



ALCO HOLDINGS LIMITED

Stock Code: 328 股份代號: 328

ANNUAL REPORT

年報 2018

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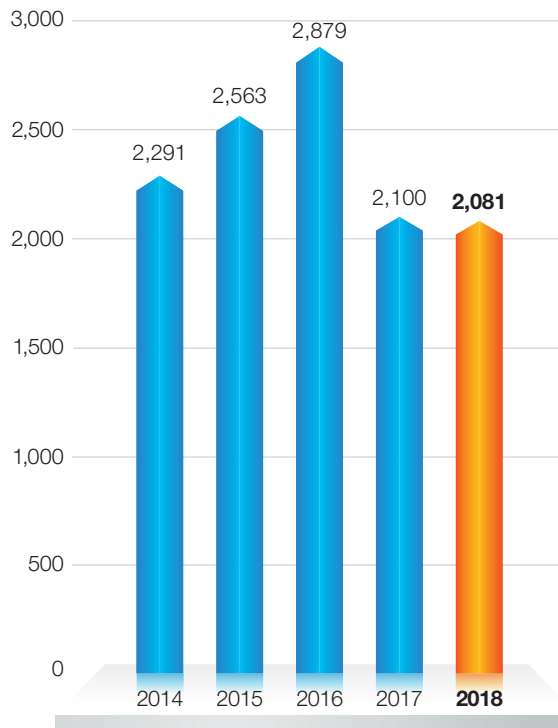
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Corporate Information

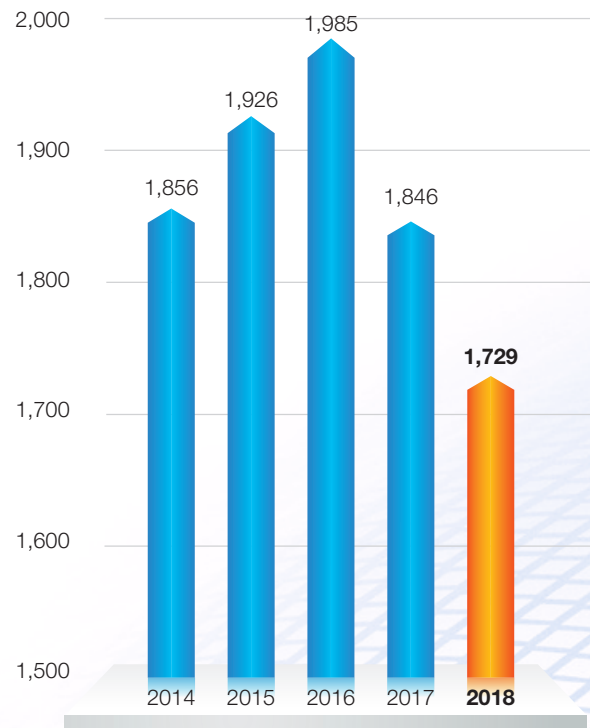
Directors	Mr LEUNG Wai Sing, Wilson (<i>Chairman</i>) Mr KUOK Kun Man Mr LEUNG, Jimmy Mr LIU Lup Man Mr LI Wah Ming, <i>S.B.S., J.P.*</i> Mr LEE Tak Chi* Mr CHEUNG, Johnson*
	<i>* Independent non-executive directors</i>
Company Secretary	Mr LIU Lup Man
Principal Bankers	Hang Seng Bank Limited The Hongkong and Shanghai Banking Corporation Limited MUFG Bank Limited
Auditor	PricewaterhouseCoopers
Legal Advisers	Kwok Yih & Chan
Legal Advisers on Bermuda Law	Conyers, Dill & Pearman
Registered Office	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Head Office and Principal Place of Business	11/F, Metropole Square 2 On Yiu Street Sha Tin New Territories Hong Kong
Principal Registrars	Conyers Corporate Services (Bermuda) Limited Clarendon House 2 Church Street Hamilton HM11 Bermuda
Registrars in Hong Kong	Tricor Abacus Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Website	http://www.alco.com.hk
Stock Code	328

Financial Highlights

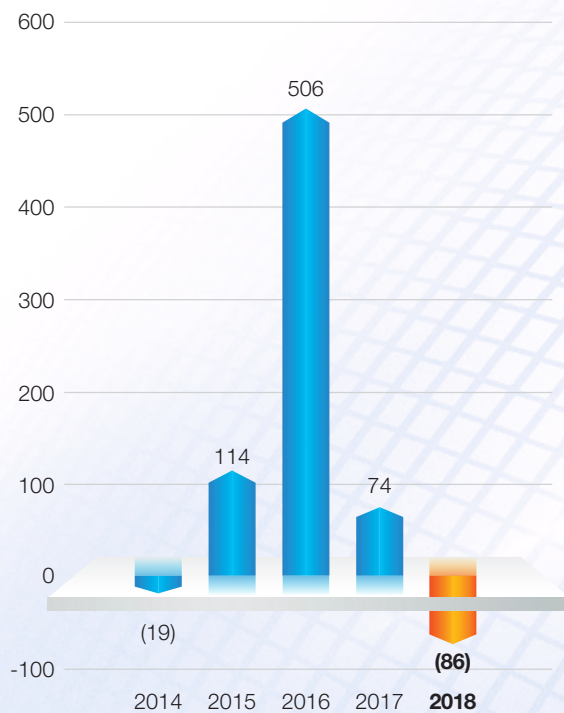
REVENUE
(HK\$ MILLION)



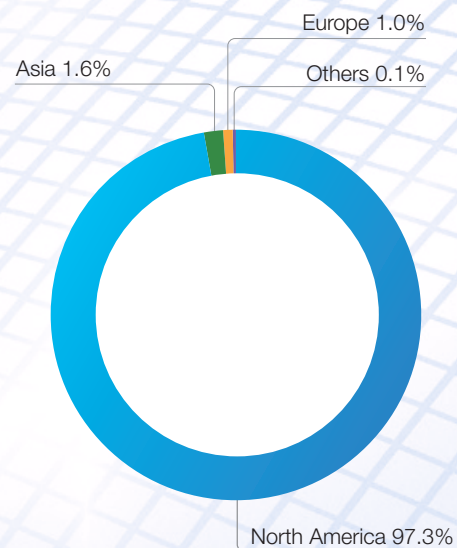
EQUITY
(HK\$ MILLION)



PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS
(HK\$ MILLION)



REVENUE BY GEOGRAPHICAL SEGMENT IN 2018



Chairman's Statement

GROUP RESULTS AND DIVIDENDS

On behalf of the Board of Directors, I hereby present the financial results of Alco Holdings Limited and its subsidiaries (collectively, the "Group") for the year ended 31st March 2018.

For the year under review, the Group recorded turnover of HK\$2.1 billion (2017: HK\$2.1 billion) and net loss attributable to shareholders of HK\$85.8 million (2017: profit of HK\$73.9 million). The net loss was due in part to the continuingly challenging business environment, which was made worse by the significant increase in the costs of certain critical components that the Group uses in the production of some of its products. Yet other factors that impacted on our profitability for the year under review include the initial set up and investment in our new notebook PC business.

Despite the lacklustre performance, the Group remains in healthy financial position with cash and cash equivalents amounting to HK\$280 million. The Board of Directors has therefore resolved to declare a final dividend of HK2 cents (2017: HK5 cents) per share. This, combined with an interim dividend of HK3 cents per share already paid (2017: HK5 cents) represents a total dividend of HK5 cents per share for the financial year (2017: HK10 cents). The final dividend will be paid on 11th September 2018 to the Group's shareholders upon approval at the upcoming Annual General Meeting.



Chairman's Statement

REVIEW OF OPERATIONS

Even though the past year has been a challenging period for the Group, we have always maintained the view that obstacles invariably arise when one strives for excellence. This is particularly the case when we actively seek to migrate the Group's products mix and business model from mainly catering to discount retail channels towards reasonable margin and premium segments of the market, which is now the Group's near-term to long-term strategy. Over the past 12 months, such a strategy resulted in several significant developments,

including the introduction of the Group's Consumer Notebook PCs under AVITA brand and B2B/Commercial Notebook PCs under Primus brand, both of which are managed by the Group's fully owned subsidiary Nexstgo Company Limited. Having recruited top talents to head its dedicated R&D and marketing/branding teams in Taiwan and Hong Kong respectively, Nexstgo has successfully launched Consumer Notebook PCs and Commercial Notebook PCs in Hong Kong, Macao, Taiwan, and Singapore during the year under review.



Chairman's Statement

Consistent with our objective in not only investing in products development but also in raising the brand awareness of AVITA and Primus, significant investment was made on

the marketing and promotion fronts for these brands, including Nexstgo's participation in 2018's Consumer Electronics Show (CES) that was held in Las Vegas in January of this year.



Besides the launch of our AVITA Consumer Notebook PCs and Primus B2B/Commercial Notebook PCs, past year also marked the introduction of the Group's RCA branded tablets in the U.K. and in France, RCA branded and Venturer branded tablets in South Africa, and Venturer branded tablets in India, all handled by the Group's fully-owned subsidiary Alco International Limited. In particular, the sell-through of RCA branded tablets in the UK was very encouraging and it is expected that the penetration of RCA branded (as well as Venturer branded) tablets in retail channels in the U.K. will expand further.

The Group's tablet products in North America, however, were impacted more significantly by the aforementioned increase in the costs of certain critical components, specifically memory ICs. This industry-wide development resulted in significant pressure on the profitability of tablets and computing devices during the year. Fortunately, as prices of such components begin to stabilize, retail buyers in North America gradually start to return to placing greater quantity orders of tablets to the Group as the higher costs gradually become more easily transferred to consumers via higher retail prices.

Chairman's Statement

Though computing devices and tablet products will play key roles in facilitating the Group's evolution and migration to reasonable margin and premium market segments going forward, the important role played by our AV products has not diminished; AV products still formed part of an important foundation and revenue source of the Group. During the year under review, AV products continued to perform stably owing to steady demand, particularly from North American retailers for our sound bar systems, amplifiers, Bluetooth wireless speakers, DVD players and home theatre systems.

Yet another facet of our operation and an inseparable part of our makeup is production. The Group's manufacturing facility in Houjie Town/Dongguan marked its fifth year of operation as of 2018 and it continued to operate at the high level of efficiency, owing to timely enhancements and the introduction of the latest automation technologies. Most recently, such technologies have included robotic arms that enable us to realise the dual benefits of reducing low-skilled labour and consistently producing higher quality products. Such extensive use of automation technologies also allows us to quickly ramp up capacity to address demand for existing products and for any new products that will be launched in the future.



Chairman's Statement

PROSPECTS

In the coming financial period, we will continue to observe the three-pronged strategy of developing high value-added products, further upgrading manufacturing facilities through automation and robotization, and penetrating new markets via new brands and/or new product categories.

As mentioned above, central to our near-term to long-term strategy will be the development of the Group's Consumer Notebook PC and B2B/Commercial Notebook PC businesses. Based on the initial encouraging feedback from the introduction of such products in Hong Kong, Macao, Taiwan, and Singapore, and the success of our marketing and promotion efforts in raising the recognition of AVITA and Primus brands in these markets, we have been allocating resources and setting up promotional plans for the PRC and other Southeast Asia markets.

