



CODE AGRICULTURE (HOLDINGS) LIMITED
科地農業控股有限公司

(Stock Code 股份代號: 8153)



C OOPERATION
O PPORTUNITY
D EVELOPMENT
E FFICIENCY

年報 2014
ANNUAL REPORT

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This report, for which the directors (the “Directors”) of Code Agriculture (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particular given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this report misleading.

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

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本報告按照聯交所創業板證券上市規則的規定載有關於科地農業控股有限公司(「本公司」)的資料。本公司各董事(「董事」)願就本報告共同及個別承擔全部責任，並於作出一切合理查詢後確認，就彼等所深佑及確信，本報告所載的資料在各重大方面均屬準確完整，且無誤導或欺詐成份；而本報告並無遺漏其他事項，致使本報告所載任何內容或本報告有所誤導。

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. JINGQUAN Yingzi (*Chairman*)
Mr. Stephen William FROSTICK
Mr. WONG Man Hung Patrick
Mr. WU Zhongxin

Non-Executive Director

Professor LIU Guoshun

Independent Non-Executive Directors

Mr. LEE Chi Hwa Joshua
Mr. SOUSA Richard Alvaro
Mr. ZHAO Zhizheng

COMPLIANCE OFFICER

Mr. WONG Man Hung Patrick

AUTHORISED REPRESENTATIVES

Mr. LI Kwok Fat
Mr. WONG Man Hung Patrick

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Mr. LI Kwok Fat

董事會

執行董事

井泉瑛孜女士(*主席*)
Stephen William FROSTICK先生
王文雄先生
吳中心先生

非執行董事

劉國順教授

獨立非執行董事

李智華先生
蘇志汶先生
趙志正先生

監察主管

王文雄先生

授權代表

李國發先生
王文雄先生

審核委員會

李智華先生(*主席*)
蘇志汶先生
趙志正先生

薪酬委員會

蘇志汶先生(*主席*)
李智華先生
趙志正先生

提名委員會

井泉瑛孜女士(*主席*)
李智華先生
蘇志汶先生
趙志正先生

公司秘書

李國發先生

CORPORATE INFORMATION

公司資料

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

LEGAL ADVISORS

Anthony Siu & Co., Solicitors & Notaries

AUDITORS

Baker Tilly Hong Kong Limited

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China Construction Bank
Agricultural Bank of China

STOCK CODE

8153

COMPANY WEBSITE

www.code-hk.com

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香港
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法律顧問

蕭一峰律師行

核數師

天職香港會計師事務所有限公司

主要往來銀行

中國銀行(香港)有限公司
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") and its subsidiaries (collectively referred to as the "Group"), I hereby present the annual report for the year ended 31 March 2014 ("Year").

The Year was tough for the Group, nevertheless, management has tried their best endeavor to overcome all the hurdles. Trading in the shares of the Company on the Stock Exchange was resumed on 16 January 2014 since it was being suspended on 24 June 2013 due to the non-compliance with HKFRSs in 2010 which was properly dealt with and restated through correction of prior periods errors in the annual report 2013. The Company has enhanced its staffing and reviewed its internal control procedures.

The litigation in relation to the winding-up petition filed by Zhang Weibing (the "Petitioner") against the Company has been dismissed during the Year. For another High Court Action relating to the Writ of Summons issued by Cyberland (China) Limited ("Cyberland") claiming against the Petitioner and the Company, the Company has subsequently reached a settlement with Cyberland during the Year for discontinuation of the High Court Action with no order as to costs.

The economy of People's Republic of China (the "PRC") is slowing down, but it is by no means certain when it would shift back into high gear. Under such circumstances together with the shrinkage of demand and other uncertainties, the Group has recorded a significant drop in its turnover of approximately HK\$488.0 million, and a significant increase in loss for the Year of approximately HK\$252.8 million.

PROSPECTS

Being one of the major manufacturers of intensive flue-curing barn equipment in the agricultural machinery industry, one of the Group's goals is to assist a sustainable modernisation of agricultural technology in the PRC as outlined in the "Mid-to-long term Technology Development Plan" in the tobacco industry issued by State Tobacco Monopoly Administration ("STMA"), to implement policies and business strategies in the best interests of our shareholders, tobacco farmers and other stakeholders.

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(統稱「本集團」)董事(「董事」)會(「董事會」)，提呈截至二零一四年三月三十一日止年度(「本年度」)之年報。

本年度對本集團而言十分嚴峻，然而，管理層竭盡所能，致力克服所有障礙。由於二零一零年不遵守香港財務報告準則(已妥善處理及更改先前期間錯誤並於二零一三年年報中重列)，本公司之股份於二零一三年六月二十四日起暫停買賣，並於二零一四年一月十六日起在聯交所恢復買賣。本公司著力提升其員工編製，及檢討內部監控程序。

有關張偉兵(「呈請人」)針對本公司提交清盤呈請的訴訟已於本年度被駁回。至於另一宗高等法院訴訟，有關由科地(中國)有限公司(「科地中國」)對呈請人及本公司提出之申索而發出之傳訊令狀，本公司其後已於本年度與科地中國達成和解，終止該項高等法院訴訟，亦無有關訟費的頒令。

中華人民共和國(「中國」)經濟正在放緩，未能確定何時會重現較大動力。於該環境下加上需求萎縮以及其他不明朗因素，本年度本集團錄得營業額大幅下跌約488.0百萬港元，及虧損大幅增加約252.8百萬港元。

展望

作為農業機械行業密集烘烤房設備的主要製造商之一，本集團其中一個目標是根據國家煙草專賣局(「國家煙草局」)頒佈的《煙草行業中長期科技發展規劃綱要》，促進中國農業技術持續現代化，實施符合各股東、煙農及其他利益相關者最佳利益的政策及業務策略。

CHAIRMAN'S STATEMENT

主席報告書

PROSPECTS (Continued)

The Company has encountered a difficult business environment along with the slow-down in economy in the PRC and liquidity issues of the Company. Both the turnover and gross profit margin have recorded a decline. In response to the unfavourable market factors and to minimize business risk, the Company will strive to enhance the conventional core business of manufacturing of flue-curing barn for tobacco and reallocate more resources in the trading of transplanting machine, cultivator hiller and greenhouse building. The Group will also continue to explore other business opportunities of flue-curing barn by curing other agricultural products, for example, herbal and vegetables on a trial basis with minimal input. We believe by the development of a multi-functional and cost-effective flue-curing barn can facilitate the modernisation of agriculture and contribute to the livelihood of general farm communities in the PRC.

The Group recorded net current liabilities and deficiency in net assets during the Year. To resolve the solvency issues requires the support from Cyberland, shareholders and other external resources. The Company is in close negotiation with Cyberland on how to deal with the outstanding convertible bond and believe the issues could properly be dealt with. In addition to the undertakings by a shareholder and a director of the Company, the Company is also actively in liaison of possible viable projects with other stakeholders and considers to arrange banking facilities with a major banker. Despite the challenging year ahead, the Group will continue to streamline its business model and structure, adopt stringent cost control, enhance the product quality and innovation.

The Group remains cautiously optimistic towards the business of agriculture machinery industry despite the uncertainties in the complicated economic environment coupled with the on-going issues.

Finally, I would like to express my heartfelt appreciation to the shareholders, investors and suppliers for their understanding and continuous support, and the management and staff for their diligence, dedication and contributions in such difficult environment, throughout the past year.

JINGQUAN YINGZI

Chairman

25 June 2014

展望(續)

隨著中國經濟放緩及本公司於本年度之流動資金問題，本公司經歷了嚴峻的業務環境。營業額及毛利率均錄得倒退。為應對不利市場因素及減低業務風險，本公司將增強煙草烘烤房製造等傳統核心業務，並重新分配更多資源於買賣移植機、中耕培土機及溫室建造方面。本集團亦將以最小投入繼續拓展烘烤房之其他業務機會，以試驗性質烘烤其他農產品，如草藥及蔬菜。本集團相信，多功能及具成本效益的烘烤房的發展可促進農業現代化，並為中國一般農民社區的生活作出貢獻。

本年度，本集團錄得流動負債淨額，且資產淨值不足。為解決償債問題，本集團須得到科地中國及股東支持，以及透過其他的外部資源解決。本公司就處理尚未行使可換股債券之方式正與科地中國進行緊密磋商，並相信能妥善處理問題。除本公司主要股東及一位董事作出承諾外，本公司亦積極與其他利益相關者商討可行方案之可能性及考慮與主要銀行安排銀行融資。儘管來年面對艱鉅挑戰，本集團將繼續精簡業務模式及架構，採取嚴格的成本控制措施及提高產品質素及創新。

儘管複雜的經濟環境充滿不穩定因素加上持續的問題，本集團仍對農業機械行業維持審慎樂觀的態度。

最後，本人謹對各股東、投資者及供應商一直以來的體諒及鼎力支持致以衷心感謝，同時對管理層及全體員工過往一年逆境自強、努力不懈、竭盡所能、全力貢獻深表謝意。

井泉瑛孜

主席

二零一四年六月二十五日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

At the request of the Company, the trading in the shares of the Company in Stock Exchange has been suspended since 24 June 2013 due to the non-compliance with HKFRSs in relation to the consolidated financial statements of the Group for the year ended 31 March 2010. Trading in the shares of the Company was finally resumed on 16 January 2014 after the non-compliance was properly dealt with.

During the Year, the principal business activities of the Group remained as the manufacturing and sales of agricultural intensive flue-curing barns and trading of related machinery and fertilizers, and the service provision of digital television broadcasting in the PRC. The overall business performance was not satisfactory because of the shrinking demand, uncertainties over local policies and sluggish economy in the PRC. The management has been making its best effort to overcome such hurdles by adoption of stringent cost control, closure of persistent non-performance business section for better resources utilization, liaison for potential business opportunity and possible of capital injection from external investors. The Company also considers possible arrangement of banking facilities. In between this turbulence, the management has been conducting negotiations with Cyberland for possible exit of the convertible bond issued by the Company to Cyberland (the "CB 2015") of remaining outstanding principal amount of approximately HK\$652.4 million.

In all the time, the Group will never falter in its mission to deliver high quality agricultural machinery for the development and modernization of agriculture in the PRC.

SEGMENTAL ANALYSIS

Tobacco agricultural operation

Tobacco agricultural operation is operated through Jiangsu Kedi Modern Agriculture Co., Ltd. ("Jiangsu Kedi"), an indirectly wholly owned subsidiary of the Company. Jiangsu Kedi is one of the key players in the modern tobacco agricultural machinery production industry with focus on the manufacturing, sales and distribution of intensive flue-curing tobacco barns and other related products in the PRC. It is also one of the major authorised suppliers of the China National Tobacco Corporation ("CNTC"). Most of its products are sold to the local counterparts of CNTC through public tendering and bidding procedures. The intensive flue-curing barn can serve flue-curing for 20 mu of tobacco field per time and provides semi-automatic operation for tobacco farmer. It can also facilitate the process of mechanisation of curing, reducing labour input and enhancing the production efficiency. Same as last year "KH" series remains as the well-recognised product in the industry.

業務回顧

應本公司之要求，由於涉及本集團截至二零一零年三月三十一日止年度之綜合財務報表並不符合香港財務報告準則，本公司股份已自二零一三年六月二十四日起於聯交所暫停買賣。有關違規事項在妥善處理後，本公司股份最終於二零一四年一月十六日恢復買賣。

本年度本集團的主要業務仍然是於中國製造及銷售農業密集煙草烘烤房及買賣相關機械及肥料，以及提供數字電視廣播服務。整體業務表現未如理想，因為中國需求收縮、地方政策存在不穩定因素及經濟疲弱。管理層一直竭盡所能，致力克服障礙，其採取嚴格成本監控措施，關閉持續表現遜色的業務分部，以更好地利用資源，並與各方聯絡，尋求向外部投資者潛在業務商機及可能注資機會。本公司亦考慮可行的銀行融資安排。在此動盪之際，管理層與科地中國進行磋商，尋求本公司向科地中國發行之可換股債券（「可換股債券2015」）餘下未轉換本金額約652.4百萬港元之可能出路。

本集團從不間斷履行其交付高質量農業機械的宗旨，讓中國煙草農業得以現代化發展。

分部分析

煙草農業業務

煙草農業業務乃透過本公司的一間間接全資子公司江蘇科地現代農業有限公司（「江蘇科地」）經營。江蘇科地乃現代煙草農業機械生產行業主要參與商之一，專注於中國製造、銷售及分銷密集煙草烘烤房及其他相關產品。其亦為中國煙草總公司（「煙草總公司」）的主要認可供應商之一。其大部份產品乃透過公開招標及競標程序出售予煙草總公司的地方對口單位。密集煙草烘烤房每次可烘烤20畝煙田，並為煙農提供半自動化操作。其亦可促進烘烤的機械化進程，降低勞動力投入及提高生產效率。一如往年，「KH」系列仍為行內高度認可的產品。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SEGMENTAL ANALYSIS (Continued)

Tobacco agricultural operation (Continued)

Turnover from the tobacco agricultural operation for the Year significantly decreased by 31.4% to HK\$468.9 million (2013: HK\$684.2 million). Such decrease was primarily due to the shrinkage of sales and uncertain market conditions of tobacco flue-curing barns in the PRC. The segment recorded a loss of approximately HK\$112.7 million (2013: HK\$124.7 million) which was mainly attributable to the non-cash item, impairment losses on other intangible assets of HK\$88.5 million (2013: HK\$135.4 million). The management has observed that the rising production costs and direct overhead costs are likely to continue to engulf the profit from operations. In order to diversify the product and market risk, management have taken measures to expand the product scope and reallocate more resources to facilitate the sale of greenhouse and other transplanting machinery.

Fertilizer and pesticide operation

Turnover from fertilizer and pesticide operation has significantly decreased from last year of HK\$44.7 million to the Year of HK\$14.3 million, representing a 68.0% decline. The major revenue driver of this operation is the BM series, a kind of biological fertilizers which are generally applied in soil transformation for tobacco cultivation. The management is not optimistic in the coming fiscal year with regard to the prevailing the uncertain market conditions. The management realized that in order to secure optimal profit, the Company must set up its own research and development team with a production plant which involve tremendous initial capital input. Financially, it is not feasible to establish the production plant for such mass production. As a result, the Group has disposed of one of its fertilizer business vehicles – Henan Baorong Biological Technology Company Limited at a consideration of RMB5.05 million after the reporting period.

Digital television operation

Digital television operation recorded a turnover of HK\$4.7 million (2013: HK\$6.3 million) which amounted to 1.0% of the Group's overall turnover, and a loss of HK\$1.4 million (2013: HK\$0.6 million). The decrease in turnover was mainly caused by the reduction of advertising income from the operation of the broadcasting channels in Hunan Province of the PRC. Digital television broadcasting is a policy-driven industry in the PRC and is basically hard to estimate its future performance. The pie of digital broadcasting business is in fact descending. On top of existing peer competitors, other substitutions in the internet media are emerging and have already imposed immense pressure to this operation. However, the Company will continue to explore new business model and improve its program quality and diversity.

分部分析(續)

煙草農業業務(續)

煙草農業業務於本年度的營業額銳減31.4%至468.9百萬港元(二零一三年：684.2百萬港元)。此減幅主要由於煙草烘烤房的銷售縮減及中國市場情況不明朗所致。該分部錄得虧損約112.7百萬港元(二零一三年：124.7百萬港元)，乃主要由於非現金項目，其他無形資產之減值虧損88.5百萬港元(二零一三年：135.4百萬港元)。管理層留意到不斷上升之生產成本及其他直接開支成本可能繼續吞佔經營溢利。為擴闊產品類別及分散市場風險，管理層已開始採取措施擴大產品範疇及重撥更多資源以提升溫室及其他移栽機之銷售。

肥料及農藥業務

肥料及農藥業務的營業額由去年的44.7百萬港元銳減至本年度的14.3百萬港元，減少68.0%。此業務的主要收入來源來自BM系列，這是一般用於煙草種植的土壤改良的生物肥料。由於市場情況存在不明朗因素，管理層認為此業務的表現於下個財政年度不容樂觀。管理層明白，要取得可觀利潤，本公司必須建立其自有研發團隊，並設置生產廠房，當中涉及大量開業資金。就財政而言，建立可供量產的生產廠房對本集團而言並不可行。因此，本集團已於報告期後出售其中一項肥料業務實體河南寶融生物科技有限公司，代價為人民幣5.05百萬元。

數字電視業務

數字電視業務的營業額為4.7百萬港元(二零一三年：6.3百萬港元)，為本集團整體營業額貢獻1.0%及虧損1.4百萬港元(二零一三年：0.6百萬港元)。此業務營業額減少主要由於中國湖南省廣播頻道業務的廣告收入下跌所致。數字電視播放業務為受中國政策驅動的行業，難以估計其日後表現。數字電視播放業務的市場利潤收窄。除面對現有同業的競爭外，來自互聯網媒體的其他替代品亦相繼崛起，對此業務造成重大壓力。然而，本公司將繼續開拓新業務模式，以提升其節目質素及增加節目類型。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SEGMENTAL ANALYSIS (Continued)

Other operation

The healthcare products operation persistently underperformed with turnover of HK\$0.1 million for the Year (2013: HK\$0.4 million) and recorded a segment loss of HK\$4.8 million (2013: HK\$5.4 million). The loss was mainly due to the significant reduction in the demand of cordyceps-related healthcare products, industry competition and surge in operating costs. Subsequent to the reporting period, the whole of other operation consisting of Hong Kong New Success International Group Investment Company Limited and its two PRC subsidiaries with consolidated net liabilities was disposed at a consideration of HK\$1. The management determined that disposal of this non-performing business will optimize and facilitate the resources utilization within the Group.

FINANCIAL REVIEW

Turnover

For the Year under review, the Group's turnover was HK\$488.0 million (2013: HK\$734.7 million), representing a decrease of 33.6% as compared to last year. Turnover from tobacco agricultural operation accounting for 96.1% of the Group's total turnover showed a decrease of 31.4% to approximately HK\$468.9 million (2013: HK\$684.2 million). The decrease was mainly due to the sales shrinkage of tobacco flue-curing barns and uncertain market conditions in major tobacco-growing areas in the PRC. As to the unique seasonal effect of tobacco agricultural industry, it is a common phenomenon that more sales are recorded in the first half of the Year. That is the reason why over 80% of the turnover is reported in the first half of the Year.

Turnover from fertilizer and pesticide operation and digital television operation for the Year were approximately HK\$14.3 million (2013: HK\$44.7 million) and HK\$4.7 million (2013: HK\$6.3 million) respectively, and accounted for 2.9% and 1.0% of the Group's turnover respectively.

Cost of sales and services and Gross Profit

During the Year, total cost of sales, consisting of costs of inventories sold, sheet steel and direct wages, was HK\$339.0 million, approximately 69.5% of the total turnover. Overall gross profit for the Year has significantly decreased by 37.7% to HK\$145.9 million compared with last year of HK\$234.1 million. The gross profit margin has slightly reduced from last year of 31.9% to the Year of 29.9% partially due to the increase in the costs of labour, sheet steel, logistic cost and production overheads. The pricing of sheet steel for the Year, the major component in manufacturing of the flue-curing barns, was relatively volatile compared to last year. A constant supply with stable pricing of the sheet steel is crucial for the operation, so the management may consider hedging on the future purchase of sheet steel when it is appropriate.

分部分析(續)

其他業務

保健產品業務持續表現遜色，於本年度之營業額為0.1百萬港元(二零一三年：0.4百萬港元)，並錄得分部虧損4.8百萬港元(二零一三年：5.4百萬港元)。虧損主要是由於北冬蟲夏草相關保健產品的需求大幅萎縮、同行競爭激烈及營運成本上漲所致。於報告期後，整個其他業務包括香港新勝國際集團投資有限公司及其兩間中國子公司錄得綜合淨負債代價1港元出售。管理層相信，出售表現欠佳的業務將有助促進本集團資源運用。

財務回顧

營業額

回顧本年度，本集團的營業額為488.0百萬港元(二零一三年：734.7百萬港元)，較去年減少33.6%。來自煙草農業業務的營業額佔本集團總營業額的96.1%，減少31.4%至約468.9百萬港元(二零一三年：684.2百萬港元)。跌幅主要源於中國煙草烘烤房的銷售萎縮，加上主要煙草種植地區的市況不穩定所致。由於煙草農業的獨特季節性影響，本年度上半年錄得較多銷售屬正常現象。因此，逾80%營業額乃於本年度上半年呈報。

本年度，來自肥料及農藥業務及數字電視業務的營業額分別約為14.3百萬港元(二零一三年：44.7百萬港元)及4.7百萬港元(二零一三年：6.3百萬港元)，分別佔本集團營業額2.9%及1.0%。

銷售及服務成本以及毛利

於本年度，銷售成本總額(包括已售存貨、板鋼成本及直接工資)為339.0百萬港元，佔總營業額約69.5%。本年度整體毛利較去年的234.1百萬港元大幅下跌37.7%至145.9百萬港元。毛利率較去年的31.9%輕微下降至本年度的29.9%，部分由於勞工、板鋼、物流成本上漲及生產間接費用增加所致。於本年度，烘烤房生產的主要部件板鋼的定價較去年相對波動。此業務需要持續且價格穩定的板鋼供應，故此管理層在適當時候或會考慮對未來購買板鋼進行對沖。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Distribution costs

The Group recorded distribution costs of HK\$98.0 million for the Year (2013: HK\$127.2 million), showing a decrease of 23.0% as compared to last year. However, the magnitude of decrease in distribution costs was not in line with the drop in the sales decrease of 33.6%. One of the reasons was that the delivery cost was still continued to rise as compared to last year. Nevertheless, staff costs which account for approximately 14.6% (2013: 20.0%) of the total distribution costs of the Year have decreased by 43.7% after adoption of stringent cost on wages as compared to last year. The management will continue to streamline the logistic flow in order to achieve an optimal distribution costs.

Administrative expenses

As a result of tight cost controls, administrative expenses for the Year have decreased by 21.7% to 106.1 million (2013: HK\$135.4 million). The administrative expenses mainly included amortisation on other intangible assets of HK\$44.6 million (2013: HK\$66.0 million), and staff costs totally of HK\$19.6 million (2013: HK\$19.3 million). The Group will continue to adopt stringent cost controls to minimise administrative expenses.

Loss from operations

Loss from operations for the Year was HK\$28.1 million, representing a sharp increase of about 6 times as compared with last year (2013: HK\$4.7 million). The increase in loss from operations was mainly caused by shrinkage of sales and other market uncertainties. The Company foresees that the raw materials of production, direct labour costs and logistic related expenditures will unlikely affect there rising in forthcoming year. However, management will continue to explore any potential business opportunity.

Finance costs

Interest expenses on bank and other loans for the Year was HK\$34.2 million, representing an increase of 49.1% compared with last year of HK\$22.9 million. Such increase was mainly due to the less favourable interest rates on interest bearing loans for the Year and more coverage of the financial year in respect of the interest accrual.

財務回顧(續)

分銷成本

本集團於本年度錄得分銷成本98.0百萬港元(二零一三年: 127.2百萬港元), 較去年減少23.0%。然而, 分銷成本減幅與銷售減幅33.6%不相符。其中一個原因是與去年相比, 運輸成本仍持續上漲。然而, 對工資採取嚴厲成本控制措施後, 僱員成本較去年減少43.7%, 佔本年度總分銷成本約14.6%(二零一三年: 20.0%)。管理層將繼續精簡物流程序以達致最佳分銷成本水平。

行政費用

由於加強成本控制措施, 本年度的行政費用減少21.7%至106.1百萬港元(二零一三年: 135.4百萬港元)。行政費用主要包括其他無形資產攤銷44.6百萬港元(二零一三年: 66.0百萬港元)以及員工成本合共19.6百萬港元(二零一三年: 19.3百萬港元)。本集團將採取嚴厲成本控制措施以盡量減少行政費用。

經營虧損

本年度的經營虧損為28.1百萬港元, 較去年大幅增加約6倍(二零一三年: 4.7百萬港元)。經營虧損增加乃主要由於銷售額縮減及其他市場不明朗因素所致。本公司預測生產原料、直接勞務成本及物流相關開支可能影響明年的升幅。然而, 管理層將繼續開拓任何潛在商機。

融資成本

於本年度, 銀行及其他貸款之利息開支為34.2百萬港元, 較去年的22.9百萬港元增加約49.1%。此增幅乃主要由於本年度內計息貸款利率優惠減少, 加上應計利息於本財政年度的覆蓋時間較長所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

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

Loss for the Year slightly increased by 0.1% to HK\$252.8 million as compared to last year of HK\$252.6 million. The loss for the Year was mainly attributable to the impairment losses on other intangible assets of HK\$99.4 million (2013: HK\$135.4 million), impairment loss on goodwill of HK\$5.1 million (2013: 8.5 million), and losses arising from the fair value change and redemption of CB 2015 with aggregate amount of HK\$112.7 million (2013: HK\$151.1 million). The loss attributable to owners of the Company amounted to HK\$247.7 million (2013: Loss HK\$248.8 million). The loss per share was HK Cents 9.13 (2013: HK Cents 9.17).

CAPITAL STRUCTURE

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

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Along with the full redemption of convertible bond number 3 amounting to HK\$51.2 million on 8 May 2013 and another early redemption of HK\$200 million of the convertible bond on 31 March 2014, the outstanding principal amount has reduced to approximately HK\$652.4 million. The CB 2015, if not converted, would be due for repayment on 25 March 2015. During the Year, the Group recorded net current liabilities of HK\$486.9 million as the aforesaid convertible bond was due to repay within the upcoming twelve months and being classified as current liabilities. The Group also recorded net liabilities of HK\$439.1 million as at 31 March 2014. Resolving the Group's liquidity issues requires a close co-operation with Cyberland and other possible support from external resources. The Company is in close negotiation with Cyberland on how to deal with the exit of the CB 2015, including but not limited to unconditional waiver, early redemption, securitization and replacement by an unsecured loan. The aforesaid arrangement is still at a very preliminary stage. No substantial actions are realized up to the date of this report, and all possible actions to be taken are subject to the final agreement between the Company and Cyberland. A shareholder and a director of the Company have undertaken to provide financial support to the Company. Nevertheless, management is also actively in liaison of possible viable projects from external investors and considers seeking financial resources from financial institutes.

The Company has an unsecured other loan, with a carrying amount approximately HK\$51.2 million borrowed from an independent third party. The Company was unable to reach a formal loan agreement with the lender.

財務回顧(續)

年度虧損及本公司擁有人應佔虧損

本年度虧損較去年的252.6百萬港元微升0.1%至252.8百萬港元。本年度虧損乃主要由於其他無形資產減值虧損99.4百萬港元(二零一三年：135.4百萬港元)、商譽減值虧損5.1百萬港元(二零一三年：8.5百萬港元)及可換股債券2015贖回及公允值變動產生的虧損總計112.7百萬港元(二零一三年：151.1百萬港元)所致。本公司擁有人應佔虧損為247.7百萬港元(二零一三年：虧損248.8百萬港元)。每股虧損為9.13港仙(二零一三年：9.17港仙)。

資本結構

本年度內，本公司已發行股本並無重大變動。

流動資金、財務資源及資本結構

隨着於二零一三年五月八日悉數贖回51.2百萬港元之可換股債券編號三以及另外於二零一四年三月三十一日提早贖回200百萬港元之可換股債券，未償還本金額減至約652.4百萬港元。如未獲轉換，可換股債券2015將於二零一五年三月二十五日到期償還。本年度內，本集團錄得流動負債淨額486.9百萬港元，因上述可換股債券於未來十二個月到期償還，且被分類為流動負債。於二零一四年三月三十一日，本集團亦錄得負債淨額439.1百萬港元。要解決流動資金之問題，本集團須與科地中國緊密合作，並需要其他可行的外部資源支持。本公司正與科地中國密切磋商如何處理可換股債券2015出路，包括但不限於無條件免除、提早贖回、證券化及以無擔保貸款取替。上述安排仍屬初步階段。直至本報告日期，仍未落實任何重大行動，而所有潛在行動須待本公司與科地中國達成最終協議後，方可作實。本公司一名主要股東及一名董事承諾向本公司提供財政支援。管理層亦積極就潛在可行項目與外部投資者聯繫並考慮尋求金融機構提供財務資源。

本公司向獨立第三方借入的其他無抵押貸款，賬面值約為51.2百萬港元。本公司未能與貸款人達成正式貸款協議。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE (Continued)

The Group generally financed its operations through borrowing and internally generated cash flows. As at 31 March 2014, the Group had aggregate cash and bank balance and pledged deposits of approximately HK\$46.9 million (2013: HK\$192.6 million). As the CB 2015 due to mature within one year, it is classified under current liabilities instead of non-current liabilities. The Group's current ratio, being the current assets of HK\$627.6 million (2013: HK\$993.5 million) divided by current liabilities of HK\$1,114.5 million (2013: HK\$658.6 million), was computed as 0.56 (2013: 1.51) which was not regarded as healthy and acceptable, because the fair value of CB 2015 was classified under the current liabilities. The cash and cash equivalents materially reduced to HK\$2.8 million as at 31 March 2014 (2013: HK\$11.3 million).

As at 31 March 2014, the Group's total indebtedness comprised the fair value of outstanding convertible bond, borrowings, bills payables and amount due to a non-controlling shareholder of a subsidiary was recorded with aggregate amount of approximately HK\$1,058.5 million (2013: HK\$1,278.8 million). The gearing ratio of the Group, being the total indebtedness divided by total assets excluding deferred tax assets, was 144.7% (2013: 101.9%) at the Year. The higher in the Group's gearing ratio was primarily due to the reduction of asset value as a result of impairment losses on the other intangible assets and goodwill for the Year. During the Year, the Group has successfully raised RMB60 million (equivalent to approximately HK\$74.9 million) in May 2013 by issuance of small and medium-sized enterprises private placement bonds ("SME Private Bonds") with terms of 24 months tenure, unlisted, unsecured and bearing interest at the rate of 9% per annum and redeemable after 18 months. The SME Private Bonds is an unlisted financial product with designated subscribers and was registered in Shenzhen Stock Exchange.

In terms of currency denomination, the convertible bond was denominated in Hong Kong dollars. For the borrowings, bills payables and amount due to a non-controlling shareholder of a subsidiary, over 90% of the balances were denominated in Renminbi with the balance 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 has sufficient financial resources to meet its ongoing operational requirements.

流動資金、財務資源及資本結構(續)

本集團一般透過借貸及內部產生之現金流量為其經營撥資。於二零一四年三月三十一日，本集團的現金及銀行結餘總額及已抵押存款約為46.9百萬港元(二零一三年：192.6百萬港元)。由於可換股債券2015於一年內到期，故其分類為流動負債，而非非流動負債。本集團流動比率的計算方式為流動資產627.6百萬港元(二零一三年：993.5百萬港元)除以流動負債1,114.5百萬港元(二零一三年：658.6百萬港元)，結果為0.56(二零一三年：1.51)，該比率不被視為穩健及可接受，因為可換股債券2015的公允值分類為流動負債。現金及現金等價物大跌至二零一四年三月三十一日的2.8百萬港元(二零一三年：11.3百萬港元)。

於二零一四年三月三十一日，本集團的總負債包括未償還可換股債券的公允值、借貸、應付票據及應付子公司一名非控股股東款項，金額合共為約1,058.5百萬港元(二零一三年：1,278.8百萬港元)。本集團於本年度的資產負債比率(即總負債除以總資產(不包括遞延稅項資產))為144.7%(二零一三年：101.9%)。本集團資產負債比率上升主要是由於本年度其他無形資產及商譽減值虧損導致資產價值減少所致。本年度內，透過發行年期為24個月、非上市、無抵押及按每年9%利率計息及可於十八個月後贖回的中小企業私人配售債券(「中小企業私人債券」)，本集團於二零一三年五月成功籌集人民幣60百萬元(相當於約74.9百萬港元)。中小企業私人債券為非上市金融產品，有指定認購人，並於深圳證券交易所註冊。

就幣值而言，可換股債券均以港元計值。就借貸、應付票據及應付子公司一名非控股股東款項而言，逾90%結餘以人民幣計值，剩餘部份則以港元計值。憑藉手頭的高流動性資產以及可動用的信貸融通額度，管理層認為本集團擁有充裕的財務資源，以應付持續營運所需。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

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

PLEDGE OF ASSETS

As at 31 March 2014, the Group's certain leasehold land and buildings with aggregate carrying amount of approximately HK\$39.3 million (2013: 45.4 million) and bank deposits of HK\$44.1 million (2013: 181.2 million) were pledged to secure general banking facilities granted to the Group.

LEGAL PROCEEDINGS

The litigation in relation to the winding-up petition filed by the Petitioner against the Company has been dismissed during the Year. For another High Court Action in relation to the Writ of Summons issued by Cyberland claiming against the Petitioner and the Company, the Company has subsequently reached a settlement on 24 September 2013 with Cyberland for discontinuation of the High Court Action with no order as to costs.

CONTINGENT LIABILITY

As at 31 March 2014 and 31 March 2013, the Group did not have any significant contingent liabilities.

CAPITAL COMMITMENT

As at 31 March 2014 and 31 March 2013, the Group did not have any significant capital commitment.

EMPLOYEES

As at 31 March 2014, the Group had 231 (2013: 372) full-time employees including Directors. Total staff costs for the Year, including director's emoluments but excluding equity settled share based payment expenses, was approximately HK\$35.5 million (2013: HK\$48.1 million). As a result of cost control measures, labours involved in the production of tobacco flue-curing tobacco barn and other administrative function in Jiangsu Kedi have been reduced. The equity settled share based payment expenses of approximately HK\$0.13 million (2013: HK\$0.67 million) represented the fair value of share options granted to eligible person of the share option scheme and were not resulted in any cash outflow.

