for the year would increase/decrease by approximately HK\$741,000 for the year ended 31 March 2012 (2011: increase/decrease by approximately HK\$827,000).

If interest rates had been increased/decreased by 50 basis points in respect of bank deposits and all other variables were held constant, the Group's loss for the year would decrease/increase by approximately HK\$2,051,000 (2011: decrease/increase by approximately HK\$1,394,000) for the year ended 31 March 2012.

5. 按類別劃分之金融工具 *(續)*

c. 市場風險 *(續)*

利率敏感度

以下敏感度分析乃基於呈報期末面對的以浮動利率計息之非衍生工具(銀行結存與銀行及其他借貸)利率風險以及假設於呈報期末未償還的金融工具於整年未償還而作出。就銀行結存與銀行及其他借貸之利率而言，公司內部向主要管理人員匯報利率風險時會以升跌50個基點為基準，並指管理層分別對銀行及其他借貸以及銀行結存利率可能變動的評估。

倘利率上升／下降50個基點(就銀行及其他借貸而言)，而所有其他變數維持不變，則截至二零一二年三月三十一日止年度本集團的年內虧損將增加／減少約741,000港元(二零一一年：增加／減少約827,000港元)。

倘利率上升／下降50個基點(就銀行存款而言)，而所有其他變數維持不變，則截至二零一二年三月三十一日止年度本集團的年內虧損將減少／增加約2,051,000港元(二零一一年：減少／增加約1,394,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

c. Market risk (Continued)

Foreign currency risk management

The Group collects all of its revenue in Reminbi (“RMB”) and most of the expenditures including expenditures and capital expenditures are also denominated in RMB.

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

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.

		Increase/ (decrease) in RMB rate 人民幣匯率 上升/(下跌) %	Increase/ (decrease) in loss 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
2012	二零一二年			
If RMB weakens against HK\$	倘人民幣兌港元貶值	(5)	5,081	(35,657)
If RMB strengthens against HK\$	倘人民幣兌港元升值	5	(5,081)	35,657
2011	二零一一年			
If RMB weakens against HK\$	倘人民幣兌港元貶值	(5)	3,222	(21,350)
If RMB strengthens against HK\$	倘人民幣兌港元升值	5	(3,222)	21,350

5. 按類別劃分之金融工具 (續)

c. 市場風險 (續)

外幣風險管理

本集團的全部收入均以人民幣(「人民幣」)收款，且大部份開支(包括開支及資本開支)亦以人民幣計值。

本集團進行若干以外幣計值的交易，因此面對匯率波動風險。本集團現時並無外幣對沖政策。然而，管理層會監察外匯風險，並將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 Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

d. Credit risk management

At the end of the reporting period, the Group's maximum exposure to credit risk in the event of counterparties' failure to perform their obligations 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.

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 credit period 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 regard, the Directors 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 agencies or state-owned banks in the PRC.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group has no significant concentration of credit risk, in which exposure is spread over a number of counterparties and customers.

5. 按類別劃分之金融工具 *(續)*

d. 信貸風險管理

於呈報期末，本集團就各類已確認金融資產所面對的因對手方無法履行其責任而導致的最大信貸風險，為綜合財務狀況表內所示該等資產的賬面值。

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信貸期評估。此外，於各呈報期末，本集團會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足夠之減值虧損。就此而言，董事認為本集團之信貸風險已大幅降低。

由於對手方均為具備國際信貸評級機構高信貸評級之信譽良好的銀行或中國的國有銀行，故銀行結存之信貸風險有限。

除存放於若干高信貸評級銀行之流動資金有信貸風險集中的情況外，本集團的風險分佈於多個對手方及客戶，故並無重大集中信貸風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

e. 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.

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:

5. 按類別劃分之金融工具 *(續)*

e. 流動資金風險

審慎流動資金風險管理指保持充足的銀行結存及現金，以及有足夠額度之已承諾信貸可供撥付資金所需。本集團亦旨在藉安排及保留已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。

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：

		Group 本集團					
		2012 二零一二年					
		On demand	Within 1 year	Within 1 to 2 years	Over 2 years	Total	Carrying amount
		按 要求	一 年內	一 至兩 年內	超 過兩 年	合 計	賬 面 值
		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
Trade and bills payables	應付賬款及應付票據	51,245	10,991	—	—	62,236	62,236
Other payables and accruals	其他應付款項及應計費用	67,434	—	—	—	67,434	67,434
Borrowings	借貸	27,794	727,033	—	—	754,827	747,004
Amount due to a non-controlling shareholder of a subsidiary	應付子公司 一名非控股股東款項	1,522	—	—	—	1,522	1,522
Amounts due to directors	應付董事款項	—	5,186	—	—	5,186	5,186
Convertible bond	可換股債券	—	10,730	10,730	1,083,524	1,104,984	645,400
		147,995	753,940	10,730	1,083,524	1,996,189	1,528,782

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

e. Liquidity risk (Continued)

		Group 本集團 2011 二零一一年					Carrying amount
		On demand	Within 1 year	Within 1 to 2 years	Over 2 years	Total	
		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
Trade and bills payables	應付賬款及應付票據	—	210,141	6,718	—	216,859	210,141
Other payables and accruals	其他應付款項及應計費用	56,438	—	—	—	56,438	56,438
Borrowings	借貸	15,393	391,718	—	—	407,111	407,111
Amount due to a non-controlling shareholder of a subsidiary	應付子公司 一名非控股股東款項	1,807	—	—	—	1,807	1,807
Amounts due to directors	應付董事款項	1,013	5,000	—	—	6,013	6,013
Convertible bond	可換股債券	—	10,730	10,730	1,094,254	1,115,714	645,288
		74,651	617,589	17,448	1,094,254	1,803,942	1,326,798

		Company 本公司 2012 二零一二年					Carrying amount
		On demand	Within 1 year	Within 1 to 2 years	Over 2 years	Total	
		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
Other payables and accruals	其他應付款項及應計費用	2,560	—	—	—	2,560	2,560
Convertible bond	可換股債券	—	10,730	10,730	1,083,524	1,104,984	645,400
		2,560	10,730	10,730	1,083,524	1,107,544	647,960

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

e. Liquidity risk (Continued)

		Company 本公司 2011 二零一一年					
		On demand	Within 1 year	Within 1 to 2 years	Over 2 years	Total	Carrying amount
		按 要求	一 年內	一 至兩年內	超 過兩年	合 計	賬 面 值
		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
Other payables and accruals	其他應付款項及應計費用	908	–	–	–	908	908
Amounts due to a director	應付一名董事款項	–	5,000	–	–	5,000	5,000
Convertible bond	可換股債券	–	10,730	10,730	1,094,254	1,115,714	645,288
		908	15,730	10,730	1,094,254	1,121,622	651,196

f. Fair value

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

- the fair value of the Group's financial assets at fair value are calculated by using quoted price; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Except for the convertible bond with fair value disclosed in note 33, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their respective fair values at the end of the reporting period.

5. 按類別劃分之金融工具 (續)

e. 流動資金風險 (續)

		Company 本公司 2011 二零一一年					
		On demand	Within 1 year	Within 1 to 2 years	Over 2 years	Total	Carrying amount
		按 要求	一 年內	一 至兩年內	超 過兩年	合 計	賬 面 值
		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
Other payables and accruals	其他應付款項及應計費用	908	–	–	–	908	908
Amounts due to a director	應付一名董事款項	–	5,000	–	–	5,000	5,000
Convertible bond	可換股債券	–	10,730	10,730	1,094,254	1,115,714	645,288
		908	15,730	10,730	1,094,254	1,121,622	651,196

f. 公平值

金融資產及金融負債的公平值乃按下列方式釐定：—

- 本集團按公平值處理之金融資產的公平值，乃採用報價計算；及
- 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，按照折現現金流分析釐定。

除附註33所披露之可換股債券公平值外，本公司董事認為，於綜合財務狀況表按攤銷成本入賬的金融資產及金融負債的賬面值與其各自於呈報期末的公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

g. Capital management

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

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

The Group reviews the capital structure on an annual basis and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. Based on the review, the Group will balance its overall capital structure through raising or repayment of borrowings.

The Group monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as total debts divided by total assets. At the reporting period ended 31 March 2012 and 31 March 2011, the Group's gearing ratio is 64.2% and 55.9%, respectively.

5. 按類別劃分之金融工具 (續)

g. 資本管理

本集團資本管理的主要目標為保障本集團之持續經營能力及維持穩健的資本比例，以為其業務提供支持及為股東創造最高價值。

本集團的資本結構包含債務及本公司擁有人應佔權益(包括已發行股本及儲備)。

本集團每年檢討資本架構，並根據經濟環境變動及相關資產的風險特徵作出調整。根據有關檢討，本集團會透過籌措或償還借貸平衡其整體資本結構。

本集團採用資產負債比率監察其資本。資產負債比率按負債總額除以資產總額計算。於截至二零一二年三月三十一日及二零一一年三月三十一日止之呈報期，本集團的資產負債比率分別為64.2%及55.9%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. TURNOVER AND SEGMENT INFORMATION

The principal activities of the group are manufacturing and sale of tobacco machinery products, sale of tobacco fertilizer and pesticide products, construction, provision of digital television services and manufacturing and sale of healthcare products in the PRC.

Turnover represents revenue arising from the sale of agricultural machinery, sale of fertilizer and pesticide, construction contracts revenue, provision of digital television services and sale of cordyceps-related and other healthcare products. An analysis of the Group's revenue is as follows:—

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)
Sale of agricultural machinery and provision of construction services	銷售農業機械及提供建築服務	626,227	483,360
Sale of fertilizer and pesticide	銷售肥料及農藥	29,598	111,047
Provision of consultancy services	提供顧問諮詢服務	2,361	—
Provision of digital television services	提供數字電視服務	4,795	2,889
Sale of cordyceps-related and other healthcare products	銷售北冬蟲夏草相關產品及其他保健產品	915	836
		663,896	598,132

For management purposes, the Group is currently organised into three operating divisions and these divisions are the basis on which the Group reports its primary segment information.

6. 營業額及分類資料

本集團的主要業務是於中國製造及銷售煙草機械產品、銷售煙草肥料及農藥產品、建築、提供數字電視服務及製造並銷售保健產品。

營業額是指來自銷售農業機械、銷售肥料及農藥、建築合同收入、提供數字電視服務及銷售北冬蟲夏草相關產品及其他保健產品之收入。本集團收入分析如下：—

為方便管理，本集團之業務現時分為三個經營分部，該等分部乃本集團呈報其主要分類資料之基礎。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. TURNOVER AND SEGMENT INFORMATION *(Continued)*

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results and assets and liabilities attributable to each reportable segment on the following basis: —

Segment turnover represents revenue generated from external customers.

Segment results represent the profit earned or loss incurred by each segment without allocation of corporate income and expenses, central administrative costs, director's salaries, interest and other income and finance costs, share of profits of associates, gain on disposal of subsidiaries, loss on deconsolidation of subsidiaries and income tax credit.

Segment assets include all tangible and intangible assets other than interests in associates, financial assets at fair value through profit or loss, deferred tax assets, pledged deposits, cash and bank balances and unallocated corporate assets.

Segment liabilities include all liabilities other than amounts due to directors, borrowings, deferred tax liabilities, convertible bond and unallocated corporate liabilities.