Furthermore, during the recent Computex Taipei trade show that was held from June-5 to June-9, Nexstgo announced its cooperation with VAIO Corporation of Japan in distributing VAIO's S11 and S13 B2B/Commercial Notebook PCs in Hong Kong, Macao, Taiwan, and Singapore. Going forward, it is certainly Nexstgo's plan and aspiration to cooperate with VAIO and its partners in many more models as well as markets. As regard to RCA and Venturer brand tablets and notebook PCs, new models are also being developed to further expand the Group's market shares in pre-secondary education segments as well as in value-for-money categories.



Chairman's Statement

While customers' reception so far of the Group's Consumer and B2B/Commercial Notebook PCs has been encouraging, we recognise that the PC market is extremely competitive and hence our ability to deliver high-value quality products remains paramount to the success and momentum of our

fledgling PC businesses. We will therefore continue to direct our focus on research and development so that our Consumer Notebook PCs and B2B/Commercial Notebook PCs will continue to offer top value in their particular price points and can best cater to the needs and stringent demands of today's very discerning consumers.



Chairman's Statement

As we seek to expedite development of our new businesses, production efficiency and manufacturing excellence will take on added importance. And even though our Houjie Town production facility already allows us to readily adjust capacity and flexibly meet various production parameters owing to its high level of automation, the human factor remains integral and indispensable in fulfilling

our production goals. We will therefore continue to attract highly skilled individuals to join our workforce in order to maintain that the men and women in our manufacturing teams can cater to the ever more complex nature of the Group's products as well as to the higher levels of production precision and flexibility that such products require.



The challenging financial year that just concluded has only made us more determined and motivated to realise our long-term strategy of migrating towards premium segments of the market. Though we will undoubtedly face numerous obstacles along this journey, we are unperturbed and remain fully focused on the big picture. We will leverage all of our strengths to achieve our goals and to deliver equitable returns to our shareholders.

APPRECIATION

On behalf of the Board of Directors, I would like to extend my appreciation to the management team for their dedication and diligence during the challenging past year. I wish to also offer my gratitude to the entire Alco workforce for all of their contributions to the Group. Certainly worthy of our gratitude are our customers, business partners and shareholders for extending their support.

Wilson Leung

Chairman and Chief Executive Officer

Hong Kong, 20th June 2018

Biographical Details of Directors and Senior Management

Executive Directors

Mr LEUNG Wai Sing, Wilson, aged 58, joined the Group in 1985 and is the Chairman and the Chief Executive Officer of the Group and takes full charge of the Group's overall strategy and operations. He holds a master's degree in science degree in electrical engineering from Queen's University, Canada.

Mr KUOK Kun Man, aged 64, joined the Group in 1990 and is the Director of the Group. He holds a master's degree in business administration and has more than 41 years of experience in finance and accounting with multinational organisations.

Mr LEUNG, Jimmy, aged 49, is a brother of the Chairman of the Group. He joined the Group in 1993 and was appointed as executive director in 2013. He has more than 25 years of experience in the field of audio electronic products and oversees the Group's purchasing function.

Mr LIU Lup Man, aged 47, joined the Group in 2005 and was appointed as executive director in 2013. He was also appointed as the Company Secretary of the Group in 2017. He holds a bachelor's degree from the University of Toronto, Canada, and is a Fellow Member of the HKICPA and the ACCA. He has over 23 years of experience in auditing and accounting.

Independent Non-executive Directors

Mr LI Wah Ming, *S.B.S., J.P.*, aged 63, joined the Group in 1992 and is the director of a consultancy company. He holds a bachelor's degree in arts from the University of Waterloo, Canada and a master's degree in social work from the University of Toronto, Canada.

Mr LEE Tak Chi, aged 63, joined the Group in 2011 and was previously Associate Dean and Professor of School of Design, The Hong Kong Polytechnic University. He also serves as Board of Director of Automotive Parts and Accessory Systems R&D Centre established by the Hong Kong government.

Mr CHEUNG, Johnson, aged 52, joined the Group in 2016 and holds a Bachelor of Science Degree (Hons) in Biology and a Master of Arts Degree in Economics from the University of British Columbia. He has more than 26 years of experience in the equity market and presently is the Director of Research at China Galaxy International Securities (Hong Kong) Co., Ltd.

Biographical Details of Directors and Senior Management

Senior Management

Mr LEUNG Wai Lap, David, aged 57, is a brother of the Chairman of the Group. He joined the Group in 2005 and is the senior sales manager of the Group. He oversees the sales and marketing for the Group's products and service in North America.

Mr YIP Wing Shing, David, *S.B.S., M.H., J.P.*, aged 60, joined the Group in 1973. He is the Group's general manager and oversees the whole operation of the Dongguan factory. He has over 34 years of experience in the field of consumer electronic products.

Mr CHUNG Hau Yeung, Alex, aged 48, joined the Group in 2016 as CEO of NEXSTGO and set up Nexstgo Company Limited and Taiwan Nexstgo Limited. He has over 21 years of experience in technology, IT, mobile and consumer electronics sectors. Prior to joining NEXSTGO, Mr Chung served as Country General Manager in Lenovo HK. He also held various senior management positions at the Shun Hing Group, Samsung Electronics and Sony Corporation. He holds an Executive Master of Business Administration from The University of Western Ontario, Canada. He is currently a Councilor of the Hong Kong Information Technology Federation, a fellow member of the Chartered Institute of Marketing (UK) and a Chartered Marketer. He also serves as an Advisory committee member of the School of Business in Hong Kong Baptist University.

Mr SUN Kuo Ting, aged 45, joined the Group in 2016. He is the Chief Operating Officer of Nexstgo Company Limited, and is responsible for research and development of the notebook business. He has over 17 years of experience in technology, consumer electronic and IT sectors, with solid experience in research & development, operation, product management and product marketing. Before joining NEXSTGO, Mr Sun served as Vice President in CVTE in charge of its hardware research & development. Mr Sun held various senior management positions at Acer, Dell and HP. He holds a master of science degree in environment engineering from National Chiao Tung University, Taiwan.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the 12 months ended 31st March 2018, except with deviation from code provision E.1.2.

The then chairman of the board had not attended the annual general meeting of the Company on 25th August 2017, which deviated from code provision E.1.2. The chairman will endeavour to attend all future annual general meetings of the Company.

THE BOARD

The Board is responsible for the formulation of the Group’s business and strategic decisions and monitoring the performances of the management team.

The Board currently comprises four executive directors, namely Mr LEUNG Wai Sing, Wilson, Mr KUOK Kun Man, Mr LEUNG, Jimmy and Mr LIU Lup Man and three independent non-executive directors, namely Mr LI Wah Ming, Mr LEE Tak Chi and Mr CHEUNG, Johnson.

Four Board meetings were held during the year ended 31st March 2018. The attendance of each director is set out as follows:

Members of the Board	Attended/Eligible to attend
<i>Executive Directors</i>	
Mr LEUNG Kai Ching, Kimen (retired on 15th June 2018)	4/4
Mr LEUNG Wai Sing, Wilson	4/4
Mr KUOK Kun Man	4/4
Mr LEUNG, Jimmy	4/4
Mr LIU Lup Man	4/4
<i>Independent Non-executive Directors</i>	
Mr LI Wah Ming	3/4
Mr LEE Tak Chi	4/4
Mr CHEUNG, Johnson	4/4

The Company has received an annual confirmation of independence from each of the independent non-executive directors in accordance with rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all independent non-executive directors are independent.

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr LEUNG Wai Sing, Wilson is both the chairman and the chief executive officer.

RE-ELECTION OF DIRECTORS

Mr KUOK Kun Man and Mr LEE Tak Chi will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of the directors, all the directors confirmed that they had complied with the required standards as set out in the Model Code and its code of conduct regarding directors’ securities transactions with the Company for the 12 months ended 31st March 2018.

REMUNERATION COMMITTEE

The Company has established a remuneration committee with written terms of reference in accordance with the Code provisions.

The remuneration committee currently comprises Mr CHEUNG, Johnson (chairman of the remuneration committee), Mr LI Wah Ming and Mr LEE Tak Chi, all of whom are independent non-executive directors.

The primary duties of the remuneration committee are to make recommendation on the policy and structure for the remuneration of the directors and senior management, and to consider and approve remuneration of the directors and senior management by reference to corporate goals and objectives. The existing remuneration package contains a combination of basic salary, discretionary performance bonus and fringe benefits. For the year, the remuneration committee was of the opinion that the remuneration packages were fair and commensurate with the market.

One remuneration committee meeting was held during the year ended 31st March 2018 and the attendance of each committee member is set out as follows:

Members of the Remuneration Committee	Attended/Eligible to attend
Mr CHEUNG, Johnson	1/1
Mr LI Wah Ming	1/1
Mr LEE Tak Chi	1/1

Corporate Governance Report

AUDIT COMMITTEE

The audit committee currently comprises Mr CHEUNG, Johnson (chairman of the audit committee), Mr LI Wah Ming and Mr LEE Tak Chi, all of whom are independent non-executive directors.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the financial statements of the Group for the year ended 31st March 2018.

Two audit committee meetings were held during the year ended 31st March 2018 and the attendance of each committee member is set out as follows:

Members of the Audit Committee	Attended/Eligible to attend
Mr CHEUNG, Johnson	2/2
Mr LI Wah Ming	2/2
Mr LEE Tak Chi	2/2

NOMINATION COMMITTEE

The Company established a nomination committee with written terms of reference in accordance with the Code provisions.

The nomination committee currently comprises Mr LEUNG Wai Sing, Wilson (chairman of the nomination committee), Mr LI Wah Ming, Mr LEE Tak Chi and Mr CHEUNG, Johnson.

The primary duties of the nomination committee are to review the structure, size and composition of the Board, and to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorship. Besides, the nomination committee has adopted a board diversity policy in which the diversity of board members can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, skills, knowledge and professional experience. The above aspects will be taken into account when the selection of board members is necessary.

One nomination committee meeting was held during the year ended 31st March 2018 and the attendance of each committee member is set out as follows:

Members of the Nomination Committee	Attended/Eligible to attend
Mr LEUNG Kai Ching, Kimen (retired on 15th June 2018)	1/1
Mr LEUNG Wai Sing, Wilson	1/1
Mr LI Wah Ming	1/1
Mr LEE Tak Chi	1/1
Mr CHEUNG, Johnson	1/1

Corporate Governance Report

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for the preparation of the financial statements of the Group. In preparing the financial statements, the Hong Kong Financial Reporting Standards have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

The auditor's responsibilities are set out in the Independent Auditor's Report.

AUDITOR'S REMUNERATION

For the year ended 31st March 2018, the remuneration paid to the Company's auditor, PricewaterhouseCoopers, is set out as follows:

Services rendered	Fees paid/payable HK\$'000
Audit-related services	2,280
Non audit-related services	
Tax compliance services	191

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the ultimate responsibility for the risk management and internal control systems of the Company, and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The audit committee is responsible for overseeing the Company's risk management and internal control systems and procedures, and to report to the Board on any material issues and make recommendations to the Board.