外幣管理

本集團的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

於二零一四年三月三十一日，本集團已將賬面值合共約39.3百萬港元(二零一三年：45.4百萬港元)之若干租賃土地及樓宇及銀行存款44.1百萬港元(二零一三年：181.2百萬港元)抵押，作為本集團獲授一般銀行融通額度之擔保。

法律訴訟

有關呈請人針對本公司提交的清盤呈請的訴訟已於本年度被駁回。至於另一宗有關科地中國向呈請人及本公司索償之傳訊令狀之高等法院訴訟，本公司隨後於二零一三年九月二十四日與科地中國達成和解，終止該宗高等法院訴訟，且並無有關訟費的頒令。

或然負債

於二零一四年三月三十一日及二零一三年三月三十一日，本集團並無任何重大或然負債。

資本承擔

於二零一四年三月三十一日及二零一三年三月三十一日，本集團並無任何重大資本承擔。

僱員

於二零一四年三月三十一日，本集團擁有231名(二零一三年：372名)全職僱員(包括董事)。本年度之總僱員成本約為35.5百萬港元(二零一三年：48.1百萬港元)，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。由於實施成本監控措施，煙草烘烤房之生產及江蘇科地其他行政職能的勞工已減少。以權益結算並以股份為支付基準的開支約0.13百萬港元(二零一三年：0.67百萬港元)，指授予購股權計劃合資格人士的購股權公允值，並不涉及任何現金流出。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

EXECUTIVE DIRECTORS

Ms. JINGQUAN Yingzi, aged 39, was appointed as an executive Director on 22 November 2010. She is the Chairman of the Company and is responsible for the formulation of corporate strategy and 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, aged 58, joined the Group and was appointed as an executive Director on 1 April 2008. He obtained a master degree in business administration from University of East Asia in Macau and an advance diploma in management from Columbia University in the United States of America. Mr. Wong is also a visiting professor in City University of Macau and the Institute of Business Engineering (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 for 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.

Mr. WU Zhongxin, aged 49, joined Jiangsu Kedi in July 2006 and was appointed as an executive Director 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 worked in the agricultural related education sectors and directed a series of research 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

井泉瑛孜女士，39歲，於二零一零年十一月二十二日獲委任為執行董事。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，58歲，於二零零八年四月一日加入本集團，出任執行董事。彼獲得澳門東亞大學工商管理碩士學位，及美國哥倫比亞大學的高級管理文憑。王先生亦是澳門城市大學及商業工程學會(商業工程學會)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。

吳中心先生，49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. Stephen William FROSTICK, aged 64, joined the Group and was appointed as an executive Director 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 addition, 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 chairman and chief executive officer and president with Compeer Group (Macau) and of the Grey Eagle Group (Hong Kong). Prior to joining the Company, Mr. Frostick has over 35 years of experience in leadership capacities with 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 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 of China Fortune Investments (Holdings) Limited (Stock Code: 8116) and an independent non-executive director of Legend Strategy International Holdings Group Company Limited (Stock Code: 1355), both companies are listed on the Stock Exchange. Mr. Frostick is also a director of certain subsidiaries of the Company.

NON-EXECUTIVE DIRECTOR

Professor LIU Guoshun, aged 59, joined the Group and was appointed as a non-executive Director 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 regard as one of the leading expert in the PRC tobacco agricultural industry. Professor Liu currently serves as the manager of the major projects from the STMA.

執行董事(續)

Stephen William FROSTICK先生，64歲，於二零零八年十二月三日加入本集團，出任執行董事。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理學學士學位。Frostick先生為Grey Eagle Group (Hong Kong)之主席及行政總裁。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年領導經驗。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先生現為中國幸福投資(控股)有限公司(股份代號：8116)之執行董事及枋濬國際集團控股有限公司(股份代號：1355)之獨立非執行董事，兩家公司於聯交所上市。Frostick先生亦為本公司多間子公司之董事。

非執行董事

劉國順教授，59歲，於二零一零年十一月二十二日加入本集團，出任非執行董事。劉教授為河南農業大學煙草學院院長及博士生導師。劉教授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。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. SOUSA Richard Alvaro, aged 53, joined the Group and was appointed as an independent non-executive Director 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 remuneration committee and a member of the nomination committee of the Company.

Mr. LEE Chi Hwa Joshua, aged 42, 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 an independent non-executive director of China Fortune Investments (Holdings) Limited (stock code: 8116), and South East Group Limited (stock code: 726) which is listed on the GEM Board and Main Board of the Stock Exchange, respectively. He was also an independent non-executive director of King Stone Energy Group Limited (stock code: 663) from January 2012 to April 2013. He is the chairman of the audit committee and a member of the nomination committee and the remuneration committee of the Company.

Mr. ZHAO Zhizheng, aged 61, joined the Group and was appointed as an independent non-executive Director of the Company on 26 July 2012. Mr. Zhao is qualified by the State Tobacco Monopoly Bureau (國家煙草專賣局) of the People's Republic of China as a Senior Economist. Moreover, Mr. Zhao was awarded as one of the Best Chinese Entrepreneurs by the China Enterprise Confederation/China Enterprise Directors Association in 2004. Mr. Zhao completed the Business Administration Master Program Studies Course (工商管理(MBA)碩士課程研修班) organised by the Graduate School of the Renmin University of China in year 2000. Mr. Zhao was awarded the Labour Award (五一勞動獎章) by the All China Federation of Trade Unions in year 1997.

獨立非執行董事

蘇志汶先生，53歲，於二零零一年一月三十日加入本集團，出任獨立非執行董事。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。彼亦為本公司之薪酬委員會主席以及提名委員會成員。

李智華先生，42歲，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。李先生現為中國幸福投資(控股)有限公司(股份代號：8116)及東南國際集團有限公司(股份代號：726)之獨立非執行董事，該兩家公司分別於聯交所創業板及主板上市。彼曾於二零一二年一月至二零一三年四月出任金山能源集團有限公司(股份代號：663)之獨立非執行董事。彼為本公司之審核委員會主席、提名委員會及薪酬委員會成員。

趙志正先生，61歲，於二零一二年七月二十六日加入本集團，出任本公司獨立非執行董事。趙先生獲中華人民共和國國家煙草專賣局授予高級經濟師資格。此外，趙先生於二零零四年獲中國企業聯合會／中國企業家協會評為全國優秀創業企業家。於二零零零年，趙先生完成由中國人民大學研究生院舉辦的工商管理(MBA)碩士課程研修班的學習。此外，趙先生於一九九七年獲中華全國總工會頒發五一勞動獎章。

REPORT OF THE DIRECTORS

董事會報告

The Directors are pleased to present this annual report together with audited consolidated financial statements for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES AND ANALYSIS OF OPERATIONS

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2014 and state of the Company's and the Group's affairs as at that date are set out in the financial statement on pages 48 to 159.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2014.

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 54 and in note 37 to the financial statements, respectively.

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 financial statements.

SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 March 2014 are set out in note 21 to the financial statements.

CONVERTIBLE BOND

Details of convertible bond of the Company are set out in note 34 to the financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 35 to the financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results for the year ended and of the assets and liabilities of the Group as at 31 March 2014 and for the previous four financial years are set out in the Five-Year Financial Summary section on page 160.

董事欣然呈列截至二零一四年三月三十一日止年度之年度報告連同經審核綜合財務報表。

主要業務及營運之分析

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財務報表附註6。

業績及分配

本集團截至二零一四年三月三十一日止年度之業績以及本公司及本集團於該日之事務狀況載於財務報表第48至159頁。

股息

董事不建議派付截至二零一四年三月三十一日止年度之末期股息。

儲備

本集團及本公司年內之儲備變動詳情分別載於第54頁綜合權益變動表及財務報表附註37。

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財務報表附註17。

子公司

於二零一四年三月三十一日，本公司主要子公司之詳情載於財務報表附註21。

可換股債券

本公司之可換股債券詳情載於財務報表附註34。

股本

本公司年內之股本變動詳情載於財務報表附註35。

五年財務概要

於二零一四年三月三十一日，本集團截至該日止年度之業績以及於該日之資產及負債，以及對上四個財政年度的有關資料概要載於第160頁的五年財務概要一節。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers and the largest customer accounted for approximately 27.8% and 12.0% of the turnover of the Group, respectively. The five largest suppliers and the largest supplier accounted for approximately 36.9% and 9.5% of the cost of sales and services of the Group, respectively.

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.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company had no distributable reserve as at 31 March 2014, as required in accordance with the Companies Act of Bermuda (as amended).

SHARE OPTIONS

A share option scheme (the "Scheme") was adopted by the shareholders of the Company and became 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 more flexible means to reward, remunerate, compensate and/or provide benefit to the eligible Participants (as defined below).

主要客戶及供應商

五大客戶及最大客戶分別佔本集團營業額約27.8%及12.0%。五大供應商及最大供應商分別佔本集團銷售及服務成本約36.9%及9.5%。

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。

本公司之可供分派儲備

根據百慕達公司法(經修訂)，於二零一四年三月三十一日，本公司並無可供分派儲備。

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向合資格參與者(定義見下文)提供嘉獎、酬報、補償及/或福利。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTIONS *(Continued)*

(1) Purpose of the Scheme *(Continued)*

For the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include any employee, director, supplier of goods or services, customer, 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 and any of its subsidiaries, shareholder of the Company or any of its subsidiaries or holder of any securities issued by the Company or any of its subsidiaries.

(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 mandate of the Scheme was refreshed by the approval of shareholders at the last annual general meeting ("AGM") of the Company. As at the date of this report, the number of shares available for issue under the Scheme was 271,379,824 shares representing approximately 10% of the issued Shares as at the date of the last AGM.

購股權 *(續)*

(1) 計劃之目的 *(續)*

旨在鼓勵及獎賞對本集團創出佳績有功之合資格參與者。計劃的合資格參與者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、客戶代理、顧問、諮詢顧問、策略師、承包商、分包商、專家；或為本公司及其任何子公司提供研究、發展或其他技術支援或任何有價值服務之實體；本公司或其任何子公司之股東或本公司或其任何子公司發行之任何證券之持有人。

(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、策略師、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

根據計劃可能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%。計劃授權於本公司上屆股東週年大會（「股東週年大會」）上獲股東批准予以更新。於本報告日期，根據計劃可發行之股份數目為271,379,824股，佔於上次股東週年大會當日已發行股份約10%。

REPORT OF THE DIRECTORS

董事會報告

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 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.

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5百萬港元，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分行使。

(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。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTIONS (Continued)

(8) Remaining life of the Scheme

The Scheme will remain valid until 1 February 2019.

Details of specific categories and movement of the Options granted under the Scheme during the year are presented as follows:

購股權(續)

(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。

根據計劃於年內授出之購股權之特定類別及變動詳情呈列如下：

Tranche (date of Option grant) 批次(授出購股權日期)	Number of Options 購股權數目					At 31 March 2014 於 二零一四年 三月三十一日	Exercise price HK\$ per share 行使價 每股港元	Exercise period 行使期
	At 1 April 2013 於 二零一三年 四月一日	Granted during the year 於年內授出	Exercised during the year 於年內行使	Forfeited during the year 於年內沒收	At 31 March 2014 於 二零一四年 三月三十一日			
Tranche One (10 December 2010) 第一批(二零一零年十二月十日)							2 years up to 2 October 2014 截至二零一四年十月二日止兩年	
Consultants 諮詢顧問	50,000,000	-	-	(25,000,000)	25,000,000	0.163		
Employees 僱員	10,000,000	-	-	(5,000,000)	5,000,000	0.163		
Tranche Three (3 October 2012) 第三批(二零一二年十月三日)							2 years up to 2 October 2014 截至二零一四年十月二日止兩年	
Consultants 僱員	135,000,000	-	-	-	135,000,000	0.163		
Director (Wong Man Hung, Patrick) 董事(王文雄)	7,000,000	-	-	-	7,000,000	0.163		
Total 合計	202,000,000	-	-	(30,000,000)	172,000,000			

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTIONS (Continued)

Notes:

- (a) The Options granted under tranche one may be exercisable at any time during the tranche one's option period, provided that the maximum number of Options which the grantees under tranche one are entitled to exercise shall not exceed:
- 50% of the total number of Options granted to the grantees under tranche one during the period from the tranche one's date of grant to the date immediately before the first anniversary of the tranche one's date of grant, any of the outstanding and unexercised Options at the end of the exercise period can be rolled over to the next exercise period; and
 - 50% of the total number of Options granted to the grantees under tranche one during the period from the first anniversary of the tranche one's date of grant to the date immediately before the second anniversary of the tranche one's date of grant, any of the outstanding and unexercised Options at the end of the exercise period and be exercisable before the expiry of the tranche one option period.
- (b) The Options granted under tranche three may be exercisable at any time during the tranche three's option period.
- (c) The closing prices for the Share immediately before the grant date as at 10 December 2010 and 3 October 2012, are HK\$0.320 and HK\$0.163, respectively.

DIRECTORS

The Directors during the year and up to the date of this report are as follows:

Executive Directors

Ms. Jingquan Yingzi (*Chairman*)
Mr. Wong Man Hung, Patrick
Mr. Shan Xiaochang (resigned on 2 November 2013)
Mr. Wu Zhongxin
Mr. Stephen William Frostick

Non-executive Director

Prof. Liu Guoshun

Independent Non-executive Directors

Mr. Sousa Richard Alvaro
Mr. Lee Chi Hwa Joshua
Mr. Zhao Zhizheng

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 AGM.

CONFIRMATION OF INDEPENDENCE

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.

購股權(續)

附註:

- (a) 根據第一批授出之購股權可於第一批購股權期間內任何時間行使，但承授人根據第一批可行使的購股權最高數目不可超過：
- 由第一批授出日期起至緊接第一批授出日期首週年日期前期間根據第一批授予承授人之購股權總數之50%，於行使期未已授出惟未行使之任何購股權可結轉至下一行使期；及
 - 由第一批授出日期首週年起至緊接第一批授出日期兩週年日期前期間根據第一批授予承授人之購股權總數之50%，於行使期未已授出惟未行使之任何購股權可於第一批購股權期間屆滿前行使。
- (b) 根據第三批授出之購股權可於第三批購股權期間內任何時間行使。
- (c) 股份緊接於二零一零年十二月十日及二零一二年十月三日之授出日期前之收市價分別為0.320港元及0.163港元。

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(*主席*)
王文雄先生
單曉昌先生(於二零一三年十一月二日辭任)
吳中心先生
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
趙志正先生

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上膺選連任。

確認獨立性

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 14 to 16 of this report.

DIRECTORS' SERVICE CONTRACTS

Ms. Jingquan Yingzi, Mr. Wong Man Hung Patrick, Mr. Wu Zhongxin and Mr. Stephen William Frostick have entered into a service contract with the Company for an initial term of two years commencing from 1 January 2013, 28 December 2012, 1 January 2013 and 15 January 2013, respectively. The service contracts may be terminated by either party thereto by giving to the other three months' prior notice in writing. Both of the Non-executive Director and the Independent Non-executive Directors have been appointed for a term of two years.

Apart from the foregoing, no Director to be proposed for the election at the forthcoming AGM has a services contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed herein under note 48 to the financial statements, 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.

REMUNERATION POLICY

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.

The remuneration of the Directors and senior management are determined by the remuneration committee with reference to the market rates, commitment, contribution and their duties, and responsibilities with the Group. The remuneration packages are subject to review each year. Directors' remuneration is set out in details in note 12 to the financial statements.

The Company has adopted a share option scheme as an incentive to the Directors and eligible employees, details of the scheme is set out in note 36 to the financial statements.

董事履歷

董事之履歷載於本報告第14至16頁。

董事之服務合約

井泉瑛孜女士、王文雄先生、吳中心先生及 Stephen William Frostick 先生已與本公司訂立服務合約，分別自二零一三年一月一日、二零一二年十二月二十八日、二零一三年一月一日及二零一三年一月十五日起計為期兩年。服務合約可由其訂約方向另一訂約方發出三個月之事先書面通知予以終止。非執行董事及獨立非執行董事均按兩年任期獲委任。

除上述者外，擬於應屆股東週年大會上重選之董事概無與本公司訂立本公司不可於一年內終止而毋須作出賠償(法定賠償除外)之服務合約。

董事於合約之權益

除財務報表附註48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。

薪酬政策

僱員之薪酬福利乃參考市場情況、僱員經驗及個人表現而釐定。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。

董事及高級管理層酬金乃由薪酬委員會參考市場水平、承擔、貢獻及彼等於本集團之職務及責任而釐定。薪酬待遇須每年進行檢討。董事酬金之詳情載於財務報表附註12。

本公司已採納一項購股權計劃作為給予董事及合資格僱員之獎勵，計劃之詳情載於財務報表附註36。

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

As at 31 March 2014, the interests and short positions of the Directors and chief executives of the Company in the ordinary share of HK\$0.01 each in the share capital of the Company ("Shares"), underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")), as recorded in the register which is required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the SFO or the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") were as follows:

Long positions in the Shares and underlying Shares

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

於二零一四年三月三十一日，各董事及本公司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」)第XV部)之本公司股本中每股面值0.01港元之普通股(「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聯交所創業板上市規(「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：

於股份及相關股份之好倉

Name of Directors 董事姓名	Capacity and nature of interests 身份及權益性質	Number of Shares and underlying Shares held 持有股份及相關股份數目	Approximate percentage of shareholding 持股概約百分比
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	2,027,546,744 (note (b)) (附註(b))	74.71%
Mr. Wong Man Hung Patrick 王文雄先生	Beneficial owner 實益擁有人	32,000,000	1.18%
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	1,984,776,744 (notes (a) and (b)) (附註(a)及(b))	73.14%

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 Shares and underlying Shares (Continued)

Notes:

- (a) 1,982,326,744 underlying Shares are held by Cyberland, which is legally and beneficially owned as to 54.63% by Stepwise International Holdings Limited ("Stepwise"). Stepwise is legally and beneficially wholly owned by Mr. Shan Xiaochang ("Mr. Shan") an executive Director. Mr. Shan has resigned on 2 November 2013.
- (b) The interests refer to the same parcel of underlying Shares.

Save as disclosed above, as at 31 March 2014, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of GEM Listing Rules relating to securities transactions by Directors.

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" and the share option scheme above, at no time during the year was 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)

於股份及相關股份之好倉(續)

附註：

- (a) 科地中國持有1,982,326,744股相關股份，該公司由高智國際控股有限公司(「高智」)法定及實益擁有54.63%。高智由執行董事單曉昌先生(「單先生」)法定及實益全資擁有。單先生已於二零一三年十一月二日辭任。
- (b) 權益乃指同一批相關股份。

除上文所披露者外，於二零一四年三月三十一日，概無董事或本公司主要行政人員在本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中，擁有任何根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉(包括彼等根據證券及期貨條例的有關條文被當作或視為擁有之權益及淡倉)，或根據證券及期貨條例第352條須記錄於該條所指的登記冊內之權益或淡倉，或根據有關董事進行證券交易的創業板上市規則第5.46至5.67條須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」一節及購股權計劃所披露者外，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 AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2014, 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 or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Long positions in the Shares and underlying Shares

主要股東於本公司股份及相關股份之權益及淡倉

於二零一四年三月三十一日，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分部之規定須向本公司披露，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或淡倉。

於股份及相關股份之好倉

Name of shareholders 股東名稱	Capacity 身份	Derivative interests 衍生權益	
		Number of Shares/ underlying Shares 股份／相關 股份數目	Percentage of shareholding 持股百分比
Mr. Lee Yuk Lun 李鏊麟先生	Beneficial interest 實益擁有人	219,298,244	8.08%
Cyberland (China) Limited 科地(中國)有限公司	Beneficial interest 實益擁有人	1,982,326,744 (note (a) and (d)) (附註(a)及(d))	73.05%
Stepwise International Holdings Limited 高智國際控股有限公司	Interest of a controlled corporation 受控制公司之實益擁有人	1,982,326,744 (note (a), (b) and (d)) (附註(a)、(b)及(d))	73.05%
Ms. Wu Shuhua 吳淑華女士	Interest of child under 18 or spouse 未滿18歲子女或配偶之權益	1,984,776,744 (note (c)) (附註(c))	73.14%

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Notes:

- (a) Cyberland is legally and beneficially owned as to 54.63% by Stepwise.
- (b) Stepwise is legally and beneficially wholly owned by Mr. Shan. Mr. Shan has resigned as an executive Director on 2 November 2013.
- (c) Ms. Wu Shuhua is the spouse of Mr. Shan. By virtue of the SFO, Ms. Wu is also deemed to be interested in all Shares in which Mr. Shan is interested and/or deemed to be interested.
- (d) The interests refer to the same parcel of underlying Shares.

Save as disclosed above, no other person had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

RELATED PARTY AND CONNECTED TRANSACTIONS

Details of the significant related party transactions of the Group and the Company undertaken in the usual course of business are set out in note 48 to the 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 20 of the GEM Listing Rules.

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 49 to the financial statements.

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) 科地中國由高智法定及實益擁有54.63%。
- (b) 高智由單先生法定及實益全資擁有。單先生已於二零一三年十一月二日辭任執行董事一職。
- (c) 吳淑華女士為單先生之配偶。根據證券及期貨條例，吳女士亦被視為於單先生擁有權益及／或被視為擁有權益之所有股份中擁有權益。
- (d) 權益乃指同一批相關股份。

除上文所披露者外，並無其他人士於本公司股份或相關股份中擁有記錄於本公司根據證券及期貨條例第336條存置之登記冊內或須以其他方式知會本公司及聯交所之權益或淡倉。

關連方及關連交易

本集團及本公司於日常業務過程中進行之重大關連方交易詳情載於財務報表附註48。

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20章遵守披露規定。

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財務報表附註49。

REPORT OF THE DIRECTORS

董事會報告

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 "CG 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 30 to 44 of this report.

COMPETING INTEREST

As at 31 March 2014, as far as the Directors are aware of, none of the Directors has an interest in a business that competed or may compete with the business of the Group.

DISCLOSURE OF THE CHANGES IN THE INFORMATION OF DIRECTORS

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, changes in the information of the Directors required to be disclosed in this report. On 8 April 2013, Mr. Lee Chi Hwa, Joshua has resigned as an independent non-executive Director and a member to nomination committee of KingStone Energy Ltd., and on 20 December 2013, Mr. Lee was appointed as an independent non-executive Director, the chairman of audit committee and a member of nomination committee and remuneration committee of South East Group Limited, a company listed. Both companies are listed on the Stock Exchange.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises all Independent Non-executive Directors, namely, Mr. Sousa Richard Alvaro, Mr. Lee Chi Hwa Joshua and Mr. Zhao Zhizheng. The members of the Audit Committee have reviewed the consolidated financial statements of the Group for the year ended 31 March 2014 and are of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements. The Audit Committee is chaired by Mr. Lee Chi Hwa Joshua. Five meetings were held by Audit Committee during the Year.

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(「企業管治守則」)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30至44頁。

競爭權益

於二零一四年三月三十一日，據董事所知，董事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。

董事資料變動披露

根據創業板上市規則第17.50A(1)條，須於本報告內披露董事資料變動。於二零一三年四月八日，李智華先生已辭任金山能源集團有限公司之獨立非執行董事兼提名委員會成員，並於二零一三年十二月二十日，李先生被委任為上市公司東南國際集團有限公司之獨立非執行董事、審核委員會主席、提名委員會及薪酬委員會成員。兩家公司均於聯交所上市。

審核委員會

本公司審核委員會(「審核委員會」)包括全體獨立非執行董事蘇志汶先生、李智華先生及趙志正先生。審核委員會成員已審閱本集團截至二零一四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。審核委員會主席為李智華先生。審核委員會於年內已舉行五次會議。

REPORT OF THE DIRECTORS

董事會報告

AUDITORS

The consolidated financial statements have been audited by Baker Tilly Hong Kong Limited.

Baker Tilly Hong Kong Limited will retire and, being eligible, offer themselves for reappointment at the forthcoming AGM.

核數師

綜合財務報表已由天職香港會計師事務所有限公司審核。

天職香港會計師事務所有限公司將會退任，並合資格於即將舉行之股東週年大會上獲續聘。

On behalf of the Board

代表董事會

Jingquan Yingzi

Chairman

Hong Kong, 25 June 2014

井泉瑛孜

主席

香港，二零一四年六月二十五日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and process. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and the code provisions as set out in the CG Code as set out in Appendix 15 of the GEM Listing Rules. The principles adopted by the Company emphasize a quality board, sound internal controls and transparency and accountability to shareholders. In the opinion of the Board, the Company has complied with the CG Code for the year ended 31 March 2014, save and except for the following:

1. Code Provision E.1.2 specifies that the chairman of the board should attend the annual general meeting. Ms. Jingquan Yingzi, the chairman of the Board has been heavily involved in the business operations of the Group. Despite her utmost intention to be present at the AGM of the Company held on 10 December 2013 (the "AGM 2013"), Ms. Jingquan was unable to attend the AGM 2013 due to other urgent business commitments of the Group. Mr. Stephen William Frostick, an executive Director, has taken the chair; and
2. Code Provision A.1.3 of requires of at least 14 days' notice should be given to all directors for regular board meetings. For all other board meetings, reasonable notice should be given. Due to the practical reasons, 14 days' advanced notifications have not been given to all meetings of the Board. Reasons have been given in the notifications in respect of those meetings of the Board where it is not practical to give 14 days' advanced notification. The Board will use its best endeavour to give 14 days' advanced notifications of Board meeting to the extent practicable.

本公司董事會及管理層致力維持良好企業管治常規及程序。本公司深信良好企業管治能為有效之管理、健全之企業文化、成功之業務發展，以及提升股東價值方面提供一個不可或缺之框架。

企業管治常規守則

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守則所載之原則及守則條文制定。本公司所採納之原則著重一個高質素之董事會、良好內部監控、對股東之透明度及問責性。董事會認為，本公司於截至二零一四年三月三十一日止年度已遵守企業管治守則，惟下文所述者除外：

1. 守則條文第E.1.2條規定，董事會主席應出席股東週年大會。董事會主席井泉瑛孜女士一直深入參與本集團的業務運作。儘管井泉瑛孜女士極希望出席本公司於二零一三年十二月十日舉行的股東週年大會（「二零一三年股東週年大會」），但彼最後由於本集團的其他緊急事務而未能抽身出席二零一三年股東週年大會。執行董事 Stephen William Frostick 先生已出任二零一三年股東週年大會主席；及
2. 守則條文第A.1.3條規定，召開董事會定期會議應發出至少14天通知。至於召開其他所有董事會會議，應發出合理通知。基於實際原因，本公司並無就所有董事會會議發出14天事先通知。本公司已在有關董事會會議通知內說明基於實際原因未能給予14天事先通知之原因。董事會將在實際可行之情況下盡力就董事會會議給予14天事先通知。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD OF DIRECTORS

For the year ended 31 March 2014, the Board consisted of eight directors, including four executive Directors, one non-executive Director and three independent non-executive Directors.

The Board has a balance of skill and experience appropriate for the requirements of the business of the Company, and demonstrates a proper diversity with its directors coming from different backgrounds, nationality, professional and industries. 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 2014, 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, 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.

董事會

截至二零一四年三月三十一日止年度，董事會由八名董事組成，包括四名執行董事、一名非執行董事及三名獨立非執行董事。

董事會具備本公司業務所需之合適技能及經驗，及其董事來自不同背景、國籍、職業和行業展示了其適當多樣性。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。於二零一四年三月三十一日，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各執行董事(不包括井泉瑛孜女士)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。

CORPORATE GOVERNANCE REPORT

企業管治報告

NON-EXECUTIVE DIRECTOR

Under the Code Provision A.4.1, all non-executive directors should be appointed for a specific term, subject to re-election. The non-executive Director is appointed and 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.

Mr. Sousa Richard Alvaro (“Mr. Sousa”) has been servicing more than 9 years in the Company, his appointment was approved by shareholders with an ordinary resolution in the last AGM. Taking into consideration of his independent scope of work in the past years, the Directors consider Mr. Sousa to be independent under the GEM Listing Rules and Mr. Sousa’s continued tenure brings considerable contribution to the Group and the Board has benefited greatly from the presence of Mr. Sousa who has over time gained valuable insight into the Group.

LIABILITY INSURANCE FOR THE DIRECTORS

The Company has arranged for appropriate Directors and Officers liability insurance coverage to indemnify the Directors and Officers for their liabilities in respect of legal action against them.

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。

蘇志汶先生(「蘇先生」)已於本公司服務超過九年，股東於上屆股東週年大會上以普通決議案批准委任蘇先生。經考慮過去多年來蘇先生獨立之工作範疇，根據創業板上市規則，董事認為蘇先生具獨立性，且蘇先生續任董事之職將對本集團作出重大貢獻，而董事會因蘇先生對本集團積累之長期寶貴見解而受益匪淺。

董事之責任保險

本公司已為董事及高級行政人員投購適合責任保險，以就董事及高級行政人員因面對法律行動而承擔的責任作出彌償。

CORPORATE GOVERNANCE REPORT

企業管治報告

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is primary responsible to ensure the Company achieves its objectives, approve the business strategies and review the performance of management.

All Directors, have contributed a wide variety of valuable knowledge, business experience and professionalism to the Board for its normal functioning.

All Directors have full access to all the information of the Company as well as the services and advice from the company secretary and management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Board reserves for its decision for all major issues relating to policy matters, internal control, strategies, budgets, risk management, material transactions, financial information, appointment of Directors and other significant operational issues of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management are delegated to the management.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

董事會及管理層之責任、職責及貢獻

董事會主要負責確保本公司達致其目標、批准業務策略及審閱管理層表現。

全體董事均為董事會之正常運作貢獻多種寶貴知識、業務經驗及專長。

全體董事均可全面地獲得本公司所有資料，以及要求公司秘書及管理層提供服務及意見。董事可按要求在適當情況下尋求獨立專業意見，從而履行彼等對本公司之職責，費用由本公司承擔。

董事會對所有重大事務具有決定權，當中涉及政策事務、內部監控、策略、預算、風險管理、重大交易、財務資料、委任董事及本公司其他重大營運事項。有關執行董事會決定、指導及協調日常營運及管理之責任乃轉授予管理層。

董事須向本公司披露彼等所擔任其他職務之詳情，而董事會定期審閱各董事在履行其對本公司之責任時所作出之貢獻。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' ATTENDANCE RECORD AT 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. Details of the attendance of each member of the Board at the meetings of the Board, its respective committees and the general meetings during the year ended 31 March 2014 are set out as follows:

董事之會議出席率記錄

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。董事會各成員於截至二零一四年三月三十一日止年度內於董事會會議、其各自委員會及股東大會之出席率詳情載列如下：

Type of Meeting	會議類型	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
Name of Directors	董事姓名	董事會	審核委員會	薪酬委員會	提名委員會	股東大會
		attended/ eligible to attend	attended/ eligible to attend	attended/ eligible to attend	attended/ eligible to attend	attended/ eligible to attend
		已出席次數/ 有資格出席 之會議次數	已出席次數/ 有資格出席 之會議次數	已出席次數/ 有資格出席 之會議次數	已出席次數/ 有資格出席 之會議次數	已出席次數/ 有資格出席 之會議次數
Executive Directors	執行董事					
Ms. JINGQUAN Yingzi (<i>Chairman</i>)	井泉瑛孜女士(<i>主席</i>)	9/16	N/A不適用	N/A不適用	0/1	0/1
Mr. WONG Man Hung Patrick	王文雄先生	15/16	N/A不適用	N/A不適用	N/A不適用	0/1
Mr. WU Zhongxin	吳中心先生	1/16	N/A不適用	N/A不適用	N/A不適用	0/1
Mr. Stephen William FROSTICK	Stephen William FROSTICK 先生	16/16	N/A不適用	N/A不適用	N/A不適用	1/1
Mr. Shan Xiaochang (resigned on 2 November 2013)	單曉昌先生 (二零一三年十一月二日 辭任)	1/6	N/A不適用	N/A不適用	N/A不適用	0/1
Non-Executive Director	非執行董事					
Professor LIU Guoshun	劉國順教授	1/16	N/A不適用	N/A不適用	N/A不適用	0/1
Independent Non-Executive Directors	獨立非執行董事					
Mr. SOUSA Richard Alvaro	蘇志汶先生	8/16	5/5	2/2	1/1	1/1
Mr. LEE Chi Hwa Joshua	李智華先生	9/16	5/5	2/2	1/1	0/0
Mr. Zhao Zhizheng	趙志正先生	2/16	4/5	2/2	0/1	0/0

Apart from regular Board meetings, the Chairman also held meeting with the Independent Non-executive Directors without the presence of executive Directors during the Year.

除定期董事會會議外，主席亦於本年度與獨立非執行董事舉行會議，而無執行董事出席。

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

董事會會議記錄由公司秘書存置，並可供董事查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

DELEGATION BY THE BOARD

The Directors are aware of their individuals and collective responsibilities to the shareholders for the success and wellbeing of the Company. To strengthen the effectiveness of the management, the Board has established three committees, namely, the audit committee, the remuneration committee and the nomination committee to oversee corresponding aspects of the Company's affairs. All Board committees of the Company have defined written terms of reference.

AUDIT COMMITTEE

The Company had established the Audit Committee on 20 March 2001. In order to comply with the revised CG Code, the terms of reference of the Audit Committee was revised on 29 March 2012 and 26 March 2014. The formation of the Audit Committee with written terms of reference is in compliance with Rules 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee include, among other things (a) to review the Group's annual report, interim report 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 and overall risk management of the Group.

The Audit Committee comprises three members, namely, Mr. Sousa Richard Alvaro, Mr. Lee Chi Hwa Joshua and Mr. Zhao Zhizheng. All of them are independent non-executive Directors. The chairman of the Audit Committee is Mr. Lee Chi Hwa Joshua, who has extensive accounting and related financial reporting expertise. The Group's unaudited quarterly and interim results and audited annual results and consolidated financial statements during the year ended 31 March 2014 have been reviewed by the Audit Committee, which is of opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

The Audit Committee held five meetings during the Year. Details of the attendance of the Audit Committee meetings as prescribed aforesaid.