6. 營業額及分類資料 (續)

就評估分類表現及在分類之間分配資源而言，本集團高級行政管理層按以下基準監控各可呈報分類應佔業績與資產及負債：—

分類營業額指自外部客戶產生之收入。

分類業績指各分類所賺取之溢利或產生之虧損，並未就企業收入及開支、中央行政成本、董事薪金、利息及其他收入及融資成本、分佔聯營公司溢利、出售子公司之收益、終止作為子公司綜合列賬之虧損及所得稅抵免作出分配。

分類資產包括除聯營公司權益、於損益賬按公平值處理之金融資產、遞延稅項資產、已抵押存款、現金及銀行結存及未分配企業資產外的所有有形及無形資產。

分部負債包括除應付董事款項、借貸、遞延稅項負債、可換股債券及未分配企業負債外的所有負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. TURNOVER AND SEGMENT INFORMATION *(Continued)*

6. 營業額及分類資料 (續)

(a) Business segments

(a) 業務分類

Segment Turnover and Results

分類營業額及業績

		2012 二零一二年				2011 二零一一年			
		Tobacco agricultural operations 煙草 農業業務 HK\$'000 千港元	Digital television operation 數字 電視業務 HK\$'000 千港元	Healthcare products operation 保健產品 業務 HK\$'000 千港元	Total 合計 HK\$'000 千港元	Tobacco agricultural operations 煙草 農業業務 HK\$'000 千港元 (Restated) (重列)	Digital television operation 數字 電視業務 HK\$'000 千港元 (Restated) (重列)	Healthcare products operation 保健產品 業務 HK\$'000 千港元 (Restated) (重列)	Total 合計 HK\$'000 千港元 (Restated) (重列)
Revenue from external customers	外部客戶收入	658,186	4,795	915	663,896	594,407	2,889	836	598,132
Gross profit (loss)	毛利(虧)	192,862	1,786	95	194,743	137,160	390	(1,906)	135,644
Segment profit (loss) from operations	分類經營溢利(虧損)	85,437	(1,781)	(5,464)	78,192	53,242	(2,286)	(9,311)	41,645
Impairment loss on prepayments	預付款項減值虧損	-	(20,000)	-	(20,000)	-	-	-	-
Impairment loss on goodwill	商譽減值虧損	-	-	-	-	(120,234)	-	-	(120,234)
Impairment loss on other intangible assets	其他無形資產減值虧損	(59,105)	-	-	(59,105)	(89,694)	-	(10,000)	(99,694)
Segment results	分類業績	<u>26,332</u>	<u>(21,781)</u>	<u>(5,464)</u>	<u>(913)</u>	<u>(156,686)</u>	<u>(2,286)</u>	<u>(19,311)</u>	<u>(178,283)</u>
Interest income	利息收入				7,272				2,431
Other revenue	其他收入				10,788				8,286
Unallocated expenses	未分配開支				(19,343)				(34,129)
Finance costs	融資成本				(32,203)				(28,123)
Other losses	其他虧損				(22)				(6,629)
Share of profits of associates	分佔聯營公司溢利				611				-
Gain on disposal of subsidiaries	出售子公司之收益				1,760				-
Loss on deconsolidation of subsidiaries	終止作為子公司綜合列賬之虧損				(2,779)				-
					<u>(34,829)</u>				<u>(236,447)</u>
Income tax credit	所得稅抵免				2,435				11,662
Loss for the year	年度虧損				<u>(32,394)</u>				<u>(224,785)</u>
Other information	其他資料								
Depreciation	折舊	5,713	367	2,265	8,345	12,360	328	2,207	14,895
Unallocated depreciation	未分配折舊				556				403
					<u>8,901</u>				<u>15,298</u>
Capital expenditure	資本開支	3,579	263	3	3,845	8,391	423	3,891	12,705
Unallocated capital expenditure	未分配資本開支				18				3,666
					<u>3,863</u>				<u>16,371</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. TURNOVER AND SEGMENT INFORMATION (Continued)

(a) Business segments (Continued)

Segment Assets and Liabilities

		2012 二零一二年			
	Tobacco agricultural operation 煙草 農業業務 HK\$'000 千港元	Digital television operation 數字 電視業務 HK\$'000 千港元	Healthcare products operation 保健產品 業務 HK\$'000 千港元	Total 合計 HK\$'000 千港元	
Total assets	總資產				
Segment assets	分類資產	1,728,393	4,007	43,048	1,775,448
Financial assets at fair value through profit or loss	於損益賬按公平值處理之金融資產				—
Interests in associates	聯營公司權益				16,531
Deferred tax assets	遞延稅項資產				10,891
Pledged deposits	已抵押存款				260,222
Cash and bank balances	現金及銀行結存				160,755
Unallocated corporate assets	未分配企業資產				4,621
					<u>2,228,468</u>
Total liabilities	總負債				
Segment liabilities	分類負債	109,244	7,573	13,920	130,737
Amounts due to directors	應付董事款項				5,186
Borrowings	借貸				747,004
Deferred tax liabilities	遞延稅項負債				9,462
Convertible bond	可換股債券				645,400
Unallocated corporate liabilities	未分配企業負債				4,418
					<u>1,542,207</u>

6. 營業額及分類資料 (續)

(a) 業務分類 (續)

分類資產及負債

				2011 二零一一年			
	Tobacco agricultural operation 煙草 農業業務 HK\$'000 千港元 (Restated) (重列)	Digital television operation 數字 電視業務 HK\$'000 千港元 (Restated) (重列)	Healthcare products operation 保健產品 業務 HK\$'000 千港元 (Restated) (重列)	Total 合計 HK\$'000 千港元 (Restated) (重列)			
Segment assets	1,720,215	24,073	44,645	1,788,933			
Financial assets at fair value through profit or loss				—			822
Interests in associates				16,531			—
Deferred tax assets				10,891			—
Pledged deposits				260,222			231,372
Cash and bank balances				160,755			47,491
Unallocated corporate assets				4,621			8,452
				<u>2,228,468</u>			<u>2,077,070</u>
Segment liabilities	246,335	7,054	11,525	264,914			
Amounts due to directors				5,186			6,013
Borrowings				747,004			407,111
Deferred tax liabilities				9,462			12,825
Convertible bond				645,400			645,288
Unallocated corporate liabilities				4,418			7,412
				<u>1,542,207</u>			<u>1,343,563</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. TURNOVER AND SEGMENT INFORMATION *(Continued)*

(b) Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:—

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Revenue	收入		
PRC	中國	663,896	598,132
Hong Kong	香港	—	—
		663,896	598,132
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Non-current assets*	非流動資產*		
PRC	中國	919,266	1,006,675
Hong Kong	香港	14,178	3,844
		933,444	1,010,519

* Non-current assets do not include deferred tax assets

* 非流動資產並不包括遞延稅項資產

(c) Information about major customers

No sales to a single customer or a group of customers under the common control accounted for 10% or more of the Group's revenue for the years ended 31 March 2012 and 2011.

(c) 關於主要客戶的資料

並無對某單一客戶或處於共同控制下的一組客戶的銷售額超過本集團截至二零一二年及二零一一年三月三十一日止年度收入的10%或以上。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7. OTHER REVENUE

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)
Interest income	利息收入	7,272	2,431
Dividend income from listed securities	上市證券之股息收入	32	—
Government grants	政府補助	1,626	4,593
Rental income from operating leases	經營租賃之租金收入	—	9,302
Waiver of coupon interest on convertible bond	免除可換股債券之 票息	10,730	8,108
Sundry income	雜項收入	775	1,349
		20,435	25,783

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

Agreed with certain subscribers of the convertible bond of the Company, part of the interest on the convertible bond, amounting to HK\$10,730,000 (2011: HK\$8,108,000), was waived for the purpose to improve the profitability and liquidity of the Group. Taken consideration of the occurrence of the waiver is subject to decision made by these subscribers, in the view of the Directors, the terms, estimated cash flows and effective interest rate of the convertible bond are not revised and therefore, the carrying amount of the financial liability is not adjusted.

7. 其他收入

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。

經與若干本公司可換股債券認購人協定，為數10,730,000港元(二零一一年：8,108,000港元)之部份可換股債券權益已獲免除，以提高本集團之盈利能力及流動性。考慮到有關免除的發生乃視乎該等認購人所作決定而定，董事認為可換股債券之條款、估計現金流量及實際利率並無修改。因此，金融負債之賬面值並無作調整。

8. FINANCE COSTS

Interest expenses on financial liabilities not at fair value through profit or loss are as follows:—

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Interest on bank loans wholly repayable within five years	須於五年內全部償還之 銀行貸款利息	22,314	15,892
Interest on other loans	其他貸款之利息	4,621	2,837
Reversal of interest expenses over-provided in prior year	撥回過往年度超額撥備之 利息支出	(5,574)	—
Effective interest expenses on convertible bond	可換股債券之 實際利息支出	10,842	9,394
		32,203	28,123

8. 融資成本

並非於損益表按公平值處理之金融負債之利息支出如下：—

Notes to the Consolidated Financial Statements

綜合財務報表附註

9. OTHER LOSSES

9. 其他虧損

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Change in fair value of financial assets designated at fair value through profit or loss	指定為於損益表按公平值處理之金融資產之公平值變動	—	(295)
Loss on disposal of financial assets designated at fair value through profit or loss	出售指定為於損益表按公平值處理之金融資產之虧損	22	3,186
Impairment losses on prepayment and other receivables	預付款項及其他應收款項減值虧損	20,000	3,630
Impairment losses on property, plant and equipment	物業、機器及設備減值虧損	—	46
Write down of inventories	存貨撇減	—	3,927
		20,022	10,494

10. IMPAIRMENT LOSSES ON GOODWILL AND OTHER INTANGIBLE ASSETS

10. 商譽及其他無形資產減值虧損

For the year ended 31 March 2012, the impairment loss on other intangible assets relates to technologies owned by Kang Yuan Universal Investment Limited (“Kang Yuan”, which holds 100% equity interest of Jiangsu Kedi Modern Agricultural Company Limited (“Jiangsu Kedi”) and the subsidiaries (collectively as “Jiangsu Kedi Group”). During the year, certain technologies owned by Jiangsu Kedi were contributed to the State Tobacco Monopoly Administration (“STMA”) for the newly established industry standards of the intensive flue-curing machinery. Accordingly, the Company made provision for impairment of the technologies amounting to HK\$59,105,000.

截至二零一二年三月三十一日止年度，其他無形資產減值虧損乃與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」）及子公司（合稱「江蘇科地集團」）之100%股權）所擁有的技術有關。年內，江蘇科地擁有的若干技術對國家煙草專賣局（「國家煙草局」）對密集烘烤機械重新製定行業標準作出了貢獻。因此，本公司已就該等技術計提減值撥備59,105,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10. IMPAIRMENT LOSSES ON GOODWILL AND OTHER INTANGIBLE ASSETS

(Continued)

For the year ended 31 March 2011, the impairment losses on goodwill and other intangible assets were related to the acquisition of technologies owned by Kang Yuan. The production volume and sales volume of the major products of Jiangsu Kedi Group were lower than expected as business financing was more difficult in the PRC due to continuing tightening monetary policies in the PRC. Accordingly, the Company made provision for impairment of HK\$120,234,000 and HK\$89,694,000 respectively on goodwill arising from the acquisition of the Kang Yuan's technologies. In addition, as there was no improvement in the results of the healthcare products operation, the value of the remaining patent of HK\$10,000,000 was fully impaired.

10. 商譽及其他無形資產減值虧損 (續)

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乃有關收購康源所擁有的技術。由於中國政府持續推行收緊銀根政策令中國的業務融資較以往更困難，江蘇科地集團主要產品的產量及銷量均較預期低。因此，本公司已就收購康源的技術而產生的商譽分別計提減值撥備120,234,000港元及89,694,000港元。此外，由於保健產品業務之業績未有改善，餘下的專利權價值10,000,000港元已全數減值。

11. LOSS BEFORE INCOME TAX

11. 除所得稅前虧損

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
(a)	Staff costs	(a)	員工成本
	Contributions to defined contribution retirement plans (note 37)	2,514	1,801
	Equity-settled share-based payment expenses	137	1,560
	Salaries, wages and other benefits	40,465	29,700
		43,116	33,061

Notes to the Consolidated Financial Statements

綜合財務報表附註

11. LOSS BEFORE INCOME TAX (Continued)

11. 除所得稅前虧損 (續)

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
(b)	Other items		
	(b)		
	其他項目		
	Amortisation		
	— land lease premium	445	445
	— technologies	26,318	26,318
	— club membership	7	7
	Depreciation		
	— assets held for use under operating lease	—	1,021
	— other assets	8,901	14,277
	Impairment losses		
	— goodwill (note 19)	—	120,234
	— other intangible assets (note 20)	59,105	99,694
	Operating lease charges:		
	minimum lease payments		
	— hire of building	5,342	4,933
	— hire of plant and machinery	59	27
	Net foreign exchange loss	—	635
	Auditors' remuneration		
	— audit services — current year	1,315	1,694
	— audit services — prior year	18	—
	— other services	1,398	—
	Cost of inventories	428,125	436,711
	Research and development costs	4,823	624
	Loss on disposal of property, plant and equipment	19	68

Notes to the Consolidated Financial Statements

綜合財務報表附註

12. INCOME TAX CREDIT

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.