The audit committee and management are responsible for identifying the risks of the Group and discussing those risks with management board. Management board shall evaluate whether the risks are significant and shall manage them according to a level that is acceptable to the Group when achieving its strategic objective.

The internal audit department is responsible for assisting the Board in evaluating the various components of the internal control system under the framework of control environment, risk assessment, control activities, information and communication, and monitoring, co-ordinating the implementation of the Group's risk management and internal control systems and reviewing the effectiveness of the systems regularly.

Corporate Governance Report

During the year, the internal audit department conducted reviews of the effectiveness and adequacy of the internal controls over sale and purchase cycles, inventory, payroll and fixed assets management of the Group. Recommendations for internal control were communicated with management and proper improvement plans had been implemented after due consideration.

The Company holds at least two audit committee meetings in a financial year, with the participation of external auditors. External auditors prepare audit committee reports and discuss the issues with the audit committee. Deficiencies or weaknesses in internal control (if any) are identified and appropriate corrective actions are to be taken.

The Board evaluates whether the information is inside information and requires disclosure according to the requirements of Securities and Futures Ordinance and the Listing Rules. Inside information shall be handled strictly confidential on a need-to-know basis and shall be disclosed to the public as soon as reasonably practicable.

DIRECTOR'S TRAINING

During the year under review, all directors have participated in professional training relevant to business developments and regulatory updates. All directors have provided the Company with their records of training which they received during the financial year.

COMMUNICATION WITH SHAREHOLDERS

In order to allow shareholders and potential investors to make enquiries and provide comments in an informed manner, the Company has established a Shareholders' Communication Policy which sets out the ways shareholders and potential investors may communicate with the Company.

Shareholders and potential investors may send written enquiries to the Company Secretary of the Company by email to investor.enquiry@alco.com.hk, by fax to (852) 2597 8700 or by mail to 11/F, Metropole Square, 2 On Yiu Street, Sha Tin, New Territories, Hong Kong.

SHAREHOLDERS TO CONVENE A SPECIAL GENERAL MEETING

Under the Company's Bye-laws, shareholders holding not less than one-tenth of the paid-up capital of the Company can, by deposit a written requisition signed by the shareholders concerned to the Board or the Company Secretary to the principal place of business of the Company at 11/F, Metropole Square, 2 On Yiu Street, Sha Tin, New Territories, Hong Kong, require a special general meeting to be called by the Board for the transaction of any business specified in such requisition.

CONCLUSION

The Board believes that good corporate governance can safeguard the effective allocation of resources and protect shareholders' interest. The management will try to maintain, strengthen and improve the standard and quality of the Group's corporate governance.

Environmental, Social and Governance Report

ABOUT THIS REPORT

This report is to outline the performances on environmental, social and governance aspects of the Group (“ESG Report”). This ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) under Appendix 27 to the Rules Governing the Listing of Securities on the Main Board of Stock Exchange (“Listing Rules”), and the provisions of “comply or explain” set out therein.

Unless otherwise stated, this ESG report covers the Group’s overall performance, risks, strategies, measures and commitment in terms of quality of workplace environment, environmental protection, operating practice and community involvement for the business operations in Hong Kong and China during the reporting period for the year ended 31st March 2018 (“Reporting Period”).

During the Reporting Period, the Group was principally engaged in design, manufacturing and sale of AV products and notebook products. Therefore, this ESG report mainly covers the above operations. All information is from the official documents or statistic reports of the Group.

Information about corporate governance structure of the Group and other relevant disclosure, please refer to page 13 to 17 of this annual report.

MATERIALITY ASSESSMENT

Management and employees of the Group participated in preparing this ESG Report and assessing and reviewing its operating practices with regards to environment, social and governance aspects, as well as how these operating practices are material to our business operations and stakeholders.

CORPORATE SOCIAL RESPONSIBILITY

As a manufacturer, we uphold a high moral standard and are committed to operating in a socially and environmentally responsible manner while remaining economically sustainable. We have made corporate social responsibility (“CSR”) as an integral part of our business practices as we seek various ways in communicating with stakeholders, with a view to balancing their interests. We review our initiatives of enhancing environmental protection, employee relationships, community involvement, corporate governance and other aspects from time to time, to maintain the best practices that contribute to a more sustainable world. In order to meet this commitment, both individual and collective efforts of our staff and the Group are needed. Hence, we ensure that all employees follow relevant guidelines. The Group’s CSR policies are applicable to all directors, senior executives and other employees.

Environmental, Social and Governance Report

STAKEHOLDER OPINION

We welcome opinions on the Group's approaches on the environmental, social, and governance aspects upon reading the ESG Report. Please share with us via email at investor.enquiry@alco.com.hk.

ENVIRONMENTAL ASPECT

The Group is mindful of the environmental impact of its business operations, as it establishes new goals and performance indicators every year based on its environmental approaches, results of impact and risk assessment, as well as other internal and external factors. The Group's environmental goals are centred around saving of water, electricity and energy, legal and proper disposal of waste, environmental safety and other areas.

The Group has enacted the Risk and Opportunities Control Procedures, which specifies internal measures for identifying potential risks and taking coping efforts, understanding needs and expectations from stakeholders, fulfilling compliance requirements, as well as preparing for contingencies. We evaluate the effectiveness of various measures with records being kept in order to developing a continuous improvement process.

Internal environmental policies, approaches and objectives will be set forth in internal guidelines, checklists and solutions, notice boards and other document as we ensure that all employees are made aware of them. All of these efforts in environmental protection are initiated and monitored by our devoted Environmental Control Committee, which is formed by members with qualifications of ISO 14001:2015 Environmental Management Systems: Internal Auditor and EHS Manager from Lingnan College, Sun Yat-Sen University.

During the Reporting Period, there was no incident of non-compliance with local relevant environmental laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have a significant impact on the Group.

Emissions

We have a manufacturing facility based in Houjie Town, Dongguan City, Guangdong Province in the People's Republic of China ("PRC") ("Houjie Factory"). Upon an acceptance inspection of the facility's construction and a thorough environmental assessment, Houjie Factory has received the Approval of Pollutant Emission in Guangdong Province from the Environmental Protection Bureau of Dongguan City, which is a prerequisite for commencement of manufacturing activities. Houjie Factory has also obtained the certification of ISO14001:2015 for meeting the required standards for environmental management system.

Environmental, Social and Governance Report

ENVIRONMENTAL ASPECT (CONTINUED)

Emissions (Continued)

1. Air Pollution – Greenhouse Gas and Exhaust Gas

We perform air quality inspection at workplace, encompassing benzene, methylbenzene, p-Xylene and so on, whereby results show that all emissions were within maximum levels allowed by the law, including the Emission Limits of Air Pollutants (《大氣污染物排放限值》) (DB44/27-2001) of Guangdong Province. Our Houjie Factory has passed the environmental performance evaluation by the Environmental Protection Bureau of the Dongguan Municipal Government and has obtained the Pollutant Discharge Permit of Guangdong Province (《廣東省污染物排放許可證》).

We ensure that exhaust gases produced by operations of manufacturing machineries are filtered through scrubbers before they are released into the sky. Besides, we carry maintenance and repair on equipment and environmental check to monitor emission levels on a regular basis. Our other initiatives of reinforcing environmental control include establishing an energy-saving and emission reduction system, streamlining production procedures, enhancing employees' awareness, replacing machines with low-efficiency and installing energy-saving equipment.

Set out below is the GHG data highlights :

Types of emissions		Unit	Volume
Direct GHG emissions	Petroleum and diesel consumption (CO2e)	kg	11,483
Indirect GHG emissions	Electricity consumption (CO2e)	Tonnes	6,147

Environmental, Social and Governance Report

ENVIRONMENTAL ASPECT (CONTINUED)

Emissions (Continued)

2. Sewage Discharge

The Group does not discharge industrial wastewater during daily operations and its domestic wastewater, which was within the Discharge Limits of Water Pollutants (《水污染物排放限制》) of the Guangdong Province, was discharged into Houjie Shatang Wastewater Treatment Facility for proper treatment. Our sewage treatment procedures are also inspected and scrutinised by professional institution.

3. Waste Management

Handling processes for all waste generated from production and daily operations are in strict compliance with internal guidelines such as Waste Control Procedures. In general, recycling and reuse of waste are encouraged under feasible circumstances. Hazardous and non-hazardous wastes are disposed of by qualified collectors, whilst electronic solid wastes including electronic devices, electronic parts and printed circuit boards are collected by companies approved by the government. Internal guidelines are in place to promote efficiency in consuming resources and reducing waste. To reduce electronic solid waste, there is a designated department responsible for the repair and maintenance of electronic hardware, so that computers and other electronic devices are functioning well in longer lifespan.

Set out below is the emission data highlights :

	Unit	Volume
Water discharge	tonnes	148,472
Non-hazardous waste	kg	325,277
Industrial waste (equipment)	no.	235

Environmental, Social and Governance Report

ENVIRONMENTAL ASPECT (CONTINUED)

Emissions (Continued)

3. Waste Management (Continued)

Summary of KPI disclosure of Aspect A1 under the ESG Guide:

KPI A1.1	The types of emissions and respective emissions data (if applicable) are set forth in the GHG data highlights.
KPI A1.2	Indirect greenhouse gases emission are set forth in the GHG data highlights.
KPI A1.3 & A1.4	Types of hazardous and non-hazardous wastes produced are set forth in the emission data highlights.
KPI A1.5	Measures to mitigate emissions can be referred to in the above paragraphs.
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives can be referred to in the above paragraphs.

Use of Resources

The Group's environmental efforts extend to its product design and introduction, production processes, and other areas. We strive to reduce carbon emissions through a more efficient use of resources in every business process. Electricity was used as the main energy sources for production and heat. In light of this, we focus our efforts on improving operating efficiency and strengthening conservation of energy, water and other raw materials.

The Group has prepared the Resources and Energy Saving Management Guidelines. Monthly statistics for our water, electricity and other energy consumption are maintained, to ensure that it is within our management targets. Our measures include:

- i. constantly checking whether our equipment and machines function properly, and replacing them when necessary;
- ii. switching off machines, lights and air-conditioners after working hours to save electrical power;
- iii. making detailed assessment on environmental impact prior to using new materials, equipment or production technique;
- iv. setting production volume according to client orders, so as to avoid overstocking;
- v. promoting paperless office by using electronic documents

Environmental, Social and Governance Report

ENVIRONMENTAL ASPECT (CONTINUED)

Use of Resources (Continued)

In addition, we have built an energy management centre, enabling us to collect and monitor online data of energy consumption in real time. This helps us improve our energy saving efforts by replacing obsolete technology and technique with more efficient and advanced ones. For instance, replacing old and low-efficiency air compressor with new one with inverter allows us to save 80,000 kwh of electricity consumption a year.