董事會權力之轉授

董事深知彼等須向股東個別及共同地承擔努力經營及令本公司取得成功之責任。為提升管理效率，董事會成立了三個委員會，分別為審核委員會、薪酬委員會及提名委員會，以監督本公司事務的有關範疇。本公司所有董事委員會均已訂明書面職權範圍。

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。為遵守經修訂企業管治守則，審核委員會之職權範圍已於二零一二年三月二十九日及二零一四年三月二十六日獲修訂。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計有(其中包括)(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，以及整體風險管理。

審核委員會由三名成員蘇志汶先生、李智華先生及趙志正先生組成，彼等均為獨立非執行董事。審核委員會主席為李智華先生，彼擁有豐富的會計及相關財務報告專業知識。本集團截至二零一四年三月三十一日止年度之未經審核季度及中期業績、經審核年度業績及綜合財務報表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。

審核委員會於本年度內舉行五次會議。審核委員會會議之出席率詳情載於上文。

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REMUNERATION COMMITTEE

The remuneration committee of the Company (“the Remuneration Committee”) was established with specific written terms of reference in accordance with the relevant provisions of the GEM Listing Rules, and it is responsible for making recommendations to the Board on the Company’s policy and structure in relation to remuneration of the Directors and senior management. It schedules to meet at least once a year to review and determine the remuneration packages of the executive Directors and senior management and to make recommendation to the Board of the remuneration of non-executive Director. In determining and approving the remuneration of Directors and senior management, the Remuneration Committee will take into consideration of various factors such as market competitiveness, individual performance and profitability of the Company and 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.

The Remuneration Committee consists three members, all of which are independent non-executive Directors.

During the Year, the Remuneration Committee convened two meetings to review the remuneration policy, terms of services of the executive Directors and remuneration of senior management.

NOMINATION COMMITTEE

The nomination committee of the Company (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 Mr. Zhao Zhizheng. The Nomination Committee has the authority and duties as set out in the Nomination Committee terms of reference.

During the Year under review, the Nomination Committee held one meeting to review the current policies.

薪酬委員會

本公司已成立薪酬委員會(「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，其負責就董事及高級管理層之薪酬政策及架構向董事會提出建議。其計劃每年最少舉行一次會議以檢討及釐定執行董事及高級管理層之薪酬組合，以及向董事會建議非執行董事之酬金。在釐定及批准董事及高級管理層之薪酬時，薪酬委員會將考慮各方面因素，包括市場競爭力、個人表現及本公司之盈利能力等，並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。

薪酬委員會由三名成員組成，彼等均為獨立非執行董事。

於本年度，薪酬委員會已召開兩次會議，以檢討薪酬政策、執行董事之任期及高級管理層之薪酬。

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(「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、李智華先生及趙志正先生。提名委員會負有提名委員會職權範圍所載之職權及責任。

於回顧年度，提名委員會召開一次會議檢討現行政策。

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CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to Code Provision A.6.5 of GEM Listing Rules, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The company secretary reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the Directors with written materials, on the professional knowledge and latest development of regulatory requirements related to director's duties and responsibilities. Up to the date of this report, except Mr. Shan Xiaochang, all Directors have participated in continuous professional development by reading in-house training handbook, relevant materials or attending training seminar on the topics related to corporate governance as follows:

持續專業發展

根據創業板上市規則之守則條文第A.6.5條，全體董事應參與持續專業發展以發展及更新彼等之知識及技能。此乃為確保彼等持續向董事會作出知情及相關貢獻。公司秘書不時向董事匯報上市規則、企業管治常規以及其他監管制度之最新變動及發展並提供有關董事職務及職責之專業知識及監管規定的最新情況之書面資料。截至本報告日期，除單曉昌先生外，所有董事已透過閱讀內部培訓手冊、相關資料或出席有關企業管治主題之培訓講座而參與持續專業發展，詳情如下：

Name of Directors	董事姓名	Reading materials/ In house briefing 閱讀資料／內部簡報	Attending Seminar(s) 出席講座
Executive Directors	執行董事		
Ms. JINGQUAN Yingzi (<i>Chairman</i>)	井泉瑛孜女士(主席)	✓	✓
Mr. WONG Man Hung Patrick	王文雄先生	✓	✓
Mr. SHAN Xiaochang (resigned on 2 November 2013)	單曉昌先生(於二零一三年 十一月二日辭任)	–	–
Mr. WU Zhongxin	吳中心先生	✓	–
Mr. Stephen William FROSTICK	Stephen William FROSTICK 先生	✓	–
Non-Executive Director	非執行董事		
Professor LIU Guoshun	劉國順教授	✓	–
Independent Non-Executive Directors	獨立非執行董事		
Mr. SOUSA Richard Alvaro	蘇志汶先生	✓	✓
Mr. LEE Chi Hwa Joshua	李智華先生	✓	✓
Mr. Zhao Zhizheng	趙志正先生	✓	–

All the Directors also understand the importance of continuous professional development and are committed to participating any suitable training or reading relevant materials in order to develop and refresh their knowledge and skills.

全體董事亦知悉持續專業發展之重要性，並承諾積極參與任何適合的培訓課程或閱覽相關資料，以擴充及更新彼等知識及技能。

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CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the Year, the Company continued to adopt a code of conduct regarding Director's securities transactions 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.

INTERNAL CONTROL

As disclosed in the Annual Report 2013, there was non-compliance with the HKFRSs in the consolidated financial statement for the years ended 31 March 2010, 2011 and 2012. The non-compliance was resulted from errors in accounting treatments and inappropriate judgment on very substantial acquisition in 2010. The errors have already been properly dealt with and restated by correction of prior periods' errors in the Annual Report 2013 and subsequent financial statements. To avoid similar non-compliance in the future, the Board engaged an independent accounting firm to review the effectiveness of the Group's internal control procedures and financial reporting system. The accounting firm has completed the review and issued the Corporate Governance Review & Internal Control Report ("CGIC Report") in November 2013. The CGIC Report indicated that the management has been proactively dealt with the non-compliance and has taken specific procedures in improving the controls on financial reporting procedures, including but not limited to (a) a mechanism was in place that if there is significant transaction taken place during the financial year that requires significant management judgment and involves complex accounting treatments, the management can seek independent review opinion from a qualified professional firm if necessary; (b) the Audit Committee's terms of reference clearly stated that the Audit Committee should obtain, at the Company's expenses, independent professional advice or to secure assistance from external parties with relevant experience and expertise if necessary. The Company has proper internal control and procedures over the financial reporting that enables the Board to ensure the accuracy and completeness of the information in the financial statements. However, the findings of CGIC Report show that there are areas where further steps could be taken by the Board to enhance the corporate governance and internal control as below:

董事進行證券交易之行為守則

於本年度，本公司繼續採納董事進行證券交易之行為守則，其條款不遜於創業板上市規則第5.48至5.67條所載之交易之規定準則。經向全體董事作出具體查詢後，董事於截至本年度一直遵守董事進行證券交易之有關行為守則。

內部監控

誠如二零一三年年報所披露，截至二零一零年、二零一一年及二零一二年三月三十一日止年度之綜合財務報表有不遵從香港財務報告準則之事宜。該不遵從事宜乃源於對二零一零年非常重大收購事項之會計處理方法誤差及不當判斷。此等誤差已於二零一三年年報及後續財務報表藉修正過往年度誤差後妥善處理及重列。為避免日後出現類似不遵從事項，董事會已委聘一間獨立會計師行就本集團之內部監控程序及財務報告制度之有效性進行檢討。該會計師行已完成檢討，並於二零一三年十一月發出企業管治檢討及內部監控報告（「企業管治檢討及內部監控報告」）。企業管治檢討及內部監控報告指出，管理層已主動處理不遵從事項，並採取特定步驟以改善財務報告程序監控，包括但不限於：(a)已制定機制，倘財政年度內發生需要作出重大管理層判斷及牽涉複雜會計處理方法之重大交易，管理層可向合資格專業公司尋求獨立審閱意見（如有需要）；(b)審核委員會之職權範圍明確指出，審核委員會應獲得獨立專業意見，或獲擁有相關經驗及專業知識之外部人士協助（如有需要），開支一概由本公司承擔。本公司已就財務報告妥善制定內部監控及程序，讓董事會可確保財務報表之資料為準確及完整。然而，企業管治檢討及內部監控報告之結果顯示，董事會可就若干範疇採取更多措施，以鞏固企業管治及內部監控，該等措施載列如下：

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INTERNAL CONTROL (Continued)

Major findings and recommendations of CGIC Report are set out as below:

(i) Composition of Audit Committee

The Audit Committee was previously chaired by an independent non-executive Director who has extensive legal experience in the industry and Listing Rule provisions. It is recommended that the Audit Committee should be chaired by a person who has extensive accounting and related financial reporting expertise;

(ii) Training and continuing professional development

Although the Company has a formal staff and director training budget policy, there is no formal policies regarding the continuous professional development requirement of each Board member and there is no designated personnel to manage the training issues. It is recommended that a minimum hour of trainings by each Director in a year to be e.g. 8 hours, and the Nomination Committee should be responsible for reviewing whether the Directors are spending sufficient time performing their duties and monitoring the training of Directors;

(iii) Adopting good governance practice beyond the CG Code requirement

The Board is recommended to disclose information set out in the paragraph Q-T of the Appendix 15 of GEM Listing Rules and consider to adopt the CG Code beyond requirement;

(iv) Areas of further improvement on the corporate governance terms of reference

It is recommended that the Company could revise the terms of reference of various committee, for instance, incorporating the whistle-blowing handling in the terms of reference of Audit Committee; and

內部監控(續)

企業管治檢討及內部監控報告之主要結果及推薦建議載列如下：

(i) 審核委員會之組成

審核委員會以往由一名獨立非執行董事擔任主席，其於業內及對上市規則條文擁有豐富法律經驗。已建議審核委員會之主席應由擁有豐富會計及相關財務報告專業知識之人士擔任；

(ii) 培訓及持續專業發展

雖然本公司設有正式員工及董事培訓預算政策，惟概無有關各董事會成員之持續專業發展規定之正式政策，亦無指派人員管理培訓事宜。已建議各董事年度培訓時數下限(如八小時)，而提名委員會應負責檢討董事是否撥出充足時間履行彼等之責任，並監察董事之培訓；

(iii) 採納企管守則規定以外之良好管治常規

董事會獲建議披露創業板上市規則附錄15第Q至T段所載之資料，並考慮採納企管守則以外之規定；

(iv) 企業管治職權範圍可作進一步改善之範圍

建議本公司修訂各委員會之職權範圍，如將舉報處理方法加入審核委員會之職權範圍；及

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企業管治報告

INTERNAL CONTROL (Continued)

(v) Establish of corporate governance committee

It is recommended that the Company should establish a corporate governance committee which plays a critical role in overseeing matters of corporate governance for the Board, including formulating and recommending governance principles and policies.

In response to the findings and recommendation of CGIC Report:

The Company has proactively reviewed the recommendations and has adopted most of the recommended measures which are already in place subsequent to the release of CGIC Report including but not limited those as set out below:

- (a) The Company has adopted the recommendations regarding the enhancement of financial reporting procedures;
- (b) The Audit Committee is currently chaired by Mr. Lee Chi Hwa Joshua, being an existing member of the Audit Committee. Mr. Lee is a fellow member of the Association of Chartered Certified Accountants and a member of Hong Kong Institute of Certified Public Accountants;
- (c) Regarding the continuous professional development of the Board members, specific personnel is designated to manage Directors' training issues, including the recommendation of programs, seminars, articles in relation to the corporate governance, financial reporting and prevailing regulations. Non-executive Directors are eagerly engaged in the program. The Board has advised all members to meet the minimum hour of training at the best effort basis;
- (d) The terms of reference of the Audit Committee was enhanced and revised on 26 April 2014; and

內部監控(續)

(v) 成立企業管治委員會

建議本公司應成立企業管治委員會，其對董事會監督企業管治事宜攸關重要，包括制定及建議管治原則及政策。

為回應企業管治檢討及內部監控報告之結果及推薦建議：

本公司已積極檢討有關建議，並採納多數建議措施(於發出企業管治檢討及內部監控報告後經已制定)，包括但不限於以下載列者：

- (a) 本公司已採納有關改進財務報告程序之推薦建議；
- (b) 審核委員會目前由現任審核委員會成員李志華先生擔任主席。李先生為英國特許會計師公會資深成員及香港會計師公會會員；
- (c) 就董事會成員之持續專業發展而言，已指派特定人員負責管理董事培訓事宜，包括建議有關企業管治、財務報告及現行法規之課程、研討會、文章。非執行董事積極參與此計劃。董事會已建議全體成員按最大努力基準達致培訓時數下限；
- (d) 於二零一四年四月二十六日，審核委員會之職權範圍已予加強並作出修訂；及

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL (Continued)

(e) The Board has established the whistle-blowing handling procedures that each of the employees of the Company can, in confidence raise concerns about possible improprieties in financial reporting, internal control or other matters, and to ensure that proper arrangement are in place for the fair and independent investigation of these matters and for appropriate follow-up action.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group. The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report.

AUDITORS' REMUNERATION

For the year ended 31 March 2014, the remuneration paid and payable to the auditors, in respect of the audit services to the Group were approximately HK\$0.88 million (2013: HK\$0.95 million), and HK\$0.66 million under provided in prior years. The non-audit service fee to the Group was 1.05 million in 2013.

內部監控(續)

(e) 董事會已制定舉報處理程序，本公司各員工可以有信心地就財務彙報、內部監控或其他方面有可能發生的不正當行為提出關注，確保對上述失當行為妥備公平和獨立的調查安排，並附有適當的跟進行動。

董事就財務報表之責任

董事知悉彼等就編製本集團財務報表所負之責任，並確保財務報表乃根據監管規定及適用之會計準則編製。董事亦確保準時刊發本集團之財務報表。董事確認，經作出一切合理查詢後，就彼等所知、所悉及所信，彼等並不知悉任何與可能會對本公司造成重大疑慮之事件或情況有關之重大不確定因素。

本公司獨立核數師就彼等有關財務報表之申報責任之聲明載於獨立核數師報告。

核數師薪酬

於截至二零一四年三月三十一日止年度，就向本集團提供審核服務而已付及應付核數師之薪酬分別約為0.88百萬港元(二零一三年：0.95百萬港元)，及以往年度撥備不足0.66百萬港元。二零一三年度本集團非審核服務費用為1.05百萬港元。

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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 allows the Company's potential and existing investors as well as the public to assess and acquire the up-to-date company and financial information.

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; and
- 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.

COMPANY SECRETARY

Mr. LI Kwok Fat ("Mr. Li") has been appointed as the Company Secretary with effect from 5 October 2013, Mr. Li is also the financial controller and a director of certain subsidiaries of the Company. Mr. Li is a member of The Hong Kong Institute of Certified Public Accountants. He obtained a master degree of finance from The Hong Kong Polytechnic University. During the Year, Mr. Li undertook over 15 hours of professional training pursuant to the GEM Listing Rules 5.15 to update his skills and knowledge.

All Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman on board governance matters, and is responsible for ensuring that Board procedures are followed and for facilitating communications among Directors as well as with Shareholders and management.

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以及公眾能了解及獲取最新的公司及財務資料。

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；及
- 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以及股東通函。

公司秘書

李國發先生(「李先生」)獲委任為公司秘書，自二零一三年十月五日起生效。李先生亦為本公司之財務總監及若干子公司之董事。李先生為香港會計師公會的會員，持有香港理工大學頒授的財務碩士學位。於年內，李先生根據創業板上市規則第5.15條之規定進行超過15個小時之專業培訓以更新其技能及知識。

全體董事均可取得公司秘書之建議及服務。公司秘書向主席報告有關董事會管治事宜，並負責確保董事會程序得以遵循及促進董事之間溝通以及與股東及管理層之間溝通。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting

Pursuant to article 58 of the Articles of Association, extraordinary general meetings (the "EGM") of the Company shall be convened on the requisition of any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company. Such shareholders shall have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and the EGM shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s), as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

A shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the principal place of business of the Company in Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

Making Enquiries to the Board

Shareholders may at any time send written enquiries or requests, either by post, by facsimiles or by email, together with his/her contact details, such as postal address, email or fax, addressing to the Board of the Company at the following address or facsimile number or via email:

Rooms 1120-26, 11/F., Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong
Fax: (852) 3583-5683
Email: info@code-hk.com

股東權利

召開股東特別大會

根據組織章程細則第58條，本公司之股東特別大會（「股東特別大會」）亦須應任何一名或多名股東之請求而召開，惟股東於遞交請求書之日須持有不少於本公司已繳足資本之十分之一（於本公司股東大會上具表決權者）。該等股東有權透過向董事會或本公司之公司秘書遞交請求書，要求董事會就處理請求書所述任何業務交易召開股東特別大會；而股東特別大會須於請求書遞交日期後兩個月內舉行。如董事會於請求書遞交日期起計二十一日內未有召開該大會，則該等請求者可按相同方式自行召開大會，而本公司須向請求者償付因董事會的不作為令請求者招致的所有合理開支。

於股東大會上提呈的建議

股東須將書面請求書，當中註明股東的股權資料，其聯繫方式和建議，及就彼擬提呈股東大會的任何指定交易／業務及其配套文件，交至本公司於香港之主要營業地點，並註明收件人為董事會或公司秘書。

向董事會提出查詢

股東可隨時將書面查詢或要求（不論郵寄、傳真或電郵）連同其詳細聯絡資料（如郵寄地址、電郵或傳真）提交予本公司董事會，地址、傳真號碼或電郵如下：

香港灣仔港灣道30號新鴻基中心11樓1120-26室
傳真：(852) 3583-5683
電郵：info@code-hk.com

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS (Continued)

Making Enquiry to the Board (Continued)

All enquiries shall first be collected by the Company Secretary who shall report to the executive Directors periodically. The executive Directors shall review the enquiries and collect answers from relevant department. The executive Directors will reply the enquiries directly or authorise the Company Secretary to reply enquiries in writing.

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition or enquiry to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholder original duly signed written requisition or enquiry be disclosed as required by law.

Investor Relations

The Company believes that maintaining a high level of transparency is a key to enhance investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public. The Company updates its shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company (<http://www.code-hk.com>) has provided an effective communication platform to the public and the shareholders. During the review period, there had been no significant change in the Company's constitutional documents.

股東權利(續)

向董事會提出查詢(續)

所有查詢將由公司秘書收集，而公司秘書將定期向執行董事報告。執行董事檢閱所有查詢，並由相關部門解答。執行董事將直接回覆查詢或授權公司秘書以書面形式回覆查詢。

為免生疑問，股東必須於遞交及發送正式簽署之書面要求或查詢之正本至上述地址，並提供彼等全名、聯絡詳情及身份，以令其生效。股東正式簽署之書面請求或查詢根據法律規定予以披露。

投資者關係

本公司相信，維持高透明度是提升投資者關係的關鍵，並致力保持向其股東及投資公眾人士公開及適時披露公司資料的政策。本公司透過其年度、中期及季度報告向其股東更新其最新業務發展和財務表現。本公司的公司網站(<http://www.code-hk.com>)已為公眾人士及股東提供一個有效的溝通平台。於回顧期間，本公司之章程文件並無重大變更。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



BAKER TILLY
HONG KONG | 天職香港

To the shareholders of Code Agriculture (Holdings) Limited
(Incorporated in Bermuda with limited liability)

We were engaged to audit the consolidated financial statements of Code Agriculture (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 48 to 159, which comprise the consolidated and company statements of financial position as at 31 March 2014, and the consolidated income statement, 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made 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.

致科地農業控股有限公司股東
(於百慕達註冊成立之有限公司)

本核數師獲委聘以審核第48至第159頁所載科地農業控股有限公司(「貴公司」)及其子公司(統稱「貴集團」)之綜合財務報表，其中包括於二零一四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收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明資料。

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。

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，僅向股東整體呈報，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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITY (Continued)

Except for the limitation in the scope of our work below, 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. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

(i) Limitation of scope relating to unsecured other loan

Included in the consolidated financial statements for the year ended 31 March 2014, the Company has an unsecured other loan, with a carrying amount approximately HK\$51,230,000 borrowed from an independent third party. The Company has assessed that the fair value of the loan is equal to its par value, and therefore, the loan is recognised and carried at its fair value approximately to its par value. In performing the audit, we are unable to obtain a formal loan agreement on this loan entered by the lender and the Company, and we are unable to carry out any planned or alternative audit procedures to verify the existence, completeness and valuation on this loan. As a result, we are unable to obtain sufficient evidence to satisfy ourselves as to whether the initial recognition and subsequent measurement of the loan is free from material misstatement. Any adjustment might have been found necessary in respect thereof, had we obtained appropriate audit evidence, would have had a consequential effect on the net liabilities of the Group and the Company and on its loss for the current year.

核數師之責任(續)

除本核數師下述工作範圍的限制外，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。然而，基於不發表意見之基準一段所載之事宜，本核數師未能取得足夠且適當的審核憑證作為作出審核意見之基礎。

不發表意見之基準

(i) 與其他無抵押貸款有關之範圍限制

貴公司在截至二零一四年三月三十一日止年度之綜合財務報表向獨立第三方借入的其他無抵押貸款，賬面值約為51,230,000港元。貴公司已評估該貸款的公允值金額相等於其面值，因此，該貸款按與其面值相若之公允值確認及列賬。進行審核時，本核數師未能就該貸款取得貸款人與貴公司訂立之正式貸款協議，故本核數師未能進行任何計劃或替代審核程序，以查證該貸款之存在、完整性及估值。因此，本核數師未能取得足夠證據，以使本核數師信納該貸款的初步確認及後續計量沒有任何重大錯誤陳述。倘若本核數師取得恰當的審核證據，並發現須就此作出任何調整，則可能將對貴集團及貴公司本年度的負債淨額及虧損造成影響。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (Continued)

(ii) Material uncertainties relating to the going concern basis

As disclosed in note 2.3 to the consolidated financial statements, the Group and the Company have encountered a number of circumstances giving rise to material fundamental uncertainties. The Group and the Company are pursuing certain finance measures set out in note 2.3 to the consolidated financial statements, and therefore, the directors of the Company have prepared the consolidated financial statements on a going concern basis. However, we are unable to obtain sufficient audit evidence for us to assess the validity of the going concern assumption which depends on the continuing financial support of a substantial shareholder and a director of the Company, bankers and creditors and the Group's ability to generate adequate working capital in near future. The existence of these material fundamental uncertainties casts significant doubt on the Group's and the Company's ability to continue as a going concern.

Should the going concern assumption be inappropriate, adjustments would have to be made to reclassify all non-current assets and liabilities as current assets and liabilities, write down the value of assets to their recoverable amounts and to provide for any further liabilities which may arise. The consolidated financial statements do not include any of these adjustments.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2014 and of the Group's loss and of cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Baker Tilly Hong Kong Limited
Certified Public Accountants

Andrew David Ross
Practising certificate number P01183

Hong Kong, 25 June 2014

不發表意見之基準(續)

(ii) 有關持續經營基準之重大不確定因素

誠如綜合財務報表附註2.3所披露，貴集團及貴公司面臨多種導致重大基本不確定因素的情況。貴集團及貴公司正實行綜合財務報表附註2.3所載之若干財務措施，因此，貴公司董事已按持續經營基準編製綜合財務報表。然而，本核數師無法取得足夠審核證據，評估持續經營假設，其有效性乃視乎貴公司主要股東及一名董事、往來銀行及債權人的持續財政支持以及貴集團短期內產生足夠的營運資金的能力。此等重大基本不確定因素導致貴集團及貴公司的持續經營能力成疑。

倘若持續經營假設為不適當，則需要作出調整，以將所有非流動資產及負債重新分類為流動資產及負債、撇減資產價值至其可收回金額及為可能產生之進一步負債作出撥備。綜合財務報表並未包括任何該等調整。

不發表意見

由於在不發表意見之基準段落所述事宜之重要性，本核數師無法獲得充分恰當之審核證據作為作出審核意見之依據。因此，本核數師並無就綜合財務報表是否已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零一四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發表意見。於其他各方面，本核數師認為，綜合財務報表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

羅安狄
執業證書編號P01183

香港，二零一四年六月二十五日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 March 2014
截至二零一四年三月三十一日止年度

			2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
		Note 附註		
Turnover	營業額	7	487,956	734,660
Cost of sales and services	銷售及服務成本		(342,026)	(500,549)
Gross profit	毛利		145,930	234,111
Other revenue	其他收入	8	30,002	23,904
Distribution costs	分銷成本		(97,989)	(127,217)
Administrative expenses	行政費用		(106,072)	(135,450)
Loss from operations	經營虧損		(28,129)	(4,652)
Other losses	其他虧損	9	(114,612)	(125,410)
Finance costs	融資成本	10	(34,162)	(22,914)
Share of results of associates	分佔聯營公司業績	22	–	(681)
Impairment loss on goodwill	商譽減值虧損	19	(5,132)	(8,495)
Impairment losses on other intangible assets	其他無形資產減值虧損	20	(99,384)	(135,396)
Loss before income tax	除所得稅前虧損	11	(281,419)	(297,548)
Income tax credit	所得稅抵免	14	28,641	44,954
Loss for the year	年度虧損		(252,778)	(252,594)
Loss attributable to:	以下人士應佔虧損：			
Owners of the Company	本公司擁有人		(247,690)	(248,806)
Non-controlling interests	非控股權益		(5,088)	(3,788)
			(252,778)	(252,594)
Loss per share	每股虧損		HK cents	HK cents
– Basic and Diluted	– 基本及攤薄	16	(9.13)	(9.17)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 March 2014
截至二零一四年三月三十一日止年度

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Loss for the year	年度虧損	(252,778)	(252,594)
Other comprehensive income	其他全面收益		
<i>Items that may be reclassified subsequently to profit or loss:</i>	其後可能重新分類至損益之項目：		
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	6,749	(741)
Total comprehensive income for the year	年度全面收益總額	(246,029)	(253,335)
Total comprehensive income attributable to:	以下人士應佔全面收益總額：		
Owners of the Company	本公司擁有人	(240,767)	(249,503)
Non-controlling interests	非控股權益	(5,262)	(3,832)
		(246,029)	(253,335)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2014
於二零一四年三月三十一日

			2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
		Note 附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	17	61,867	71,746
Prepaid land lease payments	預付土地租賃款項	18	10,586	10,727
Goodwill	商譽	19	–	5,069
Other intangible assets	其他無形資產	20	31,661	173,463
Interest in an associate	一間聯營公司權益	22	–	–
Deferred tax assets	遞延稅項資產	33	3,719	3,399
			107,833	264,404
Current assets	流動資產			
Inventories	存貨	23	50,735	106,899
Financial assets at fair value through profit or loss	於損益賬按公允值處理之金融資產	24	1,875	–
Trade and bills receivables	應收賬款及應收票據	25	357,589	363,120
Prepayments, other receivables and deposits	預付款項、其他應收款項及按金	26	170,494	310,192
Amounts due from related companies	應收關連公司款項	27	–	20,705
Pledged deposits	已抵押存款	28	44,078	181,237
Cash and cash equivalents	現金及現金等價物	28	2,816	11,313
			627,587	993,466
Current liabilities	流動負債			
Trade and bills payables	應付賬款及應付票據	30	68,417	96,331
Other payables and accruals	其他應付款項及應計費用	31	52,079	50,688
Amount due to a non-controlling shareholder of a subsidiary	應付子公司一名非控股股東款項	31	852	1,129
Amount due to a director	應付一名董事款項	31	–	5,541
Borrowings	借貸	32	383,266	502,811
Convertible bond	可換股債券	34	609,897	–
Tax payable	應付稅項		6	2,143
			1,114,517	658,643
Net current (liabilities)/assets	淨流動(負債)/資產		(486,930)	334,823
Total assets less current liabilities	總資產減流動負債		(379,097)	599,227

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2014
於二零一四年三月三十一日

		Note 附註	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Borrowings	借貸	32	52,574	–
Deferred tax liabilities	遞延稅項負債	33	7,450	36,120
Convertible bond	可換股債券	34	–	756,961
			60,024	793,081
Net liabilities	淨負債		(439,121)	(193,854)
EQUITY	權益			
Share capital	股本	35	27,138	27,138
Reserves	儲備	37	(462,787)	(222,782)
Equity attributable to owners of the Company	本公司擁有人應佔權益		(435,649)	(195,644)
Non-controlling interests	非控股權益	38	(3,472)	1,790
Capital deficiency	股本虧絀		(439,121)	(193,854)

The financial statements on page 48 to 159 were approved by the Board of Directors of the Company on 25 June 2014 and were signed on its behalf.

第48至159頁之財務報表已由本公司董事會於二零一四年六月二十五日批准，並由下列人士代為簽署。

Jingquan Yingzi 井泉瑛孜
Director 董事

Stephen William FROSTICK
Director 董事

The notes on pages 58 to 159 form an integral part of these consolidated financial statements.

第58至159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

As at 31 March 2014
於二零一四年三月三十一日

		Note 附註	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current asset	非流動資產			
Interests in subsidiaries	子公司權益	21	–	–
Current assets	流動資產			
Prepayments, other receivables and deposits	預付款項、其他應收款項及按金	26	1,146	1,093
Amounts due from subsidiaries	應收子公司款項	21	506,325	822,612
Cash and cash equivalents	現金及現金等價物	28	76	1,304
			507,547	825,009
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計費用	31	2,093	4,548
Amounts due to subsidiaries	應付子公司款項	21	376,906	178,251
Convertible bond	可換股債券	34	609,897	–
			988,896	182,799
Net current (liabilities)/assets	淨流動(負債)/資產		(481,349)	642,210
Total assets less current liabilities	總資產減流動負債		(481,349)	642,210
Non-current liability	非流動負債			
Borrowing	借款	32	52,574	–
Convertible bond	可換股債券	34	–	756,961
Net liabilities	淨負債		(533,923)	(114,751)

STATEMENT OF FINANCIAL POSITION

財務狀況表

As at 31 March 2014
於二零一四年三月三十一日

		Note 附註	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
EQUITY	權益			
Share capital	股本	35	27,138	27,138
Reserves	儲備	37	(561,061)	(141,889)
Capital deficiency	股本虧絀		(533,923)	(114,751)

The financial statements on page 48 to 159 were approved by the Board of Directors of the Company on 25 June 2014 and were signed on its behalf.

第48至159頁之財務報表已由本公司董事會於二零一四年六月二十五日批准，並由下列人士代為簽署。

Jingquan Yingzi 井泉瑛孜
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The notes on pages 58 to 159 form an integral part of these consolidated financial statements.