Taxation in the consolidated statement of comprehensive income represents:

12. 所得稅抵免

本集團須就本集團成員公司在所在及經營的司法權區產生的溢利按實體基準繳付所得稅。

綜合全面收益表內的稅項包括：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Current tax	當期稅項		
— Hong Kong Profits Tax	— 香港利得稅		
Provision for the year	年度撥備	—	—
Current tax	當期稅項		
— PRC Enterprises Income Tax	— 中國企業所得稅		
Provision for the year	年度撥備	14,692	9,401
Over-provision in respect of prior years	過往年度超額撥備	(2,221)	—
		12,471	9,401
Deferred tax	遞延稅項		
Revaluation of properties and technologies	物業及技術價值重估	(14,906)	(21,063)
		(2,435)	(11,662)

No provision for Hong Kong profit tax has been made in the consolidated financial statements as there were no estimated assessable profits for the years ended 31 March 2012 and 2011.

由於截至二零一二年及二零一一年三月三十一日止年度並無估計應課稅溢利，故綜合財務報表中並無就香港利得稅作出撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

12. INCOME TAX CREDIT (Continued)

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% (2011: 25%) on 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 2011 is the fourth profit-making year 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 with the relevant PRC tax law. The remaining subsidiaries of the Company in the PRC are subject to PRC enterprise income tax at 25% (2011: 25%) on their taxable income.

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

12. 所得稅抵免 (續)

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%（二零一一年：25%）之企業所得稅稅率繳稅。然而，根據中國有關稅法，本公司之一間子公司於首兩個獲利年度（經扣除以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。二零一一年屬該子公司之第四個獲利年度，因此，本年度該子公司之適用所得稅率為12.5%。此外，本公司的一間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%（二零一一年：25%）之中國企業所得稅稅率繳稅。

本年度稅項抵免可與綜合全面收益表呈列之除所得稅前虧損對賬如下：—

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(34,829)	(236,447)
Tax credit at domestic income tax rate of 16.5% (2011: 16.5%)	按本地所得稅率16.5% (二零一一年：16.5%) 計算之稅項抵免	(5,747)	(39,014)
Tax effect of share of profits of associate	應佔聯營公司溢利之稅務影響	153	—
Tax effect of non-taxable profits	毋須課稅溢利之稅務影響	(20,897)	(1,642)
Tax effect of non-deductible expenses	不可扣稅支出之稅項影響	29,808	25,922
Tax effect of over provision in prior year	過往年度超額撥備之稅務影響	(2,221)	—
Tax effect of current year's tax loss not recognised	本年度未確認稅項虧損之稅項影響	2,391	—
Profit not subject to tax due to tax concessions	因稅務寬減而毋須課稅溢利	(1,538)	(4,474)
Effect of different tax rates in overseas jurisdictions	海外司法權區不同稅率之影響	(4,384)	7,546
Tax credit for the year	本年度稅項抵免	(2,435)	(11,662)

Notes to the Consolidated Financial Statements

綜合財務報表附註

13. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

13. 董事酬金

根據香港公司條例第161條披露之董事酬金如下：

	Directors' fees		Salaries, allowances and benefits in kind		Retirement scheme contributions		Sub-total		Share-based payments		Total			
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元		
Chairman	主席													
Jingquan Yingzi	井泉瑛孜		–	–	476	391	–	–	476	391	–	–	476	391
Executive Directors	執行董事													
Wong Man Hung Patrick	王文雄		12	–	804	1,508	12	12	828	1,520	–	–	828	1,520
Shan Xiaochang	單曉昌		–	–	476	391	–	–	476	391	–	–	476	391
Wu Zhongxin	吳中心		–	–	476	391	–	–	476	391	–	–	476	391
Feng Xiaoping	封小平		–	–	128	–	–	–	128	–	–	–	128	–
Stephen William Frostick	Stephen William Frostick		140	–	–	360	7	12	147	372	–	–	147	372
Non-executive Director	非執行董事													
Prof. Liu Guoshun	劉國順教授		–	–	–	–	–	–	–	–	–	–	–	–
Independent Non-executive Directors	獨立非執行董事													
Sousa Richard Alvaro	蘇志汶		78	78	–	–	–	–	78	78	–	–	78	78
Lee Chi Hwa Joshua	李智華		78	78	–	–	–	–	78	78	–	–	78	78
Chan Mei Bo Mabel (resigned on 27 April 2012)	陳美寶 (於二零一二年四月二十七日辭任)		78	78	–	–	–	–	78	78	–	–	78	78
Total	合計		386	234	2,360	3,041	19	24	2,765	3,299	–	–	2,765	3,299

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

During the years ended 31 March 2012 and 2011, no emoluments were paid by the Group to any of the Directors or the five highest paid individuals (including Directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. No director has waived any emoluments during the year.

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。有關酬金於每年檢討。

截至二零一二年及二零一一年三月三十一日止年度內，本集團並無向任何董事或五位最高薪人士(包括董事及僱員)支付酬金作為加盟本集團之獎勵或離職補償。年內，概無董事放棄任何酬金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

14. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2011: one) are directors whose emoluments are disclosed in note 13. The aggregate of the emoluments in respect of the other three (2011: four) individuals are as follows:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,674	2,198
Share-based payments	以股份為支付基準款項	137	780
Retirement scheme contributions	退休計劃供款	24	35
		1,835	3,013

The emoluments of the three (2011: four) individuals with the highest emoluments are within the following bands:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
HK\$ Nil to HK\$1,000,000	零港元至1,000,000港元	3	3
HK\$1,000,001 to HK\$3,000,000	1,000,001港元至3,000,000港元	—	1
		3	4

14. 最高薪人士

五位最高薪人士中，兩位(二零一一年：一位)為董事，彼等之酬金已於附註13披露。其他三位(二零一一年：四位)人士之酬金總額載列如下：

三位(二零一一年：四位)最高薪人士之酬金介乎下列範圍：

Notes to the Consolidated Financial Statements

綜合財務報表附註

15. LOSS PER SHARE

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

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Loss	虧損		
Loss attributable to the equity holders of the Company	本公司權益持有人應佔虧損	(34,790)	(224,988)
		2012 二零一二年 '000 千股	2011 二零一一年 '000 千股
Numbers of shares	股份數目		
Weighted average number of shares for the purpose of basic loss per share	用以計算每股基本虧損之股份加權平均數	2,713,798	2,709,804

Basic and diluted loss per share for the years ended 31 March 2012 and 31 March 2011 have been presented as equal because the exercise prices of the Company's share options were higher than the average market price for these years and therefore the effect is considered as anti-dilutive.

本公司擁有人應佔之每股基本及攤薄虧損乃按以下數據計算：

由於本公司購股權行使價高於該等年度之平均市價並因而被認為具反攤薄效應，因此截至二零一二年三月三十一日及二零一一年三月三十一日止年度之每股基本及攤薄虧損呈列為相同。

16. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company for the year ended 31 March 2012 in the financial statements of the Company is HK\$73,893,000 (2011: HK\$95,487,000).

16. 本公司擁有人應佔虧損

本公司財務報表中截至二零一二年三月三十一日止年度之本公司擁有人應佔虧損為73,893,000港元(二零一一年：95,487,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、機器及設備

(a) The Group

(a) 本集團

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment 傢俬、裝置及設備	Motor vehicles	Construction in progress	Total
		樓宇 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	HK\$'000 千港元	汽車 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 千港元
Cost	成本							
At 1 April 2010, as originally stated	於二零一零年四月一日 (原本所列)	25,682	55,355	116,945	8,915	9,644	36,534	253,075
Prior year adjustments	以往年度調整							
Adjustments to fair value adjustments for acquisition of subsidiaries	更正收購子公司 之公平值調整	2,583	(45,553)	-	-	-	(14,914)	(57,884)
At 1 April 2010 as adjusted	於二零一零年四月一日 (經調整)	28,265	9,802	116,945	8,915	9,644	21,620	195,191
Acquisition of subsidiaries (Note 38)	收購子公司(附註38)	-	-	2,144	564	1,494	-	4,202
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	5,686	162	435	1,100	9,266
At 31 March 2011	於二零一一年三月三十一日	33,483	12,916	55,365	10,899	12,042	-	124,705
Additions	增購	-	1,994	729	174	966	-	3,863
Disposals	出售	-	(336)	-	(157)	-	-	(493)
Disposal of subsidiaries (note 39)	出售子公司(附註39)	-	-	(2,399)	(390)	(1,018)	-	(3,807)
Deconsolidation of subsidiaries (note 40)	終止作為子公司綜合列賬 (附註40)	-	-	(426)	(408)	(1,290)	-	(2,124)
Exchange differences	匯兌差額	1,340	350	2,008	170	368	-	4,236
At 31 March 2012	於二零一二年三月三十一日	34,823	14,924	55,277	10,288	11,068	-	126,380
Accumulated depreciation and impairment	累計折舊及減值							
At 1 April 2010	於二零一零年四月一日	80	2,319	22,499	6,690	1,865	6,079	39,532
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	1,340	3,380	25,549	7,716	3,206	-	41,191
Charge for the year	年度折舊	1,816	1,432	2,597	1,080	1,976	-	8,901
Reclassification	重新分類	-	60	(60)	-	-	-	-
Disposals	出售	-	(172)	-	(95)	-	-	(267)
Disposal of subsidiaries (note 39)	出售子公司(附註39)	-	-	(201)	(173)	(229)	-	(603)
Deconsolidation of subsidiaries (note 40)	終止作為子公司綜合列賬 (附註40)	-	-	(146)	(151)	(346)	-	(643)
Exchange differences	匯兌差額	184	79	988	68	135	-	1,454
At 31 March 2012	於二零一二年三月三十一日	3,340	4,779	28,727	8,445	4,742	-	50,033
Carrying value	賬面值							
At 31 March 2012	於二零一二年三月三十一日	31,483	10,145	26,550	1,843	6,326	-	76,347
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 1 April 2010, as adjusted	於二零一零年四月一日 (經調整)	28,185	7,483	94,446	2,225	7,779	15,541	155,659

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. PROPERTY, PLANT AND EQUIPMENT

(Continued)

(b) The Company

		Furniture, fixtures and equipment 傢俬、裝置及 設備 HK\$'000 千港元
Cost	成本	
At 1 April 2010	於二零一零年四月一日	31
Disposals	出售	(31)
At 31 March 2011 and 31 March 2012	於二零一一年三月三十一日及 二零一二年三月三十一日	—
Accumulated depreciation	累計折舊	
At 1 April 2010	於二零一零年四月一日	9
Charge for the year	年度折舊	3
Disposals	出售	(12)
At 31 March 2011 and 31 March 2012	於二零一一年三月三十一日及 二零一二年三月三十一日	—
Carrying value	賬面值	
At 31 March 2012	於二零一二年三月三十一日	—
At 31 March 2011	於二零一一年三月三十一日	—

(c) At 31 March 2012, certain of the Group's buildings with a net carrying value of approximately HK\$27,812,000 (2011: HK\$Nil) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 30.

(c) 於二零一二年三月三十一日，本集團賬面淨值約27,812,000港元(二零一一年：零港元)之若干樓宇已抵押作為附註30所披露本集團所獲計息銀行借貸之擔保。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18. PREPAID LAND LEASE PAYMENTS

18. 預付土地租賃款

		Group 本集團 HK\$'000 千港元
At 1 April 2010, as originally stated	於二零一零年四月一日(原本所列)	8,523
Prior year adjustments — Adjustments to fair value adjustments for acquisition of subsidiaries	以往年度調整 — 更正收購子公司之公平值調整	
		12,870
At 1 April 2010, as adjusted	於二零一零年四月一日(經調整)	21,393
Amortisation provided during the year	年度攤銷撥備	(445)
Reclassified as assets held for sale (note 28)	重新分類為持作銷售資產(附註28)	(15,253)
Exchange differences	匯兌差額	1,035
At 31 March 2011	於二零一一年三月三十一日	6,730
Amortisation provided during the year	年度攤銷撥備	(445)
Exchange differences	匯兌差額	454
At 31 March 2012	於二零一二年三月三十一日	6,739

The prepaid land lease payments were acquired by a subsidiary of the Group in February 2007 with a term of 50 years in the PRC.