Our Houjie Factory is strategically located whereby transportation distance is shortened and indirectly reduces our fuel consumption of vehicles. As regards packaging materials, we also use bubble bags in place of corrugated packaging to reduce the volume of packaging materials used.

Set out below is the consumption data highlights :

	Unit	Volume
Electricity (manufacturing processes)	kWh	5,684,357
Electricity (administration)	kWh	2,146,890
Water	m ³	100
Refrigerant	tonnes	0.48
Packaging materials – plastic	kg	797,310
Packaging materials – paper box	kg	1,181,924
Packaging materials – molded pulp	kg	170,708
Packaging materials – foam	kg	36,018
Packaging materials – EPE foam	kg	3,529
Packaging materials – plastic bag	kg	42,050
Toner cartridge	no.	128
Ink cartridge	no.	10
Paper	tonnes	6

Environmental, Social and Governance Report

ENVIRONMENTAL ASPECT (CONTINUED)

Use of Resources (Continued)

Summary of KPI disclosure of Aspect A1 under the ESG Guide:

KPI A2.1	Details of electricity consumption are set forth above in the consumption data highlights.
KPI A2.2	Details of water consumption are set forth above in the consumption data highlights.
KPI A2.3	Description of energy use efficiency initiatives can be referred to in the above paragraphs.
KPI A2.4	There is no issue in sourcing water that is fit for purpose whereas the Group considers its water consumption level is reasonable.
KPI A2.5	Details of total packaging material used for finished products are set forth above in the consumption data highlights.

Environment and Natural Resources

We stress the importance of protecting biodiversity and ecosystems and learn from our decades of experience in the manufacturing sector to promote green practices. We are devoted to minimise negative impact from our business operations as we step up our efforts in raising employees' awareness and enhancing our environmental control.

We have built, followed and maintained an effective environmental management system in accordance with the ISO 14001:2015 standards. We begin with our product design as environmental considerations are incorporated. Where applicable, our products meet the environmental and safety requirements of Restriction of Hazardous Substances Directive (RoHS), Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), Federal Communications Commission (FCC) and Edison Testing Laboratories (ETL); whilst materials used in products are inspected against harmful substances and durability at design stage.

Environmental, Social and Governance Report

SOCIAL ASPECT

Employment and Labour Practices

Employment

The Group had 1,412 employees as at 31st March 2018. We undertake to provide a workplace where our staff is respected. Our employment and labour practices were made in compliance with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Labour Law of the People's Republic of China (《中華人民共和國勞動法》), Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and other applicable laws, as well as industry practices. All employees, upon joining the Group, are given briefing sessions, which cover terms of employment, remuneration packages, working hours, rest periods and holidays, termination, confidentiality and other areas.

References to the market condition and industry benchmark are made when determining the reasonable remuneration packages of our staff. Employees' job nature and experience, results of work appraisal, financial results of the Group are also considered. Annual discretionary bonuses are given to employees to acknowledge their hard work and reward those with outstanding performance. In accordance with relevant laws, we provide other benefits to employees, such as mandatory provident fund, medical insurance and social insurance. Factory employees are provided with dormitory and meals.

During the Reporting Period, there was no incident of non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

1. Equal Opportunities and Diversity

While we tend to employ local citizens living near Houjie Factory to support local employment, we embrace diversity and inclusion. Employees of all backgrounds are entitled to fair and adequate promotion opportunities. Our recruitment and development programs are supervised under our human resources management system to ensure no discrimination in any forms such as gender, age, nationality, sexual orientation, family status, race or religion, within the Group as we hire suitable candidates based on their work experience, knowledge and capabilities.

2. Employee Communication

We value opinions from our staff. We encourage communication with and among employees. We ensure that opinions from work are heard and handled in a fair and appropriate manner. Employees are also encouraged to share their views and aspirations for their career and the Group's development. We also arrange group activities such as ball games, gatherings, to reinforce teamwork and build sense of belonging.

Environmental, Social and Governance Report

SOCIAL ASPECT (CONTINUED)

Employment and Labour Practices (Continued)

Employment (Continued)

3. Dismissal

For termination of employment contract, our human resources department will follow all procedures under the human resources management system and applicable labour laws. Termination clauses are set out in all employees' contracts. In case of complex situation, human resources department will consult our legal advisors and/or management to ensure such employment termination is in compliance with applicable laws.

Set out below is the employment data highlights :

Total employees		no. of people	1,412
By gender	Male	%	53.6
	Female		46.4
By rank	Executives (male)	%	10.3
	Executives (female)		2.4
	Others (male)		47.1
	Others (female)		40.2
By age	Below 30	%	33.5
	30-39		29.9
	40-49		28.2
	50-59		8.0
	60 or above		0.4
Average tenure	Executives (male)	no. of years	12.0
	Executives (female)		13.5
	Others (male)		10.5
	Others (female)		9.5
New employees	Male	no. of people	151
	Female		110
Employee turnover (voluntary)	Male	no. of people	255
	Female		265
Employee turnover (involuntary)	Male	no. of people	80
	Female		14

Environmental, Social and Governance Report

SOCIAL ASPECT (CONTINUED)

Employment and Labour Practices (Continued)

Health and Safety

The Group is dedicated to offering a healthy and safe workplace for our staff and strives to eliminate potential health and safety hazards. Our employees at Houjie Factory might be exposed to certain occupational safety risks as operating of machines and equipment is involved. Therefore, we have a strict safety protocols for daily operations and handling of emergency in reference to Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) and other international standards. Supervisors will oversee every stage of the production processes to ensure that the protocols have been followed.

1. Work Safety

Houjie Factory is equipped with adequate protective gear and equipment, including first-aid equipment, protective helmets, gloves and goggles, fire extinguishers, ear mugs and plugs, and particulate respirators. We also have regular fire drills and qualified fire aiders as well as an onsite medics, who will also be responsible for personal hygiene education. We perform regular check on production machines and equipment to make sure they function safely. Provision of annual body check is in place for workers in designated positions and provide insurance to cover possible injuries and death from work-related accidents. For certain job positions, we require our employees to obtain professional qualifications or licenses, such as drivers, forklift drivers, lifts operators, electrician, and chemical substance handlers.

Throughout our operations, we encourage our employees, together with our Safe Production Committee, through constant communication, to react to any risks promptly so that they can be addressed as they arise.

2. Employee Care

We have been encouraging our employees to achieve work-life balance through activities sponsored or organised by the Group such as interest classes, ball games, and so on. We aspire that our employees are able to value physical and mental health as we strive to create a harmonious working environment to help relieve their stress. Meanwhile, we provide our employees with information about health and safety to improve their health consciousness.

During the Reporting Period, there was no significant incident of safety and work-related injury. There was no incident of non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

Environmental, Social and Governance Report

SOCIAL ASPECT (CONTINUED)

Employment and Labour Practices (Continued)

Development and Training

The Group introduces talents who suit our operating condition and development needs. Through a series of target-oriented and systematic development and training programs, we are devoted to nurture their growth. The Group organises and subsidises various internal and external staff training to enhance their skills and knowledge, including machine operating, work safety and production environment management, industry and market knowledge, business administration and so on. In Houjie Factory, employees have to go through the 32 hours of required annual training.

We adjust our training courses based on business needs. For instance, due to change of our product mix, participation rates of training of Robotic Process Automation ("RPA") and laptop project-related training increased during the Reporting Period,

Meanwhile, the Group also updates the latest information of the industry and laws and regulations which are essential to the Group's operations and their job responsibilities from time to time. Training on obligations, duties and responsibilities of directors and senior management of publicly listed companies are also in place. This training is in line with the Securities and Futures Ordinance and the Listing Rules.

To retain talent and reward employee with good performance and high potential, we offer internal promotion prospects within the Group. We also encourage open communication and discussion between management and other employees about working condition, promotion and career goal, with a view to supporting their development and growth with the Company.

Labour Standard

The Group's internal rules and labour system are made in strict adherence to the Employment Ordinance (《僱傭條例》) and the Regulation on Labour Security Supervision (《勞動保障監察條例》), the Labour Standards Law (《勞動基準法》) and other applicable laws and regulations. All recruitment process and promotion activities are closely monitored under the Group's human resources management scheme to prevent child labour, forced labour, or any discrimination by race, religion, age or disability. The Group will conduct investigations, punishment or dismissal of relevant employees immediately when any non-compliance is being discovered. If necessary, the Group will further improve the labour mechanism against illegal behaviors.

During the Reporting Period, there was no child or forced labour in the Group's operations.

Environmental, Social and Governance Report

OPERATING PRACTICES

Supply Chain Management

The Group had approximately 300 suppliers during the Reporting Period, who mainly supplied us with TFT Displays, ICs, mechanical components, etc. We did not witness any significant change in geographical locations of suppliers. Our suppliers are mainly from the People's Republic of China, Hong Kong and Taiwan.

The Group endeavours to maintain an appropriate and legitimate supply chain management to promote sound practices in our supply chain. We have a set of supplier management procedures and supplier evaluation standards which are from time to time perform site inspection at suppliers' premises in order to evaluate and maintain the quality of the suppliers.

We maintain a long-term business relationship with our suppliers. China-based suppliers are preferred due to cost advantage in transportation. However, we make strict assessment of our suppliers on cost, quality, and delivery performance as required to fulfill their responsibilities under the procurement contracts. Our goal is to maintain a healthy balance of suppliers on a comparable platform so that they can compete each other and ultimately providing benefits to our company.

We also maintain close communications with our suppliers through telephone conference, site visits, and email, to align them with the Group's standards on legal compliance, social responsibilities, labour standards, work safety and health, environmental protection and other aspects. We will evaluate internally any suppliers who do not meet our requirements or fail to fulfill contract liability. These suppliers will be replaced immediately and compensate any losses arising from their failure to fulfill contract liability.

Product Responsibility

Through strict implementation of the guidelines and policies, we undertake to provide quality products to consumers. While we make products that satisfy consumer needs, we also carry out quality and safety assurance works during manufacturing processes to ensure the products are able to pass the safety and environmental standards of respective sale regions. We will promptly handle and investigate customer complaints to facilitate improvement of our service and product quality.

1. *Customer Satisfaction*

To improve customer satisfaction, it is our policy to respond and handle quickly to customer complaints. Customers' feedback on our products is valuable as a drive force to keep us working better.

Environmental, Social and Governance Report

OPERATING PRACTICES (CONTINUED)

Product Responsibility (Continued)

2. Advertising and labeling

While we engaged in large-scale marketing campaigns or advertisement to promote our business or products, we also have designated sales representatives to meet with customers from time to time to endorse our products and services. We ensure that all relevant sales and marketing efforts are made in compliance with all applicable laws and standards enacted by the government and industry associations.

During the Reporting Period, the Group complied with all relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters.

Anti-corruption

The Group complies with all relevant anti-corruption laws and regulations, such as the Prevention of Bribery Ordinance (《防止賄賂條例》) of Hong Kong Laws, the Criminal Law of the People's Republic of China (《中華人民共和國刑法》) and the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), and other relevant laws and regulations that are related to corruption, bribery, extortion, money-laundering and other frauds.