第58至159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 2014
截至二零一四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	Statutory reserve	Share option reserve	Exchange reserve	Sub-total	Non-controlling interests	Total
		股本	股份溢價	累計虧損	合併儲備	法定儲備	購股權儲備	匯兌儲備	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
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note a) (附註a)	(note b) (附註b)					
At 1 April 2012	於二零一二年四月一日	27,138	1,056,184	(1,145,403)	(197)	16,917	8,054	81,417	44,110	(497)	43,613
Loss for the year	年度虧損	-	-	(248,806)	-	-	-	-	(248,806)	(3,788)	(252,594)
Other comprehensive income	其他全面收益										
- Exchange differences on translation of foreign operations	- 換算海外業務產生之匯兌差額	-	-	-	-	-	-	(697)	(697)	(44)	(741)
Total comprehensive income for the year	年度全面收益總額	-	-	(248,806)	-	-	-	(697)	(249,503)	(3,832)	(253,335)
Share option scheme (note 36)	購股權計劃(附註36)										
- Value of services	- 服務價值	-	-	-	-	-	9,749	-	9,749	-	9,749
- Forfeited during the year	- 一年內沒收	-	-	279	-	-	(279)	-	-	-	-
Acquisition of a subsidiary (note 39)	收購一間子公司(附註39)	-	-	-	-	-	-	-	-	6,119	6,119
Transfer to reserve	轉撥至儲備	-	-	(7,430)	-	7,430	-	-	-	-	-
At 31 March and 1 April 2013	於二零一三年三月三十一日及四月一日	27,138	1,056,184*	(1,401,360)*	(197)*	24,347*	17,524*	80,720*	(195,644)	1,790	(193,854)
Loss for the year	年度虧損	-	-	(247,690)	-	-	-	-	(247,690)	(5,088)	(252,778)
Other comprehensive income	其他全面收益										
- Exchange differences on translation of foreign operations	- 換算海外業務產生之匯兌差額	-	-	-	-	-	-	6,923	6,923	(174)	6,749
Total comprehensive income for the year	年度全面收益總額	-	-	(247,690)	-	-	-	6,923	(240,767)	(5,262)	(246,029)
Share option scheme (note 36)	購股權計劃(附註36)										
- Value of services	- 服務價值	-	-	-	-	-	762	-	762	-	762
- Lapsed during the year	- 一年內失效	-	-	10,371	-	-	(10,371)	-	-	-	-
At 31 March 2014	於二零一四年三月三十一日	27,138	1,056,184*	(1,638,679)*	(197)*	24,347*	7,915*	87,643*	(435,649)	(3,472)	(439,121)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2014
截至二零一四年三月三十一日止年度

- * These reserve accounts comprise the consolidated reserves of -HK\$462,787,000 (2013: -HK\$222,782,000) in the consolidated statement of financial position.
 - (a) The merger reserve of the Group represents the difference between the nominal value of the share capital of a subsidiary acquired and the nominal value of the shares issued by the Company in exchange thereof pursuant to the Group reorganisation on 20 March 2001 as set out in the prospectus of the Company dated 26 March 2001.
 - (b) In accordance with relevant regulations prevailing in the People's Republic of China (the "PRC"), the certain subsidiaries of the Company, established in the PRC, are required to appropriate no less than 10% of their net profits to the statutory reserves, until the respective balances of the fund reach 50% of the respective registered capital. Subject to certain restrictions as set out in the relevant PRC regulations, these statutory reserves may be used to offset respective accumulated losses or for capitalisation as paid-up capital of the subsidiaries.
- * 該等儲備賬包括綜合財務狀況表內之綜合儲備-462,787,000港元(二零一三年:-222,782,000港元)。
 - (a) 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。
 - (b) 按照中華人民共和國(「中國」)之現行相關規例，本公司於中國成立之若干子公司須將彼等純利之不少於10%撥入法定儲備，直至該項基金之各結餘達至該等公司各自註冊資本之50%。根據相關中國規例所載之若干限制，該等法定儲備可用作抵銷各自之累計虧損或資本化為該等子公司之繳足股本。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2014
截至二零一四年三月三十一日止年度

	Note 附註	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流量		
Loss before income tax	除所得稅前虧損	(281,419)	(297,548)
Adjustments for:	就下列各項調整：		
Finance costs	融資成本	10 34,162	22,914
Interest income	利息收入	8 (3,180)	(7,047)
Share of results of associates	分佔聯營公司業績	22 —	681
Gain on bargain purchase	議價收購收益	9, 39 —	(8)
Gain on disposal of assets held for sale	出售持作出售資產之收益	9, 42 —	(35,469)
Loss on disposal of interest in an associate	出售一間聯營公司權益之虧損	9, 41 —	1,504
Loss on dissolution of a subsidiary	解散一間子公司之虧損	9, 40 501	—
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	1,242	342
Change in fair value of financial assets designated at fair value through profit or loss	指定於損益賬按公允值處理之金融資產之公允值變動	9 —	(3)
Waiver of interest expenses on convertible bond	免除可換股債券之利息開支	8 (8,524)	(9,295)
Waiver of payables	免除應付款項	8 (17,219)	(6,466)
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	762	9,749
Depreciation and amortisation	折舊及攤銷	53,150	74,884
Write-off of property, plant and equipment	物業、機器及設備撇銷	11 147	1,956
Write-off of inventories	存貨撇銷	11 661	—
Impairment loss on other receivables	其他應收款項減值虧損	9, 11 —	5,000
Loss on redemption of convertible bond	贖回可換股債券之虧損	9 25,700	44,570
Change in fair value of convertible bond	可換股債券之公允值變動	9 86,990	106,487
Impairment loss on goodwill	商譽減值虧損	11 5,132	8,495
Impairment losses on other intangible assets	其他無形資產減值虧損	11 99,384	135,396
Impairment losses on property, plant and equipment	物業、機器及設備減值虧損	9, 11 1,421	3,329
Operating (loss)/profit before working capital changes	營運資金變動前之經營(虧損)/溢利	(1,090)	59,471
Decrease/(increase) in inventories	存貨減少/(增加)	53,834	(38,907)
Decrease in trade and bills receivables	應收賬款及應收票據減少	3,024	81,017
Decrease/(increase) in prepayments, other receivables and deposits	預付款項、其他應收款項及按金減少/(增加)	139,702	(56,827)
Decrease/(increase) in amounts due from related companies	應收關連公司款項減少/(增加)	20,705	(17,194)
Increase in financial assets at fair value through profit or loss	於損益賬按公允值處理之金融資產增加	(1,875)	—
Decrease in amounts due from associates	應收聯營公司款項減少	—	7,048
(Decrease)/increase in trade and bills payables	應付賬款及應付票據(減少)/增加	(24,035)	38,806
Increase/(decrease) in other payables and accruals	其他應付款項及應計費用增加/(減少)	9,528	(29,676)
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	(277)	(393)
(Decrease)/increase in amount due to a director	應付一名董事款項(減少)/增加	(5,541)	355
Net cash generated from operations	營運所產生現金淨額	193,975	43,700
Interest received	已收利息	3,180	7,047
Interest paid	已付利息	(28,419)	(22,914)
Income taxes paid	已付所得稅	(2,486)	(10,717)
Net cash generated from operating activities	經營活動所產生現金淨額	166,250	17,116

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2014
截至二零一四年三月三十一日止年度

	Note 附註	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
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	(1,234)	(2,506)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備之所得款項	420	59
Net cash outflow for acquisition of a subsidiary	收購一間子公司之現金流出淨額	39	(6,233)
Net cash outflow from dissolution of a subsidiary	解散一間子公司之現金流出淨額	40	–
Net cash inflow from disposal of interest in an associate	出售一間聯營公司權益之現金流入淨額	41	7,407
Purchases of financial assets	購買金融資產	–	(1,852)
Proceeds from disposal of financial assets	出售金融資產之所得款項	–	1,855
Decrease in pledged deposits	已抵押存款減少	137,159	78,985
Net cash generated from investing activities	投資活動所產生之現金淨額	136,294	77,715
Cash flows from financing activities	融資活動之現金流量		
Redemption of convertible bond	贖回可換股債券	(200,000)	–
Proceeds from debentures	債券所得款項	70,500	–
Proceeds from borrowings	借貸所得款項	428,407	872,760
Repayments of borrowings	償還借貸	(611,869)	(1,116,953)
Net cash used in financing activities	融資活動所用之現金淨額	(312,962)	(244,193)
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	(10,418)	(149,362)
Cash and cash equivalents at beginning of year	年初之現金及現金等價物	11,313	160,755
Effects of exchange rate changes, net	匯率變動之影響淨額	1,921	(80)
Cash and cash equivalents at end of year	年終之現金及現金等價物	2,816	11,313
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘之分析		
Cash at banks and in hand	銀行及手頭現金	2,816	11,313

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2014
截至二零一四年三月三十一日止年度

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 registered office address of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company is Rooms 1120-26, 11th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong.

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 21 to the financial statements. The Company and its subsidiaries are collectively referred to as the “Group” hereafter. There were no significant changes in the nature of the Group’s operations during the year.

2. PRINCIPAL ACCOUNTING POLICIES

2.1 Statement of compliance

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

The principal accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new/amended HKFRSs and impact on the Group’s consolidated financial statements, if any, are disclosed in note 3.

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地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda，及本公司之主要營業地點為香港灣仔港灣道30號新鴻基中心11樓1120-26室。

本公司之主要業務活動為投資控股。有關子公司之主要業務活動詳情載於財務報表附註21。本公司及其子公司於其後統稱為「本集團」。年內本集團之營運性質並無重大變動。

2. 主要會計政策

2.1 合規聲明

綜合財務報表乃根據香港會計師公會(「香港會計師公會»)頒佈之香港財務報告準則(「香港財務報告準則」，其包括所有適用香港財務報告準則、香港會計準則(「香港會計準則»)及詮釋)及香港公司條例之披露規定而編製。此外，綜合財務報表包括聯交所創業板證券上市規則(「創業板上市規則»)規定之適用披露事項。

編製此等財務報表時所採用之主要會計政策概述如下。除另有指明外，此等政策在所有呈列年度內貫徹應用。採納新訂／經修訂香港財務報告準則及對本集團綜合財務報表之影響(如有)於附註3披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2014
截至二零一四年三月三十一日止年度

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments measured at fair values as explained in the accounting policies set out below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

2.3 Going concern

In preparing the consolidated financial statements, the directors of the Company (the "Directors") have given careful consideration to the future liquidity and performance of the Group and the Company in light of the fact that:

- (i) The Group incurred a loss for the year attributable to owners of the Company of HK\$247,690,000 (2013: HK\$248,806,000) for the year ended 31 March 2014 and, as of that date, the Group's current liabilities exceeded its current assets by HK\$486,930,000 and the Company's current liabilities exceeded its current assets by HK\$481,349,000;
- (ii) Included in current liabilities in the consolidated financial statements are unsecured loans from third parties of HK\$121,153,000 (2013: HK\$43,317,000) which are scheduled for repayment within one year; and
- (iii) As detailed in note 34 to the consolidated financial statement, the principal amount of convertible bond of approximately HK\$652,400,500 will be matured in March 2015.

2. 主要會計政策(續)

2.2 編製基準

綜合財務報表按歷史成本基準編製，惟下文所載會計政策所述之若干按公允值計量之金融工具除外。

務請注意編製綜合財務報表時曾運用會計估計及假設。儘管此等估計乃按管理層對現行事件及行動之最佳理解及判斷而作出，惟實際結果最終可能有別於該等估計。涉及高度判斷或複雜程度的範圍，或假設及估計對財務報表而言屬重大的範圍，在附註4內披露。

2.3 持續經營基準

編製綜合財務報表時，本公司董事（「董事」）已就下列各項審慎考慮本集團及本公司之日後流動性及表現：

- (i) 本集團於截至二零一四年三月三十一日止年度產生本公司擁有人應佔年度虧損247,690,000港元（二零一三年：248,806,000港元），及截至該日，本集團之流動負債超逾其流動資產486,930,000港元，以及本公司之流動負債超逾其流動資產481,349,000港元；
- (ii) 綜合財務報表之流動負債包括來自第三方的無抵押貸款121,153,000港元（二零一三年：43,317,000港元），其預計於一年內償還；及
- (iii) 誠如綜合財務報表附註34所披露，本金額約652,400,500港元之可換股債券將於二零一五年三月到期。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2014
截至二零一四年三月三十一日止年度

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Going concern (Continued)

The Directors have taken the following actions to mitigate the liquidity issues faced by the Group and the Company:

- (i) Subsequent to the end of the reporting period, the Company received a letter from Cyberland (China) Limited (“Cyberland”), which holds the convertible bond (the “CB 2015”) of principal amount outstanding of approximately HK\$652.4 million issued by the Company, that Cyberland may consider the following arrangements: (i) unconditional and non-recourse waiver of around HK\$200 million to HK\$300 million of the CB 2015 without recourse; (ii) early redemption of around HK\$200 million to HK\$300 million of the CB 2015 in cash or by way of other assets of the Group; and (iii) remaining balance of which to be replaced by an unsecured loan with tenure not less than 2 years or partial or full capitalisation by exercising the right of conversion prior to its maturity;
- (ii) The Group is in negotiation with financial institutions for new borrowings and extension of existing borrowings upon their due date;
- (iii) A substantial shareholder and a director of the Company have confirmed to provide continuous financial support to the Company; and
- (iv) The Group has adopted austerity measures to control and minimize administrative expenses and streamline the business model by disposal or closure of non-performing operation in the PRC.

The Directors consider that taking into account the above, the cash requirements of the Group for the next twelve months from the end of the reporting period and existing banking facilities could be continuously available for the Group’s use, and the Group and the Company will have sufficient working capital to meet their financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. 主要會計政策(續)

2.3 持續經營基準(續)

董事已採取下列行動，以紓緩本集團及本公司面對的流動資金問題：

- (i) 報告期後，本公司獲得科地(中國)有限公司(「科地中國」，持有本公司發行之可換股債券(「可換股債券2015」)未兌換本金額約652.4百萬港元)之同意書，科地中國茲擬定安排如下：(i)無條件及不可追索地放棄追索本金額約200百萬港元至300百萬港元之可換股債券2015；(ii)提早贖回本金額約200百萬港元至300百萬港元之可換股債券2015，以本集團之現金或其他資產作為清償方式；及(iii)其餘額以無擔保2年及以上期限貸款取締或於到期日前全數或部份行使轉股權；
- (ii) 本集團正與財務機構進行磋商，以取得新借貸及於現有借貸到期時重續；
- (iii) 本公司主要股東及一位本公司董事已確定將向本公司提供持續財務支援；及
- (iv) 本集團已採取審慎措施，以控制及減低行政開支，並透過出售或結束中國表現遜色的業務，簡化業務模式。

董事認為，經考慮上述各項，及本集團於報告期間結束後未來十二個月之現金需求，以及現有銀行融資將持續可供本集團應用後，本集團及本公司將具備足夠營運資金，應付於可見將來到期之財務責任。因此，綜合財務報表已按持續經營基準編製。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Going concern (Continued)

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

2.4 Business combination and basis of consolidation

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

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

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

2. 主要會計政策(續)

2.3 持續經營基準(續)

倘本集團無法繼續以持續經營基準營運，本集團將作出調整，重列其資產價值至可收回金額，以就可能產生的任何其他負債計提撥備及分別將非流動資產及負債重新分類為流動資產及負債。此等潛在調整之影響尚未反映在綜合財務報表內。

2.4 業務合併及綜合賬目基準

綜合財務報表包括本公司及其子公司之財務報表。公司間之交易及集團內公司間之結餘連同未變現溢利均於編製綜合財務報表時全數對銷。未變現虧損亦予以對銷，惟倘交易顯示所轉讓資產具減值憑證除外，於該情況下，虧損於損益賬確認。

年內購入或出售子公司之業績自收購日期起或截至出售日期止(視適用情況而定)計入綜合全面收益表。如有需要，將對子公司之財務報表作出調整，以使其會計政策與本集團其他成員公司所應用者一致。

收購子公司或業務採用收購法入賬。收購成本乃按所轉讓資產、所產生負債及本集團(作為收購方)發行之股權於收購當日之公允值總額計量。所收購之可識別資產及所承擔負債則主要按收購當日之公允值計量。本集團先前所持被收購方之股權以收購當日公允值重新計量，而所產生之收益或虧損則於損益賬確認。本集團可按每宗交易選擇按公允值或按應佔被收購方可識別資產淨值之比例計量非控股權益(代表現時於該子公司之擁有權權益)。除非香港財務報告準則另有規定計量標準，否則所有其他非控股權益乃按公允值計量。所產生之收購相關成本列作開支，惟倘因發行股本工具而產生則除外，於此情況下有關成本會自權益扣除。

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財務報表附註

For the year ended 31 March 2014
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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.4 Business combination and basis of consolidation (Continued)

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

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

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

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

2. 主要會計政策(續)

2.4 業務合併及綜合賬目基準(續)

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

本集團於子公司權益之變動如不導致失去控制權，入賬列為權益交易。本集團權益及非控股權益之賬面值均予以調整，以反映其各自於子公司之相對權益之變動。非控股權益之調整金額與所付或所收代價公允值之任何差額，直接於權益確認，並歸屬於本公司擁有人。

當本集團失去子公司控制權時，出售損益為以下兩者之差額：(i)已收代價之公允值與任何保留權益之公允值之總額；與(ii)該子公司之資產(包括商譽)及負債與任何非控股權益之過往賬面值。以往與該子公司有關，於其他全面收益確認之金額，按出售相關資產或負債時所規定之相同方式入賬。

收購後，非控股權益(代表現時於該子公司之擁有權權益)賬面值為初步確認時該等權益之金額，另加非控股權益應佔之其後權益變動。即使全面收益總額歸屬於非控股權益後會出現虧絀結餘，仍須按此方式入賬。

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財務報表附註

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.5 Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

2.6 Associates

An associate is an entity over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% and 50% of voting rights, but which are neither subsidiaries nor joint arrangements. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over these policies.

2. 主要會計政策(續)

2.5 子公司

子公司指受本公司直接或間接控制的實體(包括結構性實體)。倘本集團透過參與被投資方業務而享有或有權取得被投資方的可變回報，且有能力行使對被投資方的權力影響有關回報，則本集團擁有該實體的控制權(即現時賦予本集團指導被投資方相關活動的權利)。

倘本公司直接或間接擁有的被投資方投票權或類似權利不及大半，則評估本公司對被投資方是否擁有權力時，本集團會考慮所有相關事實及情況，包括：

- (a) 與該被投資方其他投票權擁有人的合約安排；
- (b) 根據其他合約安排所享有的權利；及
- (c) 本集團的投票權及潛在投票權。

子公司業績按已收及應收股息計入本公司損益表。本公司對子公司的投資按成本減任何減值虧損列賬。

2.6 聯營公司

聯營公司指並非子公司或合營安排，而本集團對其有重大影響(一般擁有附帶20%至50%投票權之股權)之實體。重大影響力指有權力參與被投資方的財務及經營決策，但並非對該等政策擁有控制或聯合控制權。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.6 Associates (Continued)

In consolidated financial statements, an investment in an associate is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the Group's interest in the associate is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The profit or loss for the period includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on the investment in associate recognised for the year.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Where unrealised losses on assets sales between the Group and its associates are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

2. 主要會計政策(續)

2.6 聯營公司(續)

在綜合財務報表中，於聯營公司之投資初步按成本確認，其後採用權益法入賬。收購成本較本集團於收購日期已確認之分佔聯營公司已識別資產、負債及或然負債之公允值淨值之任何超出部分確認為商譽。商譽計入投資之賬面值，並作為投資一部分而進行減值評估。收購成本按所給予資產、所產生或所承擔之負債及本集團發行之股本工具於交易日期之公允值總額，加上投資之直接應佔成本計量。本集團分佔已識別資產、負債及或然負債之公允值淨值較收購成本超出的任何差額於重估後於釐定收購投資期間本集團分佔聯營公司之損益時即時於損益確認。

按照權益法，本集團於聯營公司之權益按成本列賬，並就本集團應佔聯營公司之資產淨值收購後變動減任何已識別減值虧損作出調整，惟分類為持作銷售(或包括在分類為持作銷售之出售組別中)則除外。期內損益包括本集團年內應佔聯營公司之收購後及稅後業績，包括年內已確認於聯營公司之投資之減值虧損。

本集團與其聯營公司之間交易而產生之未變現收益將按本集團於聯營公司所佔權益為限予以抵銷。倘本集團與其聯營公司之間的資產銷售產生的未變現虧損按權益會計法予以回撥，則相關資產亦會從本集團之角度進行減值測試。倘聯營公司所採納會計政策並非為本集團於同類情況下就類似交易及事件所採用者，本集團如有必要為應用權益法而採用聯營公司之財務報表時作出調整，以使該聯營公司的會計政策與本集團所用者一致。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.6 Associates (Continued)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. At each reporting date, the Group determines whether there is any objective evidence that the investment in associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (higher of value-in-use and fair value less costs to sell) of the associate and its carrying amount. In determining the value-in-use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate, including cash flows arising from the operations of the associate and the proceeds on ultimate disposal of the investment.

2.7 Foreign currencies

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

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

2. 主要會計政策(續)

2.6 聯營公司(續)

當本集團應佔聯營公司虧損等於或超出其於聯營公司之權益，本集團不會確認超出之損失，除非本集團代聯營公司承擔法律或指定責任或支付款項。就此而言，本集團於聯營公司之權益，即為根據權益法所得投資賬面值，以及本集團實質構成於聯營公司投資淨額之長期投資。

於應用權益法後，本集團釐定是否需要對本集團於聯營公司之投資確認額外減值虧損。於各報告日期，本集團決定是否有任何客觀證據顯示於聯營公司之投資已出現減值。如識別有關跡象，本集團將計算減值金額(即可收回聯營公司之金額(使用價值與公允值減出售成本中較高者)與其賬面值之差額)。於釐定投資之使用價值時，本集團估計其分佔預期將由聯營公司產生之估計未來現金流量之現值，包括聯營公司經營業務產生之現金流量及最終出售投資之所得款項。

2.7 外幣

財務報表以港元(「港元」)呈報，即本公司之功能貨幣。

於綜合入賬實體中各自之財務報表，外幣交易按交易日適用匯率換算為個別實體之功能貨幣入賬。於報告日期，以外幣計值之貨幣資產及負債按該日之適用外匯匯率換算。因結算該等交易及於報告日期重新換算貨幣資產及負債而產生之外匯收益或虧損於損益賬確認。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.7 Foreign currencies (Continued)

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the reporting date. Income and expenses have been converted into the Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity.

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in foreign exchange reserve.

Other exchange differences arising from the translation of the net investment in foreign entities are recognised in other comprehensive income and accumulated in equity as exchange reserve. On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

2. 主要會計政策(續)

2.7 外幣(續)

按公允值以外幣計量之非貨幣項目乃按釐定公允值當日之適用匯率重新換算，並呈報為公允值收益或虧損之其中部份。按歷史成本以外幣計量之非貨幣項目不可重新換算。

於綜合財務報表中，所有原先並非以本集團呈報貨幣呈報之各份海外業務財務報表現已換算為港元。資產與負債按報告日期之收市匯率換算為港元。收入及開支已按交易當日之適用匯率或按報告期間之平均匯率換算為港元，惟以匯率波動不大為限。因此而產生之任何匯兌差額，在其他全面收益中確認，並另行於權益之匯兌儲備中累計。

於二零零五年一月一日或之後因收購海外業務產生之已收購可識別資產之商譽及公允值調整已作為該海外業務之資產及負債處理，並按報告期末之現行匯率進行換算。所產生之匯兌差額乃於匯兌儲備確認。

換算海外實體投資淨額而產生之其他匯兌差額於其他全面收益確認，並於權益項下之匯兌儲備累計。當出售海外業務時，於截至出售日期與該業務有關之匯兌儲備內確認之累計匯兌差額會重新分類至損益賬列作部份出售溢利或虧損。

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For the year ended 31 March 2014
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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.8 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interests in the acquiree.

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 as a gain on bargain purchase on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the relevant cash-generating units ("CGU"), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each of CGU or group of CGUs to which goodwill is allocated represents the lowest level within the entity (ie, operating segment level) at which the goodwill is monitored for internal management purposes. 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 a business combination 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 immediately in profit or loss and is not reversed in subsequent periods.

2. 主要會計政策(續)

2.8 商譽

商譽於收購子公司時產生，指已轉撥代價超出本集團於被收購方可辨認資產淨值、負債及或然負債公允值淨額之權益及被收購方非控制權益公允值之數額。

倘可識別資產、負債及或然負債之公允值超出已付代價之公允值，則超出部份於收購日期於損益賬中經重估後確認為議價購買之收益。

商譽按成本減去減值虧損計量。就測試有否減值而言，因業務合併而收購之商譽乃分配至預計可從合併之協同效益受惠之各有關現金產生單位(「現金產生單位」)或一組現金產生單位。獲分配商譽的各現金產生單位或現金產生單位組別為實體內就內部管理目的而監察商譽的最低層面(即營運分類層面)。商譽獲分配之現金產生單位會每年及當有跡象顯示該單位可能出現減值時進行減值測試。

就於某一財政年度進行業務合併所產生之商譽而言，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即時於損益確認及不會在其後期間撥回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2014
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2. PRINCIPAL ACCOUNTING POLICIES (Continued) 2.9 Property, plant and equipment

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

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

Depreciation is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

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

The assets' residual values, depreciation methods and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2. 主要會計政策(續) 2.9 物業、機器及設備

物業、機器及設備按成本減累計折舊及任何減值虧損列賬。資產成本包括其購買價及將該資產達至其擬定用途之運作條件及位置之任何直接費用。

僅當與該項目有關之未來經濟利益可能流入本集團且該項目之成本可靠計量時，其後成本才會計入資產之賬面值或確認為單獨資產(如適用)。替代部份之賬面值會取消確認。所有其他維修及保養乃於產生時計入財務期間之收益表內。

折舊乃以下列年率，於估計可使用年期以直線法計提撥備，以撇銷成本減其剩餘價值：

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、裝置及設備	20%
汽車	10%-20%

資產之剩餘價值、折舊方法及估計可使用年期於各報告日期檢討，在適當情況會作出調整。

倘資產之賬面值高於其估計可收回金額，則資產即時撇減至其可收回金額。

廢棄或出售產生的收益或虧損按出售所得款項與資產賬面值間的差額釐定，並於損益賬確認。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued) 2.10 Intangible assets (other than goodwill)

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

Amortisation is provided on a straight-line basis over their useful lives as follows. The amortisation expense is recognised in profit or loss and included in administrative expenses.

Customers relationship	5 years
Club membership	29.5 years
Distribution network	10 years
Technologies	5 years
Non-competition covenants	5 years
Licenses with definite useful lives	4.75 years

Tradename, patents and license rights with indefinite useful lives are carried at cost less any accumulated impairment losses.

Tradename acquired in a business combination is recognised at fair value at the acquisition date. The fair value is based on the discounted estimated royalty payments that are expected to be avoided as a result of the tradename being owned. The tradename arising from the acquisition of Jiangsu Kedi Group have indefinite useful lives and are carried at cost less accumulated impairment losses. Tradename is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment.

Patents and license rights are measured initially at fair value upon business combination and are assessed to have indefinite useful lives. No amortisation is charged to profit or loss. Useful lives are reviewed during each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the income statements when the intangible asset is derecognised.

2. 主要會計政策(續) 2.10 無形資產(商譽除外)

單獨收購之無形資產初步按成本確認。業務合併過程中所收購之無形資產之成本為收購日期之公允值。其後，有限可使用年期之無形資產按成本減累計攤銷及累計減值虧損列賬。

攤銷乃於其可使用年期按直線基準計提撥備如下。攤銷開支於損益賬確認並計入行政費用。

客戶關係	5年
會所會籍	29.5年
分銷網絡	10年
技術	5年
不競爭契據	5年
有限可使用年期之執照	4.75年

具無限可使用年期之商標、專利及許可權乃按成本減任何累計減值虧損列賬。

於業務合併過程中所收購之商標乃於收購日期按公允值確認。公允值乃以預期因擁有商標名稱而可免去繳付之專利費之折現估算額計算。從收購江蘇科地集團所得之商標名稱擁有無限可使用年期，按成本減累計減值虧損列賬。商標名稱每年檢視，以釐定事件及情況是否繼續支持評定為無限使用年期。

專利及許可權於業務合併時初步按公允值計量，並評估為擁有無限可使用年期。概無攤銷於損益賬扣除。可使用年期於各報告期內檢討，以釐定有關事件及情況是否繼續支持無限可使用年期評估。否則，可使用年期評估由無限改為有限乃列作於會計估計之變動。

於取消確認無形資產時所產生之收益或虧損乃以該無形資產出售所得款項淨額與賬面值之差額計量，並在取消確認該無形資產時於收益表確認。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Prepaid land lease payments

The lump-sum upfront lease payments made on entering into or acquiring leasehold land are accounted for as prepaid land lease payments and are amortised over the lease term on a straight line basis.

2.12 Financial Instruments

(i) Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries and associates are set out below. The Group's financial assets are classified into loans and receivables and financial assets designated at fair value through profit or loss. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

A financial asset is recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are subsequently measured at amortised cost using effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost. Gain and losses recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

2. 主要會計政策(續)

2.11 預付土地租賃款項

於訂立或收購租賃土地時支付的一筆過預付租賃款項列賬為預付土地租賃款項，並於租期內以直線法進行攤銷。

2.12 金融工具

(i) 金融資產

本集團金融資產(除於子公司及聯營公司之投資外)之會計政策載列如下。本集團金融資產分為貸款及應收款項以及於損益賬按公允值處理之指定金融資產。管理層於初步確認時根據收購金融資產之目的釐定其金融資產之分類，及(倘允許及適用)於各報告日期重新評估該分類。

金融資產僅於本集團成為工具合約條文之訂約方後，方可確認。日常購置之金融資產於交易日確認。金融資產初步確認時，乃按公允值計量，倘投資並非按公允值於損益賬計算，則加直接應佔交易成本計量。

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之非衍生金融資產。彼等其後採用實際利率法按攤銷成本減任何減值虧損計算。攤銷成本經計及任何收購折讓或溢價後計算，並包括屬於實際利率及交易成本組成部份之各項費用。有關盈虧當貸款及應收款項被終止確認或減值時於損益賬確認，亦透過攤銷確認。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued) 2.12 Financial Instruments (Continued)

(i) Financial assets (Continued)

Financial assets at fair value through profit or loss

A financial asset is classified as held for trading if it is acquired for the purpose of selling in the short term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, a financial asset designated at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists. Fair value gain or loss does not include any dividend or interest earned on these financial assets. Dividend and interest income is recognised in accordance with the Group's accounting policies in note 2.17.

Impairment of financial assets

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment and impairment is recognised based on the classification of the financial asset.

Objective evidence of impairment of an individual financial asset includes observable data that comes to the attention of the Group about one or more of the following loss events:

- Significant financial difficulty of the debtors;
- A breach of contract, such as a default of delinquency in interest for principal payments;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtors; and
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. 主要會計政策(續) 2.12 金融工具(續)

(i) 金融資產(續)

於損益賬按公允值處理之金融資產

倘金融資產旨在於不久將來出售而購入，則其分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，除非其指定為實際對沖工具。

初步確認後，於損益賬按公允值處理之指定金融資產乃按公允值計量，而公允值變動於出現期間於損益賬確認。公允值乃參考活躍市場交易或採用估值技術(如無活躍市場)釐定。公允值收益或虧損不包括該等金融資產所賺取之任何股息或利息。股息及利息收入乃根據附註2.17所述之本集團會計政策確認。

金融資產之減值

於各呈報日，除於損益賬按公允值處理者外，所有金融資產均需進行檢討，以釐定是否出現任何客觀之減值憑證，且減值乃基於金融資產之分類確認。

個別金融資產減值之客觀憑證，包括本集團注意到以下一項或多項虧損事項之顯著數據：

- 債務人出現重大財政困難；
- 違反合約，如拖欠本金利息；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；及
- 股本工具投資之公允值大幅或長期下跌至低於其成本值。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Financial Instruments (Continued)

(i) Financial assets (Continued)

Impairment of financial assets (Continued)

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group, and the failure to renegotiate the repayment terms of loans and receivables that would otherwise be past due or impaired.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of loss is recognised in profit or loss of the year in which the impairment occurs.

If, in subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the year in which the reversal occurs.

2. 主要會計政策(續)

2.12 金融工具(續)

(i) 金融資產(續)

金融資產之減值(續)

一組金融資產出現之虧損事項顯示該組金融資產之估計未來現金流量出現可計量之減少之顯著數據。該可顯著數據包括但不限於組別內債務人之還款狀況，以及與組別內資產拖欠情況有關之國家或地方經濟狀況，以及未能重新磋商以其他方式逾期或減值之貸款及應收款項之償還條款。

按攤銷成本列賬之金融資產

倘有客觀證據顯示按攤銷成本列賬之貸款及應收款項出現減值虧損，則減值虧損按該資產賬面值與以其原實際利率(即首次確認時計算之實際利率)折算之估計未來現金流量(不包括尚未產生之未來信貸虧損)現值之差額計算。虧損金額於減值發生年度於損益賬確認。

倘若其後減值虧損金額減少，而有關減幅可客觀地與確認減值後發生之事件聯繫，則撥回過往確認之減值虧損，惟於撥回減值當日不得導致金融資產賬面值超過如無確認減值之原有攤銷成本。撥回金額於撥回發生年度在損益賬內確認。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued) 2.12 Financial Instruments (Continued)

(i) Financial assets (Continued)

Financial assets carried at amortised cost (Continued)

Financial assets other than financial assets designated at fair value through profit or loss and loans and receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of loans and receivables is considered doubtful but not remote, impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of loans and receivables is remote, the amount considered irrecoverable is written off against loans and receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Financial liabilities

The Group classified its financial liabilities depending on the purpose for which the liabilities are incurred. The Group's financial liabilities include trade and other payables and borrowings.

They are included in statement of financial position as trade and bills payables, other payables and accruals, amount due to a non-controlling shareholder of a subsidiary, borrowings and amount due to a subsidiary. They are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost, using the effective interest method.

A financial liability is recognised when the Group becomes a party to the contractual provisions of the instruments. All related finance costs are recognised in accordance with the Group's accounting policies in note 2.18.

2. 主要會計政策(續) 2.12 金融工具(續)

(i) 金融資產(續)

按攤銷成本列賬之金融資產(續)

金融資產(透過損益按公允值列賬之指定金融資產及按攤銷成本列賬之貸款及應收賬項除外)而言，減值虧損乃直接與相應資產撇銷。倘貸款及應收賬項被認為有可能但並非不能收回，則屬呆賬之應收賬項減值虧損會使用撥備賬列賬。當本集團信納不大可能收回貸款及應收賬項時，則被認為屬不可收回之金額乃直接自貸款及應收賬項中撇銷，而於撥備賬內就有關應收賬項持有之任何金額會予以撥回。其後收回過往自撥備賬扣除之金額乃撥回至撥備賬。撥備賬之其他變動及其後收回過往直接撇銷之金額乃於損益賬中確認。

(ii) 金融負債

本集團視乎所產生負債之目的將金融負債分類。本集團之金融負債包括應付貿易款項及其他應付款項以及借貸。

此等項目在財務狀況報表內分別列入應付貿易款項及應付票據、其他應付款項及應計費用、應付一間子公司之一名非控股股東之款項、借貸及應付一間子公司款項。金融負債初步按公允值扣除所產生之交易成本確認，其後以實際利率法按攤銷成本計量。

金融負債於本集團成為契約之合約條文訂約方時確認。所有相關融資成本根據附註2.18內本集團有關會計政策確認。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued) 2.12 Financial Instruments (Continued)

(ii) Financial liabilities (Continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

(iii) Convertible bond

The convertible bond issued by the Group includes a liability component, a conversion option and a redemption option. The conversion option that will not be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments is treated as a derivative. Derivatives embedded in a financial instrument are treated as separate derivatives when their economic risks and characteristics are not closely related to those of the host contract (the liability component) and the host contract is not carried at fair value through profit or loss.