預付土地租賃款由本公司一間子公司於二零零七年二月於中國收購，年期為50年。

At 31 March 2012, the Group's prepaid land lease payments of HK\$6,739,000 (2011:HK\$6,730,000) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 30.

於二零一二年三月三十一日，本集團為數 6,739,000港元(二零一一年：6,730,000港元)之預付土地租賃款已抵押作為附註30所披露本集團所獲計息銀行借貸之擔保。

Notes to the Consolidated Financial Statements

綜合財務報表附註

19. GOODWILL

19. 商譽

		Goodwill
		商譽
		HK\$'000
		千港元
Cost	成本	
At 1 April 2010, as originally stated	於二零一零年四月一日(原本所列)	817,195
Prior year adjustment — Adjustments to fair value for acquisition of subsidiaries	以往年度調整 — 收購子公司之公平值調整	79,362
At 1 April 2010, as adjusted	於二零一零年四月一日(經調整)	896,557
Acquired upon acquisitions of subsidiaries (note 38)	收購子公司時收購(附註38)	1,024
At 31 March 2011	於二零一一年三月三十一日	897,581
Disposal of subsidiaries (note 39)	出售子公司(附註39)	(222)
Deconsolidation of subsidiaries (note 40)	終止作為子公司綜合列賬(附註40)	(816)
Exchange difference	匯兌差額	14
At 31 March 2012	於二零一二年三月三十一日	896,557
Accumulated impairment	累計減值	
At 1 April 2010	於二零一零年四月一日	—
Impairment loss charged for the year	本年度之減值虧損	120,234
At 31 March 2011 and 31 March 2012	於二零一一年三月三十一日及二零一二年三月三十一日	120,234
Carrying value	賬面值	
At 31 March 2012	於二零一二年三月三十一日	776,323
At 31 March 2011	於二零一一年三月三十一日	777,347
At 1 April 2010, as adjusted	於二零一零年四月一日(經調整)	896,557

* During the year ended 31 March 2011, the Group acquired several subsidiaries at a consideration of HK\$24,285,000. As disclosed in note 38, the Group's share of identifiable net assets of these subsidiaries at the date of acquisition amounted of HK\$23,261,000 resulting in a goodwill of HK\$1,024,000.

* 於截至二零一一年三月三十一日止年度內，本集團按代價24,285,000港元收購若干子公司。誠如附註38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23,261,000港元，產生商譽1,024,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

19. GOODWILL (Continued)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("GCU") of Tobacco agricultural operation.

The recoverable amount of the GCU is determined based on value-in-use calculations. These calculations use cash flow projects based on financial budgets approved by management covering a five-year period are extrapolated using an estimated weighted average growth rate of 30.6% (2011: 36.4%) which is consistent with the growth rate of the industry. The cash flows are discounted using a discount rate of 16.1% (2011: 20.6%). The discount rates used are pre-tax and reflect specific risks relating to the relevant segment.

The impairment loss recognised during the year solely relates to the group's tobacco agricultural operation based in the PRC. As the cash generating unit has been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

19. 商譽 (續)

含有商譽之現金產生單位之減值測試

商譽乃分配至本集團煙草農業業務之現金產生單位(「現金產生單位」)

現金產生單位的可收回金額按照使用價值計算而釐定。此等計算採用按經管理層批准之五年期間財務預算作出之現金流量預測，預測使用估計加權平均增長率30.6%(二零一一年：36.4%)，其與行業之增長率一致。現金流量以貼現率16.1%(二零一一年：20.6%)貼現。所用貼現率為稅前，並反映有關分類相關之特定風險。

年內確認之減值虧損僅與本集團在中國的煙草農業業務有關。由於現金產生單位已減低至其可收回金額，可收回金額計算中所採用假設的任何不利變動將引致進一步減值虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20. OTHER INTANGIBLE ASSETS

20. 其他無形資產

		Group 本集團			
		Club membership	Patents note (b)	Technologies note (a)	Total
		會所會籍	專利權 附註(b)	技術 附註(a)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2010	於二零一零年四月一日	158	10,000	258,782	268,940
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
At 31 March 2011	於二零一一年三月三十一日	158	—	142,770	142,928
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)	—	—	(59,105)	(59,105)
Exchange differences	匯兌差額	6	—	—	6
At 31 March 2012	於二零一二年三月三十一日	157	—	57,347	57,504

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 "Patents") were purchased as part of business combinations in the year ended 31 March 2009.
- (c) During the year ended 31 March 2012, an amortisation charge of HK\$26,325,000 (2011: HK\$26,325,000) relating to other intangible assets has been included in administrative expenses in the consolidated statement of comprehensive income.

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、保健酒及充氧水專利權)(統稱「專利權」)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。
- (c) 於截至二零一二年三月三十一日止年度，有關其他無形資產之攤銷費用26,325,000港元(二零一一年：26,325,000港元)已計入綜合全面收益表之行政費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20. OTHER INTANGIBLE ASSETS (Continued)

Note: (Continued)

- (d) At 31 March 2012, the carrying amount of technologies has been reduced to its recoverable amount through recognition of impairment losses of HK\$59,105,000 which have been included in impairment losses on goodwill and other intangible assets in the consolidated statement of comprehensive income.

At 31 March 2011, the carrying amounts of patents and technologies have been reduced to their recoverable amounts through recognition of impairment losses of HK\$10,000,000 and HK\$89,694,000 respectively which have been included in impairment losses on goodwill and other intangible assets in the consolidated statement of comprehensive income.

20. 其他無形資產 (續)

附註：(續)

- (d) 於二零一二年三月三十一日，技術之賬面值已透過確認減值虧損 59,105,000 港元減至其可收回金額，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。

於二零一一年三月三十一日，專利權及技術之賬面值已分別透過確認減值虧損 10,000,000 港元及 89,694,000 港元減至其可收回金額，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。

21. INTERESTS IN SUBSIDIARIES

21. 子公司權益

		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	13,307	13,307
Less: Impairment losses	減：減值虧損	(13,307)	(13,307)
		—	—
Amounts due from subsidiaries	應收子公司款項	2,087,650	2,087,164
Less: Impairment losses	減：減值虧損	(754,619)	(684,619)
		1,333,031	1,402,545
		1,333,031	1,402,545

Notes to the Consolidated Financial Statements

綜合財務報表附註

21. INTERESTS IN SUBSIDIARIES (Continued)

Note:

- (a) The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.
- (b) The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

21. 子公司權益 (續)

附註：

- (a) 應收子公司款項為無抵押、免息及按要求償還。
- (b) 下表僅列出對本集團之業績、資產或負債有重大影響之子公司詳情。除另有說明者外，所持股份類別均為普通股。

Name of company 公司名稱	Place of incorporation and operation 註冊成立及經營地點	Particulars of issued share capital/registered capital 已發行股本／註冊資本詳情	Group's effective interest 本集團之實際權益		Indirect interest held 所持間接權益		Principal activity 主要業務
			2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年	
Kang Yuan Universal Investment Limited 康源環球投資有限公司	Hong Kong 香港	10,000 shares of HKD1 per share 10,000股每股面值1港元之股份	100%	100%	100%	100%	Investment holding 投資控股
Jiangsu Kedi Modern Agriculture Co., Ltd. 江蘇科地現代農業有限公司	PRC 中國	USD11,600,000 11,600,000美元	100%	100%	100%	100%	Manufacturing and trading of tobacco flue-curing agricultural machinery and fertilizer 製造及買賣煙草烘烤農業機械及肥料
Zhengzhou Ruihao Tobacco Technology Company Limited 鄭州瑞豪煙草科技有限公司	PRC 中國	RMB10,000,000 人民幣10,000,000元	100%	100%	100%	100%	Trading of agricultural machinery 買賣農業機械
Henan Agricultural University Kedi Modern Agriculture Co., Ltd. 河南農大科地現代農業煙草有限公司	PRC 中國	RMB9,000,000 人民幣9,000,000元	80%	80%	20%	80%	Provision of consultancy services 提供顧問諮詢服務
Sky Dragon Digital Television and Movies Limited 天龍數碼影視有限公司	Hong Kong 香港	21,000,000 shares of HKD1 per share 21,000,000股每股面值1港元之股份	100%	100%	100%	100%	Investment holding 投資控股

Notes to the Consolidated Financial Statements

綜合財務報表附註

21. INTERESTS IN SUBSIDIARIES (Continued)

Note: (Continued)

- (b) The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated. (Continued)

21. 子公司權益 (續)

附註：(續)

- (b) 下表僅列出對本集團之業績、資產或負債有重大影響之子公司詳情。除另有說明者外，所持股份類別均為普通股。(續)

Name of company 公司名稱	Place of incorporation and operation 註冊成立及經營地點	Particulars of issued share capital/registered capital 已發行股本／註冊資本詳情	Group's effective interest 本集團之實際權益		Indirect interest held 所持間接權益		Principal activity 主要業務
			2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年	
Hunan Xiaoxiang Digital Television Broadcast Company Limited 湖南瀟湘數字電視有限公司	PRC 中國	RMB50,000,000 人民幣50,000,000元	70%	70%	70%	70%	Provision of digital television service 提供數字電視服務
Sparkle View Enterprises Limited 景輝企業有限公司	British Virgin Islands 英屬處女群島	1 share of USD 1 per share 1股每股面值1美元之股份	100%	100%	100%	100%	Investment holding 投資控股
Goodside International Limited 傲海國際有限公司	Hong Kong 香港	1 share of HKD1 per share 1股每股面值1港元之股份	100%	100%	100%	100%	Provision of management services 提供管理服務
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	10,000 shares of HKD1 per share 10,000股每股面值1港元之股份	100%	100%	100%	100%	Investment holding 投資控股
Fujian Tianxin Biological Technology Company Limited 福建省天馨生物科技有限公司	PRC 中國	USD2,500,000 2,500,000美元	72%	72%	72%	72%	Manufacturing and sales of cordyceps-related healthcare products 生產及銷售北冬蟲夏草相關保健產品
Quanzhou Liangxin Biological Technology Development Company Limited 泉州良鑫生物科技開發有限公司	PRC 中國	USD200,000 200,000美元	100%	100%	100%	100%	Manufacturing and sales of healthcare products 生產及銷售保健產品

Notes to the Consolidated Financial Statements

綜合財務報表附註

22. INTERESTS IN ASSOCIATES

22. 聯營公司權益

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	14,429	5,569
Share of post-acquisition results and reserves, net of dividends received	所佔收購後業績及儲備 (扣除已收股息)	(4,946)	(5,569)
		9,483	—
Amounts due from associates (note a)	應收聯營公司款項(附註a)	11,505	4,457
Less: Impairment losses	減：減值虧損	(4,457)	(4,457)
		7,048	—
		16,531	—

The following list contains particulars of associates, all of which are unlisted corporate entities.

下表列出聯營公司(均為非上市企業實體)之詳情。

Name of company 公司名稱	Place of incorporation and operation 註冊成立及 經營地點	Particulars of registered capital 註冊資本詳情	Group's effective interest 本集團之 實際權益		Held by a subsidiary 由子公司 持有		Principal activity 主要業務
			2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年	
Jiangsu BCTV Fashion Media Company Limited (note b) 江蘇廣電時尚傳媒有限公司(附註b)	PRC 中國	RMB 10,000,000 人民幣10,000,000元	39.20%	39.20%	49%	49%	Dormant 停業
Xian Shenghua Electronic Engineering Company Limited (note 40) 西安聖華電子工程有限責任公司 (附註40)	PRC 中國	RMB 3,000,000 人民幣3,000,000元	20%	51%	20%	51%	Manufacturing and trading of tobacco flue-curing agricultural machinery 製造及買賣煙草烘烤農業機械

Notes to the Consolidated Financial Statements

綜合財務報表附註

22. INTERESTS IN ASSOCIATES (Continued)

Note

- (a) The amounts due from associates are unsecured, interest free and repayable on demand.
- (b) The company is dormant since 2010.