To reinforce corporate governance, we have formed an audit committee, while hiring external lawyers and auditors to offer opinions on our financial reporting and other compliance issues. While we have complied with Stock Exchange's corporate governance requirements on listing companies, we will continue to review and improve our internal control and corporate governance.

We have abstracted relevant sections of the Prevention of Bribery Ordinance in Hong Kong into the code of conduct. Our employees are required to be aware of and declare if they have personal interests which may conflict with the company's interests.

Whistle-blowing policy

The Group encourages its employees, suppliers, customers and other stakeholders to report any misconduct. We will promptly carry inspection and take necessary measures while protecting the identity of the whistleblower.

During the Reporting Period, we had not identified any non-compliance in relation to corruption, bribery, extortion, fraud and money laundering, which had a significant impact on the Group. The Group will regularly review its internal anti-corruption system and improve it when necessary.

Environmental, Social and Governance Report

COMMUNITY

Community Investment

The Group strives to fulfill our responsibilities as a corporate citizen and undertake to make positive contribution to society. The Group will continue to look into ways of promoting the spirit of corporate social responsibility within the company by organizing or participating in appropriate community activities, donations or scholarship programs. We, through this kind of events, aspire to create the idea of giving back from our employees, foster closer relationships among the Group, our employees and the communities by caring for and helping those in need.

During the Reporting Period, we participated in blood donation event, youth volunteer activities, as well as took part in and provided venue for community basketball games. Meanwhile, we have employed 20 people from the community where we operate.

APPENDIX I: ESG REPORTING GUIDE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas	Content	Section in This ESG Report
A. Environmental Aspect		
A1 Emissions		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Aspect – Emissions
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Aspect – Use of Resources
A3 Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Aspect – Environment and Natural Resources

Environmental, Social and Governance Report

Subject Areas	Content	Section in This ESG Report
B. Social Aspect		
Employment and Labour Practices		
B1 Employment		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Practices – Employment
B2 Health and Safety		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employment and Labour Practices – Health and Safety
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employment and Labour Practices – Development and Training
B4 Labour Standard		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment and Labour Practices – Labour Standards

Environmental, Social and Governance Report

Subject Areas	Content	Section in This ESG Report
Operating Practices		
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Operating Practices – Supply Chain Management
B6 Product Responsibility		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Operating Practices – Product Responsibility
B7 Anti-corruption		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Operating Practices – Anti-corruption
Community		
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community – Community Investment

Report of the Directors

The directors submit their report together with the audited financial statements for the year ended 31st March 2018.

PRINCIPAL ACTIVITIES AND SEGMENT ANALYSIS

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 18 to the consolidated financial statements.

Analysis of the Group's performance for the year by product and geographical area is set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 52.

The directors have declared an interim dividend of HK3 cents per ordinary share, totalling HK\$17,358,000.

The directors recommended the payment of a final dividend of HK2 cents per ordinary share, totalling HK\$11,572,000.

BUSINESS REVIEW

A review of the business of the Group during the year as required by Schedule 5 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) is included in the Report of the Directors and covered by different sections in this annual report. Those sections form part of this Report of the Directors.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to managing and, where possible, minimizing environmental impacts attributable to its operation. The Group actively controls and endeavors to reduce emissions and waste, and uses energy and resources in an efficient manner. It also uses environmental-friendly production parts in its manufacturing operation. In addition, the Group's management team constantly reviews the effectiveness of the environmental protection measures and makes improvement where necessary.

Report of the Directors

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognizes the importance of good relationships with its employees, customers and suppliers to meet long-term business goals.

Employees are considered valuable assets of the Group and are reasonably remunerated according to performance, qualification and market trend. Remuneration packages, including medical insurance and education subsidies, will be reviewed regularly.

The Group has been building long-term relationships with customers and suppliers. A good relationship with suppliers helps develop practices of punctual delivery of raw materials with good condition. With reliable production parts, we are able to produce products with high quality and reliability for our customers. These all in turn benefit the Company and its shareholders as a whole.

IMPORTANT EVENTS AFTER YEAR END

As far as the Company is aware, no important events affecting the Company that have occurred since the end of the financial year.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Company is aware, there was no material breach of or non-compliance with relevant laws and regulations that have a significant impact on the business and operation of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total equity and total equity per share as at 31st March 2018 were HK\$1,729 million (2017: HK\$1,846 million) and HK\$2.99 (2017: HK\$3.19) respectively.

The Group maintains a healthy financial position. As at 31st March 2018, we had cash and deposits of HK\$280 million. After deducting bank loans of HK\$134 million, we had net cash of HK\$146 million. The Group has adequate liquidity for future working capital requirements.

As at 31st March 2018, our inventory was HK\$404 million (2017: HK\$474 million). We take a cautious approach to monitor the inventory level especially during this environment with uncertainty.

Trade receivables balance as at 31st March 2018 was HK\$824 million (2017: HK\$697 million). It is our policy to deal with creditworthy customers and to adopt a prudent credit policy, and we have been closely monitoring credit risk.

Trade payables balance as at 31st March 2018 was HK\$150 million (2017: HK\$250 million).

Report of the Directors

LIQUIDITY AND FINANCIAL RESOURCES (CONTINUED)

Capital expenditure on fixed assets during the year was HK\$180 million (2017: HK\$48 million), including HK\$121 million for the acquisition of new headquarter in Sha Tin. As at 31st March 2018, we had capital commitments contracted but not provided for in respect of moulds, plant and machinery and renovation amounting to HK\$13,030,000 (2017: HK\$5,189,000).

Due to peg-rate system, we have limited exposure to trade-related foreign exchange risk as substantially all of our sales, purchases and borrowings are denominated in United States dollars and Hong Kong dollars. Adhering to the policy of not engaging in currency speculation, there was no gain or loss from speculative activities during the reporting financial year.

To naturally hedge against the potential cost impact caused by RMB, the Group has diversified its cash portfolio by investing in RMB denominated deposits. As at 31st March 2018, the amount totalled RMB77 million.

EMPLOYEES

As at 31st March 2018, the Group had approximately 1,400 (2017: 1,600) employees in the PRC, Taiwan and Hong Kong. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. We also provide other benefits including medical insurance, provident fund and education subsidies to all eligible staff.

MAJOR SUPPLIERS AND CUSTOMERS

The purchases and sales attributable to the Group's major suppliers and customers expressed as a percentage of total purchases and sales of the Group for the year ended 31st March 2018 are as follows:

Purchases

– the largest supplier	11%
– five largest suppliers combined	39%

Sales

– the largest customer	90%
– five largest customers combined	98%

None of the directors, their associates or shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above at any time during the year.

Report of the Directors

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in Note 26 and Note 31 to the consolidated financial statements respectively.

DONATIONS

Charitable and other donation made by the Group during the year amounted to HK\$37,000.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in Note 14 to the consolidated financial statements.

PRINCIPAL PROPERTIES

Details of the principal properties held for investment purposes are set out on page 119.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in Note 25 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st March 2018 amounted to HK\$754,300,000 (2017: HK\$720,601,000), comprising retained earnings and contributed surplus.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 120.

Report of the Directors

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31st March 2018, the Company repurchased a total of 772,000 ordinary share of the Company at a consideration of HK\$1,472,500 on The Stock Exchange of Hong Kong Limited. All the 772,000 repurchased shares were cancelled during the financial year. Details of the repurchases are as follows:

Month of repurchases	Total number of shares repurchased	Price per share		Aggregate Consideration
		Highest	Lowest	
		HK\$	HK\$	HK\$
September 2017	772,000	1.95	1.83	1,472,500

The repurchases were made for the benefit of the Company and its shareholders as a whole with a view to enhancing the net asset value per share and to improving the earnings per share of the Company.

Save as disclosed above, neither the Company nor its subsidiary companies has purchased or sold any of the Company's shares during the year ended 31st March 2018 and the Company has not redeemed any of its shares during the same financial year.

BANK LOANS AND OTHER BORROWINGS

An analysis of the Group's bank borrowings at 31st March 2018 and 2017 is set out below:

	Bank borrowings	
	2018 HK\$'000	2017 HK\$'000
Within one year	91,615	116,400
In the second to fifth year	7,646	58,200
Over five years	34,457	–
	133,718	174,600

Report of the Directors

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March 2018 are set out in Note 18 to the consolidated financial statements.

RETIREMENT BENEFIT SCHEMES

Details of the Group's retirement benefit schemes are set out in Note 8 to the consolidated financial statements.

Directors

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

Mr LEUNG Kai Ching, Kimen (retired on 15th June 2018)
Mr LEUNG Wai Sing, Wilson
Mr KUOK Kun Man
Mr LEUNG, Jimmy
Mr LIU Lup Man
Mr LI Wah Ming, *S.B.S., J.P.*¹
Mr LEE Tak Chi¹
Mr CHEUNG, Johnson¹

¹ *Independent non-executive directors*

In accordance with clause 87(1) of the Company's Bye-laws, Mr KUOK Kun Man and Mr LEE Tak Chi will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

Report of the Directors

DIRECTORS' SERVICE CONTRACT

Each of the executive directors has entered into a service contract with the Company for a term of 3 years and such contract shall continue until terminated by either party giving to the other not less than 3 months notice in writing.

Each of the independent non-executive directors has entered into a service contract with the Company for a term of 3 years and such contract shall continue until terminated by either party giving to the other not less than 2 months notice in writing.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on pages 11 and 12.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company, or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the directors of the Company has an interest in a business which competes or may compete with the business of the Group.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws of the Company, Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty.

The Company has arranged Directors' liability insurance, which provides appropriate insurance cover for the Directors.

Report of the Directors

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

(a) Long positions in ordinary shares of HK\$0.10 each of the Company

As at 31st March 2018, the interests and short positions of each director and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

	Number of shares held			Percentage of the issued share capital of the Company
	Personal interest	Corporate interest	Total	
Mr LEUNG Kai Ching, Kimen (retired on 15th June 2018)	20,150,000	225,911,400 (Note)	246,061,400	42.53%
Mr LEUNG Wai Sing, Wilson	47,072,000	–	47,072,000	8.14%
Mr LEUNG, Jimmy	1,144,000	–	1,144,000	0.20%
Mr LI Wah Ming	260,000	–	260,000	0.04%

Note:

These shares were owned by Shundean Investments Limited, a company incorporated in the British Virgin Islands with limited liability, of which Mr LEUNG Kai Ching, Kimen is the sole shareholder.

Report of the Directors

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

(b) Long positions in underlying shares of the Company

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors or the chief executives or their spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, as at 31st March 2018, other than one ordinary share each in certain Hong Kong incorporated subsidiaries of the Company held in trust for the Group by Mr LEUNG Kai Ching, Kimen, none of the directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations required to be disclosed pursuant to the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31st March 2018, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives.