The convertible bond (including the liability component, the conversion option and the redemption option) as a whole is designated as a financial liability at fair value through profit or loss on initial recognition. In subsequent periods, the entire convertible bond is measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

Transaction costs that are directly attributable to the issue of the convertible bond designated as financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. 主要會計政策(續) 2.12 金融工具(續)

(ii) 金融負債(續)

借貸

借貸初步按公允值扣除產生之交易成本確認。其後借貸按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值間之任何差額於借貸期內使用實際利率法於損益賬內確認。

除非本集團擁有無條件權利延遲至報告日期後至少十二個月償付負債，否則借貸分類為流動負債。

應付貿易款項及其他應付款項

應付貿易款項及其他應付款項初步按公允值確認，其後使用實際利率法按攤銷成本計量。

(iii) 可換股債券

本集團發行之可換股債券包括負債部份、兌換權及贖回權。兌換權如將不會以固定現金金額交換固定數目之本公司權益工具之方式結算，則被視為衍生工具。當其經濟風險及特徵與主合約(負債部份)並不密切相關，及主合約未於損益賬按公允值處理時，該等包含於金融工具內之衍生工具被視為個別衍生工具。

於初步確認時，可換股債券(包括負債部份、兌換權及贖回權)整體指定為於損益賬按公允值處理之金融負債。於隨後期間，所有可換股債券按公平價值計量，而公平價值之變動於發生期內直接於損益賬內確認。

因發行指定為於損益賬按公允值處理之金融負債之可換股債券而直接產生之交易費用即時於損益賬內確認。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued) 2.12 Financial Instruments (Continued)

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

A financial liability is derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

2. 主要會計政策(續) 2.12 金融工具(續)

(iv) 實際利率法

實際利率法乃計算金融資產或金融負債之攤銷成本及按有關期間攤分利息收入或利息支出之方法。實際利率乃將估計未來現金收入或付款按金融資產或負債之預計使用年期，或較短年期(如適用)實際貼現之利率。

(v) 終止確認

倘就有關金融資產收取未來現金流量之合約權利到期或金融資產被轉移且轉移符合香港會計準則第39號終止確認之準則，本集團會終止確認金融資產。

當於相關合約之特定責任被解除、取消或屆滿時，將終止確認金融負債。倘現有金融負債由同一放債人以條款有顯著不同之另一負債所取代，或現有負債之條款作出重大修訂，此類交換或修訂將被視為終止確認原有負債及確認新負債處理，有關賬面值之差額於損益賬中確認。

當本集團因重新商討負債條款而向債權人發行其本身股本工具以清償全部或部份金融負債，已發行股本工具為已付代價，並即時確認及按其於金融負債或其中部份抵銷當日之公允值計量。倘已發行股本工具之公允值無法可靠地計量，則計量股本工具將反映已抵銷金融負債之公允值。已抵銷金融負債賬面值或其中部份與已付代價之差額將於年內損益賬中確認。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.13 Non-current assets and disposal groups held for sale

A non-current asset and disposal group are classified as held for sale if its carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

A non-current asset and disposal group (other than investment properties and financial assets) classified as held for sale are measured at the lower of its carrying amount and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2.14 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 in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks or financial institutions and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2. 主要會計政策(續)

2.13 持作銷售之非流動資產及出售組合

倘非流動資產及出售組合之賬面值主要透過出售交易而非透過持續使用予以收回，則彼等分類為持作銷售。如屬於此情況，資產或出售組合須於現況下可供即時出售，惟僅須符合出售該資產或出售組合之一般及慣常條款且可出售之機會相當高。分類為出售組合之子公司名下所有資產及負債均重新分類為持作銷售，而不論本集團於出售後會否保留其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合(投資物業及金融資產除外)乃按其賬面值及公允值之較低者扣減銷售成本計量。分類為持作銷售之物業、機器及設備以及無形資產不予折舊或攤銷。

2.14 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。可變現淨值指在日常業務中之估計售價減估計完成成本及估計作出銷售所需之成本。

2.15 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、存於銀行或財務機構之活期存款及原到期日為三個月或以下之短期高度流通而可以隨時兌換成已知數額之現金，而該筆現金須承受價值改變之較低風險。

就現金流量表之呈報而言，現金及現金等價物包括須即期償還並構成本集團現金管理之整體部份之銀行透支。

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For the year ended 31 March 2014
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2. PRINCIPAL ACCOUNTING POLICIES (Continued) 2.16 Impairment of non-financial assets

Goodwill arising on an acquisition of subsidiary, other intangible assets, property, plant and equipment, prepaid land lease payments under operating leases, non-current portion of deposits and interests in subsidiaries and associates are subject to impairment testing.

Goodwill and other intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

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

Goodwill, in particular, is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for a CGU, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro-rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value-in-use, if determinable.

2. 主要會計政策(續) 2.16 非金融資產減值

收購子公司產生之商譽、其他無形資產、物業、機器及設備、經營租賃項下預付土地租賃費、按金之非流動部份以及於子公司及聯營公司之權益須進行減值測試。

不論是否有任何減值跡象，商譽及其他有無限使用年期或該等尚不可使用之無形資產須最少每年進行一次減值測試。所有其他資產於有任何跡象顯示資產賬面值可能無法收回時進行減值測試。

當資產之賬面值高於其可收回金額時，高出金額作為減值虧損被立即確認為開支。可收回金額為公允值(反映市場情況)減去銷售成本與使用價值之較高者。評估使用價值時，以除稅前貼現率計算預計未來之現金流量之現值，而該貼現率反映當時市場對貨幣時值之評估及該項資產之特有風險。

就評估減值而言，若一項資產所產生之現金流入大部份不能獨立於其他資產所產生之現金流入，可收回金額則以能獨立產生現金流入之最小資產組合(即現金產生單位(「現金產生單位」))釐定。因此，部份資產個別進行減值測試，部份則在現金產生單位層次進行測試。

特別是商譽，會被分配至預期可從相關業務合併之協同效應中獲益，及代表本集團內為內部管理目的而監控商譽之最低單位之現金產生單位。

就已分配商譽之現金產生單位確認之減值虧損初步計入商譽之賬面值。除資產賬面值將不會調減至低於其個別公允值減銷售成本或使用價值(如可釐定)外，任何剩餘減值虧損按比例自該現金產生單位之其他資產扣除。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.16 Impairment of non-financial assets

(Continued)

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.17 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:

- 2.17.1 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;
- 2.17.2 Revenue from the provision of services is recognised when the services are rendered;
- 2.17.3 Dividend income from investments is recognised when the shareholder's right to receive payment has been established;
- 2.17.4 Interest income from a financial asset is recognised when 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;
- 2.17.5 Revenue from government grants is described in the accounting policy under "Government grants" in note 2.21.

2. 主要會計政策(續)

2.16 非金融資產減值(續)

商譽之減值虧損不可於往後期間撥回。就其他資產而言，倘用以釐定資產可收回金額之估計出現有利變動，減值虧損予以撥回，惟資產之賬面值不得超過倘並無確認減值虧損而應已釐定之賬面值(經扣除折舊或攤銷)。

2.17 收入確認

收入按已收或應收代價的公允值計算。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：

- 2.17.1 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。時間通常為貨品交付及客戶已接收貨品之時；
- 2.17.2 提供服務之收入於提供服務時確認；
- 2.17.3 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；
- 2.17.4 當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；
- 2.17.5 關於政府補助金收入，請參閱附註2.21之「政府補助金」內之會計政策。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.18 Finance costs

Finance costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed as incurred.

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

2.19 Income taxes

Income tax for the year comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of income tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit including existing taxable temporary differences will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

2. 主要會計政策(續)

2.18 融資成本

因收購、興建或生產任何合資格資產而產生之融資成本，在完成和籌備資產作其擬定用途所需之期間內資本化。合資格資產乃指需要一段頗長時期始能作擬定用途或出售之資產。其他借貸成本於產生時確認為支銷。

當產生資產開支、產生借貸成本及進行為籌備資產作擬定用途或出售而必需進行之活動，該等融資成本便會資本化，作為合資格資產之部份成本。當完成為合資格資產之擬定用途或出售作準備之所需活動時，融資成本暫停或停止資本化。

2.19 所得稅

年內所得稅包括即期及遞延稅項。

即期所得稅資產及／或負債包括現行或過往報告期間與財務機關有關而於報告日期尚未支付之應付責任或應收申索。該等金額乃根據年內應課稅溢利按相關財政期間適用之稅率及稅法計算。即期稅項資產或負債之所有變動於損益賬確認為所得稅開支一部份。

遞延稅項乃按於報告日期財務報表內資產與負債賬面值與其相應稅基間之暫時差額使用負債法計算。遞延稅項負債一般會就所有應課稅暫時差額確認。遞延稅項資產乃就所有可扣稅暫時差額、可結轉稅項虧損以及其他未運用稅務抵扣確認，惟以可能有應課稅溢利(包括現有應課稅暫時性差額)能與可扣稅暫時性差額、未動用稅項虧損及未動用稅項抵扣相抵銷之情況為限。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.19 Income taxes (Continued)

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

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 differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, in other comprehensive income or in equity if they relate to items that are charged or credited to other comprehensive income or directly to equity.

2.20 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.

2. 主要會計政策(續)

2.19 所得稅(續)

倘因商譽或因初步確認(並非業務合併)某項不影響應課稅或會計損益之交易之資產及負債而產生暫時差額，則遞延稅項資產及負債不予確認。

就投資於子公司及聯營公司產生之應課稅暫時差額確認為遞延稅項負債，惟倘若本集團能夠控制該暫時差額之撥回，以及有關暫時差額不大可能於可見未來撥回則另作別論。

遞延稅項乃按預期於負債清償或資產變賣期間適用之稅率計算(不作貼現)，惟有關稅率必須為於報告日期已頒行或實質上已頒行之稅率。

遞延稅項資產或負債之變動於損益賬確認，或倘與於其他全面收益扣除或計入其他全面收益或直接從權益扣除或計入權益之項目有關，則於其他全面收益或權益確認。

2.20 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。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.20 Leasing (Continued)

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.

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 land 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.

2.21 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.

2. 主要會計政策(續)

2.20 租賃(續)

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允值的比例，於土地及樓宇部份之間分配。

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「預付土地租賃款項」，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。

2.21 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。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.22 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.

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.

Share-based employee compensation

Details about the accounting policy on share-based compensation to employee are set out in note 2.23 below.

2. 主要會計政策(續)

2.22 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。

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。

以股份為支付基準之僱員補償

以股份為支付基準之僱員補償之有關會計政策之詳情乃載於下文附註2.23。

NOTES TO THE FINANCIAL STATEMENTS

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.23 Share-based payment

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 and 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.

Where the terms and conditions of options are modified before they vest, the change in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

2.24 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;

2. 主要會計政策(續)

2.23 以股份為支付基準款項

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允值而釐定已收取服務的公允值，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。

在購股權歸屬前其條款及條款修改時，緊接修改前後計量之購股權公允值變動亦會於餘下歸屬期在損益確認。

2.24 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；

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2. PRINCIPAL ACCOUNTING POLICIES (Continued) 2.24 Research and development expenditure

(Continued)

- 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.

2.25 Provisions and contingent liabilities

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 an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

2. 主要會計政策(續) 2.24 研究及開發開支(續)

- 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。

2.25 撥備及或然負債

倘本集團因過往事件而須承擔現有法定或推定責任，而履行該責任時有可能須耗用經濟利益，且涉及該責任之金額可作可靠估計，則確認有關撥備。若貨幣之時間價值屬重大，則撥備按履行該責任預計所需開支之現值列賬。

所有撥備於各報告日期檢討並調整以反映現時之最佳估計。

倘經濟利益流出之可能性較低，或無法對有關數額作出可靠之估計，便會作為或然負債披露，惟經濟利益流出之可能性極低則除外。倘本集團之責任須視乎某宗或多宗本集團並不能完全控制之未來不確定事件是否發生才能確定是否存在，亦會披露為或然負債，惟經濟利益流出之可能性極低則除外。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued) 2.26 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.
- (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.
 - (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).

2. 主要會計政策(續) 2.26 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。
- (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。
 - (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)內所識別人士控制或共同控制。
 - (vii) (a)(i)內所識別人士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。

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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.26 Related parties (Continued)

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 and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

3. ADOPTION OF NEW/AMENDED HKFRSs

3.1 New/amended HKFRSs which are effective during the year

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associate and Joint Ventures

Except as explained below, the adoption of these new/amended HKFRSs has no material impact on the Group's financial statements.

2. 主要會計政策(續)

2.26 關連方(續)

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，並包括：

- (i) 該名人士之子女及配偶或家庭夥伴；
- (ii) 該名人士之配偶或家庭夥伴之子女；及
- (iii) 該名人士或該名人士之配偶或家庭夥伴之受養人。

3. 採納新訂／經修訂香港財務報告準則

3.1 年內生效之新訂／經修訂香港財務報告準則

本集團已於本年度財務報表中首次採納以下新訂及經修訂香港財務報告準則。

香港財務報告準則(修訂本)	2009-2011年週期之年度改進
香港會計準則第1號(修訂本)	其他全面收益項目之呈列
香港財務報告準則第7號(修訂本)	披露—抵銷金融資產及金融負債
香港財務報告準則第10號	綜合財務報表
香港財務報告準則第12號	於其他實體權益之披露
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號(修訂本)	綜合財務報表、共同安排及於其他實體權益之披露：過渡指引
香港財務報告準則第13號	公允值計量
香港會計準則第19號(二零一一年經修訂)	僱員福利
香港會計準則第27號(二零一一年經修訂)	獨立財務報表
香港會計準則第28號(二零一一年經修訂)	於聯營公司及合營企業之投資

除下文所述者外，採納該等新訂／經修訂香港財務報告準則對本集團財務報表並無重大影響。

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財務報表附註

For the year ended 31 March 2014
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3. ADOPTION OF NEW/AMENDED HKFRSs

(Continued)

3.1 New/amended HKFRSs which are effective during the year (Continued)

HKFRSs (Amendments) – Annual Improvements 2009-2011 Cycle

HKAS 1 has been amended to clarify that an opening statement of financial position is required only when a retrospective application of an accounting policy, a retrospective restatement or reclassification has a material effect on the information presented in the opening position. Further, this opening statement of financial position does not have to be accompanied by comparative information in the related notes. This is consistent with the Group's existing accounting policy.

HKAS 1 (Amendments) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit or loss in the future and those that may not. Tax on items of other comprehensive income is allocated and disclosed on the same basis.

The Group has adopted the amendments retrospectively for the financial year ended 31 March 2014. Items of other comprehensive income that may and may not be reclassified to profit and loss in the future have been presented separately in the consolidated statement of comprehensive income. The comparative information has been restated to comply with the amendments. As the amendments affect presentation only, there are no effects on the Group's financial position or performance.

Amendments to HKFRS 7 – Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32.

The adoption of the amendments has no impact on these financial statements as the Group has not offset financial instruments, nor has it entered into a master netting agreement or a similar arrangement.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 年內生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則(修訂本) – 2009 – 2011年週期之年度改進

香港會計準則第1號已作修訂以澄清僅當追溯應用會計政策、作出追溯重列或重新分類項目對所呈列之期初資料具有重大影響時，實體方須呈列期初財務狀況表。再者，無須為該期初財務狀況表在相關附註中隨附比較資料。此乃與本集團現有會計政策一致。

香港會計準則第1號(修訂本) – 其他全面收益項目之呈列

香港會計準則第1號(修訂本)(經修訂)規定本集團將呈列於其他全面收益之項目分為可能於日後重新分類至損益賬之項目及未必會重新分類至損益賬之項目。就其他全面收益項目繳納之稅項會按相同基準進行分配及予以披露。

本集團已對截至二零一四年三月三十一日止財政年度追溯採納該修訂。可能於日後會或不會重新分類至損益賬之其他全面收益項目已於綜合全面收益表單獨呈列。為符合該等修訂，比較資料經已重列。由於該等修訂僅會影響呈列，故對本集團之財務狀況或表現並無造成影響。

香港財務報告準則第7號(修訂本) – 抵銷金融資產及金融負債

修訂香港財務報告準則第7號旨在引入就所有根據香港會計準則第32號抵銷之已確認金融工具及受限於可執行之沖銷淨額總協議或類似安排之金融工具(無論其是否根據香港會計準則第32號抵銷)作出披露之規定。

採納該等修訂對該等財務報表並無影響，因為本集團並無抵銷金融工具，亦無訂立總淨額結算協議或同類安排。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2014
截至二零一四年三月三十一日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs

(Continued)

3.1 New/amended HKFRSs which are effective during the year (Continued)

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of “de facto” control where an investor can control an investee while holding less than 50% of the investee’s voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them.

The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The accounting requirements in HKAS 27 (2008) on other consolidation related matters are carried forward unchanged. The Group has changed its accounting policy in determining whether it has control of an investee and therefore is required to consolidate that interest (see note 2.5).

The Board made an assessment as at the date of initial application of HKFRS 10, it is concluded that the adoption does not change any of the control conclusion reached by the Group in respect of its involvement with other entities.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 年內生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第10號 – 綜合財務報表

香港財務報告準則第10號就綜合計算所有被投資實體引入單一控股模式。當投資者有權控制被投資方(不論實際上否行使該權力)、對來自被投資方之浮動回報承擔風險或享有權利，以及能運用對被投資方之權力以影響該等回報時，投資者即擁有控制權。香港財務報告準則第10號載有評估控制權之詳細指引。例如，該準則引入「實際」控制權之概念，倘相對其他個人股東之表決權規模及分散情況，投資者之表決權足以佔優，使其獲得對被投資方之權力，持有被投資方表決權少於50%之投資者仍可控制被投資方。潛在表決權僅在實質存在(即持有人有實際能力可行使潛在表決權)時，在分析控制權時一併考慮。

該準則明確規定評估具有決策權之投資者是以委託人或代理人身份行事，以及具有決策權之其他各方是否以投資者之代理人身份行事。代理人獲委聘以代表另一方及為另一方之利益行事，故在其行使其決策權限時並不控制被投資方。香港會計準則第27號(2008年)有關其他綜合計算相關事項之會計規定貫徹不變。本集團已改變有關釐定其是否對被投資方擁有控制權之會計政策，因此須綜合入賬該權益(見附註2.5)。

董事會已於首次應用香港財務報告準則第10號當日作出評估，並斷定有關採納並無改變本集團針對其參與其他實體營運所達致之控制權結論。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. ADOPTION OF NEW/AMENDED HKFRSs

(Continued)

3.1 New/amended HKFRSs which are effective during the year (Continued)

HKFRS 12 – Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

The adoption of HKFRS 12 does not have any material impact on these consolidated financial statements.

HKFRS 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 is applied prospectively.

HKFRS 13 did not materially affect any fair value measurements of the Group's assets and liabilities and therefore has no effect on the Group's financial position and performance.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 年內生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第12號 – 於其他實體權益之披露

香港財務報告準則第12號整合有關於子公司、聯營公司及合營安排之權益之披露規定，並使有關規定貫徹一致。該準則亦引入新披露規定，包括有關非綜合計算結構實體之披露規定。該準則之一般目標是令財務報表使用者可評估呈報實體於其他實體之權益之性質及風險，以及該等權益對呈報實體之財務報表之影響。

採納香港財務報告準則第12號對此等綜合財務報表並無任何重大影響。

香港財務報告準則第13號 – 公允值計量

香港財務報告準則第13號提供有關如何在其他準則規定或准許時計量公允值之單一指引來源。該準則適用於按公允值計量之財務項目及非財務項目，並引入公允值計量等級。此計量等級中三個層級之定義一般與香港財務報告準則第7號「金融工具：披露」一致。香港財務報告準則第13號將公允值界定為在市場參與者於計量日期進行之有序交易中出售資產所收取或轉讓負債所支付之價格(即平倉價)。該準則撤銷以買入價及賣出價釐定於交投活躍市場掛牌之金融資產及負債之規定，而應採用買賣差價中在該等情況下最能代表公允值之價格。該準則亦載有詳細之披露規定，使財務報表使用者可評估計量公允值所採用之方法及輸入數據，以及公允值計量對財務報表之影響。香港財務報告準則第13號按追溯基準應用。

香港財務報告準則第13號並無對本集團資產及負債的公允值計量造成重大影響，因此，不會影響本集團之財務狀況及表現。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. ADOPTION OF NEW/AMENDED HKFRSs

(Continued)

3.2 New/amended HKFRSs which are issued but not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities ¹
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities ¹
HK(IFRIC)-Int 21	Levies ¹
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴
HKFRS 9	Financial Instruments ⁴
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle ³
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle ²

- ¹ Effective for annual periods beginning on or after 1 January 2014
- ² Effective for annual periods beginning on or after 1 July 2014
- ³ Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014
- ⁴ Available for application – the mandatory effect date will determine when the outstanding phases of HKFRS are finalised

3. 採納新訂／經修訂香港財務報告準則(續)

3.2 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

下列可能與本集團財務報表有關之新訂／經修訂香港財務報告準則經已頒佈，惟尚未生效亦未經本集團提早採納。

香港會計準則第32號(修訂本)	抵銷金融資產及金融負債 ¹
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號(修訂本)	投資實體 ¹
香港國際財務報告詮釋委員會—詮釋第21號	徵費 ¹
香港財務報告準則第7號及香港財務報告準則第9號(修訂本)	香港財務報告準則第9號之強制性生效日期及過渡性披露 ⁴
香港財務報告準則第9號	金融工具 ⁴
香港財務報告準則(修訂本)	2010-2012年週期之年度改進 ³
香港財務報告準則(修訂本)	2011-2013年週期之年度改進 ²

- ¹ 於二零一四年一月一日或之後開始之年度期間生效
- ² 於二零一四年七月一日或之後開始之年度期間生效
- ³ 於二零一四年七月一日或之後開始之年度期間或進行交易時生效
- ⁴ 可供應用—強制生效日期將於落實香港財務報告準則之尚待確實階段時釐定

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3. ADOPTION OF NEW/AMENDED HKFRSs

(Continued)

3.2 New/amended HKFRSs which are issued but not yet effective (Continued)

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity “currently has a legally enforceable right to set off” and when a gross settlement mechanism is considered equivalent to net settlement.

HKFRS 9 – Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities. The mandatory effective date is not specified in HKFRS 9 but will be determined when the outstanding phases are finalised. However, application of HKFRS 9 is permitted.

HK(IFRIC) 21 – Levies

HK(IFRIC) 21 clarifies that an entity recognises a liability to pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation, occurs.

Save as the main changes described above, the Group is in the process of making an assessment of the potential impact of these new/amended HKFRSs and the Directors are not yet in a position to state whether they could have material financial impact on the Group’s consolidated financial statements.

3. 採納新訂／經修訂香港財務報告準則(續)

3.2 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港會計準則第32號(修訂本) – 抵銷金融資產及金融負債

該等修訂通過在香港會計準則第32號中加入應用指引來闡明抵銷之規定，闡明何時實體「擁有可依法執行之抵銷權利」及何時總額結算機制被視為等同淨額結算。

香港財務報告準則第9號 – 金融工具

根據香港財務報告準則第9號，金融資產視乎實體管理金融資產之業務模式及金融資產之合約現金流量特徵，將其分類為按公允值或按攤銷成本計量之金融資產。公允值損益將於損益賬確認，惟對非買賣股本投資除外，就此，實體可選擇於其他全面收益表確認損益。香港財務報告準則第9號貫徹香港會計準則第39號有關金融負債確認、分類及計量之規定，惟按公允價於損益賬處理之金融負債除外，該負債信貸風險變動產生之公允值變動金額於其他全面收益確認，惟會導致或擴大會計錯配者除外。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認金融資產及金融負債之規定。香港財務報告準則第9號並無提供強制生效日期，惟將於落實未完成階段時決定。然而，可以應用香港財務報告準則第9號。

香港國際財務報告詮釋委員會第21號 – 徵費

香港財務報告詮釋委員會第21號釐清實體於引致付款的活動(按相關法例識別)發生時確認支付政府徵稅之負債。

除上述之主要變動外，本集團現正評估該等新訂／經修訂香港財務報告準則之潛在影響，惟董事現階段未能說明該等準則會否對本集團之綜合財務報表造成重大財務影響。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in note 2 to the financial statements, the Directors 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.

Going concern and liquidity

Management makes an assessment of the Group's ability to continue as going concern when preparing the consolidated financial statements. The Group is dependent upon the upcoming business performance, and the successful implementation and outcome of the measures as set forth in note 2.3 in order to meet the Group's future working capital and financing requirement.

In assessing whether or not the going concern assumption is appropriate, management takes into account all available information about the future, which is at least but is not limited to, twelve months from the reporting date of the consolidated financial statements. Should the Group be unable to raise new financing or other measures fail to improve the liquidity of the Group and the Group is unable to continue in business as a going concern, adjustments would be needed to reduce the carrying amounts of the assets of the Group to their recoverable amount and, to provide for further liabilities which might arise.

4. 重要會計估計及判斷

於應用本集團會計政策(如財務報表附註2所述)時，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來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。

持續經營假設及流動資金

管理層於編製綜合財務報表時對本集團持續經營之能力作出評估。本集團須取決於日後業務表現及附註2.3所述措施能否成功實施及取得之成果，以應付本集團之未來營運資金及融資需要。

評估持續經營假設是否適當時，管理層考慮所有現有關於未來之資料，即至少(但不限於)綜合財務報表申報日期起計十二個月之資料。倘本集團未能籌集新融資或其他措施未能改善本集團之流動資金狀況，以及本集團未能按持續經營基準營運，則須作出調整，將本集團之資產賬面值削減至其可收回金額，並為可能出現之更多負債計提撥備。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Current tax

The Group is subject to income taxes in Hong Kong and PRC. Significant judgement is required in determining the amount of the provision for taxes and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises taxes based on estimates of the likely outcome with reference to current tax laws and practices. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income taxes and deferred tax provision in the period in which such determination is made.

Estimated impairment of goodwill and other intangible assets

The Group tests annually whether goodwill and other intangible assets have suffered any impairment in accordance with accounting policies stated in note 2.16 to the financial statements. The recoverable amounts of CGUs have been determined based on value-in-use calculations or its fair value less cost to sell, whichever is higher, and both bases require the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Please refer to notes 19 and 20 to the financial statements for details.

4. 重要會計估計及判斷(續)

即期稅項

本集團須繳納香港及中國所得稅。釐定稅項撥備金額及支付相關稅項之時間須作出重大判斷。一般業務過程中有大量交易及計算無法確切釐定最終稅額。本集團參考現行稅法及慣例，根據估計可能出現之結果確認稅項。倘該等事項最終之稅項與最初記錄之金額不同，其差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。

商譽及其他無形資產之估計減值

本集團根據財務報表附註2.16所載的會計政策每年測試商譽及其他無形資產是否減值。現金產生單位之可收回金額乃基於使用價值計算，或按其公允值減銷售成本釐定(以較高者為準)。兩項基準均要求本集團估計預期源於現金產生單位之日後現金流量以及用於計算現值之適當貼現率。倘實際日後現金流量不及預期，則產生重大減值虧損。詳情請參閱財務報表附註19及20。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Estimated useful lives of other intangible assets

The Group's management determines the estimated useful lives and consequent related amortisation rate (if any) for its other intangible assets. These estimates are based on the historical experience of the actual useful lives of comparable intangible assets in related industries. Actual economic life may vary from estimated useful life. Periodic review could result in a change in amortisable lives and consequently increase or decrease in amortisation expenses. Please refer to note 20 to the financial statements for details.

Impairment of trade receivables and other receivables

The Group estimates the provisions for impairment of trade receivables and other receivables by assessing their recoverability based on credit history and prevailing market conditions. This requires the use of estimates and judgements. Provisions are applied to trade receivables and other receivables where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amount of trade receivables and other receivables and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the provisions at each reporting period.

Valuation of share options

The fair value of options granted under the share option scheme is determined using the binomial model. The significant inputs into the model were the weighted average price at the grant date, exercise price, risk-free interest rate, dividend yield, expected volatility, expected life of options, and exit rate of directors and staff. When the actual results of the inputs differ from the management's estimate, it will have impact on share option expenses and the related share option reserve of the Company.

4. 重要會計估計及判斷(續)

其他無形資產之估計可使用年期

本集團管理層釐定其他無形資產之估計可使用年期以及因此相關的攤銷率(如有)。該等估計乃根據有關行業之可資比較無形資產之實際可使用年期之過往經驗而作出。實際經濟年期可能與估計可使用年期不同。定期審閱可使攤銷年期作出變動，以致增加或減少攤銷開支。詳情請參閱財務報表附註20。

應收賬款及其他應收款項減值

本集團基於信貸記錄及當時市況評估能否收回應收賬款及其他應收款項，藉此估計有關減值撥備，其中需要作出估計及判斷。倘出現任何事件或情況轉變而顯示無法收回結餘，則會就應收賬款及其他應收款項作出撥備。當預期有別於原先估計時，有關差異將影響應收賬款及其他應收款項的賬面值，故此影響於估計轉變期間的減值損失。本集團於報告期末重新評估撥備。

購股權之估值

根據購股權計劃授出之購股權公允值採用二項式定價模式釐定，模式所採用之重大計算數據為授出日期之加權平均股價、行使價、無風險利率、派息率、預期波幅、購股權預期有效期以及董事及員工流失率。倘計算數據之實際結果與管理層之估計不同，則會對本公司之購股權開支及相關購股權儲備構成影響。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (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.

Fair value of convertible bond accounted for as a financial liability through profit or loss

At the reporting year end date, the Group had an outstanding convertible bond, the details of which are set out in note 34 to the consolidated financial statements. The convertible bond, which contains an embedded convertible option derivative, was issued in March 2010 in connection with the acquisition of the entire equity interest in Kang Yuan Universal Investment Limited and its subsidiaries (collectively referred to as "Kang Yuan Group"). The Group has elected to account for this convertible bond as a financial liability at fair value through profit or loss. Accordingly, the Directors are required to use their judgment in selecting an appropriate valuation technique to determine the fair value of this convertible bond, which is not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. The fair value of the convertible bond is estimated with the assistance of an independent professional valuer. The independent valuations are based on various inputs and estimates with reference to quoted market rates and adjusted for specific features of the instrument. If the inputs and estimates applied in the model are different, the carrying amounts of this convertible bond will change.

4. 重要會計估計及判斷(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。

於損益入賬為金融負債之可換股債券之公允值

於年結日，本集團擁有尚未行使之可換股債券，其詳情乃載於綜合財務報表附註34。本公司於二零一零年三月就收購康源環球投資有限公司及其子公司(統稱「康源集團」)全部股權發行載有嵌入式可換股購股權衍生工具之可換股債券。本集團入賬此可換股債券列作於損益按公允值列賬之金融負債。因此，董事須自行判斷選擇合適估值技術以釐定在活躍市場並無報價之此可換股債券之公允值。所採用之估值技術由市場從業者普遍採用。可換股債券之公允值乃在獨立專業估值師之協助下進行估計。獨立估值乃基於參考已報市場比率及就工具特性進行調整之多項輸入值及估計。倘模型中採用之輸入值及估計不同，則此可換股債券之賬面值會產生變動。

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5. FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including currency risk and interest risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the Board. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate lasting returns with acceptable risk levels.

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. The Board from time to time identifies ways to access financial markets and monitors the Group's financial risk exposures.

5.1 Financial risk management objectives and policies

The Group's major financial instruments include, trade and bills receivables, other receivables, amounts due from related companies, amounts due from subsidiaries, financial assets at fair value through profit or loss, pledged deposits, cash and bank balances, trade and bills payables, other payables, borrowings, amount due to a non-controlling shareholder of a subsidiary, amount due to a director and convertible bond. Details of these financial instruments are disclosed in the relevant notes to the financial statements. 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.

5. 財務風險管理

本集團因於日常業務及其投資活動中使用金融工具而承擔財務風險。財務風險包括市場風險(包括貨幣風險及利率風險)、信貸風險及流動資金風險。

財務風險管理由本集團總部與董事會緊密合作統籌。管理財務風險之整體目標旨在藉盡量降低本集團於金融市場之風險，從而確保本集團中短期之現金流。長期金融投資之管理為在可接受風險水平帶來持續回報。

本集團之政策並非積極參與金融工具投機買賣。董事會不時物色進入金融市場之方法並監察本集團承擔之財務風險。

5.1 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、應收關連公司款項、應收子公司款項、於損益賬按公允值處理之金融資產、已抵押存款、現金及銀行結餘、應付賬款及應付票據、其他應付款項、借貸、應付子公司一名非控股股東款項、應付一名董事款項及可換股債券。該等金融工具詳情於財務報表相關附註披露。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。

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5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Categories of financial assets and liabilities

The carrying amounts presented in the statements of financial position relate to the following categories of financial assets and financial liabilities:

5. 財務風險管理(續)

5.2 金融資產及負債之分類

有關下列類別金融資產及金融負債於財務狀況報表呈列之賬面值：

		Group 本集團		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Financial assets	金融資產				
Loans and receivables:	貸款及應收款項：				
– Trade and bills receivables	– 應收賬款及應收票據	357,589	363,120	–	–
– Other receivables and deposits (excluding prepayments)	– 其他應收款項及按金(不包括預付款)	115,418	108,430	880	827
– Amounts due from subsidiaries	– 應收子公司款項	–	–	506,325	822,612
– Amounts due from related companies	– 應收關連公司款項	–	20,705	–	–
Financial assets at fair value through profit or loss	於損益賬按公允值處理之金融資產	1,875	–	–	–
Pledged deposits	已抵押存款	44,078	181,237	–	–
Cash and cash equivalents	現金及現金等價物	2,816	11,313	76	1,304
		521,776	684,805	507,281	824,743
Financial liabilities	金融負債				
Financial liabilities measured at amortised cost:	按攤銷成本計量之金融負債：				
– Trade and bills payables	– 應付賬款及應付票據	68,417	96,331	–	–
– Other payables and accruals	– 其他應付款項及應計費用	52,079	50,688	2,093	4,548
– Amount due to a non-controlling shareholder of a subsidiary	– 應付子公司一名非控股股東款項	852	1,129	–	–
– Amount due to a director	– 應付一名董事款項	–	5,541	–	–
– Amounts due to subsidiaries	– 應付子公司款項	–	–	376,906	178,251
– Borrowings	– 借貸	435,840	502,811	52,574	–
Convertible bond	可換股債券	609,897	756,961	609,897	756,961
		1,167,085	1,413,461	1,041,470	939,760

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5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Market risk

The Group's activities expose it primarily to the market risks of changes in interest 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

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.

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.

5. 財務風險管理(續)

5.3 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

由於銀行結餘與銀行及其他借貸(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。

本集團的公允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。

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(銀行結餘與銀行及其他借貸)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。就銀行結餘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餘利率可能變動的評估。

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5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Market risk (Continued)

Interest rate sensitivity (Continued)

If interest rates had been increased/decreased by 50 basis points in respect of convertible bond bearing at fixed interest rate and re-measure to fair value and all other variables were held constant, the Group's loss for the year would decrease/increase by approximately HK\$320,000 (2013: HK\$428,000) for the year ended 31 March 2014.

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\$234,000 (2013: HK\$963,000) for the year ended 31 March 2014.

Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to currency exchange rates in Renminbi ("RMB") is minimal as majority of the subsidiaries of the Group operates in Mainland China with most of the transactions denominated and settled in RMB. The Group currently does not have a hedging policy on currency risk but the management would consider hedging significant foreign currency exposure should the need arise.

The policies to manage currency risk have been followed by the Group since prior years and are considered to be effective.

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.