The summarised financial information in respect of the Group's associates is set out below:

22. 聯營公司權益 (續)

附註

- (a) 應收聯營公司款項為無抵押、免息及按要求償還。
- (b) 該公司自二零一零年起停業。

本集團聯營公司之財務資料概要列載如下：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Total assets	總資產	84,642	7,724
Total liabilities	總負債	(33,750)	(5,028)
Net assets	淨資產	50,892	2,696
Group's share of net assets of associates	本集團分佔聯營公司淨資產	9,483	—

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Turnover	營業額	18,582	—
Profit for the year	年度溢利	3,057	—
Group's share of profits of associates for the year	本集團分佔聯營公司年度溢利	611	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

23. INVENTORIES

- (a) Inventories in the consolidated statement of financial position comprise:

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Raw materials	原料	38,720	36,416
Work in progress	在製品	19,040	23,616
Finished goods	製成品	10,150	4,626
Biological assets	生物資產	—	87
		67,910	64,745

- (b) The analysis of inventories recognised as an expense and included in profit or loss is as follows:

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Carrying amount of inventories sold	已售存貨之賬面值	428,125	436,711
Write down of inventories	存貨撇減	—	3,927
		428,125	440,638

- (a) 綜合財務狀況表內之存貨包括：

- (b) 確認為開支並計入損益之存貨分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. TRADE AND OTHER RECEIVABLES

24. 應收賬款及其他應收款項

		Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Trade debtors and bills receivable	應收賬款及應收票據	442,635	462,152	-	-
Less: allowance for doubtful debts	減：呆賬撥備	-	-	-	-
		442,635	462,152	-	-
Other receivables	其他應收款項	59,081	60,610	-	15
Loan and receivables	貸款及應收款項	501,716	522,762	-	15
Prepayments and deposits	預付款項及按金	190,099	91,465	1,124	1,359
		691,815	614,227	1,124	1,374

(a) Ageing analysis

Included in trade and other receivables are trade receivables and bill receivable (net of allowance for doubtful debts) with the following ageing analysis (based on invoice date) as of the end of the reporting period:—

(a) 賬齡分析

應收賬款及其他應收款項包括應收賬款及應收票據(扣除呆賬撥備)，其截至呈報期末之賬齡分析(根據發票日期)如下：—

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Current	即期	118,923	340,023
30 — 90 days	30至90天	69,557	61,624
91 — 180 days	91至180天	44,800	59,370
Over 180 days	180天以上	209,355	1,135
		442,635	462,152

Trade receivables and bills receivable are due within 30 to 270 days (2011: 30 to 270 days) from date of billing.

應收賬款及應收票據於開票日期起計30至270天(二零一一年：30至270天)內到期。

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. TRADE AND OTHER RECEIVABLES

(Continued)

(b) Trade receivables and bills receivable that are not impaired

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Neither past due nor impaired	並未逾期及減值	296,710	385,831
0 to 3 months past due	逾期零至3個月	41,569	36,737
4 to 6 months past due	逾期4至6個月	16,216	8,274
Over 6 months past due	逾期6個月以上	88,140	31,310
		442,635	462,152

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good trading record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

- (c) At 31 March 2012, certain of the Group's trade receivables amounting to approximate HK\$4,391,000 (2011: Nil) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 30.

24. 應收賬款及其他應收款項

(續)

(b) 未減值之應收賬款及應收票據

並未逾期及減值的應收款項乃與眾多並無近期違約記錄之客戶有關。

逾期但並未減值的應收款項乃與本集團若干擁有良好貿易記錄之獨立客戶有關。根據過往經驗，管理層認為鑒於信貸質素並無重大變化，且結餘應可全數收回，故無須就此等結餘作出減值撥備。

- (c) 於二零一二年三月三十一日，本集團價值約4,391,000港元（二零一一年：無）之若干應收賬款已抵押作為附註30所披露本集團所獲計息銀行借貸之擔保。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORKS 25. 應收客戶合約工程款項

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 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 recognised profits less recognised losses	合約工程費用加已確認溢利減已確認虧損	—	9,756
Less: progress billing	減：進度付款	—	(3,764)
		—	5,992
Represented by:	其中包含：		
Amounts due from customers for contract works	應收客戶合約工程款項	—	5,992

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss at 31 March 2011 represented equity securities listed on the Stock Exchange. The fair values of the investments were determined based on the quoted market bid prices available on the Stock Exchange.

26. 於損益賬按公平值處理之金融資產

於二零一一年三月三十一日，於損益賬按公平值處理之金融資產包括於聯交所上市的股本證券。投資之公平值乃根據聯交所提供之市場買入報價釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27. CASH AND BANK BALANCES

27. 現金及銀行結存

		Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	160,755	47,491	115	7,343
Time deposits	定期存款	260,222	231,372	—	—
		420,977	278,863	115	7,343
Less: pledged deposits	減：已抵押存款	(260,222)	(231,372)	—	—
		160,755	47,491	115	7,343

Cash at bank earns interest at floating rates based on daily bank deposits rates. Time deposits are made for varying periods of between one to three months, depending on the immediate cash requirements of the Group, and earned interest at the respective deposit rates. The bank balances and time deposits are deposited in reputable banks with high credit ratings assigned by international credit-rating agencies or state-owned banks in the PRC.

At 31 March 2012, certain Group's bank deposits of approximately HK\$260,222,000 or RMB210,780,000 equivalent) (2011: HK\$231,372,000 or RMB194,352,000 equivalent) were pledged as guarantee deposits for the issuance of bank acceptance notes to suppliers.

銀行現金按每日銀行存款利率以浮動利率計息。定期存款之存款期各有不同，介乎一至三個月，視乎本集團之即時現金需要而定，並按有關存款利率計息。銀行結存及定期存款均存放於具備國際信貸評級機構高信貸評級之信譽良好的銀行或中國的國有銀行。

於二零一二年三月三十一日，本集團若干銀行存款約260,222,000港元或相當於人民幣210,780,000元（二零一一年：231,372,000港元或相當於人民幣194,352,000元）已抵押作為向供應商發出銀行承兌票據之擔保存款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28. ASSETS HELD FOR SALE

28. 持作銷售資產

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
At 1 April 2011/2010	於二零一一年／ 二零一零年四月一日	101,902	2,141
Reclassified from property, plant and equipment (note 28(b))	從物業、機器及 設備重新分類(附註28(b))	—	84,508
Reclassified from prepaid land lease payment (note 18)	從預付土地租賃款 重新分類(附註18)	—	15,253
Disposal of subsidiaries (note 39)	出售子公司(附註39)	(2,141)	—
Exchange differences	匯兌差額	3,670	—
At 31 March 2012/2011	於二零一二年／ 二零一一年三月三十一日	103,431	101,902
Represented by:	其中包括：		
Property, plant and equipment	物業、機器及設備	87,640	86,649
Prepaid land lease payments	預付土地租賃款	15,791	15,253
Amounts due from customers under contract works	應收客戶合約工程款項	103,431	101,902

Note:

- (a) On 22 September 2011, M21 Investments Limited, a wholly-owned subsidiary of the Company, and a third party entered into sale and purchase agreements for the sales and purchase of the entire issued share capital in M21 Mastertech Company Limited and M21 DigiCast Company Limited, the wholly owned subsidiaries of the Group.
- (b) At 31 March 2011, the Group intended to dispose of certain land use rights and property, plant and equipment totaling of HK\$99,761,000. No impairment loss was recognised on reclassification of these assets held for sale as at 31 March 2011. On 8 April 2011, Jiangsu Kedi Modern Agriculture Co., Ltd, a wholly-owned subsidiary of the Company, entered into an asset transfer agreement with a related company to dispose of these assets at a consideration of RMB138,784,000 (equivalent to HK\$171,585,000). Subsequent to the end of the reporting period, the disposal was completed on 29 May 2012 upon fulfillment of the conditions set out in the asset transfer agreement (note 46).

附註：

- (a) 於二零一一年九月二十二日，本公司全資子公司M21 Investments Limited與一名第三方訂立買賣協議，買賣本集團全資子公司智庫視訊科技有限公司及智庫數碼有限公司之全部已發行股本。
- (b) 於二零一一年三月三十一日，本集團擬出售總額為99,761,000港元之若干土地使用權及物業、機器及設備。並無就於二零一一年三月三十一日重新分類此等持作銷售資產確認任何減值虧損。於二零一一年四月八日，本公司的全資子公司江蘇科地現代農業有限公司與一間關連公司簽訂一項資產轉讓協議以出售該等資產，總代價為人民幣138,784,000元(相當於171,585,000港元)。呈報期末後，於達成資產轉讓協議所載之條件後，出售已於二零一二年五月二十九日完成(附註46)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29. TRADE AND OTHER PAYABLES

29. 應付賬款及其他應付款項

		Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restates) (重列)	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Trade and bills payables (note a)	應付賬款及應付票據(附註a)	62,236	210,141	—	—
Other payables, customer receipts in advances and accruals	其他應付款項、預收客戶款項及應計費用	67,434	56,438	2,560	908
Amount due to a non-controlling shareholder of a subsidiary (note b)	應付子公司一名非控股股東款項(附註b)	1,522	1,807	—	—
Amounts due to directors (note c)	應付董事款項(附註c)	5,186	6,013	—	5,000
		74,142	64,258	2,560	5,908
		136,378	274,399	2,560	5,908

Note

附註

(a) Ageing analysis

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis as of the end of the reporting period.

(a) 賬齡分析

應付賬款及其他應付款項包括應付賬款及應付票據，其於呈報期末之賬齡分析如下。

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Current	即期	51,245	157,418
30 — 90 days	30至90天	—	3,052
91 — 180 days	91至180天	—	24,563
Over 180 days	180天以上	10,991	25,108
		62,236	210,141

Trade payables are due within 30 to 60 days (2011: 30 to 60 days) from date of billing.

應付賬款於開票日期起計30至60天(二零一一年：30至60天)內到期。

(b) At 31 March 2012 and 2011, the amount due to a non-controlling shareholder of a subsidiary is unsecured, interest free and repayable on demand.

(b) 於二零一二年及二零一一年三月三十一日，應付子公司一名非控股股東款項為無抵押、免息及按要求償還。

(c) At 31 March 2012, the amount due to a director amounting to HK\$5,000,000 is unsecured, bears interest at 5% per annum and is repayable within 1 year.

(c) 於二零一二年三月三十一日，應付一名董事款項5,000,000港元為無抵押、按年利率5%計息及須於一年內償還。

The amounts due to directors amounting to HK\$186,000 are unsecured, interest free and have no fixed term of repayment.

應付董事款項186,000港元為無抵押、免息及無限定還款期。

At 31 March 2011, the amounts due to directors were unsecured, interest free and repayable on demand.

於二零一一年三月三十一日，應付董事款項為無抵押、免息及按要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30. BORROWINGS

At 31 March 2012, the borrowings were secured as follows:

30. 借貸

於二零一二年三月三十一日，借貸的抵押情況如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)
Bank loans, secured	銀行貸款，有抵押		
Floating interest rate (note b)	浮動利率(附註b)	148,148	207,143
Fixed interest rate (note c)	固定利率(附註c)	46,296	50,595
Bills of exchange, secured floating interest rate (note d)	匯票，有抵押 淨動利率(附註d)	518,518	119,048
Other loans, unsecured	其他貸款，無抵押		
Interest free	免息	6,111	5,893
Fixed interest rate (note e)	固定利率(附註e)	27,931	24,432
		747,004	407,111

Note

- (a) All the borrowings are repayable within 1 year or on demand.
- (b) Interest of 6.56% — 11.56% per annum is charged on the outstanding loan balances (2011: 5.31% — 5.84% per annum).
- (c) The bank loans bear interest of 6.56% (2011: 5.31% and 5.86%) per annum.
- (d) The effective interest rate on the bills is 0.5% (2011: 0.2%) per annum.
- (e) The other loans bear interest of 1.5%-5% (2011: 1.5%-5%) per annum.
- (f) At 31 March 2012, the bills of exchange were secured by pledged deposits of HK\$260,222,000 (2011: HK\$231,372,000).