Name	Capacity in which shares were held	Number of shares – Long position	Percentage of the issued share capital of the Company
Shundean Investments Limited	Beneficial owner	225,911,400 (Note i)	39.04%
Mr Webb David Michael	Beneficial owner	58,085,400 (Note ii)	10.04%
Preferable Situation Assets Limited	Beneficial owner	38,435,000 (Note ii)	6.64%
Mr LEUNG Wai Lap, David	Beneficial owner	34,828,190	6.02%

Report of the Directors

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

Notes:

- (i) These shares were owned by Shundean Investments Limited, a company incorporated in the British Virgin Islands with limited liability, of which Mr LEUNG Kai Ching, Kimen is the sole shareholder.
- (ii) Mr Webb David Michael beneficially owned 19,650,400 shares, and in addition he held 38,435,000 shares through Preferable Situation Assets Limited, which was 100% directly owned by him.

Save as disclosed above, as at 31st March 2018, according to the register of interests required to be kept by the Company under Section 336 of Part XV of the SFO, there was no person, other than the directors of the Company, whose interests are set out in the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, who had any interest or short position in the shares or underlying shares of the Company.

SHARE OPTION SCHEME

There was no share option scheme for the year ended 31st March 2018.

MANAGEMENT CONTRACTS

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws in Bermuda.

Report of the Directors

CORPORATE GOVERNANCE

The Company is maintaining a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in Corporate Governance Report on pages 13 to 17.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the financial statements of the Group for the year ended 31st March 2018.

The audit committee currently comprises three independent non-executive directors of the Company, namely Mr CHEUNG, Johnson, Mr LI Wah Ming and Mr LEE Tak Chi.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to and within the knowledge of the directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares at all times during the year ended 31st March 2018 and up to the date of this report.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming Annual General Meeting of the Company.

By order of the Board

LEUNG Wai Sing, Wilson

Chairman and Chief Executive Officer

Hong Kong, 20th June 2018

Independent Auditor's Report



羅兵咸永道

TO THE SHAREHOLDERS OF ALCO HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of Alco Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 52 to 118, which comprise:

- the consolidated balance sheet as at 31st March 2018;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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Independent Auditor's Report

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Provision for obsolete or slow moving inventories
- Capitalisation of development costs

Key Audit Matter

How our audit addressed the Key Audit Matter

Provision for obsolete or slow moving inventories

Refer to note 20 “Inventories” and note 4 “Critical accounting estimates and judgements” to the consolidated financial statements.

At 31st March 2018, the Group held net inventories of HK\$403,591,000 and the provision for obsolete or slow moving inventories was HK\$119,049,000. Inventories are stated at the lower of cost and net realisable value in the consolidated financial statements.

We understood and tested the controls by which management identified obsolescence and determined the net realisable value of inventories.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter

How our audit addressed the Key Audit Matter

Provision for obsolete or slow moving inventories (Continued)

Management assessed the provision at each period end for obsolete or slow moving inventories based on consideration of obsolescence of raw materials and work in progress, and the net realisable value of finished goods. The identification of inventory obsolescence and determination of estimated selling price less cost to sell require the use of significant judgement and estimates, including their nature, ageing, latest selling price, and expectation of future sales orders. The estimates are also subject to uncertainty of market trends, customer demands and technological development.

We focused on this area due to the significance of the balance and of the management judgement and estimates involved in determining the provision for impairment of obsolete or slow moving inventories.

We tested, on a sample basis, by comparing the estimated selling price with post year-end sales data of the selected items and tested the inventory aging by comparing the inventory records with the underlying documents. In addition, we discussed with management and inspected the latest sales pattern for both price and quantity for potential orders, and other factors, including the product change and the market trend.

On a sample basis, we have further corroborated management's explanations with underlying documents and analysis of inventory aging and sales pattern.

Based on the procedures performed above, we considered the estimates made by management in assessing the provision for obsolete or slow-moving inventories to be supported by available evidence.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter

Capitalisation of development costs

Refer to note 17 “Intangible assets”, note 2.8 “Summary of significant accounting policies – Intangible assets” and note 4 “Critical accounting estimates and judgements” to the consolidated financial statements.

At 31st March 2018, the Group's intangible assets include deferred development cost of HK\$36,652,000 (net of amortisation).

During the year, the Group conducted a significant level of development activities to develop new products, such as netbook computers. Management applied judgement in identifying projects and expenditures attributable to the projects that met the criteria for capitalisation under the requirements of accounting standards. Factors taken into account by management included the Group's intention, availability of technical, financial and other resources and technical feasibility to complete such projects, its ability to sell the relevant products developed from such projects, the likelihood of generating sufficient future economic benefits to the Group and its ability to measure the expenditure incurred on a specific project reliably.

We focused on this area because of the significance of the costs capitalised and the judgement involved in assessing whether the capitalisation criteria have been met.

How our audit addressed the Key Audit Matter

We understood and tested the controls in relation to how management determined and measured costs that are directly attributable to the development activities.

We evaluated the nature of the development costs incurred that are capitalised into intangible assets. Further, we discussed with management regarding their overall business plan for such projects including planned launch channels and sales forecast for those products. Based on the explanations provided by management and our knowledge of the business and industry, we assessed reasonableness of factors considered to support the capitalisation of the development costs.

For payroll costs incurred by employees that are directly attributable to development activities, we obtained listing of hours worked on each individual project and discussed with project managers to understand the nature of work performed by the employees. We also obtained management's approval on such listing of hours for each project.

We have also tested the costs capitalised, on a sample basis, by agreeing such costs to contracts, external invoices and internal payroll records, where applicable.

Based on the procedures performed above, we considered the costs capitalised to be supportable by available evidence.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of 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.

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

The Audit Committee are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Report

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Johnny Ka Keung Wong.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20th June 2018

Consolidated Income Statement

For the year ended 31st March 2018

	Note	2018 HK\$'000	2017 HK\$'000
Revenue	5	2,080,707	2,100,142
Cost of goods sold	7	(1,982,104)	(1,862,266)
Gross profit		98,603	237,876
Other income	6	41,227	33,022
Selling expenses	7	(95,117)	(84,351)
Administrative expenses	7	(96,978)	(96,192)
Other operating expenses	7	(17,826)	(12,083)
Operating (loss)/profit		(70,091)	78,272
Finance income	10	8,045	9,875
Finance costs	10	(9,253)	(10,268)
(Loss)/profit before income tax		(71,299)	77,879
Income tax expense	11	(14,637)	(3,987)
(Loss)/profit for the year		(85,936)	73,892
(Loss)/profit for the year attributable to:			
– Equity holders of the Company		(85,808)	73,897
– Non-controlling interests		(128)	(5)
		(85,936)	73,892
(Loss)/earnings per share attributable to equity holders of the Company			
– Basic	12	(HK14.8 cents)	HK12.8 cents
– Diluted	12	(HK14.8 cents)	HK12.8 cents
Dividends	13	28,930	57,937

The notes on pages 58 to 118 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31st March 2018

	2018 HK\$'000	2017 HK\$'000
(Loss)/profit for the year	(85,936)	73,892
Other comprehensive income/(loss), net of tax:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	16,473	(9,620)
Total comprehensive (loss)/income for the year	(69,463)	64,272
Total comprehensive (loss)/income for the year attributable to:		
– Equity holders of the Company	(69,335)	64,277
– Non-controlling interests	(128)	(5)
	(69,463)	64,272

The notes on pages 58 to 118 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As at 31st March 2018

	Note	2018 HK\$'000	2017 HK\$'000
Non-current assets			
Property, plant and equipment	14	350,007	202,798
Investment properties	15	93,988	90,488
Leasehold land and land use rights	16	5,926	6,001
Intangible assets	17	36,652	10,776
Deferred income tax assets	27	16,790	28,225
Prepayments, deposits, and other receivables	21	17,677	23,070
		521,040	361,358
Current assets			
Inventories	20	403,591	473,819
Trade and other receivables	21	864,157	742,693
Current income tax recoverable		13,090	13,086
Cash and cash equivalents	22	279,520	787,201
		1,560,358	2,016,799
Current liabilities			
Trade and other payables	23	215,090	320,739
Current income tax liabilities		3,361	2,881
Deferred gain	6	–	17,450
Borrowings	24	91,615	116,400
		310,066	457,470
Net current assets		1,250,292	1,559,329
Total assets less current liabilities		1,771,332	1,920,687

Consolidated Balance Sheet

As at 31st March 2018

	Note	2018 HK\$'000	2017 HK\$'000
Capital and reserves attributable to equity holders of the Company			
Share capital	25	57,860	57,937
Reserves	26	1,671,938	1,788,995
		1,729,798	1,846,932
Non-controlling interests		(569)	(441)
Total equity		1,729,229	1,846,491
Non-current liabilities			
Deferred gain	6	–	15,996
Borrowings	24	42,103	58,200
		42,103	74,196
Total equity and non-current liabilities		1,771,332	1,920,687

The consolidated financial statements on pages 52 to 118 were approved by the Board of Directors on 20th June 2018 and were signed on its behalf.

LEUNG Wai Sing, Wilson
Director

LEUNG, Jimmy
Director

The notes on pages 58 to 118 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31st March 2018

	Attributable to equity holders of the Company				Non-controlling interests HK\$'000	Total Equity HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000		
At 1st April 2016	57,937	313,234	1,614,263	1,985,434	(436)	1,984,998
Comprehensive income/(loss)						
Profit/(loss) for the year	-	-	73,897	73,897	(5)	73,892
Other comprehensive loss						
Currency translation differences	-	(9,620)	-	(9,620)	-	(9,620)
Total comprehensive (loss)/income	-	(9,620)	73,897	64,277	(5)	64,272
Transactions with owners						
2017 interim dividend	-	-	(28,969)	(28,969)	-	(28,969)
2016 final dividend	-	-	(173,810)	(173,810)	-	(173,810)
Total transaction with owners	-	-	(202,779)	(202,779)	-	(202,779)
At 31st March 2017	57,937	303,614	1,485,381	1,846,932	(441)	1,846,491
At 1st April 2017	57,937	303,614	1,485,381	1,846,932	(441)	1,846,491
Comprehensive loss						
Loss for the year	-	-	(85,808)	(85,808)	(128)	(85,936)
Other comprehensive income						
Currency translation differences	-	16,473	-	16,473	-	16,473
Total comprehensive income/(loss)	-	16,473	(85,808)	(69,335)	(128)	(69,463)
Transactions with owners						
Repurchase of own shares	(77)	(1,319)	(77)	(1,473)	-	(1,473)
2018 interim dividend	-	-	(17,358)	(17,358)	-	(17,358)
2017 final dividend	-	-	(28,968)	(28,968)	-	(28,968)
Total transaction with owners	(77)	(1,319)	(46,403)	(47,799)	-	(47,799)
At 31st March 2018	57,860	318,768	1,353,170	1,729,798	(569)	1,729,229

The notes on pages 58 to 118 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31st March 2018