5. 財務風險管理(續)

5.3 市場風險(續)

利率敏感度(續)

倘利率上升/下降50個基點(就按固定利率計息及重新計量至公允值之可換股債券而言)，而所有其他變數維持不變，則本集團截至二零一四年三月三十一日止年度的年內虧損將減少/增加約320,000港元(二零一三年：428,000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，則本集團截至二零一四年三月三十一日止年度的年內虧損將減少/增加約234,000港元(二零一三年：963,000港元)。

貨幣風險

貨幣風險指金融工具之公允值或未來現金流量因匯率變動而出現波動之風險。由於本集團大部分子公司在中國內地經營，且大部分交易以人民幣(「人民幣」)列值及結算，本集團承擔之人民幣匯率風險輕微。本集團現時並無貨幣風險對沖政策，惟管理層會於需要時考慮對沖重大外匯風險。

本集團一直沿用過往年度之貨幣風險管理政策，且認為其具有成效。

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允值變動而產生)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。

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5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Market risk (Continued)

Currency risk (Continued)

		Increase/ (decrease) in RMB rate	Increase/ (decrease) in loss before income tax 除所得稅前 虧損增加/ (減少)	Increase/ (decrease) in equity
	人民幣匯率 上升/(下跌)	%	HK\$'000 千港元	權益增加/ (減少) HK\$'000 千港元
2014	二零一四年			
If RMB weakens against HK\$	倘人民幣兌港元貶值	(5)	(2,883)	(2,883)
If RMB strengthens against HK\$	倘人民幣兌港元升值	5	2,883	2,883
2013	二零一三年			
If RMB weakens against HK\$	倘人民幣兌港元貶值	(5)	(10,088)	(10,088)
If RMB strengthens against HK\$	倘人民幣兌港元升值	5	10,088	10,088

5.4 Credit risk

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 asset 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 recognised 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.

5. 財務風險管理(續)

5.3 市場風險(續)

貨幣風險(續)

5.4 信貸風險

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確認足夠之減值虧損。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，故銀行結餘之信貸風險有限。

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財務報表附註

For the year ended 31 March 2014
截至二零一四年三月三十一日止年度

5. FINANCIAL RISK MANAGEMENT (Continued)

5.4 Credit risk (Continued)

Other than a 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, as risk exposure is spread over a number of counterparties and customers.

5.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and an availability of funding through the ability to close-out market positions. In the opinion of the Directors, the Group should have adequate resources to meet its obligation in the forthcoming year on the basis set out in note 2.3 to the consolidated financial statements.

The following table details the remaining contractual maturities at the reporting date of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group and the Company can be required to pay:

	Group 本集團					
	On demand	Within 1 year	Within 1 to 2 years	Over 2 years	Total contractual	Carrying amount
					undiscounted	
					cash flow	
按要求	一年內	一至兩年內	超過兩年	未貼現合約 現金流量總額	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	
As at 31 March 2014	於二零一四年三月三十一日					
Trade and bills payables	8,370	60,047	-	-	68,417	68,417
Other payables and accruals	52,079	-	-	-	52,079	52,079
Amount due to a non-controlling shareholder of a subsidiary	852	-	-	-	852	852
Borrowings	85,918	317,789	56,003	-	459,710	435,840
Convertible bond	-	658,925	-	-	658,925	609,897
	147,219	1,036,761	56,003	-	1,239,983	1,167,085

5. 財務風險管理(續)

5.4 信貸風險(續)

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，由於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。

5.5 流動資金風險

審慎流動資金風險管理指透過於市場平倉之能力持有充裕現金及可供動用資金。董事認為，根據綜合財務報表附註2.3所載，本集團將擁有充足資源，可應付其來年之債務。

下表詳列本集團及本公司非衍生金融負債於各報告日期之餘下合約到期情況，此乃根據未貼現合約現金流(包括按訂約利率或(若為浮息)按報告日期之即期利率計算之利息支出)以及本集團及本公司可能需要支付之最早日期而得出：

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For the year ended 31 March 2014
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5. FINANCIAL RISK MANAGEMENT (Continued)

5.5 Liquidity risk (Continued)

5. 財務風險管理(續)

5.5 流動資金風險(續)

		Group 本集團				Total contractual undiscounted cash flow 未貼現合約 現金流量總額	Carrying amount 賬面值
		On demand 按要求 HK\$'000 千港元	Within 1 year 一年內 HK\$'000 千港元	Within 1 to 2 years 一至兩年內 HK\$'000 千港元	Over 2 years 超過兩年 HK\$'000 千港元		
As at 31 March 2013	於二零一三年三月三十一日						
Trade and bills payables	應付賬款及應付票據	72,496	23,835	-	-	96,331	96,331
Other payables and accruals	其他應付款項及應計費用	50,688	-	-	-	50,688	50,688
Amount due to a non-controlling shareholder of a subsidiary	應付子公司一名非控股股東款項	1,129	-	-	-	1,129	1,129
Amount due to a director	應付一名董事款項	-	5,541	-	-	5,541	5,541
Borrowings	借貸	52,885	462,726	-	-	515,611	502,811
Convertible bond	可換股債券	-	9,024	911,425	-	920,449	756,961
		177,198	501,126	911,425	-	1,589,749	1,413,461

		Company 本公司				Total contractual undiscounted cash flow 未貼現合約 現金流量總額	Carrying amount 賬面值
		On demand 按要求 HK\$'000 千港元	Within 1 year 一年內 HK\$'000 千港元	Within 1 to 2 years 一至兩年內 HK\$'000 千港元	Over 2 years 超過兩年 HK\$'000 千港元		
As at 31 March 2014	於二零一四年三月三十一日						
Other payables and accruals	其他應付款項及應計費用	2,093	-	-	-	2,093	2,093
Amounts due to subsidiaries	應付子公司款項	376,906	-	-	-	376,906	376,906
Borrowing	借貸	-	1,537	56,003	-	57,540	52,574
Convertible bond	可換股債券	-	658,925	-	-	658,925	609,897
		378,999	660,462	56,003	-	1,095,464	1,041,470

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5. FINANCIAL RISK MANAGEMENT (Continued)

5.5 Liquidity risk (Continued)

5. 財務風險管理(續)

5.5 流動資金風險(續)

		Company 本公司				Total contractual undiscounted cash flow 未貼現合約 現金流量總額	Carrying amount 賬面值
		On demand 按要求	Within 1 year 一年內	Within 1 to 2 years 一至兩年內	Over 2 years 超過兩年	HK\$'000 千港元	HK\$'000 千港元
As at 31 March 2013	於二零一三年三月三十一日						
Other payables and accruals	其他應付款項及應計費用	4,548	-	-	-	4,548	4,548
Amount due to a subsidiary	應付一間子公司款項	178,251	-	-	-	178,251	178,251
Convertible bond	可換股債券	-	9,024	911,425	-	920,449	756,961
		182,799	9,024	911,425	-	1,103,248	939,760

5.6 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.

Apart from for the financial assets at fair value through profit or loss at fair value and convertible bond described in notes 24 and 34 respectively to the financial statements, the Directors 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.

5.6 公允值

金融資產及金融負債的公允值乃按下列方式釐定：

- 本集團按公允值處理之金融資產的公允值，乃採用報價計算；及
- 其他金融資產及金融負債的公允值，乃根據普遍採納的定價模型，按照折現現金流分析釐定。

除財務報表附註24及附註34分別所述之於損益賬按公允值處理之金融資產及可換股債券外，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允值相若。

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For the year ended 31 March 2014
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5. FINANCIAL RISK MANAGEMENT (Continued)

5.6 Fair value (Continued)

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

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

5. 財務風險管理(續)

5.6 公允值(續)

下表呈列根據公允值架構，以公允值計入財務狀況表之金融資產及負債。此架構根據計量此等金融資產及負債之公允值所使用之主要資料輸入之相對可靠性，將金融資產及負債劃分為三層。公允值架構分為以下各層：

- 第一層：相同資產及負債於活躍市場之報價(未經調整)；
- 第二層：就資產及負債而直接(即價格)或間接(即從價格推算)可觀察之資料輸入(不包括第一層所包含之報價)；及
- 第三層：並非根據可觀察之市場數據而得出之資產或負債資料輸入(無法觀察之資料輸入)。

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For the year ended 31 March 2014
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5. FINANCIAL RISK MANAGEMENT (Continued)

5.6 Fair value (Continued)

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement. The financial assets and liabilities measured at fair value in the statements of financial position are grouped into the fair value hierarchy as follows:

		Group 本集團				Company 本公司			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		第一層	第二層	第三層	總計	第一層	第二層	第三層	總計
		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	
As at 31 March 2014	於二零一四年三月三十一日								
Financial asset:	金融資產:								
Financial assets at fair value through profit or loss	於損益賬按公允值處理之金融資產	1,875	-	-	1,875	-	-	-	1,875
Financial liability:	金融負債:								
Convertible bond	可換股債券	-	609,897	-	609,897	-	609,897	-	609,897

		Group 本集團				Company 本公司			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		第一層	第二層	第三層	總計	第一層	第二層	第三層	總計
		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	
As at 31 March 2013	於二零一三年三月三十一日								
Financial liability:	金融負債:								
Convertible bond	可換股債券	-	756,961	-	756,961	-	756,961	-	756,961

There have been no significant transfers between level 1, 2 and 3 in the reporting period. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

5. 財務風險管理(續)

5.6 公允值(續)

金融資產或負債整體所應歸入之公允值架構內之層次，乃基於對公允值計量屬重大之最低層次輸入資料劃分。本集團於財務狀況報表內按公允值計量之金融資產及負債乃劃分為以下之公允值架構：

於呈報期間，第一、二及三層之間並無重大轉撥。用於計量公允值之方法及估值技術與過往呈報期間相比並無變動。

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5. FINANCIAL RISK MANAGEMENT (Continued)

5.7 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 years ended 31 March 2014 and 2013, the Group's gearing ratio was 145% and 102%, respectively.

6. SEGMENT REPORTING

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive Directors for their decisions about resource allocation in 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 executive Directors are determined by the Group's major product and service lines.

5. 財務風險管理(續)

5.7 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。於截至二零一四年及二零一三年三月三十一日止報告年度，本集團的資產負債比率分別為145%及102%。

6. 分類報告

本集團根據定期向執行董事所匯報用作彼等決定有關本集團業務單位的資源分配及檢討於該等單位表現的內部財務資料而識別營運分類及編製分類資料。向執行董事所匯報內部財務資料之業務單位乃按本集團主要生產及服務線釐定。

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6. SEGMENT REPORTING (Continued)

The Group has identified the following reportable segments:

- Tobacco agricultural operation;
- Fertilizer and pesticide operation;
- Digital television operation; and
- Healthcare products operation.

Segment results represent the profit earned or loss incurred by each segment, but exclude interest income, unallocated gains, corporate and other unallocated expenses, finance costs, other losses, share of results of associates, loss on disposal on interest in an associate, gain on disposal of assets held for sale and income tax which are not directly attributable to the business activities of any operating segment.

Segment assets include all assets, but exclude interests in an associate, deferred tax assets and unallocated corporate assets.

Segment liabilities include all liabilities, but exclude, deferred tax liabilities, convertible bond and corporate and unallocated corporate liabilities.

6. 分類報告(續)

本集團已識別以下可報告分類：

- 煙草農業業務；
- 肥料及農藥業務；
- 數字電視業務；及
- 保健產品業務。

分類業績指各分類賺取之溢利或產生之虧損，但不包括利息收入、未分配收益、企業及其他未分配開支、融資成本、其他虧損、分佔聯營公司業績、出售一間聯營公司權益之虧損、出售持作銷售資產收益及非直接歸屬於任何經營分類之業務活動之所得稅。

分類資產包括所有資產，但不包括一間聯營公司權益、遞延稅項資產及未分配企業資產。

分類負債包括所有負債，但不包括遞延稅項負債、可換股債券及企業及未分配企業負債。

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6. SEGMENT REPORTING (Continued) (a) Segment Results

6. 分類報告(續) (a) 分類業績

		2014 二零一四年					2013 二零一三年				
		Fertilizer				Total	Fertilizer				Total
		Tobacco agricultural operation 煙草農業 業務	and pesticide operation 肥料及 農藥業務	Digital television operation 數字電視 業務	Healthcare products operation 保健產品 業務		Tobacco agricultural operation 煙草農業 業務	and pesticide operation 肥料及 農藥業務	Digital television operation 數字電視 業務	Healthcare products operation 保健產品 業務	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Segment revenue	分類收益										
Sales to external customers	銷售予外部客戶	468,864	14,313	4,679	100	487,956	683,194	44,730	6,335	401	734,660
Other revenue	其他收入	-	-	-	-	-	900	-	-	-	900
		468,864	14,313	4,679	100	487,956	684,094	44,730	6,335	401	735,560
Segment results	分類業績	(112,720)	(30,183)	(1,414)	(4,757)	(149,074)	(124,673)	(13,983)	(639)	(5,420)	(144,715)
Reconciliation:	對賬:										
Interest income	利息收入					3,180					7,047
Unallocated gains	未分配收益					26,822					15,957
Corporate and other unallocated expenses	企業及其他未分配開支					(14,994)					(30,161)
Finance costs	融資成本					(34,162)					(22,914)
Other losses	其他虧損					(113,191)					(156,046)
Share of results of associates	分佔聯營公司業績					-					(681)
Loss on disposal of interest in an associate	出售一間聯營公司權益之虧損					-					(1,504)
Gain on disposal of assets held for sale	出售持作銷售資產之收益					-					35,469
Loss before income tax	除所得稅前虧損					(281,419)					(297,548)

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6. SEGMENT REPORTING (Continued) (b) Segment Assets and Liabilities

6. 分類報告(續) (b) 分類資產及負債

		2014 二零一四年					2013 二零一三年				
		Fertilizer				Total	Fertilizer				Total
		Tobacco agricultural operation	and pesticide operation	Digital television operation	Healthcare products operation		Tobacco agricultural operation	and pesticide operation	Digital television operation	Healthcare products operation	
		煙草農業 業務	肥料及 農藥業務	數字電視 業務	保健產品 業務	合計	煙草農業 業務	肥料及 農藥業務	數字電視 業務	保健產品 業務	合計
		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
Segment assets	分類資產	644,794	31,790	4,159	42,220	722,963	1,093,194	74,174	6,606	42,620	1,216,594
Reconciliation:	對賬:										
Deferred tax assets	遞延稅項資產					3,719					3,399
Corporate and other unallocated assets	企業及其他未分配資產					8,738					37,877
Total assets	資產總額					735,420					1,257,870
Segment liabilities	分類負債	434,219	6,327	3,711	52,885	497,142	578,358	3,942	21,235	39,597	643,132
Reconciliation:	對賬:										
Deferred tax liabilities	遞延稅項負債					7,450					36,120
Convertible bond	可換股債券					609,897					756,961
Corporate and other unallocated liabilities	企業及其他未分配負債					60,052					15,511
Total liabilities	負債總額					1,174,541					1,451,724

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6. SEGMENT REPORTING (Continued) (c) Other Segment Information

6. 分類報告(續) (c) 其他分類資料

		2014 二零一四年					2013 二零一三年				
		Tobacco agricultural operation 煙草農業 業務 HK\$'000 千港元	Fertilizer and pesticide operation 肥料及 農藥業務 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 operation 煙草農業 業務 HK\$'000 千港元	Fertilizer and pesticide operation 肥料及 農藥業務 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
Depreciation Unallocated depreciation	折舊 未分配折舊	5,580	21	352	2,065	8,018	5,564	-	395	2,112	8,071
						270					519
						8,288					8,590
Amortisation of other intangible assets	其他無形資產攤銷	31,658	12,920	8	-	44,586	53,271	12,742	8	-	66,021
Amortisation of prepaid land lease payments	預付土地租賃款 攤銷	276	-	-	-	276	273	-	-	-	273
Impairment loss on goodwill	商譽之減值虧損	-	5,132	-	-	5,132	-	8,495	-	-	8,495
Impairment loss on other receivables	其他應收款項之 減值虧損	-	-	-	-	-	-	-	-	-	5,000
Impairment losses on other intangible assets	其他無形資產之 減值虧損	88,540	10,844	-	-	99,384	135,396	-	-	-	135,396
Impairment losses on property, plant and equipment	物業、機器及設備之 減值虧損	1,421	-	-	-	1,421	3,329	-	-	-	3,329
Loss on dissolution of a subsidiary	解散一間子公司之 虧損	501	-	-	-	501	-	-	-	-	-
Loss on redemption of convertible bond	贖回可換股債券之 虧損	-	-	-	-	25,700	-	-	-	-	44,570
Expense recognised in respect of equity- settled share-based payment	確認以權益結算 並以股份為 支付基準之開支	-	-	-	-	762	-	-	-	-	9,749
Waiver of interest expenses on convertible bond	免除可換股債券之 利息開支	-	-	-	-	(8,524)	-	-	-	-	(9,295)
Waiver of payables	免除應付款項	-	-	-	-	(17,219)	-	-	-	-	(6,466)
Change in fair value of convertible bond	可換股債券之 公允值變動	-	-	-	-	86,990	-	-	-	-	106,487
Capital expenditure Unallocated expenditure	資本開支 未分配開支	69	443	406	10	928	2,228	8	261	9	2,506
		-	-	-	-	306	-	-	-	-	-
						1,234					2,506

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6. SEGMENT REPORTING (Continued) (d) Geographical information

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than deferred tax assets.

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Revenue from external customers	外部客戶收入		
The PRC	中國	487,956	734,660
Hong Kong	香港	—	—
		487,956	734,660

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Non-current assets	非流動資產		
The PRC	中國	103,705	260,490
Hong Kong	香港	409	515
		104,114	261,005

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical and operating location of the assets. The Company is an investment holding company incorporated in Bermuda and operated in Hong Kong, while the Group has the majority of its operations and its workforce in the PRC, and therefore, the PRC is considered as the Group's country of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segments".

6. 分類報告(續) (d) 地區資料

下表提供本集團外部客戶收入及非流動資產(遞延稅項資產除外)之分析。

客戶所在地乃按提供服務或商品付運之位置劃分。非流動資產所在地乃按資產之實際及經營位置劃分。本公司為於百慕達註冊成立而於香港經營之投資控股公司，本集團大部份業務及員工均位於中國，因此，就作出香港財務報告準則第8號「經營分類」之披露而言，本集團視中國為居留國家。

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6. SEGMENT REPORTING (Continued) (e) Information about major customers

No sales to a single customer or a group of customers under with common control accounted for 10% or more of the Group's revenue for the years ended 31 March 2014 and 2013.

6. 分類報告(續) (e) 主要客戶之資料

並無對某單一客戶或處於共同控制下的客戶組別銷售額超過本集團截至二零一四年及二零一三年三月三十一日止年度收入的10%或以上。

7. TURNOVER

7. 營業額

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Sale of agricultural machinery	銷售農業業務機械	468,864	683,194
Sale of fertilizer and pesticide	銷售肥料及農藥	14,313	44,730
Provision of digital television services	提供數字電視業務	4,679	6,335
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	100	401
		487,956	734,660

8. OTHER REVENUE

8. 其他收入

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Net gain on exchanges	匯兌收益淨額	483	-
Government grants (note (a))	政府補助(附註(a))	-	324
Interest income	利息收入	3,180	7,047
Waiver of interest expenses on convertible bond (note 34(e))	免除可換股債券之利息開支(附註34(e))	8,524	9,295
Waiver of payables (note (b))	免除應付款項(附註(b))	17,219	6,466
Sundry income	雜項收入	596	772
		30,002	23,904

Notes:

- (a) 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.
- (b) For year ended 31 March 2014, the amounts represent the waiver of other loan HK\$9,500,000 and relevant interest HK\$7,719,000 payable to an independent third party. In accordance with the loan agreement, the other loan is unsecured, interest bearing at 5% per annum and should be fully repaid on 28 February 2007. Upon the maturity date of other loan, the Group does not receive any request from the lender to demand for repayment. In view of the fact that the loan and the interest thereon were past due for 7 years. The Directors consider that the contractual obligation on this loan of the Group was remote, and therefore, the other loan was written off in this year.

附註：

- (a) 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有事項。
- (b) 截至二零一四年三月三十一日止年度，該款項指豁免應付予獨立第三方的其他貸款9,500,000港元及相關利息7,719,000港元。根據貸款協議，其他貸款為無抵押、按年利率5%計息，並須於二零零七年二月二十八日悉數償還。於其他貸款到期日，本集團並無接獲貸款人有關還款之要求。鑑於該貸款及其累計利息已逾期7年，董事認為本集團就該貸款承擔之合約責任屬輕微，因此，該其他貸款已於本年度撇銷。

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9. OTHER LOSSES

9. 其他虧損

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Change in fair value of financial assets designated at fair value through profit or loss	指定於損益賬按公允值處理之金融資產之公允值變動	–	(3)
Gain on bargain purchase	議價購買收益	–	(8)
Gain on disposal of assets held for sale	出售持作銷售資產之收益	–	(35,469)
Impairment losses on property, plant and equipment	物業、機器及設備減值虧損	1,421	3,329
Impairment loss on other receivables	其他應收款項減值之虧損	–	5,000
Loss on redemption of convertible bond	贖回可換股債券之虧損	25,700	44,570
Loss on disposal of interest in an associate	出售一間聯營公司權益之虧損	–	1,504
Loss on dissolution of a subsidiary (note 40)	解散一間子公司之虧損 (附註40)	501	–
Change in fair value of convertible bond (note 34)	可換股債券之公允值變動 (附註34)	86,990	106,487
		114,612	125,410

10. FINANCE COSTS

10. 融資成本

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 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	14,773	14,701
Interest on other loans	其他貸款之利息	19,389	8,213
		34,162	22,914

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11. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

11. 除所得稅前虧損

除所得稅前虧損經扣除/(計入)以下各項
達致：

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
(a) Staff costs	(a) 員工成本		
Contributions to defined contribution retirement plans (note 43)	向定額供款退休計劃供款(附註43)	2,322	2,170
Equity-settled share-based payment expenses (note 36)	以權益結算並以股份為支付基準之開支(附註36)	127	672
Salaries, wages and other benefits	薪金、工資及其他福利	33,206	45,927
		35,655	48,769

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11. LOSS BEFORE INCOME TAX (Continued)

11. 除所得稅前虧損(續)

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
(b) Other items	(b) 其他項目		
Amortisation	攤銷		
– prepaid land lease payments	– 預付土地租賃款	276	273
– other intangible assets	– 其他無形資產	44,586	66,021
Gain on bargain purchase*	議價購買收益*	–	(8)
Depreciation on property, plant and equipment	物業、機器及設備之折舊	8,288	8,590
Loss on disposals of property, plant and equipment	出售物業、機器及設備之 虧損	1,242	342
Write-off of property, plant and equipment	物業、機器及設備撇銷	147	1,956
Write-off of inventories	存貨撇銷	661	–
Gain on disposal of assets held for sale	出售持作銷售資產之收益	–	(35,469)
Impairment losses	減值虧損		
– property, plant and equipment (note 17)	– 物業、機器及設備 (附註17)	1,421	3,329
– goodwill (note 19)	– 商譽(附註19)	5,132	8,495
– other intangible assets (note 20)	– 其他無形資產(附註20)	99,384	135,396
– other receivables	– 其他應收賬款	–	5,000
Operating lease charges:	經營租賃費用：		
minimum lease payments	最低租賃付款		
– hire of building	– 租用樓宇	4,873	5,371
– hire of office equipment	– 租用辦公室設備	69	62
Auditors' remuneration	核數師酬金		
– audit services in current year	– 核數服務—本年度	880	950
– audit services under/(over) provided in prior years	– 核數服務撥備不足/ (超額撥備)—以往年度	660	(778)
– other services in current year	– 其他服務—本年度	–	1,046
Cost of inventories recognised as expense	確認為開支之存貨成本	337,192	484,689
Research and development costs	研究及開發費用	7,352	5,431

* Gain on bargain purchase is included in "Other losses" in the consolidated income statement.

* 議價購買收益列入綜合收益表「其他虧損」內。

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12. DIRECTORS' REMUNERATION

Directors' emoluments and fee for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, are as follows:

12. 董事酬金

根據上市規則及香港公司條例第161條披露之董事之年度酬金及袍金如下：

		Fees		Salaries, allowances and benefits in kind		Retirement scheme contributions		Sub-total		Share-based Payments		Total	
		袍金		薪金、津貼及實物利益		退休計劃供款		小計		以股份為支付基準款項		合計	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		二零一四年	二零一三年	二零一四年	二零一三年	二零一四年	二零一三年	二零一四年	二零一三年	二零一四年	二零一三年	二零一四年	二零一三年
		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
Executive Directors	執行董事												
Jingquan Yingzi	井泉瑛孜	456	-	228	416	-	31	684	447	-	-	684	447
Wong Man Hung Patrick	王文雄	-	-	853	887	15	15	868	902	-	359	868	1,261
Shan Xiaochang (resigned on 2 November 2013)	單曉昌(於二零一三年十一月二日辭任)	-	-	114	415	-	-	114	415	-	-	114	415
Wu Zhongxin	吳中心	-	-	228	415	-	-	228	415	-	-	228	415
Feng Xiaoping (resigned on 28 September 2012)	封小平(於二零一二年九月二十八日辭任)	-	-	-	53	-	-	-	53	-	-	-	53
Stephen William Frostick	Stephen William Frostick	-	-	375	130	12	6	387	136	-	-	387	136
Non-executive Director	非執行董事												
Prof. Liu Guoshun	劉國順教授	52	-	-	-	-	-	52	-	-	-	52	-
Independent Non-executive Directors	獨立非執行董事												
Sousa Richard Alvaro	蘇志汶	102	78	-	-	-	-	102	78	-	-	102	78
Lee Chi Hwa Joshua	李智華	102	78	-	-	-	-	102	78	-	-	102	78
Zhao Zhizheng (appointed on 26 July 2012)	趙志正(於二零一二年七月二十六日獲委任)	102	53	-	-	-	-	102	53	-	-	102	53
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)	-	25	-	-	-	-	-	25	-	-	-	25
Total	合計	814	234	1,798	2,316	27	52	2,639	2,602	-	359	2,639	2,961

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12. DIRECTORS' REMUNERATION (Continued)

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

During the year ended 31 March 2013, a director was granted share options, in respect of his services to the Group, under the share option scheme of the Company, further details of which are set out in note 36 to the financial statements. The fair value of these options, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the Directors' remuneration disclosures above.

13. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals of the Group for the year included two directors (2013: two directors), details of whose remuneration are set out in note 12 above. Details of the remuneration for the year of the remaining three (2013: three) highest paid employees are as follows:

12. 董事酬金(續)

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。有關酬金會每年檢討。

於截至二零一三年三月三十一日止年度內，一名董事因其為本集團提供之服務而根據本公司之購股權計劃獲授購股權，其進一步詳情載於財務報表附註36。該等購股權之公允值(已於歸屬期內於收益表內確認)於授出日期釐定，而於本年度財務報表內列賬之金額則已計入上文董事酬金之披露。

13. 五位最高薪人士

年內，本集團五位最高薪人士包括兩名董事(二零一三年：兩名董事)，其酬金詳情載於上文附註12。年內餘下三名(二零一三年：三名)最高薪僱員之酬金詳情如下：

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,712	1,419
Equity-settled share-based payment expenses (note 36)	以權益結算並以股份為支付基準之開支(附註36)	–	289
Retirement scheme contributions	退休計劃供款	45	60
		1,757	1,768

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13. FIVE HIGHEST PAID INDIVIDUALS (Continued)

The emoluments of the five highest paid individuals, other than the directors, fell within the following bands:

13. 五位最高薪人士(續)

五位最高薪人士(董事除外)之酬金介乎下列範圍：

		Number of individuals 人數	
		2014 二零一四年	2013 二零一三年
Emolument bands	酬金範圍		
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	–	–
		3	3

During the years ended 31 March 2014 and 2013, no emoluments were paid by the Group to any of the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors have waived any emoluments during the year.

截至二零一四年及二零一三年三月三十一日止年度，本集團概無向任何董事或五位最高薪人士支付任何酬金作為彼等加入或於加入本集團時之獎金或離職補償。年內概無董事放棄任何酬金。

14. INCOME TAX CREDIT

14. 所得稅抵免

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Current tax – Hong Kong Profits Tax	當期稅項 – 香港利得稅		
Provision for the year	年度撥備	–	–
Current tax – PRC Enterprises Income Tax	當期稅項 – 中國企業所得稅		
Provision for the year	年度撥備	758	8,476
Under provision in respect of prior years	過往年度撥備不足	–	420
		758	8,896
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (note 33)	暫時性差額之產生及撥回 (附註33)	(29,399)	(53,850)
Income tax credit	所得稅抵免	(28,641)	(44,954)

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14. INCOME TAX CREDIT (Continued)

No provision for Hong Kong profits tax has been made in the financial statements as there were no estimated assessable profits for the years ended 31 March 2014 and 2013.

Under the Corporate Income Tax Law of the People's Republic of China ("New CIT Law"), in general, the applicable income tax rate of enterprises in China is 25%. Pursuant to relevant requirements, enterprises recognised as "High-Tech Enterprises" are entitled to a favorable statutory tax rate of 15% according to the New CIT Law. Jiangsu Kedi Modern Agriculture Co., Ltd, an indirectly wholly owned subsidiary of the Company, has been approved and certified by relevant authorities as a "High-Tech Enterprise" and is entitled to the favorable statutory tax rate of 15% from 2013 to 2015.

Reconciliation between the income tax credit and accounting loss at applicable tax rates is as follows:

14. 所得稅抵免(續)

由於截至二零一四年及二零一三年三月三十一日止年度並無估計應課稅溢利，故財務報表中並無就香港利得稅作出撥備。

根據中華人民共和國企業所得稅法(「新企業所得稅法」)，中國企業之適用所得稅率通常為25%。根據相關規定，獲認可為「高新技術企業」之企業有權按照新企業所得稅法享有15%之法定優惠稅率。本公司間接全資子公司江蘇科地現代農業有限公司已獲有關當局認可及認證為「高新技術企業」，於二零一三年至二零一五年享有15%之法定優惠稅率。

按適用稅率計算之所得稅抵免及會計虧損之對賬如下：

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(281,419)	(297,548)
Tax calculated at domestic income tax rate of 16.5% (2013: 16.5%)	按本地所得稅率16.5% (二零一三年：16.5%) 計算之稅項	(46,434)	(49,095)
Tax effect of share of results of associates	應佔聯營公司業績之稅務影響	–	112
Tax effect of non-taxable income	毋須課稅收益之稅務影響	(26,163)	(32,859)
Tax effect of non-deductible expenses	不可扣稅支出之稅務影響	41,934	38,890
Tax effect of unused tax losses not recognised	未確認未動用稅項虧損之稅務影響	1,765	73
Under provision in respect of prior years	過往年度撥備不足	–	420
Loss/(profit) not subject to tax due to tax concessions	因稅務寬減而毋須課稅 虧損/(溢利)	302	(5,348)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之子公司 不同稅率之影響	(45)	2,853
Income tax credit	所得稅抵免	(28,641)	(44,954)

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15. LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company includes a loss of HK\$419,934,000 (2013: HK\$153,775,000) which has been dealt with in the financial statements of the Company.

16. LOSS PER SHARE

(a) Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company.

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(247,690)	(248,806)
Weighted average number of ordinary shares in issue (thousands)	已發行普通股之加權平均數 (千股)	2,713,798	2,713,798

(b) Basic and diluted loss per share for the years ended 31 March 2014 and 2013 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.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 March 2014 and 2013 in respect of a dilution as the impact of the convertible bond outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

15. 本公司擁有人應佔年度虧損

本公司擁有人應佔虧損包括虧損 419,934,000 港元(二零一三年: 153,775,000 港元)，已於本公司之財務報表內作出處理。

16. 每股虧損

(a) 每股基本虧損按本年度本公司擁有人應佔虧損除以年內已發行普通股(不包括本公司購回之普通股)之加權平均股數計算。

(b) 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，因此截至二零一四年及二零一三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。

由於尚未行使可換股債券對所呈報之每股基本虧損具有反攤薄影響，故並未就截至二零一四年及二零一三年三月三十一日止年度所呈報之每股基本虧損作出調整。

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17. PROPERTY, PLANT AND EQUIPMENT Group

17. 物業、機器及設備 本集團

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	廠房及機器	傢俬、裝置及設備	汽車	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
Cost	成本						
1 April 2012	於二零一二年四月一日	49,395	13,297	53,200	9,703	9,398	134,993
Additions	增購	-	-	292	159	2,055	2,506
Disposal	出售	-	-	-	-	(765)	(765)
Write-off	撇銷	-	(2,657)	-	-	-	(2,657)
At 31 March and 1 April 2013	於二零一三年三月三十一日及 四月一日	49,395	10,640	53,492	9,862	10,688	134,077
Additions	增購	-	243	548	443	-	1,234
Disposals	出售	(861)	-	(1,861)	(51)	-	(2,773)
Dissolution of a subsidiary (note 40)	解散一間子公司 (附註40)	-	-	-	(149)	(595)	(744)
Write-off	撇銷	-	(45)	(12)	(400)	-	(457)
Exchange differences	匯兌差額	617	132	669	45	174	1,637
At 31 March 2014	於二零一四年三月三十一日	49,151	10,970	52,836	9,750	10,267	132,974

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

17. 物業、機器及設備(續)

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	廠房及機器	傢俬、裝置及設備	汽車	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
Accumulated depreciation and impairment	累計折舊及減值						
1 April 2012	於二零一二年四月一日	9,389	3,153	27,091	7,973	3,871	51,477
Depreciation	折舊	1,715	1,607	2,996	788	1,484	8,590
Disposals	出售	-	-	-	-	(364)	(364)
Write-off	撇銷	-	(701)	-	-	-	(701)
Impairment losses	減值虧損	3,329	-	-	-	-	3,329
At 31 March and 1 April 2013	於二零一三年三月三十一日及四月一日	14,433	4,059	30,087	8,761	4,991	62,331
Depreciation	折舊	1,736	1,459	3,075	702	1,316	8,288
Disposals	出售	(387)	-	(677)	(47)	-	(1,111)
Dissolution of a subsidiary (note 40)	解散一間子公司(附註40)	-	-	-	(73)	(142)	(215)
Write-off	撇銷	-	(45)	(11)	(254)	-	(310)
Impairment losses	減值虧損	1,421	-	-	-	-	1,421
Exchange differences	匯兌差額	181	51	377	31	63	703
At 31 March 2014	於二零一四年三月三十一日	17,384	5,524	32,851	9,120	6,228	71,107
Carrying amount	賬面值						
At 31 March 2014	於二零一四年三月三十一日	31,767	5,446	19,985	630	4,039	61,867
At 31 March 2013	於二零一三年三月三十一日	34,962	6,581	23,405	1,101	5,697	71,746

As at 31 March 2014, certain of the Group's buildings with a net carrying amount of approximately HK\$28,414,000 (2013: HK\$34,401,000) have been pledged to secure general banking facilities granted to the Group as disclosed in note 32.