At 31 March 2012, the bank loans of certain subsidiaries were secured by mortgages over their prepaid land lease payments and property, plant and equipment with an aggregate value of HK\$6,739,000 (2011: HK\$6,730,000) and HK\$27,812,000 (2011: Nil) and trade receivables of HK\$4,391,000 (2011: Nil) and personal guarantee by a director and a related company.

附註

- (a) 所有借貸須於一年內或按要求償還。
- (b) 未償還銀行結餘按年利率6.56%至11.56%(二零一一年：年利率5.31%至5.84%)計息。
- (c) 銀行貸款按年利率6.56%(二零一一年：5.31%及5.86%)計息。
- (d) 票據實際年利率為0.5%(二零一一年：0.2%)。
- (e) 其他貸款按年利率1.5%至5%(二零一一年：1.5%至5%)計息。
- (f) 於二零一二年三月三十一日，匯票乃由抵押存款260,222,000港元(二零一一年：231,372,000港元)作為抵押。

於二零一二年三月三十一日，若干子公司之銀行貸款乃由總價值為6,739,000港元(二零一一年：6,730,000港元)及27,812,000港元(二零一一年：無)之預付土地租賃款及物業、機器及設備之按揭以及應收賬款4,391,000港元(二零一一年：無)作為抵押，並由一名董事及一間關連公司提供擔保。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31. DEFERRED INCOME

31. 遞延收入

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
At 1 April 2011/2010	於二零一一年／ 二零一零年四月一日	583	—
Acquisition of subsidiaries (note 38)	收購子公司(附註38)	—	583
Deconsolidation of subsidiaries (note 40)	終止作為子公司綜合列賬 (附註40)	(618)	—
Exchange differences	匯兌差額	35	—
At 31 March 2012/2011	於二零一二年／ 二零一一年三月三十一日	—	583
Represented by:	其中包括：		
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.

遞延收入為政府機構對本集團所進行研究和開發項目提供的資助。

Notes to the Consolidated Financial Statements

綜合財務報表附註

32. DEFERRED TAX ASSETS/(LIABILITIES)

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

32. 遞延稅項資產／(負債)

以下為於本年度及過往年度確認之主要遞延稅項資產／(負債)及有關變動：

		Group 本集團		
		Revaluation of properties 物業重估 HK\$'000 千港元	Technologies 技術 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2010, as originally stated	於二零一零年四月一日 (原本所列)	—	—	—
Prior year adjustments to fair value for acquisition of subsidiaries	以往年度調整收購子公司之 公平值	9,077	(43,425)	(34,348)
At 1 April 2010, as adjusted	於二零一零年四月一日(經調整)	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)
Credit to profit or loss (note 12)	計算入損益中(附註12)	811	14,095	14,906
Exchange differences	匯兌差額	(652)	—	(652)
At 31 March 2012	於二零一二年三月三十一日	10,891	(9,462)	1,429

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2011: 16.5%).

At the end of reporting period, the Group had unused tax losses of approximately HK\$102,951,000 (2011: HK\$103,826,000) 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%(二零一一年: 16.5%)全數計算。

於呈報期末，本集團有未動用稅項虧損約102,951,000港元(二零一一年: 103,826,000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。稅項虧損可無限期結轉。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33. CONVERTIBLE BOND

On 25 March 2010, the Company issued Hong Kong dollar denominated convertible bond of aggregate principal amounts of HK\$1,098,000,000 (“CB 2015”), HK\$1,048,000 of which was issued to a related company. The bonds entitle the bondholders to convert to ordinary shares of the Company at a conversion price of HK\$0.43 per ordinary shares.

Conversion may occur at any time between 25 March 2012 and 25 March 2015 (“the maturity date of the CB 2015”). If the bonds have not been converted, they will be redeemed on the maturity date of the CB 2015 at the principal amount. Interest of 1% per annum is payable semi-annually until the bonds are converted or redeemed.

The convertible bond contain two components, liability and equity elements. The equity element is presented in equity heading “Convertible bond reserve”. The effective interest rate of the liability component on initial recognition is 1.66% per annum.

At 31 March 2012, the Company’s convertible bond of HK\$1,023,000,000 (2011: HK\$1,023,000,000) is held by Cyberland (China) Limited (“Cyberland”). Two directors of the Company have significant influences over Cyberland. During the year ended 31 March 2012, interest expense recognised in relation to the convertible bond is HK\$10,842,000 (2011: HK\$9,394,000) and Cyberland has waived the coupon interest of HK\$10,730,000 (2011: HK\$8,108,000).

33. 可換股債券

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港元的以港元計值的可換股債券（「二零一五年可換股債券」），其中1,048,000港元乃向一間關連公司發行。債券持有人有權按每股普通股0.43港元之換股價轉換為本公司之普通股。

該等債券可於二零一二年三月二十五日至二零一五年三月二十五日（「二零一五年可換股債券到期日」）期間內任何時間轉換。倘債券並未獲轉換，其將於二零一五年可換股債券到期日按本金額贖回。債券按1%的年息付息，每半年付息一次，直至債券獲轉換或贖回為止。

可換股債券包括負債及權益兩個部份。權益部份呈列於「可換股債券儲備」項下的權益內。初步確認時負債部份的實際年利率為1.66%。

於二零一二年三月三十一日，本公司為數1,023,000,000港元（二零一一年：1,023,000,000港元）之可換股債券由科地（中國）有限公司（「科地」）持有。本公司兩位董事對科地有重大影響力。於截至二零一二年三月三十一日止年度，就可換股債券確認之利息支出為10,842,000港元（二零一一年：9,394,000港元），而科地已免除10,730,000港元（二零一一年：8,108,000港元）之票息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33. CONVERTIBLE BOND (Continued)

The movements of the convertible bond for the periods are set out below:

33. 可換股債券 (續)

可換股債券於期間的變動載列如下：

		Group and Company 本集團及本公司		
		Liability portion 負債部份 HK\$'000 千港元	Equity portion 權益部份 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2010	於二零一零年四月一日	660,207	437,793	1,098,000
Interest expenses	利息支出	11,169	—	11,169
Interest expenses waived	免除利息支出	(8,108)	—	(8,108)
Interest paid	已付利息	(2,948)	—	(2,948)
Redemption for 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
Interest expenses	利息支出	10,842	—	10,842
Interest expenses waived	免除利息支出	(10,730)	—	(10,730)
At 31 March 2012	於二零一二年三月三十一日	645,400	427,825	1,073,225

Notes to the Consolidated Financial Statements

綜合財務報表附註

34. SHARE CAPITAL

34. 股本

		Group and Company 本集團及本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Authorised	法定		
At the beginning and the end of the year — 10,000,000,000 ordinary shares of HK\$0.01 each	年初及年末 — 10,000,000,000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 — 2,713,798,000 (2011: 2,667,300,000) ordinary shares of HK\$0.01 each	年初 — 2,713,798,000股 (二零一一年：2,667,300,000股) 每股面值0.01港元之普通股	27,138	26,673
Issue of new shares upon exercise of share options (note)	於行使購股權時發行新股份 (附註)	—	465
At the end of the year — 2,713,798,000 (2011: 2,713,798,000) ordinary shares of HK\$0.01 each	年末 — 2,713,798,000股 (二零一一年：2,713,798,000股) 每股面值0.01港元之普通股	27,138	27,138

Note:

On 9 April 2010, an employee and two consultants exercised share options to subscribe for 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 for 1,500,000 shares of the Company at an exercise price of HK\$0.125 per share with a total consideration of HK\$187,500, of which HK\$15,000 was credited to share capital account and the balance of HK\$172,500 was credited to share premium account.

On 6 July 2010, a consultant exercised share options to subscribe for 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.

附註:

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目。

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187,500港元，其中15,000港元計入股本賬目，而餘額172,500港元則計入股份溢價賬目。

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目。

Notes to the Consolidated Financial Statements

綜合財務報表附註

35. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior year are presented in the consolidated statement of changes in equity on page 50 of the consolidated financial statements.

(b) Company

35. 儲備

(a) 本集團

本集團於本年度及以往年度之儲備金額及有關變動載列於綜合財務報表第50頁之綜合權益變動表內。

(b) 本公司

		Share premium	Accumulated losses	Contributed surplus	Share-based payment reserve	Convertible bond reserve	Total
		股份溢價	累計虧損	實繳盈餘	以股份為 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
At 1 April 2010	於二零一零年四月一日	1,027,184	(670,293)	13,107	15,882	437,793	823,673
Redemption of convertible bond	贖回可換股債券	—	—	—	—	(9,968)	(9,968)
Share option scheme	購股權計劃						
— proceeds from shares issued	— 已發行股份之所得款項	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
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
Share option scheme	購股權計劃						
— value of services	— 服務價值	—	—	—	137	—	137
— forfeiture of share options	— 沒收購股權	—	412	—	(412)	—	—
Loss for the year	年度虧損	—	(73,893)	—	—	—	(73,893)
At 31 March 2012	於二零一二年三月三十一日	1,048,002	(839,261)	13,107	9,499	427,825	659,172

The Company had no distributable reserve at the end of the reporting period.

於呈報期末，本公司並無可分配儲備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

35. RESERVES (Continued)

(b) Company (Continued)

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.

The share-based payment reserve relates to share options granted to the eligible person under the share option scheme. Further information about the share option scheme is set out in note 36.

36. SHARE OPTION SCHEME

Share option scheme I

A share option scheme (the "Scheme I") was adopted by the Company pursuant to a resolution passed on 20 March 2001 and was expired on 19 March 2011. No share options were granted under the Scheme I.

35. 儲備 (續)

(b) 本公司 (續)

本公司之實繳盈餘指本公司收購子公司之相關淨資產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)本公司於派付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。

以股份為支付基準款項儲備與根據購股權計劃授予合資格人士之購股權有關。有關購股權計劃之進一步資料載於附註36。

36. 購股權計劃

購股權計劃一

根據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」)，計劃一已於二零一一年三月十九日過期。並無根據計劃一授出購股權。

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綜合財務報表附註

36. SHARE OPTION SCHEME (Continued)

Share option scheme II

A share option scheme (the “Scheme II”), was adopted pursuant to a resolution passed on 9 February 2009 for the primary purpose to enable the Company to grant option to the eligible participants to subscribe for shares of the Company and will expire on 8 February 2019. Under the Scheme II, the Board may grant options to the eligible participants, including an employee, a director, a supplier of goods or services, a customer of the Company and any of its subsidiaries, an agent, adviser, consultant, strategist, contractor, sub-contractor, expert or entity that provides research, development or other technological support or any valuable services to the Company or any of its subsidiaries or any securities issued by the Company or any of its subsidiaries.