	Note	2018 HK\$'000	2017 HK\$'000
Cash flows from operating activities			
Cash used in operations	28(a)	(212,773)	(118,258)
Interest received		8,045	9,875
Interest paid		(9,253)	(10,268)
Income tax paid		(1,687)	(17,550)
Net cash used in operating activities		(215,668)	(136,201)
Cash flows from investing activities			
Purchase of property, plant and equipment	28(b)	(180,277)	(48,316)
Proceeds from disposal of plant and equipment		570	1,028
Payments for intangible assets		(35,840)	(4,926)
Net cash used in investing activities		(215,547)	(52,214)
Cash flows from financing activities			
Proceeds from trust receipt loans		530,621	643,491
Repayments of trust receipt loans		(530,621)	(643,491)
Proceeds from borrowings		75,993	–
Repayments of borrowings		(117,450)	(58,200)
Repurchase of shares		(1,473)	–
Dividends paid to the Company's shareholders		(46,326)	(550,400)
Net cash used in financing activities		(89,256)	(608,600)
Net decrease in cash and cash equivalents		(520,471)	(797,015)
Cash and cash equivalents at beginning of the year		787,201	1,591,643
Effect of foreign exchange rate change		12,790	(7,427)
Cash and cash equivalents at end of the year	22	279,520	787,201

The notes on pages 58 to 118 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

31st March 2018

1 GENERAL INFORMATION

Alco Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

During the year ended 31st March 2018, the Company and its subsidiaries (together, the “Group”) are engaged in designing, manufacturing and selling of consumer electronic products.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (“HK\$’000”), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of Appendix 16 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

- (a) The following amended standards are mandatory for the financial year beginning 1st April 2017:

HKAS 7 (Amendment)	Disclosure initiative
HKAS 12 (Amendment)	Recognition of deferred tax assets for unrealised losses
HKFRS 12 (Amendment)	Annual improvement to HKFRS 2014-2016 cycle

The adoption of these amended standards did not result in a significant impact on the results and financial position of the Group.

- (b) The new standards, amendments to standards and interpretations relevant to the Group which have been issued, but not effective for the financial year beginning 1st April 2017 and have not been early adopted:

		Effective for accounting period beginning on or after
HKAS 28 (Amendment)	Investments in associates and joint ventures	1st January 2019
HKAS 40 (Amendment)	Transfer of investment property	1st January 2018
HKFRS 1 and HKAS 28 (Amendments)	Annual improvements to HKFRS 2014-2016 cycle	1st January 2018
HKFRS 2 (Amendments)	Classification and measurement of share-based payment transactions	1st January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 financial instruments with HKFRS 4 insurance contracts	1st January 2018
HKFRS 9	Financial instruments	1st January 2018
HKFRS 9 (Amendment)	Prepayment features with negative compensation	1st January 2019
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate and joint venture	To be determined
HKFRS 15	Revenue from contracts with customers	1st January 2018
HKFRS 15 (Amendment)	Clarifications to HKFRS 15	1st January 2018
HKFRS 16	Leases	1st January 2019
HKFRS 17	Insurance contracts	1st January 2021
HK(IFRIC)-Int22	Foreign currency transactions and advance consideration	1st January 2018
HK(IFRIC)-Int23	Uncertainty over income tax treatments	1st January 2019
Annual improvements projects	Annual improvements to HKFRS 2015-2017 cycle	1st January 2019

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(b) (Continued)

The Group's assessment of the impact of these new standards and interpretations is set out below:

HKFRS 9, "Financial Instruments"

Nature of change

HKFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Impact

The Group has reviewed its financial assets and liabilities and does not expect the new guidance to affect the classification and measurement of its financial assets and financial liabilities.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken up to date, the Group does not expect the new model to have material impact on the recognition of the Group's credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

Date of adoption by the Group

Mandatory for financial years commencing on or after 1st January 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1st April 2018 and that comparatives will not be restated.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(b) (Continued)

HKFRS 15, "Revenue from Contracts with Customers"

Nature of change

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts and the related literature.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Impact

Management has assessed the effects of applying the new standard on the Group's consolidated financial statements and has identified the following areas that are likely to be affected:

- revenue from service – the application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue;
- accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under HKFRS 15; and
- rights of return – HKFRS 15 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation.

Based on the assessments undertaken up to date, the Group does not expect the new standard to have any material impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(b) (Continued)

HKFRS 15, "Revenue from Contracts with Customers" (Continued)

Date of adoption by Group

Mandatory for financial years commencing on or after 1st January 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1st April 2018 and that comparatives will not be restated.

HKFRS 16, "Leases"

Nature of change

HKFRS 16 will result in almost all leases being recognised on the consolidated balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

Impact

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$412,411,000 (Note 30(b)). However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's results and classification of cash flows.

Management is in the process of quantifying the potential effects of this new standard in its consolidated financial statements.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(b) (Continued)

HKFRS 16, "Leases" (Continued)

Date of adoption by Group

Mandatory for financial years commencing on or after 1st January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(a) *Subsidiaries (Continued)*

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net asset acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Inter-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(a) *Subsidiaries (Continued)*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

Gains or losses on disposals to non-controlling interests are also recorded in equity. When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors that make strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to consolidated income statement.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to consolidated income statement.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Leasehold land and land use rights

Leasehold land and land use rights classified as operating leases are stated at cost less accumulated amortisation and accumulated impairment losses. Cost mainly represents consideration paid for the rights to use the land from the date the respective rights were granted. Amortisation of leasehold land and land use rights is calculated on a straight-line basis over the period of the rights.

2.6 Property, plant and equipment

Leasehold land classified as finance lease and all other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in an 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 consolidated income statement during the financial period in which they are incurred.

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over the shorter of the unexpired lease term or their estimated useful lives.

Depreciation on leasehold improvements and moulds is calculated using the straight-line method to allocate their costs over their estimated useful lives of 15 years and 4 years respectively. Depreciation of building is calculated on a straight-line basis over the shorter of the period of the land use rights and 40 years. Other property, plant and equipment are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a reducing balance basis. The principal depreciation rates are as follows:

Furniture, fixtures and equipment	20%
Plant and machinery	14.5% to 20%
Motor vehicles	20%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment (Continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement.

2.7 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. The market value of the properties is calculated on the discounted net rental income allowing for reversionary potential. Changes in fair values are recorded in the consolidated income statement as part of "other income". Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement.

2.8 Intangible assets

(a) Acquired licence right

An acquired licence right is carried at cost less accumulated amortisation. The economic useful life of an acquired licence right is estimated at the time of purchase (Note 4(d)).

Amortisation is calculated using the straight-line method to allocate the cost of the acquired licence over its estimated useful life of 10 years.

Licence right is tested for impairment annually, in accordance with HKAS 36.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Intangible assets (Continued)

(b) Deferred development costs

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (directly attributable to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (i) it is technically feasible to complete the developing/developed product so that it will be available for use or sale;
- (ii) management intends to complete the developing/developed product and use or sell it;
- (iii) there is an ability to use or sell the developing/developed product;
- (iv) it can be demonstrated how the developing/developed product will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the developing/developed product are available; and
- (vi) the expenditure attributable to the developing/developed product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as expenses as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised over a period of 36 months to reflect the pattern in which the relevant economic benefits are recognised. Development assets are tested for impairment annually, in accordance with HKAS 36.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets

2.10.1 Classification

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the consolidated balance sheet (Notes 2.14 and 2.15).

2.10.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of loans and receivables is described in Note 2.11.

2.11 Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of financial assets carried at amortised cost (Continued)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Trade receivables, prepayments, deposits and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables, prepayments, deposits and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.15 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares and share options are shown in equity as a deduction, net of tax, from the proceeds. Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

2.17 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 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 the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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 end of the reporting period.

2.19 Borrowing costs

All borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

2.20 Current and deferred income tax

The tax expense for the year comprises current and deferred tax and is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Current and deferred income tax (Continued)

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits

(a) *Employee leave entitlements*

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 balance sheet date.

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

(b) *Pension obligations*

The Group operates a number of defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present values.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.23 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below:

- (i) Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- (ii) Rental income is recognised on a straight-line basis over the periods of the respective leases.
- (iii) Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Leases

Operating lease (as the lessee)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

Finance lease (as the lessee)

The Group has land leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Operating lease (as the lessor)

Where the Group leases out assets under operating leases, the assets are included in the consolidated balance sheet according to their nature, as set out in Note 2.7. Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 2.23(ii).

2.25 Sales and leaseback transaction

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The lease payment and the sale price are usually interdependent because they are negotiated as a package. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved.

If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is deferred and amortised over the lease term. If a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortised over the period for which the asset is expected to be used.

Notes to the Consolidated Financial Statements

31st March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the Group's treasury function. The Group adopts a conservative and balanced treasury policy which focuses on the financial risks factors as below and seeks to minimise potential adverse effects on the Group's financial performance.

3.1 Financial risk factors

(a) *Market risk*

(i) *Foreign exchange risk*

The Group's transactions are mainly denominated in HKD, United States dollars ("USD"), Renminbi ("RMB") and New Taiwan dollars ("NTD"). The majority of assets and liabilities are denominated in HKD, USD, RMB, NTD and Great British Pound ("GBP"), and there are no significant assets and liabilities denominated in other currencies.

Since HKD is pegged to USD, the Group does not have significant currency risks and it is the Group's policy not to engage in speculative activities. The Group has not entered into any contracts to hedge its exposure for foreign exchange risk.

At 31st March 2018, if RMB had strengthened/weakened by 10% against HKD with all other variables held constant, post-tax loss (2017: profit) for the year would have been approximately HK\$6,010,000 lower/higher (2017: HK\$6,397,000 higher/lower), mainly as a result of the net foreign exchange differences on translation of RMB denominated cash and bank balances and other payables.

At 31st March 2018, if NTD had strengthened/weakened by 10% against HKD with all other variables held constant, post-tax loss (2017: profit) for the year would have been approximately HK\$694,000 lower/higher (2017: HK\$255,000 higher/lower), mainly as a result of the net foreign exchange differences on translation of NTD denominated cash and bank balances, trade and other receivables and other payables.

Notes to the Consolidated Financial Statements

31st March 2018

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

At 31st March 2018, if GBP had strengthened/weakened by 10% against HKD with all other variables held constant, post-tax loss (2017: profit) for the year would have been approximately HK\$952,000 lower/higher (2017: HK\$103,000 higher/lower), mainly as a result of the foreign exchange differences on translation of GBP denominated cash and bank balances.

(ii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, other than short-term bank deposits, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from bank borrowings. The Group's bank borrowings are carried at floating rates which expose the Group to cash flow interest rate risk. The Group has not entered into any interest rate swaps to hedge its exposure to interest rate risk.

As at 31st March 2018, the Group's borrowings at variable rates were denominated in HKD and USD.

At 31st March 2018, if interest rates on all borrowings had been 100 basis points higher/lower with all other variables held constant, post-tax loss (2017: profit) for the year would have been HK\$1,117,000 higher/lower (2017: HK\$1,746,000 lower/higher), mainly as a result of higher/lower interest expense on floating rate borrowings.

At 31st March 2018, if interest rates on all interest-bearing bank and cash deposits had been 100 basis points higher/lower with all other variables held constant, post-tax loss (2017: profit) for the year would have been HK\$2,317,000 lower/higher (2017: HK\$7,864,000 higher/lower) due to interest income earned on market interest rate.