於二零一四年三月三十一日，本集團賬面淨值約28,414,000港元(二零一三年：34,401,000港元)之若干樓宇已抵押作為附註32所披露本集團所獲一般銀行融通額度之擔保。

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18. PREPAID LAND LEASE PAYMENTS

Group

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Carrying amount	賬面值		
At 1 April	於四月一日	11,000	11,273
Amortisation	攤銷	(276)	(273)
Exchange differences	匯兌差額	138	–
At 31 March	於三月三十一日	10,862	11,000
Non-current portion	非流動部分	10,586	10,727
Current portion included in other receivables	計入其他應收款項之流動部份	276	273
		10,862	11,000

The leasehold land is situated in Mainland China and is held under a medium term lease.

At 31 March 2014, the Group's prepaid land lease payments with an aggregate carrying amount of approximately HK\$10,862,000 (2013: approximately HK\$11,000,000) were pledged to secure banking facilities granted to the Group as disclosed in note 32 to the financial statements.

18. 預付土地租賃款

本集團

租賃土地位於中國內地，按中期租約持有。

於二零一四年三月三十一日，本集團賬面總值為數約10,862,000港元(二零一三年：約11,000,000港元)之預付土地租賃款已抵押作為財務報表附註32所披露本集團獲授銀行融通額度之擔保。

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19. GOODWILL

Group

19. 商譽

本集團

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
At beginning of year:	於年初：		
Cost	成本	315,842	315,842
Accumulated impairment	累計減值	(310,773)	(302,278)
Net carrying amount	賬面淨值	5,069	13,564
Net carrying amount:	賬面淨值：		
At 1 April	於四月一日	5,069	13,564
Impairment loss	減值虧損	(5,132)	(8,495)
Exchange differences	匯兌差額	63	–
At 31 March	於三月三十一日	–	5,069
At the end of year:	於年末：		
Cost	成本	315,842	315,842
Accumulated impairment	累計減值	(315,842)	(310,773)
Net carrying amount	賬面淨值	–	5,069

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19. GOODWILL (Continued)

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the following CGUs for impairment testing:

- Tobacco agricultural cash-generating unit; and
- Fertilizer and pesticide cash-generating unit

At the date of acquisition (“Acquisition”) of the Kang Yuan Group, the management had originally anticipated that there would be a significant growth in the tobacco agricultural CGU and fertilizer and pesticide CGU in subsequent years. However, as to the fact that the benefit of expected synergies and revenue growth had been slower than expected and the changes in industry policy may have imposed uncertainties over the business.

Tobacco agricultural cash-generating unit

For the year under review, the recoverable amount of the tobacco agricultural CGU has been determined based on a value in use calculation by taking into account the cash flow projections that based on financial budgets approved by management covering a seven-year period (2013: seven-year period) which reflects the prevailing economic pattern of the operation and valued by the professional valuers. The discount rate applied to the cash flow projections is 21.66% (2013: 29.2%). The growth for the calculation of the terminal value is 3% (2013: 3%) which was benchmarked to the long term average growth rate of the market.

Based on the value in use calculation, the goodwill associated with the tobacco agriculture CGU was fully impaired as at 31 March 2011 and impairment losses was further recognised on (1) other intangible assets of approximately HK\$135,396,000 and HK\$88,540,000 and (2) property, plant and equipment of approximately HK\$3,329,000 and HK\$1,421,000, for the years ended 31 March 2013 and 2014 respectively as the recoverable amounts of this CGU is less than the carrying value in respective year.

19. 商譽(續)

商譽減值測試

透過業務合併收購之商譽已分配至下列現金產生單位進行減值測試：

- 煙草農業現金產生單位；及
- 肥料及農藥現金產生單位

於收購康源集團(「收購事項」)日期，管理層原先估計，煙草農業現金產生單位以及肥料及農藥現金產生單位於其後年度將會有重大增長。然而，預期協同效益及收益增長較預期為慢及行業政策變化可能會為該業務帶來不確定性。

煙草農業現金產生單位

於回顧年度，煙草農業現金產生單位之可收回數額乃以根據管理層批准及專業估值師估值之反映現行營運經濟模式之七年期(二零一三年：七年期)財務預算使用現金流量預測計算之使用價值而釐定。現金流量預測適用之折現率為21.66%(二零一三年：29.2%)。以長期平均市場增長率為基準，計算最終價值之增長率為3%(二零一三年：3%)。

根據使用價值計算方式，與煙草農業現金產生單位相關之商譽乃於二零一一年三月三十一日悉數減值，並分別於截至二零一三年及二零一四年三月三十一日止年度，就(i)其他無形資產約135,396,000港元及88,540,000港元及(2)物業、機器及設備約3,329,000港元及1,421,000港元進一步確認減值虧損，原因為此現金產生單位之可收回金額少於有關年度之賬面值。

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19. GOODWILL (Continued) Impairment testing of goodwill (Continued)

Fertilizer and pesticide cash-generating unit

The recoverable amount of the fertilizer and pesticide CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period (2013: five-year period) approved by management and valued by the professional valuers. The discount rate applied to the cash flow projections was 18.35% (2013: 17.38%) and cash flows beyond the five-year period were extrapolated using a growth rate of 3% (2013: 3%) by reference to the long term average growth rate.

Goodwill associated with the fertilizer and pesticide CGU was impaired by approximately HK\$27,986,000 as up to 31 March 2013 and recognised a further impairment loss of approximately HK\$5,132,000 for the year ended 31 March 2014 (2013: HK\$8,495,000) due to the recoverable amounts of this CGU is less than the carrying value.

Based on the value in use calculation, the goodwill associated with the fertilizer and pesticide CGU was fully impaired as at 31 March 2014 and impairment losses was further recognised on other intangible assets of approximately HK\$10,844,000 for the year ended 31 March 2014 as the recoverable amounts of this CGU is less than the carrying value in current year.

The carrying amount of goodwill, net of any allowance for impairment, is allocated to the following CGUs:

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Tobacco agricultural business	煙草農業業務	-	-
Fertilizer and pesticide business	肥料及農藥業務	-	5,069
Carrying amount at end of the year	年終之賬面值	-	5,069

Management's key assumptions include stable profit margins, which are determined from past performance and its expectations for market share after taking into consideration of prevailing market forecasts and research. The growth rates adopted in the valuation models are generally consistent with the forecasts found in industry reports. The discount rates used are the one of pre-tax that reflect specific risks of the Group in the industry.

Apart from the considerations that have been taken into account in determining the value in use of the CGUs, the Group's management is not aware of any possible changes that would necessitate changes in its key estimates.

19. 商譽(續) 商譽減值測試(續)

肥料及農藥現金產生單位

肥料及農藥現金產生單位之可收回數額乃以根據管理層批准及專業估值師估值之五年期(二零一三年：五年期)財務預算使用現金流量預測計算之使用價值而釐定。經參考長期平均增長率，現金流量預測適用之折現率為18.35%(二零一三年：17.38%)，而超過五年期之現金流量以3%(二零一三年：3%)之增長率推定。

與肥料及農藥現金產生單位相關之商譽乃於二零一三年三月三十一日減值約27,986,000港元，並由於此現金產生單位之可收回金額少於賬面值而於截至二零一四年三月三十一日止年度確認進一步減值虧損約5,132,000港元(二零一三年：8,495,000港元)。

根據使用價值計算，於二零一四年三月三十一日，與肥料及農藥現金產生單位有關之商譽已全面減值，且於截至二零一四年三月三十一日止年度，已就其他無形資產進一步確認減值虧損約10,844,000港元，因為該現金產生單位之可收回金額低於本年年度之賬面值。

商譽之賬面值(扣除任何減值撥備)乃分配至下列現金產生單位：

經計及現行市場預測及研究後，管理層之主要假設包括從市場過往表現及對市場佔有率預測釐定之穩定利潤率。估值模式所用增長率一般與業內報告所載預測相符。所用貼現率為可反映本集團於業內之特定風險之稅前貼現率。

除於釐定現金產生單位之使用價值時已考慮之因素外，本集團管理層並不知悉有任何可能變化，以致有需要修改其主要估計。

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20. OTHER INTANGIBLE ASSETS

Group

20. 其他無形資產

本集團

		Club membership	Technologies	Patent and license rights	Tradename	Non-competition agreement	Customers relationships	Distribution network	License with definite useful lives	Total
		會所會籍	技術	專利及許可權	商標名稱	不競爭協議	客戶關係	分銷網絡	之許可權	總計
		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
				(note a)	(note b)		(note c)		具有無限 可使用年期	
				(附註a)	(附註b)		(附註c)			
At 1 April 2012	於二零一二年四月一日	157	20,607	84,555	106,965	28,062	25,005	109,382	-	374,733
Acquisition of a subsidiary (note 39)	收購一間子公司(附註39)	-	-	-	-	-	-	-	147	147
Amortisation for the year	本年度攤銷	(8)	(15,005)	-	-	(16,276)	(8,825)	(25,894)	(13)	(66,021)
Impairment losses	減值虧損	-	(2,664)	(40,133)	(50,773)	(2,192)	-	(39,634)	-	(135,396)
At 31 March 2013 and 1 April 2013	於二零一三年三月三十一日 及二零一三年四月一日	149	2,938	44,422	56,192	9,594	16,180	43,854	134	173,463
Amortisation for the year	本年度攤銷	(7)	(2,975)	-	-	(6,420)	(8,936)	(26,217)	(31)	(44,586)
Impairment losses	減值虧損	-	-	(33,169)	(41,958)	(3,294)	(7,446)	(13,413)	(104)	(99,384)
Exchange differences	匯兌差額	2	37	555	703	120	202	548	1	2,168
At 31 March 2014	於二零一四年三月三十一日	144	-	11,808	14,937	-	-	4,772	-	31,661

Notes:

- (a) The patents and license rights ("Licenses") was purchased as part of business combinations in the Acquisition of Kang Yuan Group on 1 February 2010. The Directors are of the opinion that the upkeep of the Licenses at minimal cost and the Group would be able to renew the License continuously.

The Licenses are considered by the management of the Group as having an indefinite life and thus will not be amortised until their useful lives are determined to be finite upon reassessment annually. Nevertheless, they will be subject to impairment test annually, and whenever there is an indication, impairment testing will be conducted.

附註：

- (a) 專利及許可權(「許可權」)乃作為於二零一零年二月一日收購康源集團之業務合併之一部分而收購。董事認為該許可權之維護費乃最低成本，且本集團將能夠持續重續許可權。

本集團管理層團隊認為許可權具有無限年期，並因此將不會被攤銷，直至於每年重估時釐定其可使用年期為有限時為止。然而，其須每年及於有減值跡象時進行減值測試。

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20. OTHER INTANGIBLE ASSETS (Continued)

Notes: (Continued)

- (b) The tradename is considered by management to have indefinite useful lives and there is no foreseeable limit to the period over which they are expected to generate cash flows for the Group as it is expected that their value will not be reduced through usage and there are no legal or similar limits on the period for the use of the tradename.
- (c) The useful life of customer relationships that arose from the aforesaid business combination, were estimated on the basis that their expected successful rate in retaining the acquirees' customers, and the prevailing general practice in the industry in estimating the expected useful life of customer relationships acquired in business combination. The amortising period for customer relationships is 5 years (2013: 5 years).
- (d) These intangible assets are used in the Group's tobacco agricultural segment and fertilizer and pesticide segment. The Group recognised an impairment losses for these intangible assets of approximately HK\$99,384,000 for the year under review (2013: HK\$135,396,000) which has been reflected in the consolidated income statement.

Impairment testing of other intangible assets

Other intangible assets acquired through business combinations have been allocated to the following CGUs for impairment testing:

- Tobacco agricultural cash-generating unit; and
- Fertilizer and pesticide cash-generating unit.

At the Acquisition date, management had originally anticipated that there would be a significant growth in the tobacco agricultural CGU and fertilizer and pesticide CGU in subsequent years. However, as to the fact that the benefit of expected synergies and revenue growth had been slower than expected and the changes in industry policy may have imposed uncertainties over the business.

20. 其他無形資產(續)

附註：(續)

- (b) 商標被管理層團隊視作具有無限的使用年期，預期可為本集團帶來現金流的期限沒有可預見限制，因為預期商標之價值不會因使用而減少，使用商標之期限亦無任何法律或類似限制。
- (c) 因上述業務合併而產生之客戶關係之可使用年期乃根據保留被收購方客戶之預期成功率及業內估計於業務合併時所取得之客戶關係之預期可使用年期之現行一般慣例予以估計。客戶關係之攤銷期為5年(二零一三年：5年)。
- (d) 該等無形資產用於本集團之煙草農業分部及肥料及農藥分部。本集團於回顧年度就該等無形資產確認減值虧損約99,384,000港元(二零一三年：135,396,000港元)，已於綜合收益表反映。

其他無形資產之減值測試

透過業務合併收購之其他無形資產已分配至下列現金產生單位以進行減值測試：

- 煙草農業現金產生單位；及
- 肥料及農藥現金產生單位。

於收購事項日，管理層原先估計，煙草農業現金產生單位以及肥料及農藥現金產生單位於其後年度將會有重大增長。然而，預期協同效益及收益增長較預期為慢及行業政策變化可能會為該業務帶來不確定性。

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20. OTHER INTANGIBLE ASSETS (Continued) Impairment testing of other intangible assets (Continued)

Tobacco agricultural cash-generating unit

For the year under review, the recoverable amount of the tobacco agricultural CGU has been determined based on a value in use calculation by taking into account the cash flow projections that based on financial budgets approved by management covering a seven-year period (2013: seven-year period) which reflects the prevailing economic pattern of the operation and valued by the professional valuers. The discount rate applied to the cash flow projections is 21.66% (2013: 29.2%). The growth for the calculation of the terminal value is 3% (2013: 3%) which was benchmarked to the long term average growth rate of the market.

Based on the value in use calculation, impairment losses of intangible assets of approximately HK\$135,396,000 and HK\$88,540,000 associated with the tobacco agriculture CGU were provided for the years ended 31 March 2013 and 2014 respectively as the recoverable amounts of this CGU is less than the carrying value in respective year.

Fertilizer and pesticide cash-generating unit

The recoverable amount of the fertilizer and pesticide CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period (2013: five-year period) approved by management and valued by the professional valuers. The discount rate applied to the cash flow projections was 18.35% (2013: 17.38%) and cash flows beyond the five-year period were extrapolated using a growth rate of 3% (2013: 3%) by reference to the long term average growth rate.

Based on the value in use calculation, the goodwill associated with the fertilizer and pesticide CGU was fully impaired as at 31 March 2014 and impairment losses was further recognised on other intangible assets of approximately HK\$10,844,000 for the year ended 31 March 2014 as the recoverable amounts of this CGU is less than the carrying value in current year.

20. 其他無形資產(續) 其他無形資產之減值測試(續)

煙草農業現金產生單位

於回顧年度，煙草農業現金產生單位之可收回數額乃以根據管理層批准及專業估值師估值之反映現行營運經濟模式之七年期(二零一三年：七年期)財務預算使用現金流量預測計算之使用價值而釐定。現金流量預測適用之折現率為21.66%(二零一三年：29.2%)。以長期平均市場增長率為基準，計算最終價值之增長率為3%(二零一三年：3%)。

根據使用價值計算方式，與煙草農業現金產生單位相關之無形資產於截至二零一三年及二零一四年三月三十一日止年度之減值虧損分別約135,396,000港元及88,540,000港元已計提撥備，原因為此現金產生單位之可收回金額少於於相應年度之賬面值。

肥料及農藥現金產生單位

肥料及農藥現金產生單位之可收回數額乃以根據管理層批准及專業估值師估值之五年期(二零一三年：五年期)財務預算使用現金流量預測計算之使用價值而釐定。經參考長期平均增長率，現金流量預測適用之折現率為18.35%(二零一三年：17.38%)，而超過五年期之現金流量以3%(二零一三年：3%)之增長率推定。

根據使用價值計算，於二零一四年三月三十一日，與肥料及農藥現金產生單位有關之商譽已全面減值，且於截至二零一四年三月三十一日止年度，已就其他無形資產進一步確認減值虧損約10,844,000港元，因為該現金產生單位之可收回金額低於本年度之賬面值。

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20. OTHER INTANGIBLE ASSETS (Continued) Impairment testing of other intangible assets

(Continued)

Fertilizer and pesticide cash-generating unit (Continued)

The carrying amount of other intangible assets, net of any allowance for impairment, is allocated to the following CGUs:

		Technologies	Patent & license rights	Tradename	Non-competition agreement	Customers relationships	Distribution network	License with definite useful lives	Total
		技術	專利及許可權	商標名稱	不競爭協議	客戶關係	分銷網絡	具有有限使用年期之許可	總計
		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
Tobacco agricultural business	煙草農業業務	-	11,808	14,937	-	-	4,772	-	31,517
Fertilizer and pesticide business	肥料及農藥業務	-	-	-	-	-	-	-	-
At 31 March 2014	於二零一四年三月三十一日	-	11,808	14,937	-	-	4,772	-	31,517

		Technologies	Patent & license rights	Tradename	Non-competition agreement	Customers relationships	Distribution network	License with definite useful lives	Total
		技術	專利及許可權	商標名稱	不競爭協議	客戶關係	分銷網絡	具有有限使用年期之許可	總計
		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
Tobacco agricultural business	煙草農業業務	2,938	44,422	56,192	2,437	-	43,854	-	149,843
Fertilizer and pesticide business	肥料及農藥業務	-	-	-	7,157	16,180	-	134	23,471
At 31 March 2013	於二零一三年三月三十一日	2,938	44,422	56,192	9,594	16,180	43,854	134	173,314

Management's key assumptions include stable profit margins, which are determined based on past performance and its expectations for market share after taking into consideration of published market forecast and research. The growth rates adopted in the valuation models are generally consistent with the forecasts found in industry reports. The discount rates used are the one of pre-tax and that reflect specific risk of the Company in the industry.

Apart from the considerations that have been taken into account in determining the value in use of the CGUs, the Group's management is not aware of any possible changes that would necessitate changes in its key estimates.

20. 其他無形資產(續) 其他無形資產之減值測試(續)

肥料及農藥現金產生單位(續)

其他無形資產之賬面值，扣除任何減值撥備，乃分配至下列現金產生單位：

管理層之主要假設包括穩定利潤率，此乃根據過往表現及對市場佔有率預測釐定，當中已計及已刊發之市場預測及研究。估值模式所用增長率一般與業內報告所載預測相符。所用貼現率為可反映本公司於業內之特定風險之稅前貼現率。

除於釐定現金產生單位之使用價值時已考慮之因素外，本集團管理層並不知悉有任何可能變化，以致有需要修改其主要估計。

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21. INTERESTS IN SUBSIDIARIES

21. 子公司權益

		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 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 (note a)	應收子公司款項(附註a)	1,843,786	1,853,591
Less: Impairment losses	減：減值虧損	(1,337,461)	(1,030,979)
		506,325	822,612
Amounts due to subsidiaries (note b)	應付子公司款項(附註b)	376,906	178,251

Notes:

- (a) The amounts due from subsidiaries are unsecured, interest free and repayment on demand.
- (b) The amounts due to subsidiaries are unsecured, interest free and repayment on demand.

附註：

- (a) 應收子公司款項為無抵押、免息及按要求償還。
- (b) 應付子公司款項為無抵押、免息及按要求償還。

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21. INTERESTS IN SUBSIDIARIES (Continued)

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

21. 子公司權益(續)

本公司之主要子公司詳情如下：

Name of company 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及經營地點	Particulars of issued and paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Group's effective interest 本集團之實際權益		Percentage held by the Company indirectly 本公司間接持有之百分比		Principal activities 主要業務
			2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年	
			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%	
Jiangsu Kedi Modern Agriculture Co., Ltd. ("Jiangsu Kedi") 江蘇科地現代農業有限公司 (「江蘇科地」)	The 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	The 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 Baorong Biological Technology Company Limited ("Henan Baorong") 河南寶融生物科技有限公司 (「河南寶融」)	The PRC 中國	RMB5,050,000 人民幣5,050,000元	50.5%	50.5%	50.5%	50.5%	Trading of fertilizer and pesticide 買賣化肥及農藥
Henan Agricultural University Kedi Modern Agriculture Co., Ltd.* ("Henan Agricultural") 河南農大科地現代農業煙草有限公司* (「河南農大」)	The PRC 中國	RMB9,000,000 人民幣9,000,000元	-	100%	-	100%	Provision of consultancy service 提供諮詢服務
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

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21. INTERESTS IN SUBSIDIARIES (Continued)

21. 子公司權益(續)

Name of company 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及經營地點	Particulars of issued and paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Group's effective interest 本集團之實際權益		Percentage held by the Company indirectly 本公司間接持有之百分比		Principal activities 主要業務
			2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年	
			Hunan Xiaoxiang Digital Television Broadcast Company Limited 湖南瀟湘數字電視有限公司	The PRC 中國	RMB50,000,000 人民幣50,000,000元	70%	
Sparkle View Enterprises Limited 景輝企業有限公司	British Virgin Islands 英屬處女群島	1 share of USD1 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 HKD 1 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	The PRC 中國	USD10,000,000 10,000,000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	The 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

The above table lists out the subsidiaries of the Company as at 31 March 2014 which, in the opinion of the Directors, principally affected the Group's results for the year or formed a substantial portion of the net assets of the Group.

* During the year, the Group has deregistered Henan Agricultural and the details are disclosed in note 40.

上表列出本公司於二零一四年三月三十一日之子公司，而董事認為，該等子公司對本集團本年度業績構成主要影響或構成本集團資產淨值之重大部份。

* 於年內，本集團已撤銷註冊其間接全資子公司河南農大科地現代農業煙草有限公司，詳情於附註40披露。

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22. INTEREST IN AN ASSOCIATE

22. 聯營公司權益

		Group 本集團	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Share of net assets	分佔淨資產	1,163	1,148
Less: Impairment losses	減：減值虧損	(1,148)	(1,148)
Exchange differences	匯兌差額	(15)	–
		–	–
Amount due from an associate (note a)	應收聯營公司款項(附註a)	4,457	4,457
Less: Impairment losses	減：減值虧損	(4,457)	(4,457)
		–	–

Particulars of the Company's associate is as follows:

本公司之聯營公司詳情如下：

Name of company 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及經營地點	Particulars of registered capital 註冊資本詳情	Group's effective interest		Percentage held by the Company indirectly		Principal activities 主要業務
			2014	2013	2014	2013	
			二零一四年	二零一三年	二零一四年	二零一三年	
Jiangsu BCTV Fashion Media Company Limited (note b) 江蘇廣電時尚傳媒 有限公司(附註b)	The PRC 中國	RMB10,000,000 人民幣10,000,000元	39.20%	39.20%	49.00%	49.00%	Dormant 停業

Notes:

- (a) The amount due from an associate is unsecured, interest free and repayable on demand.
- (b) The company has been dormant since 2010.

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已停業。

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22. INTEREST IN AN ASSOCIATE (Continued)

There is no associate that is individually material, the summarised financial information in respect of the Group's associate is set out below:

22. 聯營公司權益(續)

個別而言，並無聯營公司屬重大，本集團聯營公司之財務資料概要列載如下：

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Total assets	總資產	8,497	8,392
Total liabilities	總負債	(5,530)	(5,462)
Net assets	淨資產	2,967	2,930
Group's share of net assets of associates	本集團分佔聯營公司淨資產	1,163	1,148
Turnover	營業額	–	5,710
Loss for the year	年度虧損	–	(3,406)
Group's share of results of associates for the year	本集團分佔聯營公司年度業績	–	(681)

23. INVENTORIES

23. 存貨

		Group 本集團	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Raw materials	原料	7,944	7,157
Work in progress	在製品	22,199	82,933
Finished goods	製成品	20,592	16,809
		50,735	106,899

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24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

24. 於損益賬按公允值處理之金融資產

		Group 本集團	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Listed equity securities in the PRC, at fair value	中國之上市權益證券， 按公允值處理	1,875	-

25. TRADE AND BILLS RECEIVABLES

25. 應收賬款及應收票據

(a) Ageing analysis

Based on the invoice dates, the ageing analysis of the trade and bills receivables is as follows:

(a) 賬齡分析

根據發票日期，應收賬款及應收票據之賬齡分析如下：

		Group 本集團	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Current	即期	7,253	65,067
30-90 days	30至90天	7,860	20,567
91-180 days	91至180天	44,560	66,694
Over 180 days	180天以上	297,916	210,792
		357,589	363,120

The average credit period on sales of goods is 180 days (2013: 180 days) from the invoice date.

銷售貨品之平均信貸期為自發票日期起計180天(二零一三年：180天)。

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25. TRADE AND BILLS RECEIVABLES (Continued)

(a) Ageing analysis (Continued)

The ageing of trade debtors which are past due but not impaired are as follows:

		Group 本集團	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
0 to 3 months past due	逾期零至3個月	184,872	132,563
4 to 6 months past due	逾期4至6個月	56,535	33,896
Over 6 months past due	逾期6個月以上	56,785	44,333
		298,192	210,792

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

- (b) Trade receivables that were past due but not impaired related to a large number of diversified customers that have a good track record of credit with the Group. Based on past credit history, the 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. The Group does not hold any collateral over these balances.

25. 應收賬款及應收票據(續)

(a) 賬齡分析(續)

逾期但並未減值的應收款項之賬齡如下：

並未逾期及減值的應收賬款乃與眾多並無近期違約記錄之分散客戶有關。

- (b) 逾期但並未減值的應收賬款乃與本集團眾多擁有良好往績記錄之分散客戶有關。根據過往信貸記錄，管理層認為鑑於信貸質素並無重大變化，且結餘應仍可全數收回，故無須就此等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

26. PREPAYMENTS, OTHER RECEIVABLES AND DEPOSITS

26. 預付款項、其他應收款項及按金

		Group 本集團		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Other receivables and deposits	其他應收款項及按金	115,694	108,703	880	827
Prepayments	預付款項	54,800	201,489	266	266
		170,494	310,192	1,146	1,093

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27. AMOUNTS DUE FROM RELATED COMPANIES

Details pursuant to section 161B of the Hong Kong Companies Ordinance are disclosed as follows:

27. 應收關連公司款項

詳情根據香港公司條例第161B條披露如下：

Group

本集團

Name	名稱	2014	2013	Maximum amount outstanding during the year
		二零一四年 HK\$'000 千港元	二零一三年 HK\$'000 千港元	於本年度 尚未收回之 最大金額 HK\$'000 千港元
Jiangsu Kedi New Energy Company Limited (note)	江蘇科地新能源有限公司(附註)	—	3,082	3,082
Jiangsu Yucheng Agriculture Company Limited (note)	江蘇昱誠農業有限公司(附註)	—	17,514	37,984
Jiangsu Yonglu Fertilizer Company Limited (note)	江蘇永祿肥料有限公司(附註)	—	54	54
Others	其他	—	55	55
		—	20,705	

The amounts due are unsecured, interest free and repayable on demand.

Note:

Those companies are controlled by Mr. Shan Xiaochang ("Mr. Shan"), who resigned as executive director of the Company with effect from 2 November 2013 due to personal reasons. As a result, the amounts due from those companies are classified as other receivables for the year ended 31 March 2014.

該等應收款項為無抵押、免息及按要求償還。

附註：

該等公司受單曉昌先生(「單先生」)控制。彼因私人理由辭任本公司執行董事，由二零一三年十一月二日起生效。因此，截至二零一四年三月三十一日止年度，應收該等公司款項被分類為其他應收款項。

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28. PLEDGED DEPOSITS AND CASH AND CASH EQUIVALENTS

28. 已抵押存款以及現金及現金等價物

		Group 本集團		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Pledged time deposits	已抵押定期存款	44,078	181,237	–	–
Cash and cash equivalents	現金及現金等價物	2,816	11,313	76	1,304
		46,894	192,550	76	1,304

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time 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 2014, certain Group's bank deposits of approximately HK\$11,944,000 (2013: HK\$12,346,000) has been pledged as guarantee deposits for the issuance of bank acceptance notes to suppliers and approximately HK\$32,134,000 (2013: HK\$168,891,000) has been pledged as guarantee deposits for bank borrowings.

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，介乎一日至三個月，視乎本集團之即時現金需求而定，並按各短期定期存款利率計息。銀行結餘及定期存款均存放於具備國際信貸評級機構所指定高信貸評級之信譽良好之銀行或中國之國有銀行。

於二零一四年三月三十一日，本集團若干銀行存款約11,944,000港元(二零一三年：12,346,000港元)已抵押作為向供應商發出銀行承兌票據之擔保存款及約32,134,000港元(二零一三年：168,891,000港元)已抵押作銀行借貸之擔保存款。

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29. ASSETS HELD FOR SALE

29. 持作銷售資產

		Group 本集團	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
At 1 April	於四月一日	–	129,161
Disposal of assets held for sale (note 42)	出售持作銷售資產(附註42)	–	(128,419)
Exchange differences	匯兌差額	–	(742)
At 31 March	於三月三十一日	–	–

30. TRADE AND BILLS PAYABLES

Based on the invoice dates, the aging analysis of the trade and bills payables is as follows:

30. 應付賬款及應付票據

根據發票日期，應付賬款及應付票據之賬齡分析如下：

		Group 本集團	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Current	即期	16,419	35,534
30–90 days	30至90天	5,631	25,275
91–180 days	91至180天	23,920	11,687
Over 180 days	180天以上	22,447	23,835
		68,417	96,331

Trade payables are due within 30 to 60 days (2013: 30 to 60 days) from the invoice date.

應付賬款自發票日期起計30至60天(二零一三年：30至60天)內到期。

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31. OTHER PAYABLES AND ACCRUALS

31. 其他應付款項及應計費用

		Group 本集團		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
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	52,079	50,688	2,093	4,548
Amount due to a non-controlling shareholder of a subsidiary (note a)	應付子公司一名非控股股東款項(附註a)	852	1,129	–	–
Amount due to a director (note b)	應付一名董事款項(附註b)	–	5,541	–	–
		52,931	57,358	2,093	4,548

Notes:

- (a) At 31 March 2014 and 2013, the amount due to a non-controlling shareholder of a subsidiary is unsecured, interest free and repayable on demand.
- (b) At 31 March 2013, the amount due to a director is unsecured, bears interest at 7% per annum and repayable within 1 year.

附註：

- (a) 於二零一四年及二零一三年三月三十一日，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。
- (b) 於二零一三年三月三十一日，應付一名董事款項為無抵押、按年利率7%計息及須於一年內償還。

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32. BORROWINGS

32. 借貸

		Group 本集團		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Non-current	非流動				
Other loan, unsecured Fixed interest rate (note a)	其他貸款，無抵押 固定利率(附註a)	52,574	–	52,574	–
Current	流動				
Bank loans, secured Fixed interest rate (note b)	銀行貸款，有抵押 固定利率(附註b)	155,000	143,827	–	–
Bills of exchange, secured Fixed interest rate (note c)	匯票，有抵押 固定利率(附註c)	107,113	315,667	–	–
Debentures, unsecured Fixed interest rate (note d)	債券，無抵押 固定利率(附註d)	74,899	–	–	–
Other loans, unsecured Interest free	其他貸款，無抵押 免息	6,188	6,111	–	–
Fixed interest rate (note e)	固定利率(附註e)	40,066	37,206	–	–
		383,266	502,811	–	–
		435,840	502,811	52,574	–

Notes:

- (a) The other loan bears interest of 3% (2013: Nil) per annum, are repayable in November 2015 and denominated in HKD.
- (b) The bank loans bear interest of 6.0% to 7.5% (2013: 5.6% to 8.1%) per annum, are repayable within 1 year or on demand and denominated in RMB.
- (c) The effective interest rate on the bills is 0.05% (2013: 0.05%) per annum, are repayable within 1 year or on demand and denominated in RMB.
- (d) In May 2013, pursuant to the regulations and rule in the PRC, Jianguo Kedi has issued two-years small and medium-sized enterprise Private Placement Bonds with aggregate principal amount of RMB60,000,000 carrying terms of 24 months tenure, unlisted, unsecured and bearing interest at the rate of 9% per annum and redeemable after 18 months. The debenture was registered in the Shenzhen Stock Exchange. The subscribers were financial institutions approved and designed by the Shenzhen Stock Exchange.
- (e) The other loans bear interest of 5%-24% (2013: 5%-24%) per annum, are repayable within 1 year or on demand and denominated in RMB.
- (f) Certain of the Group's bank loans are secured by:
- (i) the pledge of certain of the Group's time deposits amounting to HK\$32,134,000 (2013: HK\$168,891,000)
- (ii) mortgages over the Group's prepaid land lease payments situated in Mainland China, which had an aggregate carrying value at the end of the reporting period of approximately HK\$10,862,000 (2013: HK\$11,000,000).
- (iii) mortgages over the Group's buildings, which had an aggregate carrying value at the end of the reporting period of approximately HK\$28,414,000 (2013: HK\$34,401,000).