At 31 March 2012, the number of shares in respect of which options had been granted and remained outstanding under the Scheme II was 67,000,000 (2011: 70,000,000). The total numbers of shares in respect of which options may be granted under Scheme II is not permitted to exceed 10% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. Options granted to directors, chief executive or substantial shareholder of the Company or any of their associates shall be approved by the independent non-executive directors of the Company and in any event that the proposed participant is an independent non-executive director of the Company, the vote of such independent non-executive director shall not be counted for the purpose of approving such grant. Options granted to independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

36. 購股權計劃 (續)

購股權計劃二

根據於二零零九年二月九日通過之決議案，本公司採納一項購股權計劃（「計劃二」），該計劃之主要目的是使本公司可向合資格參與者授出購股權以認購本公司股份，計劃二將於二零一九年二月八日過期。根據計劃二，董事會可向合資格參與者授出購股權，包括本公司及其任何子公司之任何僱員、董事、貨品或服務供應商、客戶，向本公司或其任何子公司或由本公司或其任何子公司發行的任何證券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。

於二零一二年三月三十一日，根據計劃二已授出及尚未行使之購股權所涉及之股份數目為67,000,000股（二零一一年：70,000,000股）。在未經本公司股東事先批准前，根據計劃二可能授出之購股權所涉及之股份總數不得超過本公司於任何時候已發行股份之10%。在未經本公司股東事先批准前，於任何年度授予或可能授予任何人士之購股權所涉及之已發行及將予發行股份數目不得超過本公司任何時候已發行股份之1%。授予本公司董事、主要行政人員或主要股東或彼等任何聯繫人士之購股權須經本公司獨立非執行董事批准，倘建議參與人為本公司之獨立非執行董事，則該名獨立非執行董事之投票不得計入就批准向其授出購股權而進行之表決。倘授予獨立非執行董事之購股權超過本公司股本之0.1%或總價值超過5,000,000港元，則須經本公司股東事先批准。

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綜合財務報表附註

36. SHARE OPTION SCHEME (Continued)

Share option scheme II (Continued)

The amount payable for the acceptance of an option granted by the Company under Scheme II shall be the sum of HK\$1.00. Options may be exercised at any time specified on the Option certificate sealed by the Company. The exercise price of the option is determined by the Board, and will not be less than the greater of (i) the closing price of the Shares on the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

Details of specific categories of options are as follows:—

Tranche 批次	Date of grant 授出日期	Exercise period 行使期	Exercise price 行使價 HK\$ 港元
One 第一批	9 March 2009 二零零九年三月九日	9 March 2009 to 8 March 2012 二零零九年三月九日至二零一二年三月八日	HK\$0.125 0.125港元
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 至二零一三年十二月九日	HK\$0.328 0.328港元
Three 第三批	7 October 2011 二零一一年十月七日	7 October 2011 to 6 October 2016 二零一一年十月七日至二零一六年十月六日	HK\$0.170 0.170港元

The share options granted under Tranche One are vested upon granted.

36. 購股權計劃 (續)

購股權計劃二 (續)

接納本公司根據計劃二授出之每份購股權應付之款項將為1.00港元。購股權可於經本公司蓋章之購股權證書所指定之任何時間內行使。購股權之行使價由董事會釐定，並將不低於下列之最高者：(i)股份於授出日期在聯交所每日報價表所列之收市價；(ii)股份緊接授出日期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。

特定類別購股權之詳情如下：—

根據第一批授出之購股權於授出時歸屬。

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綜合財務報表附註

36. SHARE OPTION SCHEME (Continued)

The share options granted under Tranche Two is exercisable at any time during the exercise period provided the maximum number of options granted under Tranche II 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 2010 to 9 December 2013 (both days inclusive).

The share option granted under Tranche Three is exercisable at any time during the exercise period provided the maximum number of options granted under Tranche III shall not exceed:—

- (1) 30% of the total number of options granted under Tranche Three during the exercise period from 7 October 2011 to 6 October 2012 (both days inclusive);
- (2) 60% of the total number of options granted under Tranche Three during the exercise period from 7 October 2012 to 6 October 2013 (both days inclusive).

36. 購股權計劃 (續)

根據第二批授出之購股權可於行使期內任何時間行使，惟根據第二批授出之購股權的最高數目不可超過：—

- (1) 於二零一零年十二月十日至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至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) 於二零一零年十二月十日至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。

根據第三批授出之購股權可於行使期內任何時間行使，惟根據第三批授出之購股權的最高數目不可超過：—

- (1) 於二零一一年十月七日至二零一二年十月六日的行使期內(含首尾兩天)，根據第三批授出之全數購股權的百分之三十；
- (2) 於二零一二年十月七日至二零一三年十月六日的行使期內(含首尾兩天)，根據第三批授出之全數購股權的百分之六十。

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36. SHARE OPTION SCHEME (Continued)

The fair value of the share options is determined using the Black-Scholes option pricing model. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. The estimated fair values of the options and the inputs into the Black-Scholes pricing model were as follows: —

		Tranche 批次		
		One 第一批	Two 第二批	Three 第三批
Weighted average fair value at grant date	授出日期加權平均公平值	HK\$0.141港元	HK\$0.156港元	HK\$0.065港元
Grant date share price	授出日期股價	HK\$0.325港元	HK\$0.270港元	HK\$0.169港元
Exercise price	行使價	HK\$0.125港元	HK\$0.328港元	HK\$0.170港元
Expected volatility	預期波幅	103.65%	138.119%	63.514%
Option life	購股權年限	3 years年	3 years年	5 years年
Dividend yield	股息收益率	0%	0%	0%
Risk-free interest rate	無風險利率	0.894%	1.143%	0.313%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

36. 購股權計劃 (續)

購股權之公平值乃使用畢蘇期權定價模式釐定。用以計算購股權之公平值的變量及假設以董事的最佳估計為基礎。購股權之價值因應若干主觀假設的不同變量而有所不同。購股權之估計公平值及畢蘇期權定價模式之輸入值如下：—

預期波幅根據歷史波幅(按購股權加權平均剩餘年限計算)得出，並已根據公開可得的資料就未來波幅的任何預期變動作出調整。預期股息根據歷史股息計算。主觀輸入假設的改變可對公平值的估計產生重大影響。

購股權根據服務情況授出。此情況並無考慮已接受服務於授出日期的公平值的計量。授出購股權與市場情況並無關連。

Notes to the Consolidated Financial Statements

綜合財務報表附註

36. SHARE OPTION SCHEME (Continued)

The following table discloses movements of the Company's share options held by the grantees during the year.

36. 購股權計劃 (續)

下表披露年內承授人持有之本公司購股權之變動。

		2012 二零一二年		2011 二零一一年	
		Weighted average exercise price 加權平均 行使價	Number of options 購股權 數目 HK'000 千港元	Weighted average exercise price 加權平均 行使價	Number of options 購股權 數目 HK'000 千港元
Outstanding at the beginning of the period	期初尚未行使	0.299	70,000,000	0.125	56,500,000
Exercised during the period	期內行使	—	—	0.125	(46,500,000)
Forfeited during the period	期內沒收	0.125	(10,000,000)	—	—
Granted during the period	期內授出	0.170	7,000,000	0.328	60,000,000
Outstanding at the end of the period	期末尚未行使	0.311	67,000,000	0.299	70,000,000
Exercisable at the end of the period	期末可行使	0.319	38,100,000	0.256	28,000,000

No share option was exercised during the year ended 31 March 2012. The weighted average share price at the date of exercise for shares options exercised during the year ended 31 March 2011 was HK\$0.475.

The options outstanding at 31 March 2012 had an exercise price of HK\$0.328 or HK\$0.170 (2011: HK\$0.125 or HK\$0.328) and a weighted average remaining contractual life of 2.3 years (2011: 2.7 years).

於截至二零一二年三月三十一日止年度，概無購股權獲行使。就截至二零一一年三月三十一日止年度行使之購股權而言，於行使日期之加權平均股價為0.475港元。

於二零一二年三月三十一日尚未行使之購股權的行使價為0.328港元或0.170港元(二零一一年：0.125港元或0.328港元)，加權平均剩餘合約年期為2.3年(二零一一年：2.7年)。

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37. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make specified contribution.

The Group recognised the retirement benefit contributions of HK\$2,514,000 (2011: HK\$1,801,000) for the year under review.

38. ACQUISITION OF SUBSIDIARIES

During the year ended 31 March 2011, the Group acquired 51% interests in both Jiangsu Kedi Runxin Steel Construction Company Limited (江蘇科地潤鑫鋼結構製造有限公司) ("Jiangsu Runxin") and Xian Shenghua Electronic Engineering Company Limited ("Xian Shenghua"), which hold the entire interest in Xuchang Tongxia Modern Agricultural Technology Limited ("Xuchang Tongxia", collectively as "Xian Shenghua Group"), for a consideration of RMB5,100,000 (equivalent to HK\$6,071,000) and RMB15,300,000 (equivalent to HK\$18,214,000) respectively. Upon that date, Jiangsu Kedi and Xian Shenghua Group became the Group's subsidiaries.

As a result of the acquisition, the Group is expected to increase its presence in these markets. It also expects to reduce costs through economies of scale. The goodwill of HK\$1,024,000 arising from the acquisition is attributable to an acquired customer base and economies of scale expected from combining the operations of the Group, Jiangsu Runxin and Xian Shenghua. The goodwill recognised is not expected to be deductible for income tax purpose.

37. 退休福利計劃

本集團為所有香港的合資格僱員提供強制性公積金計劃。計劃之資產與本集團之資產分開，由信託人控制之基金管理。

本集團中國子公司的僱員乃屬中國政府設立之國營退休福利計劃之成員。該等子公司須按薪金成本之特定百分比向退休福利計劃作出供款。就退休福利計劃而言，本集團的唯一責任為作出指定供款。

本集團就回顧年度確認退休福利供款2,514,000港元(二零一一年：1,801,000港元)。

38. 收購子公司

截至二零一一年三月三十一日止年度，本集團購入江蘇科地潤鑫鋼結構製造有限公司(「江蘇潤鑫」)及西安聖華電子工程有限責任公司(「西安聖華」)，其持有許昌同興現代農業科技有限公司(「許昌同興」，統稱為「西安聖華集團」)全部權益)51%權益，代價分別為人民幣5,100,000元(相當於6,071,000港元)及人民幣15,300,000元(相當於18,214,000港元)。此日後，江蘇科地及西安聖華集團成為本集團之子公司。

該項收購預期將助力本集團擴大在該等市場的份額及透過實現規模經濟降低成本。收購所產生之商譽1,024,000港元乃源於所得客戶基礎及綜合本集團、江蘇潤鑫及西安聖華之業務預期將產生的規模經濟。已確認之商譽並未預期會因所得稅目的而扣減。

Notes to the Consolidated Financial Statements

綜合財務報表附註

38. ACQUISITION OF SUBSIDIARIES (Continued) 38. 收購子公司 (續)

Fair value of net assets acquired: —

所得淨資產之公平值：—

		2011 二零一一年 HK\$'000 千港元
		45,610
Property, plant and equipment	物業、機器及設備	4,202
Inventories	存貨	8,891
Trade and bills receivables	應收賬款及應收票據	9,450
Prepayments, other receivables and deposits	預付款項、其他應收款項及按金	48,427
Amounts due from customers for contract work	應收客戶合約工程款項	6,271
Cash and bank balances	現金及銀行結存	7,423
Trade and bills payables	應付賬款及應付票據	(4,380)
Other payables and accruals	其他應付款項及應計費用	(23,377)
Borrowings	借貸	(10,714)
Deferred income (note 31)	遞延收入(附註31)	(583)
		24,285
Non-controlling interests	非控股權益	(22,349)
Goodwill (note 19)	商譽(附註19)	1,024
		24,285
		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	24,285
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	24,285
Less: Cash and bank balances acquired	減：所得現金及銀行結存	(7,423)
		16,862

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39. DISPOSAL OF SUBSIDIARIES

As a result of the acquisition, the Group is expected to increase its presence in these markets. It also expects to reduce cost through economies of scale. The goodwill of HK\$1,024,000 arising from the acquisition is attributable to acquired customer base and economies of scale expected from combining the operations of the Group, Jiangsu Runxin and Xian Shenghua. None of the goodwill recognised is expected to be deductible for income tax purposes.

On 17 June 2011, the Group and an independent third party entered into a sale and purchase agreement for the entire issued share capital in M21 Mastertech Company Limited and M21 Digicast Company Limited (collectively as “M21 Group”) which were dormant since 2010, with an aggregate consideration of HK\$5.

The transaction was completed on 22 September 2011 and M21 Group ceased to be a subsidiary of the Group on that date.

On 16 January 2012, the Group and an independent third party entered into a sale and purchase agreement for its 51% interests in Jiangsu Runxin which carries out tobacco agricultural business, for an aggregate consideration of RMB7,000,000 (equivalent to HK\$8,485,000).

The transaction was completed on 16 January 2012 and Jiangsu Runxin ceased to be a subsidiary of the Group on that date.

39. 出售子公司

該項收購預期將助力本集團擴大在該等市場的份額，及透過實現規模經濟降低成本。收購所產生之商譽1,024,000港元乃源於所得客戶基礎及綜合本集團、江蘇潤鑫及西安聖華之業務預期將產生的規模經濟。預期已確認之商譽就所得稅目的而言不可扣減。

於二零一一年六月十七日，本集團與一名獨立第三方訂立一項買賣協議，內容有關出售及購買智庫視訊科技有限公司及智庫數碼有限公司（統稱為「智庫集團」，自二零一零年起停業）之全部已發行股本，總代價為5港元。

該交易於二零一一年九月二十二日完成，此日後智庫集團不再為本集團之子公司。

於二零一二年一月十六日，本集團與一名獨立第三方訂立一項買賣協議，內容有關出售及購買其於江蘇潤鑫（該公司經營煙草農業業務）之51%權益，總代價為人民幣7,000,000元（相當於8,485,000港元）。

該交易於二零一二年一月十六日完成，此日後江蘇潤鑫不再為本集團之子公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

39. DISPOSAL OF SUBSIDIARIES (Continued)

39. 出售子公司 (續)

Net assets disposed of:—

所售淨資產：—

		M21 Group 智庫集團 HK\$'000 千港元	Jiangsu Runxin 江蘇潤鑫 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Property, plant and equipment (note 17)	物業、機器及設備(附註17)	—	3,204	3,204
Goodwill (note 19)	商譽(附註19)	—	222	222
Inventories	存貨	—	3,580	3,580
Trade receivables	應收賬款	—	78,419	78,419
Other current assets	其他流動資產	—	72,659	72,659
Cash and bank balances	現金及銀行結存	—	5,672	5,672
Assets held for sale (note 28)	持作銷售之資產(附註28)	2,141	—	2,141
Trade and bills payables	應付賬款及應付票據	(56)	(27,772)	(27,828)
Borrowings	借貸	—	(14,545)	(14,545)
Other current liabilities	其他流動負債	(5,477)	(101,874)	(107,351)
Net assets disposed of	所售淨資產	(3,392)	19,565	16,173
Non-controlling interests	非控股權益	—	(9,478)	(9,478)
Cumulative exchange gain in respect of the net assets of the subsidiaries reclassified from equity to profit and loss upon loss of control of subsidiaries	於失去子公司控制權時將子公司淨資產從權益重新分類至損益之累計匯兌收益	—	30	30
Gain/(loss) on disposal of subsidiaries	出售子公司之收益/(虧損)	3,392	(1,632)	1,760
		—	8,485	8,485
Satisfied by:	以下列形式支付：			
Cash received	已收現金	—	8,485	8,485

Notes to the Consolidated Financial Statements

綜合財務報表附註

39. DISPOSAL OF SUBSIDIARIES (Continued)

Net cash inflow from disposal of subsidiaries

	2012 二零一二年 HK\$'000 千港元
Consideration received in cash and cash equivalents 以現金及現金等價物收取之代價	8,485
Less: cash and cash equivalent balances disposed of 減：已售現金及現金等價物結餘	(5,672)
	2,813

39. 出售子公司 (續)

因出售子公司而產生之現金流入淨額

40. DECONSOLIDATION OF SUBSIDIARIES

On 8 December 2011, the Group and two independent third parties entered into sale and purchase agreements for 20% and 11% of the issued share capital in Xian Shenghua Group, for an aggregate consideration of RMB6,000,000 (equivalent to HK\$7,229,000) and RMB3,300,000 (equivalent to HK\$3,976,000) respectively.

Following the disposal of the Group's aggregate 31% equity interest in Xian Shenghua, the Group's equity interest in Xian Shenghua Group was reduced to 20% from 51%. The remaining interests in Xian Shenghua Group were reclassified as interests in associates and equity accounted for in the Group's consolidated financial statements subsequent thereto.

40. 終止作為子公司綜合列賬

於二零一一年十二月八日，本集團與兩名獨立第三方訂立買賣協議，分別買賣西安聖華集團20%及11%之已發行股本，總代價分別為人民幣6,000,000元（相當於7,229,000港元）及人民幣3,300,000元（相當於3,976,000港元）。

於出售本集團於西安聖華合共31%之股權後，本集團於西安聖華集團之股權從51%減少至20%。本集團於西安聖華集團持有之餘下權益已於其後重分類為聯營公司權益及以權益法於本集團綜合財務報表內入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

40. DECONSOLIDATION OF SUBSIDIARIES

(Continued)

The consolidated net assets of Xian Shenghua Group on the date of control loss were as follows:

40. 終止作為子公司綜合列賬

(續)

於失去控制日期，西安聖華集團之綜合淨資產如下：

		2012 二零一二年 HK\$'000 千港元
Property, plant and equipment (note 17)	物業、機器及設備(附註17)	1,481
Goodwill (note 19)	商譽(附註19)	816
Inventories	存貨	5,383
Trade and bills receivables	應收賬款及應收票據	14,585
Other current assets	其他流動資產	34,743
Cash and bank balances	現金及銀行結存	1,360
Trade payables	應付賬款	(5,924)
Deferred income (note 31)	遞延收入(附註31)	(618)
Other current liabilities	其他流動負債	(8,058)
Net assets deconsolidated	終止綜合列賬之淨資產	43,768
Non-controlling interests	非控股權益	(21,046)
Cumulative exchange gain in respect of the net assets of the subsidiaries reclassified from equity to profit or loss upon loss of control of subsidiaries	於失去子公司控制權時將子公司淨資產從權益重新分類至損益之累計匯兌收益	16
Loss on deconsolidation of subsidiaries	終止作為子公司綜合列賬之虧損	(2,779)
		19,959
Satisfied by:	以下列形式支付：	
Fair value of interests in associates	聯營公司權益之公平值	8,754
Cash consideration received	已收現金代價	11,205
		19,959

The portion of loss attributable to revaluation of retained interest:

重估保留權益應佔虧損部份：

		HK\$'000 千港元
Fair value of retained interest	保留權益之公平值	8,754
Net assets retained	保留淨資產	(8,754)
		—

Notes to the Consolidated Financial Statements

綜合財務報表附註

40. DECONSOLIDATION OF SUBSIDIARIES

(Continued)

Taken into consideration of the unfavorable operating results of these companies, in the view of the directors of the Company, the fair value of the retained interest on these associates is equal to the fair value of the retained interest on assets and liabilities.

Net cash inflow from deconsolidation of a subsidiary

	2012 二零一二年 HK\$'000 千港元
Consideration received in cash and cash equivalent	11,205
Less: cash and cash equivalent balances deconsolidated of	(1,360)
	9,845

40. 終止作為子公司綜合列賬

(續)

考慮到該等公司之經營業績不理想，本公司董事認為，該等聯營公司之保留權益公平值相當於資產及負債保留權益之公平值。

終止作為子公司綜合列賬之現金流入淨額

41. OPERATING LEASE COMMITMENTS

The Group as lessee:

At the end of the reporting period, the Group had commitments for future minimum lease payments in respect of land and buildings under non-cancellable operating leases in respect of premises and plant and machinery, which fall due as follows:—

	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Within one year	3,870	5,789
In the second to fifth years inclusive	3,214	5,468
Over five years	3,257	3,141
	10,341	14,398

The group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of 1 to 28 years (2011: 1 to 29 years), with an option to renew the lease when terms are renegotiated. None of the leases includes contingent rentals.

41. 經營租賃承擔

本集團作為承租人：

於呈報期末，根據有關物業及廠房及機器之不可撤銷經營租賃，本集團於以下期間到期之有關土地及樓宇之未來最低租賃付款為：—

本集團以經營租賃租賃多項物業。該等租賃之初步年期一般為1年至28年（二零一一年：1年至29年），並且有權選擇在到期後續期，屆時有關條款可重新商議。該等租賃均不包含或有租金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

42. CAPITAL COMMITMENTS

42. 資本承擔

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 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

43. PLEDGE OF ASSETS

43. 資產抵押

Assets with the following carrying amounts have been pledged to secure general banking facilities granted to the Group or borrowings of the Group (see note 30):

賬面值如下的資產已予抵押，作為本集團所獲授一般銀行融通或本集團借貸的抵押(請參閱附註30)：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Prepaid lease payments	預付租賃款	6,739	6,730
Buildings	樓宇	27,812	—
Trade receivables	應收賬款	4,391	—
Pledged deposits	已抵押存款	260,222	231,372
		299,164	238,102

44. CONTINGENT LIABILITIES

44. 或然負債

No material contingent liabilities of the Group and the Company were noted at 31 March 2012 and 31 March 2011.

於二零一二年三月三十一日及二零一一年三月三十一日，本集團及本公司並無重大或然負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

45. RELATED PARTIES TRANSACTIONS

Apart from as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material related party transactions during the year:—

(a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 13, during the year was as follows:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	2,746	3,275
Retirement benefits schemes contributions	退休福利計劃供款	19	24
		2,765	3,299

(b) Balance with related parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Balances with related parties are disclosed in Note 29.

45. 關連方交易

除已於本綜合財務報表其他位置所披露外，年內，本集團的主要關連交易如下：—

(a) 主要管理人員酬金

年內，主要管理人員酬金(包括附註13所披露之已付本公司董事款項)如下：

(b) 關連方結餘

本公司與其子公司(為本公司之關連方)之間的結餘及交易於綜合時已對銷，並無於本附註披露。

與關連方之間的結餘於附註29中披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

45. RELATED PARTIES TRANSACTIONS

(Continued)

The related party transactions disclosed above did not fall under the definition of connected transaction or continuing connected transaction in Chapter 20 of the Listing Rules, with which the Company has complied throughout the year unless otherwise disclosed.

46. EVENTS AFTER THE REPORTING PERIOD

The following significant event took place subsequent to the end of the reporting period:

As disclosed in note 28(b), on 29 May 2012, the Group has completed the disposal of certain of its prepaid land lease payments and property and equipment. At 31 March 2012, the aggregate net carrying amount of these assets is HK\$103,431,000 (2011: HK\$99,761,000).

45. 關連方交易 (續)

上文所披露之關連方交易並非屬於上市規則第20章所界定之關連交易或持續關連交易，除另有披露者外，本公司已於整個年度遵守有關規定。

46. 呈報期後事項

以下為於呈報期末後發生之重大事項：

誠如附註28(b)所披露，於二零一二年五月二十九日，本集團已完成出售其若干預付土地租賃款及物業及設備。於二零一二年三月三十一日，該等資產之賬面淨值總額為103,431,000港元(二零一一年：99,761,000港元)。

Five-year Financial Summary

五年財務概要

FINANCIAL SUMMARY

財務概要

		Year ended 31 March 2012 截至 二零一二年 三月 三十一日 止年度 HK\$'000 千港元	Year ended 31 March 2011 截至 二零一一年 三月 三十一日 止年度 HK\$'000 千港元 (Restated) (重列)	Year ended 31 March 2010 截至 二零一零年 三月 三十一日 止年度 HK\$'000 千港元 (Restated) (重列)	Year ended 31 March 2009 截至 二零零九年 三月 三十一日 止年度 HK\$'000 千港元	Year ended 31 March 2008 截至 二零零八年 三月 三十一日 止年度 HK\$'000 千港元
Results	業績					
Turnover	營業額	663,896	598,132	220,796	28,741	12,954
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(34,790)	(224,988)	(269,331)	(283,421)	(25,687)
		As at 31 March 2012 於 二零一二年 三月 三十一日 止年度 HK\$'000 千港元	As at 31 March 2011 於 二零一一年 三月 三十一日 止年度 HK\$'000 千港元 (Restated) (重列)	As at 31 March 2010 於 二零一零年 三月 三十一日 止年度 HK\$'000 千港元 (Restated) (重列)	As at 31 March 2009 於 二零零九年 三月 三十一日 止年度 HK\$'000 千港元	As at 31 March 2008 於 二零零八年 三月 三十一日 止年度 HK\$'000 千港元
Assets and liabilities	資產及負債					
Total assets	資產總值	2,228,468	2,077,070	2,197,479	344,925	146,042
Total liabilities	負債總額	(1,542,207)	(1,343,563)	(1,287,300)	(49,390)	(34,022)
		686,261	733,507	910,179	295,535	112,020