附註：

- (a) 其他貸款按年利率3%(二零一三年：零)計息，須於二零一五年十一月以港元償還。
- (b) 銀行貸款按年利率6.0%至7.5%(二零一三年：5.6%至8.1%)，須於一年內或按要求以人民幣償還。
- (c) 票據之實際年利率為0.05%(二零一三年：0.05%)，須於一年內或按要求以人民幣償還。
- (d) 於二零一三年五月，根據中國之規例及規則，江蘇科地已發行本金總額為人民幣60,000,000元之中小企業兩年私募債券，並附有二十四個月到期期限、非上市、無抵押及按年利率9%計息，可於18個月後贖回。債券乃於深圳證券交易所登記。認購人為獲深圳證券交易所批准及指定之財務機構。
- (e) 其他貸款按年利率5%至24%(二零一三年：5%至24%)計息，須於一年內或按要求以人民幣償還。
- (f) 本集團之若干銀行貸款乃以下列各項作抵押：
- (i) 金額為32,134,000港元(二零一三年：168,891,000港元)之本集團若干定期存款之抵押。
- (ii) 本集團位於中國大陸之預付土地租賃付款之按揭，其於報告期末之賬面總值約為10,862,000港元(二零一三年：11,000,000港元)。
- (iii) 本集團之樓宇之按揭，其於報告期末之賬面總值約為28,414,000港元(二零一三年：34,401,000港元)。

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33. DEFERRED TAX ASSETS/(LIABILITIES)

The following are the major deferred tax assets and liabilities and their movements during the current and prior years:

33. 遞延稅項資產／(負債)

以下為於本年度及過往年度之主要遞延稅項資產及負債及其變動：

		Fair value adjustments on property, plant and equipment	Fair value adjustments on prepaid land lease payments and other intangible assets	Net Amount
		物業、機器及設備之公允值調整 HK\$'000 千港元	預付土地租賃款及其他無形資產之公允值調整 HK\$'000 千港元	淨款項 HK\$'000 千港元
At 1 April 2012	於二零一二年四月一日	7,835	(94,341)	(86,506)
Acquisition of a subsidiary	收購一間子公司	-	(37)	(37)
Deferred tax (credited)/charged to income statements (note 14)	在收益表(計入)/扣除之遞延稅項(附註14)	(4,404)	58,254	53,850
Exchange differences	匯兌差額	(32)	4	(28)
At 31 March and 1 April 2013	於二零一三年三月三十一日及四月一日	3,399	(36,120)	(32,721)
Deferred tax charged to income statements (note 14)	在收益表扣除之遞延稅項(附註14)	277	29,122	29,399
Exchange differences	匯兌差額	43	(452)	(409)
At 31 March 2014	於二零一四年三月三十一日	3,719	(7,450)	(3,731)

At 31 March 2014, the Group has unrecognised tax losses of the subsidiaries operating in Hong Kong and in the PRC of approximately HK\$13,136,000 and HK\$23,496,000 (2013: HK\$623,948,000 and HK\$11,885,000) respectively.

Deferred tax asset in respect of unused tax losses has not been recognised in the financial statements due to the unpredictability of future profit streams against which the tax losses can be utilised. The tax losses of the subsidiaries operating in the PRC can be carried forward for 5 years, while tax losses of the companies within the Group operating in Hong Kong can carry forward their tax losses indefinitely under the current tax legislation.

於二零一四年三月三十一日，本集團於香港及中國經營之子公司之未確認稅務虧損分別約為13,136,000港元及23,496,000港元(二零一三年：623,948,000港元及11,885,000港元)。

由於可供動用稅務虧損之未來溢利流不可預測，故並無於財務報表內確認有關未動用稅務虧損之遞延稅項資產。於中國經營之子公司之稅務虧損可結轉五年，而根據現行稅務法例，於香港經營之本集團旗下公司之稅務虧損可無限期結轉。

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34. CONVERTIBLE BOND

34. 可換股債券

		Group and Company 本集團及本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
At 1 April	於四月一日	756,961	791,992
Interest expenses waived (note (e))	已豁免之利息開支(附註(e))	(8,524)	(9,295)
Redeemed during the year (notes (b), (c) and (d))	年內贖回(附註(b)、(c)及(d))	(225,530)	(132,223)
Change in fair value (note 9)	公允值變動(附註9)	86,990	106,487
At 31 March	於三月三十一日	609,897	756,961
Non-current portion	非流動部分	–	756,961
Current portion	流動部分	609,897	–
		609,897	756,961

Notes:

- (a) On 25 March 2010, the Company issued convertible bond in the principal amount of HK\$1,098,000,000 pursuant to a sales and purchase agreement dated 1 February 2010 entered into between the Company and Cyberland, a related company. The principal terms of the CB 2015 were set out as follows:
- (i) Cyberland has the right to convert the whole or part of the outstanding principal amount of the CB 2015 into share at HK\$0.43 each in the Company at any time during the period commencing from the expiry of the second anniversary of the date of issue of the CB 2015 (the "Issue Date").
- (ii) The CB 2015 bears interest at the rate of 1% per annum and interest will be payable to the bondholder semi-annually in arrears on 30 June and 31 December in each year.
- (iii) The Company shall be entitled to require redemption of the CB 2015 or any part thereof at any time up to (and excluding) the commencement of the seven calendar day period ending on the fifth anniversary of the Issue date at a price equal to such principal amount of the CB 2015 redeemed plus any interest accrued thereon.

附註：

- (a) 於二零一零年三月二十五日，本公司根據本公司與一間關連公司科地中國於二零一零年二月一日所訂立之買賣協議，發行本金額為1,098,000,000港元之可換股債券。可換股債券2015之主要條款載列如下：
- (i) 科地中國有權於可換股債券2015發行日期(「發行日期」)之第二週年屆滿期間起計之任何時間內按每股0.43港元兌換可換股債券2015之全部或部份尚未償還本金額為本公司之股份。
- (ii) 可換股債券2015乃按年利率1%計息，利息將於每年六月三十日及十二月三十一日每半年向債券持有人支付一次。
- (iii) 本公司將有權要求截至發行日期第五個週年前七個曆日(不包括該日)期間任何時間內，按等同於所贖回之可換股債券2015有關本金額加任何應計利息之價格贖回可換股債券2015或其任何部份。

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34. CONVERTIBLE BOND (Continued)

(a) (Continued)

- (iv) Unless previously converted into share or repaid, the CB 2015 will be redeemed by the Company at 100% of the principal amount at maturity plus any interest accrued thereon.

The conversion feature of this CB 2015 constituted a hybrid contract, with a conversion option derivative embedded into the convertible bond. The terms of CB 2015 contained certain anti-dilution clauses which breach the "fixed for fixed" rule in HKAS 32. Therefore, the conversion option was regarded as a derivative. The CB 2015 included the liability component and embedded derivatives (including the conversion option and early redemption options). The Group elected to account for this CB 2015 as a financial liability at fair value through profit or loss.

The fair values of the liability component of the CB 2015 at 31 March 2014 and 2013 were based on the present value of the estimated future cash flows discounted at the average yield of a group of non-convertible bond with similar credit ratings and structure which incorporated appropriate adjustments to reflect possible effects of country factors, firm specific risks and liquidity risk.

The fair values of the conversion option and early redemption option embedded were calculated using the Binomial model. The key inputs were as follows:

		2014 二零一四年	2013 二零一三年
Stock price	股價	0.068	0.09
Exercise price	行使價	0.43	0.43
Expected volatility	預期波幅	48.74%	49.45%
Maturity life	到期年期	0.99 years 年	1.99 years 年
Risk-free rate	無風險利率	0.2%	0.187%
Expected dividend yield	預期股息率	0%	0%

34. 可換股債券(續)

(a) (續)

- (iv) 除非過往已轉換成股份或償還，可換股債券2015將於到期日由本公司按本金額100%加任何應計利息贖回。

該可換股債券2015之兌換特徵構成混合合約，附帶嵌入可換股債券之兌換期權衍生工具。可換股債券2015之條款包括已違反香港會計準則第32號「固定換固定」規定之若干反攤薄條款。因此，兌換期權被視為衍生工具。可換股債券2015包括負債部份及嵌入式衍生工具(包括兌換期權及提早贖回期權)。本集團選擇將該可換股債券2015列賬為於損益賬按公允值處理之金融負債。

於二零一四年及二零一三年三月三十一日之可換股債券2015負債部份之公允值乃根據按一組具有相若信貸評級及架構之不可換股債券之平均回報率貼現之估計未來現金流之現值計算，並納入合適調整以反映國家因素、公司特定風險及流動資金風險之可能影響。

嵌入式之兌換期權及提早贖回期權之公允值採用二項式模式計算。主要輸入數據如下：

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34. CONVERTIBLE BOND (Continued)

- (b) On 29 May 2012, the Group completed a transaction in relation to the disposal of certain of its prepaid land lease payments and property and equipment (the "Disposal") which were classified as assets held for sale in the Annual Report 2012. The CB 2015 in the principal amounts of HK\$170,599,000 (as at the date of redemption the fair value is HK\$132,223,000) was redeemed in settlement of net sales proceeds due from the Disposal. A loss on redemption of approximately HK\$44,570,000 was recognised in profit or loss (See note 42 to the financial statements).
- (c) The Convertible Bond Number 3 was redeemed on 8 May 2013 when the Company borrowed approximately HK\$51,230,000 from an independent third party and had directly deposited into the High Court in relation to the High Court Action No. HCCW31/2013 as described in note 47 to the financial statements.
- (d) The Company has redeemed part of convertible bond issued by the Company to Cyberland at an amount of HK\$200,000,000 on 31 March 2014.
- (e) At 31 March 2014, the Company's convertible bond of the principal amount of HK\$652,400,500 (2013: HK\$852,400,500) was held by Cyberland. As agreed with the convertible bond holder of the Company, the interest on the convertible bond, amounting to approximately HK\$8,524,000 (2013: HK\$9,295,000), was waived with the objective of improving the profitability and liquidity of the Group.

34. 可換股債券(續)

- (b) 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以及物業及設備之交易(「出售事項」)(已於二零一二年年報中分類為持作銷售資產)。本金額170,599,000港元(於贖回日期之公允值為132,223,000港元)之可換股債券2015已獲贖回用於結算應收出售事項之銷售所得款項淨額。贖回虧損約44,570,000港元已於損益內確認(見財務報表附註42)。
- (c) 誠如財務報表附註47內所述，於本公司就高等法院第HCCW31/2013號訴訟向獨立第三方借入約51,230,000港元並已直接存款給高等法院時，可換股債券三已於二零一三年五月八日贖回(見財務報表附註47)。
- (d) 本公司於二零一四年三月三十一日以200,000,000港元贖回本公司向科地中國發行之部分可換股債券。
- (e) 於二零一四年三月三十一日，本公司本金額為652,400,500港元(二零一三年：852,400,500港元)之可換股債券由科地中國持有。經與本公司可換股債券持有人協定，為數約8,524,000港元(二零一三年：9,295,000港元)之可換股債券利息已獲豁免，藉以提高本集團之盈利能力及流動性。

35. SHARE CAPITAL

35. 股本

		Group and Company 本集團及本公司	
		Number of ordinary shares of HK\$0.01 each 每股面值 0.01港元之 普通股數目	HK\$'000 千港元
Authorised	法定		
At 1 April 2012, 31 March 2013 and 31 March 2014	於二零一二年四月一日、 二零一三年三月三十一日及 二零一四年三月三十一日	10,000,000,000	100,000
Issued and fully paid	已發行及繳足股款		
At 1 April 2012, 31 March 2013 and 31 March 2014	於二零一二年四月一日、 二零一三年三月三十一日及 二零一四年三月三十一日	2,713,798,000	27,138

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36. SHARE OPTION SCHEME

A share option scheme (the "Scheme"), has been adopted pursuant to a resolution passed on 9 February 2009 for the primary purpose to enable the Company to grant options' to eligible participants to subscribe for shares of the Company and will expire on 8 February 2019. Under the Scheme, 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 or 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.

The total numbers of shares in respect of which options may be granted under Scheme 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 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.

The amount payable for the acceptance of an option granted by the Company under Scheme 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 an 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.

36. 購股權計劃

根據於二零零九年二月九日通過之決議案，本公司已採納一項購股權計劃（「計劃」），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，計劃將於二零一九年二月八日屆滿。根據計劃，董事會可向合資格參與者授出購股權，包括本公司或其任何子公司之僱員、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。

在未經本公司股東事先批准前，根據計劃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。

接納本公司根據計劃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。

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36. SHARE OPTION SCHEME (Continued)

The following table set out movements in the Company's share options under the Scheme during the years ended 31 March 2014 and 2013.

For the year ended 31 March 2014

36. 購股權計劃(續)

下表載列於截至二零一四年及二零一三年三月三十一日止年度內計劃項下本公司購股權之變動。

截至二零一四年三月三十一日止年度

Grant date		Exercise price	Outstanding at 1 April 2013	Granted during the year	Forfeited during the year	Lapsed during the year	Outstanding at 31 March 2014
授出日期		行使價 HK\$ 港元	於二零一三年 四月一日 尚未行使	於年內授出	於年內沒收	於年內失效	於二零一四年 三月三十一日 尚未行使
Employees 10 December 2010 (note)	僱員 二零一零年十二月 十日(附註)	0.163	10,000,000	-	-	5,000,000	5,000,000
Consultants 10 December 2010 (note)	顧問 二零一零年十二月 十日(附註)	0.163	50,000,000	-	-	25,000,000	25,000,000
3 October 2012	二零一二年十月三日	0.163	135,000,000	-	-	-	135,000,000
Director 3 October 2012	董事 二零一二年十月三日	0.163	7,000,000	-	-	-	7,000,000
			202,000,000	-	-	30,000,000	172,000,000
Exercisable at the end of the year	於年末可行使		172,000,000	-	-	-	172,000,000
Weighted average exercise price	加權平均行使價		0.163	-	-	0.163	0.163

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36. SHARE OPTION SCHEME (Continued)

For the year ended 31 March 2013

36. 購股權計劃(續)

截至二零一三年三月三十一日止年度

Grant date		Exercise price	Outstanding at 1 April 2012	Granted during the year	Forfeited during the year	Outstanding at 31 March 2013
授出日期		行使價 HK\$ 港元	於二零一二年 四月一日 尚未行使	於年內授出	於年內沒收	於二零一三年 三月三十一日 尚未行使
Employees	僱員					
10 December 2010 (note)	二零一零年十二月十日(附註)	0.163	10,000,000	-	-	10,000,000
7 October 2011	二零一一年十月七日	0.170	7,000,000	-	(7,000,000)	-
Consultants	顧問					
10 December 2010 (note)	二零一零年十二月十日(附註)	0.163	50,000,000	-	-	50,000,000
3 October 2012	二零一二年十月三日	0.163	-	135,000,000	-	135,000,000
Director	董事					
3 October 2012	二零一二年十月三日	0.163	-	7,000,000	-	7,000,000
			67,000,000	142,000,000	(7,000,000)	202,000,000
Exercisable share options	可行使購股權份數		38,100,000	-	-	172,000,000
Weighted average exercise price	加權平均行使價		0.311	0.163	0.170	0.163

Note:

On 3 October 2012, the Company modified the details of the outstanding share options previously granted by the Company on 10 December 2010. The exercise price of 60,000,000 the outstanding share options at the date of modification was reduced from HK\$0.328 per share to HK\$0.163 per share.

附註：

於二零一二年十月三日，本公司修訂本公司於二零一零年十二月十日先前授出之尚未行使購股權之詳情。於修訂日期，60,000,000份尚未行使購股權之行使價乃由每股0.328港元削減至每股0.163港元。

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36. SHARE OPTION SCHEME (Continued)

Note: (Continued)

The fair value of the share options of the Company immediately before and after the modification at 3 October 2012 were calculated using the Binomial model. The inputs into the model were as follows:

		Before modification 於修訂前	After modification 於修訂後
Share price	股價	HK\$0.163港元	HK\$0.163港元
Exercise price	行使價	HK\$0.328港元	HK\$0.163港元
Expected volatility	預期波幅	58.15% – 61.54%	62.56% – 57.06%
Expected life (years)	預期年期(年)	0.18 – 1.18 years 年	1 – 2 years 年
Risk free rates	無風險利率	0.21% – 0.27%	0.26% – 0.28%
Annualised dividend yield	年股息收益率	0%	0%

The risk free rates is the yield of Hong Kong Exchange Fund Note yield. Expected volatility is the historical volatility of the Group's share price over the previous years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Changes in variables and assumptions may result in changes in fair values of the share options.

The fair values of the share options of the Company immediately before and after modification at 3 October 2012 were approximately HK\$250,000 and HK\$2,638,000, respectively. The incremental fair values of approximately HK\$2,388,000 will be expensed over the remaining vesting period of the relevant options.

All holders of options granted under the Scheme may only exercise their options in the following ways:

- (a) Share options granted on 10 December 2010 after modification:

These share options were granted under the Scheme, vesting in 2 tranches, i.e. the first 50% on 3 October 2012 to 2 October 2013 and the balance on 3 October 2013 to 2 October 2014.

- (b) Share options granted on 3 October 2012:

The fair value of the share options of the Company granted at 3 October 2012 were calculated using the Binomial model. The inputs into the model were as follows:

		Granted 已授出
Share price	股價	HK\$0.163港元
Exercise price	行使價	HK\$0.163港元
Expected volatility	預期波幅	57.06%
Expected life (years)	預期年期(年)	2 years 年
Risk free rates	無風險利率	0.28%
Annualised dividend yield	年化股息收益率	0%

These share options were granted under the Scheme, vesting on 3 October 2012 to 2 October 2014.

No share option was exercised during the year ended 31 March 2014 and 2013.

The options outstanding at 31 March 2014 had an exercise price of HK\$0.163 (2013: HK\$0.163) and a weighted average remaining contractual life of 0.5 year (2013: 1.5 years).

36. 購股權計劃(續)

附註：(續)

緊接及緊隨二零一二年十月三日修訂之前及之後，本公司購股權之公允值按二項式模式計算。該模式之輸入數據如下：

預期波幅為本集團過往年度股價之歷史波幅。該模式所用之預計年期已根據管理層之最佳估計，就不可轉讓、行使限制及行為因素所造成之影響予以調整。變數及假設之變動可能導致購股權公允值變動。

本公司購股權於緊接及緊隨二零一二年十月三日之修訂之前及之後之公允值分別約為250,000港元及2,638,000港元。公允值增加約2,388,000港元將於相關購股權之剩餘歸屬期支銷。

根據計劃所授出購股權之所有持有人僅可以下列方式行使其購股權：

- (a) 於修訂後於二零一零年十二月十日授出之購股權：

該等購股權均根據計劃授出，並歸屬於兩批，即第一批50%於二零一二年十月三日至二零一三年十月二日及餘下於二零一三年十月三日至二零一四年十月二日。

- (b) 於二零一二年十月三日授出之購股權：

本公司於二零一二年十月三日授出之購股權之公允值乃使用二項式模式計算。該模式之輸入數據如下：

該等購股權均根據計劃授出，並於二零一二年十月三日至二零一四年十月二日歸屬。

截至二零一四年及二零一三年三月三十一日止年度並無購股權已獲行使。

於二零一四年三月三十一日尚未行使購股權之行使價為0.163港元(二零一三年：0.163港元)及加權平均餘下合約年期為0.5年(二零一三年：1.5年)。

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37. RESERVES (a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are set out in the consolidated statement of changes in equity on page 54 of the consolidated financial statements.

(b) Company

37. 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54頁之綜合權益變動表內。

(b) 本公司

		Share premium 股份溢價 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Merger reserve 合併儲備 HK\$'000 千港元 (note b) (附註b)	Share option reserve 購股權儲備 HK\$'000 千港元 (note c) (附註c)	Total 總計 HK\$'000 千港元
At 1 April 2012	於二零一二年 四月一日	1,048,002	(1,067,026)	13,107	8,054	2,137
Share option scheme	購股權計劃					
– Value of services	– 服務價值	–	–	–	9,749	9,749
– Forfeited during the year	– 一年內沒收	–	279	–	(279)	–
Loss for the year	年度虧損	–	(153,775)	–	–	(153,775)
At 31 March and 1 April 2013	於二零一三年 三月三十一日及 四月一日	1,048,002	(1,220,522)	13,107	17,524	(141,889)
Share option scheme	購股權計劃					
– Value of services	– 服務價值	–	–	–	762	762
– Lapsed during the year	– 一年內失效	–	10,371	–	(10,371)	–
Loss for the year	年度虧損	–	(419,934)	–	–	(419,934)
At 31 March 2014	於二零一四年 三月三十一日	1,048,002	(1,630,085)	13,107	7,915	(561,061)

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37. RESERVES (Continued)

(b) Company (Continued)

- (a) The Company had no distributable reserve at the end of the reporting period.
- (b) The merger reserve 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.
- (c) 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.

37. 儲備(續)

(b) 本公司(續)

- (a) 於呈報期末，本公司並無可分配儲備。
- (b) 本公司之合併儲備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股份之面值之差額。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。
- (c) 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。

38. NON-CONTROLLING INTERESTS

38. 非控股權益

		Group 本集團	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
At 1 April	於四月一日	1,790	(497)
Loss for the year	年度虧損	(5,088)	(3,788)
Acquisition of a subsidiary	收購一間子公司	-	6,119
Net exchange differences	匯兌差額淨額	(174)	(44)
At 31 March	於三月三十一日	(3,472)	1,790

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39. ACQUISITION OF A SUBSIDIARY

On 31 October 2012, the Group has acquired 50.5% equity interest in Henan Baorong from independent third parties at a consideration of RMB5,050,000 (equivalent to HK\$6,234,000). Henan Baorong is principally engaged in the fertilizer and pesticide operation.

The Group has elected to measure the non-controlling interest in Henan Baorong at the non-controlling interest's proportionate share of Henan Baorong's identifiable net assets.

The fair value of the identifiable assets and liabilities of Henan Baorong as at the date of acquisition were:

39. 收購一間子公司

於二零一二年十月三十一日，本集團向獨立第三方收購河南寶融之50.5%權益，代價為人民幣5,050,000元（相當於6,234,000港元）。河南寶融主要從事肥料及農藥經營業務。

本集團已選擇按非控股權益於河南寶融之已識別資產淨值之比例份額計量於河南寶融之非控股權益。

於收購日，河南寶融之可識別資產及負債之公允值如下：

		Fair Value recognised on acquisition 2013 於收購時確認之 公允值 二零一三年 HK\$'000 千港元
Other intangible assets	其他無形資產	147
Inventories	存貨	82
Trade receivables	應收賬款	1,502
Prepayments and other receivables	預付款項及其他應收款項	12,423
Cash and bank balances	現金及銀行結餘	1
Other payables and accruals	其他應付款項及應計費用	(1,757)
Deferred tax liabilities	遞延稅項負債	(37)
Total identifiable net assets acquired	收購之可識別淨資產總額	12,361
Non-controlling interests	非控股權益	(6,119)
		6,242
Gain on bargain purchase (note 9)	議價收購之收益(附註9)	(8)
Total consideration satisfied by cash	以現金支付之總代價	6,234

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39. ACQUISITION OF A SUBSIDIARY (Continued)

Analysis of the cash flows in respect of the acquisition is as follows:

		2013 二零一三年 HK\$'000 千港元
Cash consideration paid	已付現金代價	6,234
Less: cash and cash equivalent balances acquired	減：收購之現金及現金等價物結餘	(1)
Net cash outflow for acquisition of a subsidiary	收購一間子公司現金流出淨額	6,233

39. 收購一間子公司(續)

有關收購事項之現金流量分析如下：

40. DISSOLUTION OF A SUBSIDIARY

During the year, the Group has deregistered its indirectly wholly owned subsidiary, Henan Agricultural.

The net assets of the above subsidiary at the date of dissolution were:

40. 解散一間子公司

於年內，本集團取消登記其間接全資子公司河南農大。

上述子公司於解散日期的資產淨值如下：

		2014 二零一四年 HK\$'000 千港元
Property, plant and equipment (note 17)	物業、機器及設備(附註17)	529
Inventories	存貨	1,669
Trade and bills receivables	應收賬款及應收票據	2,507
Cash and bank balances	現金及銀行結餘	51
Trade and bills payables	應付賬款及應付票據	(3,879)
Other payables and accruals	其他應付款項及應計費用	(417)
Net assets dissolution	解散資產淨值	460
Exchange reserve released on dissolution of a subsidiary	解散一間子公司時解除匯兌儲備	41
Loss on dissolution of a subsidiary (note 9)	解散一間子公司之虧損(附註9)	(501)
		-

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41. DISPOSAL OF INTEREST IN AN ASSOCIATE

The Group holds a 20% interest in Xian Shenghua Electronic Engineering Company Limited (“Xian Shenghua”) which holds the entire equity of Xuchang Tongxing Modern Agricultural Technology Limited.

On 10 May 2012, the Group disposed of its entire interest in Xian Shenghua to an independent third party at total consideration of RMB6,000,000 (equivalent to HK\$7,407,000). A loss on disposal of the interest in an associate of RMB1,218,000 (equivalent to HK\$1,504,000) was recognised in the income statements.

42. GAIN ON DISPOSAL OF ASSETS HELD FOR SALE

On 8 April 2011, Jiangsu Kedi, an indirectly wholly-owned subsidiary of the Company, entered into the “Asset Transfer Agreement” with Jiangsu Yonglu Fertilizer Company Limited (“Jiangsu Yonglu”), a related company. Jiangsu Kedi has conditionally agreed to dispose of and Jiangsu Yonglu has conditionally agreed to purchase certain land, property and equipment with a total consideration of approximately RMB138,984,000 (equivalent to HK\$170,599,000), which will be settled by offsetting an equivalent principal amount against part of convertible bond issued by the Company to Cyberland.

On 29 May 2012, the Group has completed a transaction in relation to the disposal of its certain prepaid land lease payments and property and equipment which were classified as assets held for sale in the Annual Report 2012. Net sales proceed from the disposal is settled by the convertible bond which was issued by the Company to Cyberland and a gain on disposal of assets held for sales is as follows:

41. 出售一間聯營公司之權益

本集團持有西安聖華電子工程有限責任公司(「西安聖華」)之20%權益，而西安聖華持有許昌同興現代農業科技有限公司之全部股權。

於二零一二年五月十日，本集團向一名獨立第三方出售其於西安聖華之全部股權，總代價為人民幣6,000,000元(相當於7,407,000港元)。出售於聯營公司之權益之虧損人民幣1,218,000元(相當於1,504,000港元)已於收益表內確認。

42. 出售持作銷售資產收益

於二零一一年四月八日，本公司的間接全資子公司江蘇科地與一間關連公司江蘇永祿肥料有限公司(「江蘇永祿」)簽訂「資產轉讓協議」。江蘇科地已有條件同意出售及江蘇永祿已有條件同意購買若干土地、物業及設備，總代價約為人民幣138,984,000元(相當於170,599,000港元)，其將透過抵銷本公司向科地中國發行之相等本金額之部份可換股債券而予以支付。

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之交易，該等預付土地租賃款及物業及設備於二零一二年報內被分類為持作銷售資產。出售事項之銷售所得款項淨額以本公司向科地中國發行之可換股債券予以支付，出售持作銷售資產之收益如下：

		2013 二零一三年 HK\$'000 千港元
Fair value of assets held for sale at the date of disposal	於出售日期持作銷售資產之公允值	176,793
Less: Value added tax in relation to disposal of assets held for sale	減：與出售持作銷售資產有關之增值稅	(12,905)
		163,888
Less: Carrying amount of assets held for sale (note 29)	減：持作銷售資產之賬面值(附註29)	(128,419)
Gain on disposal of assets held for sale	出售持作銷售資產之收益	35,469

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43. RETIREMENT BENEFITS SCHEME

Defined contribution retirement plan

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 the specified contribution.

The Group recognised retirement benefit contributions of HK\$2,322,000 (2013: HK\$2,170,000) for the year ended 31 March 2014.

44. OPERATING LEASE COMMITMENTS

At 31 March 2014, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group 本集團		Company 本公司	
	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Within one year 一年內	4,858	4,706	1,705	335
In the second to fifth years inclusive 第二至第五年 (包括首尾兩年)	6,262	5,015	1,989	–
Over five years 五年以上	3,192	2,980	–	–
	14,312	12,701	3,694	335

The Group leases a number of properties and office equipment under operating lease arrangements. The leases for properties run for an initial period of 1 to 19 years, and office equipment is for five years. None of the leases includes contingent rentals.

43. 退休福利計劃

供款退休福利計劃

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。

本集團就截至二零一四年三月三十一日止年度確認退休福利供款2,322,000港元(二零一三年：2,170,000港元)。

44. 經營租賃承擔

於二零一四年三月三十一日，本集團及本公司根據不可撤銷經營租賃於以下期間到期之未來最低租賃付款總額為：

本集團根據經營租賃安排租用若干物業及辦公室設備。物業的初步租賃期間介乎1至19年，而辦公室設備的租賃期間則為五年。該等租賃均不包含或有租金。

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45. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure general banking facilities granted to the Group or borrowings of the Group as disclosed in note 32 to the financial statements:

		Group 本集團	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Prepaid land lease payments	預付土地租賃款項	10,862	11,000
Buildings	樓宇	28,414	34,401
Pledged deposits	已抵押存款	44,078	181,237
		83,354	226,638

46. CONTINGENT LIABILITIES

No material contingent liabilities of the Group and the Company were noted at 31 March 2014 and 31 March 2013.

47. LITIGATION

Regarding the winding-up petition (the "Winding-up Petition"), presented by Mr. Zhang Wei Bing (the "Petitioner") on 25 January 2013, at the Court of First Instance of the High Court of HKSAR (the "High Court") for winding up the Company. The Winding-up Petition concerns a sum of approximately HK\$51,230,000 arising from convertible bond with principal amount of HK\$50,000,000 ("Convertible Bond Number 3") and the related outstanding interest of approximately HK\$1,230,000, issued by the Company to the Petitioner. The Company had paid approximately HK\$51,230,000 into High Court and the Winding-up Petition was dismissed on 13 May 2013. As advised by Company's legal adviser, the concerned Convertible Bond Number 3 had been redeemed when the Company had deposited approximately HK\$51,230,000 with the High Court.

45. 資產抵押

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（請參閱財務報表附註32）：

46. 或然負債

於二零一四年三月三十一日及二零一三年三月三十一日，本集團及本公司並無重大或然負債。

47. 訴訟

就張偉兵先生（「呈請人」）於二零一三年一月二十五日在香港特別行政區高等法院（「高等法院」）原訟法庭呈交有關將本公司清盤之清盤呈請（「清盤呈請」）。清盤呈請涉及一筆約為51,230,000港元之款項，乃為本公司對呈請人所發出本金額為50,000,000港元的可換股債券（「可換股債券三」）所產生，以及相關尚未償還利息約1,230,000港元。本公司已向高等法院支付約51,230,000港元，而清盤呈請已於二零一三年五月十三日撤銷。誠如本公司法律顧問所告知，於本公司向高等法院存款約51,230,000港元時，有關可換股債券三已贖回。

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47. LITIGATION (Continued)

For the High Court Action No. HCA 776/2013 (the “Writ of Summons”) which related to the Writ of Summons issued by Cyberland claiming against the Petitioner and the Company, that Cyberland had at all material times been the beneficiary owner of Convertible Bond Number 3, the Company has ultimately reached a settlement with Cyberland on 24 September 2013 with Cyberland for discontinuation of the Action with no order as to costs.

48. RELATED PARTIES TRANSACTIONS

Remuneration for key management personnel represents amount paid to the Directors as disclosed in note 12 to the financial statements.

The related party transaction in respect of disposal of assets held for sale as disclosed in note 42 to the financial statements and also constitute connected transaction as defined in Chapter 20 of the GEM Listing Rules.

Except as disclosed above and elsewhere in the financial statements, there was no other material related party transaction during the year.

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 notes 21, 22, 27 and 31 to the consolidated financial statements.

The related party transactions disclosed above did not fall under the definition of connected transaction or continuing connected transaction in Chapter 20 of the GEM Listing Rules, with which the Company has complied throughout the year unless otherwise disclosed.

47. 訴訟(續)

就由科地中國對呈請人及本公司提出之申索(科地中國於所有重要時間為可換股債券三之實益擁有人)而發出之傳訊令狀之高等法院第HCA 776/2013號訴訟(「傳訊令狀」)，本公司已於二零一三年九月二十四日與科地中國就科地中國終止訴訟而並無有關訴訟費頒令達成最終和解。

48. 關連方交易

主要管理人員酬金指財務報表附註12所披露之已付董事之款項。

誠如財務報表附註42所披露，關連方交易乃有關出售持作銷售資產，根據創業板上市規則第20章，其亦構成一項持續關連交易。

除上文及財務報表其他部份所披露者外，於本年度，概無其他重大關連方交易。

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及並無於本附註披露。

與關連方之間的結餘於綜合財務報表附註21、22、27及31中披露。

上文所披露之關連方交易並非屬於創業板上市規則第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。

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49. EVENT AFTER REPORTING PERIOD

On 30 May 2014, the Group entered into a sale and purchase agreement to dispose of 100% equity interests in a subsidiary, Hong Kong New Success International Group Investment Company Limited and its subsidiaries to an independent third party at a total consideration of HK\$1. The transaction was completed on 31 May 2014.

On 30 May 2014, the Group entered into a sale and purchase agreement to dispose of its entire shareholding of 50.5% equity interests in a subsidiary, Henan Baorong to a non-controlling shareholder at a consideration of RMB5,050,000 (equivalent to HK\$6,312,000).

49. 報告期後事項

於二零一四年五月三十日，本集團訂立買賣協議，以出售一間子公司香港新勝國際集團投資有限公司及其子公司之100%股權予獨立第三方，總代價為1港元。該交易於二零一四年五月三十一日完成。

於二零一四年五月三十日，本集團訂立買賣協議，向一位非控股股東出售其於子公司河南寶融全部之50.5%的股權，代價為人民幣5,050,000元（相當於6,312,000港元）。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

The following is a summary of the published consolidated results and statement of assets and liabilities of the Group for the last five years:

下列為本集團於過去五年刊發之綜合業績及資產負債表概要。

		Year ended 31 March 截至三月三十一日止年度				
		2014 二零一四年	2013 二零一三年	2012 二零一二年 (Restated) (重列)	2011 二零一一年 (Restated) (重列)	2010 二零一零年 (Restated) (重列)
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Results	業績					
Turnover	營業額	487,956	734,660	663,896	597,268	220,796
(Loss)/Profit attributable to owners of the Company	本公司擁有人應佔(虧損)/溢利	(247,690)	(248,806)	50,463	(429,933)	(389,029)

		As at 31 March 於三月三十一日				
		2014 二零一四年	2013 二零一三年	2012 二零一二年 (Restated) (重列)	2011 二零一一年 (Restated) (重列)	2010 二零一零年 (Restated) (重列)
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Assets and liabilities	資產及負債					
Total assets	資產總值	735,420	1,257,870	1,817,315	1,717,924	1,985,654
Total liabilities	負債總額	(1,174,541)	(1,451,724)	(1,773,702)	(1,731,611)	(1,652,287)
		(439,121)	(193,854)	43,613	(13,687)	333,367