The total bank loans held by the Group as at 31st March 2018 and 2017 were all with floating rates.

Notes to the Consolidated Financial Statements

31st March 2018

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents and short-term deposits with banks and financial institutions, loans and receivables, as well as credit exposures to customers, including outstanding receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's cash and short-term deposits are placed with reputable banks and financial institutions. For credit exposures from customers, management assesses the credit quality of each individual major customer, taking into account its financial position, past experience and other factors.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The Group maintains its liquidity mainly through funding generated from its daily operations and maintaining funding availability under committed credit facilities.

Banking facilities have been put in place for contingency purposes. As at 31st March 2018, the Group's total available banking facilities amounted to approximately HK\$1,245 million (2017: HK\$1,177 million), of which approximately HK\$134 million (2017: HK\$175 million) has been utilised.

The table below analyses the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

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3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	On demand HK\$'000	Within one year HK\$'000	In the second year HK\$'000	In the third to fifth year HK\$'000	Over five years HK\$'000	Total HK\$'000	Carrying amount HK\$'000
At 31st March 2017							
Borrowings	-	119,967	59,983	-	-	179,950	174,600
Trade and other payables	-	320,739	-	-	-	320,739	320,739
At 31st March 2018							
Borrowings	31,784	63,248	2,745	8,235	40,262	146,274	133,718
Trade and other payables	-	215,090	-	-	-	215,090	215,090

The table below summarises the maturity analysis of the bank borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreement. The amounts included interest payments computed using contractual rates.

Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise their discretions to demand immediate repayment. The directors believe that such bank borrowing will be repaid in accordance with the scheduled repayment date set out in the loan agreements.

Maturity Analysis – Bank borrowings subject to a repayment on demand clause based on scheduled repayments:

	Within one year HK\$'000	In the second year HK\$'000	In the third to fifth year HK\$'000	Total HK\$'000	Carrying amount HK\$'000
31st March 2017	-	-	-	-	-
31st March 2018	6,810	13,499	11,475	31,784	31,080

Notes to the Consolidated Financial Statements

31st March 2018

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, raise or repay bank borrowings, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings net of cash and cash equivalents divided by total equity as shown in the consolidated balance sheet.

The gearing ratios at 31st March 2018 and 2017 were as follows:

	2018 HK\$'000	2017 HK\$'000
Cash and cash equivalents (Note 22)	279,520	787,201
Borrowings (Note 24)	(133,718)	(174,600)
Net surplus cash	145,802	612,601
Total equity	1,729,229	1,846,491
Gearing ratio	Not applicable	Not applicable

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Notes to the Consolidated Financial Statements

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(a) Provision for obsolete or slow moving inventories

The Group makes provision for obsolete or slow moving inventories based on consideration of obsolescence of raw materials and work in progress and the net realisable value of finished goods. The identification of inventory obsolescence and estimated selling price in the ordinary course of business require the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of inventory and impairment provision in the year in which such estimate has been changed.

(b) Capitalisation of deferred development costs

Determining the development costs, including the time and costs for individual projects, to be capitalised requires estimations and assumptions based on the expected future economic benefits to be generated by the products resulting from these development costs. Other important estimations and assumptions in this assessment process are the distinction between research and development, the feasibility of completing the projects and the likelihood of such products to deliver sufficient future economic benefits to the Group.

(c) Estimate of fair value of investment properties

The fair value of investment properties is determined by using valuation technique. Details of the judgement and assumptions have been disclosed in Note 15.

(d) Estimate of useful lives of property, plant and equipment and intangible assets

The Group has significant property, plant and equipment and intangible assets. The Group is required to estimate the useful lives of property, plant and equipment and intangible assets in order to ascertain the amount of depreciation and amortisation charges for each reporting period.

The useful lives are estimated at the time of purchase of these assets after considering future technology changes, business developments and the Group's strategies. The Group performs annual reviews to assess the appropriateness of the estimated useful lives. Such review takes into account any unexpected adverse changes in circumstances or events, including declines in projected operating results, negative industry or economic trends and rapid advancement in technology. The Group extends or shortens the useful lives and/or makes impairment provisions according to the results of the review.

Notes to the Consolidated Financial Statements

31st March 2018

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(e) Impairment of non-financial assets

At each balance sheet date, the Group and Company review internal and external sources of information to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment
- leasehold land and land use rights
- intangible assets
- investments in subsidiaries

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated income statement whenever the carrying amount of an asset exceeds its recoverable amounts. If an indication of impairment is identified, the Group is required to estimate the recoverable value, representing the greater of the asset's fair value less cost to sell or its value in use. Changes in any of these estimates could result in a material change to the asset carrying amount in the financial statements.

(f) Recognition of deferred income tax assets

According to the accounting policy as stated in Note 2.20, a deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised, and it is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised.

In determining the deferred income tax asset to be recognised, management is required to estimate the realisation of deferred tax assets. Any difference between these estimates and the actual outcome will impact the Group's result in the period in which the actual outcome is determined.

(g) Provision for other liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events. Significant judgement is required in determining the provision for liabilities and charges. The Group's management determines the provision for liabilities and charges by estimating the present value of the expenditures expected to be required to settle the obligation. This assessment requires the use of estimation. Nature and extent of significant provisions estimated and related changes on contingencies arising from the Group's production and other business activities are disclosed in the consolidated financial statements, except to the extent that such disclosures might seriously prejudice the Group's position in pending disputes with or possible claims from vendors or other counter parties.

Notes to the Consolidated Financial Statements

31st March 2018

5 REVENUE AND SEGMENT INFORMATION

Revenues recognised during the year are as follows:

	2018 HK\$'000	2017 HK\$'000 (Restated)
AV products	2,067,912	2,100,142
Notebook products	12,795	–
	2,080,707	2,100,142

(a) Segment analysed by products

The chief operating decision-makers have been identified as the executive directors and senior management who directly report to directors of the Group. The executive directors and senior management reviewed the Group's internal reporting to assess performance and allocate resources. A management approach has been used for the operating segment reporting.

The Group mainly operates in the People's Republic of China (the "PRC"), Taiwan and Hong Kong and is principally engaged in designing, manufacturing and selling of consumer electronic products.

During the year, the Group diversified its development focus from the existing traditional consumer electronic products, including audio, video and tablet products (collectively, the "AV products"), to commercial notebook and personal computers (the "Notebook products"). As a result of such change in the business strategy, the chief operating decision-makers' review on the Group's segment performance and resource allocation has changed over that in prior years. The comparative segment information for the year ended 31st March 2017 has been reclassified to align with the presentation of the latest segment information disclosure as a result of such change:

AV products	–	Design, manufacture and sale of AV products
Notebook products	–	Design, manufacture and sale of notebook products

The Group's inter-segment transactions mainly consist of sale of assembly parts and Notebook products among subsidiaries. The transactions were entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

Notes to the Consolidated Financial Statements

31st March 2018

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Segment analysed by products (Continued)

	2018				2017 (Restated)			
	AV products HK\$'000	Notebook products HK\$'000	Elimination HK\$'000	Total HK\$'000	AV products HK\$'000	Notebook products HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment result								
For the years ended								
31st March 2018 and								
2017								
Segment revenue								
External sales	2,067,912	12,795	–	2,080,707	2,100,142	–	–	2,100,142
Inter-segment sales	23,139	14,902	(38,041)	–	–	–	–	–
	<u>2,091,051</u>	<u>27,697</u>	<u>(38,041)</u>	<u>2,080,707</u>	<u>2,100,142</u>	<u>–</u>	<u>–</u>	<u>2,100,142</u>
Segment results ⁽¹⁾	(18,294)	(51,797)		(70,091)	84,570	(6,298)		78,272
Finance income				8,045				9,875
Finance costs				(9,253)				(10,268)
(Loss)/profit before income tax				(71,299)				77,879
Income tax expense				(14,637)				(3,987)
(Loss)/profit for the year				<u>(85,936)</u>				<u>73,892</u>
(Loss)/profit for the year attributable to:								
– Equity holders of Company				(85,808)				73,897
– Non-controlling interests				(128)				(5)
				<u>(85,936)</u>				<u>73,892</u>
Segment assets and liabilities								
As at 31st March 2018 and 2017								
Segment assets ⁽²⁾	2,001,893	91,657	(136,020)	1,957,530	2,250,467	11,367	(15,476)	2,246,358
Unallocated corporate assets				123,868				131,799
Total assets				<u>2,081,398</u>				<u>2,378,157</u>
Segment liabilities ⁽³⁾	206,761	144,349	(136,020)	215,090	319,603	16,612	(15,476)	320,739
Unallocated corporate liabilities				137,079				210,927
Total liabilities				<u>352,169</u>				<u>531,666</u>
Other segment information								
For the years ended								
31st March 2018 and 2017								
Capital expenditure ⁽⁴⁾	175,529	40,588		216,117	45,604	7,638		53,242

Notes to the Consolidated Financial Statements

31st March 2018

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Segment analysed by products (Continued)

- ⁽¹⁾ Management assesses the performance of the operating segments based on a measure of operating profit. Other information provided is measured in a manner consistent with that in the consolidated financial statements.
- ⁽²⁾ Segment assets consist primarily of property, plant and equipment, leasehold land and land use rights, intangible assets, deposits, inventories, receivables and operating cash and exclude items such as investment properties, current income tax recoverables and deferred tax assets.
- ⁽³⁾ Segment liabilities comprise operating liabilities and exclude items such as certain corporate borrowings, current income tax liabilities and deferred gain.
- ⁽⁴⁾ Capital expenditure comprises additions to property, plant and equipment and intangible assets.

(b) Segment analysed by geographical areas

The segment revenue for the years ended 31st March 2018 and 2017 are as follows:

	2018 HK\$'000	2017 HK\$'000
North America	2,025,007	2,079,543
Asia	33,563	4,643
Europe	20,609	8,740
Others	1,528	7,216
	2,080,707	2,100,142

The analysis of revenue by geographical segment is based on the destination to which the shipments are made. Primarily all of the assets and capital expenditure for the years ended 31st March 2018 and 2017 were located or utilised in the PRC, Taiwan or Hong Kong.

Detail of the customer accounting for 10% or more of total revenue is as follows:

	2018 HK\$'000	2017 HK\$'000
Customer A	1,877,613	1,951,321

Notes to the Consolidated Financial Statements

31st March 2018

6 OTHER INCOME

	2018 HK\$'000	2017 HK\$'000
Fair value gain on investment properties (Note 15)	3,500	11,068
Rental income from investment properties	3,846	2,979
Amortisation of deferred gain (Note)	33,446	17,450
Others	435	1,525
	41,227	33,022

Note:

In January 2016, the Group disposed of a self-occupied property and certain investment properties in Hong Kong with carrying values of HK\$23,791,000 and HK\$236,310,000, respectively, at a total net consideration of HK\$533,769,000 to an independent third party. The Group subsequently leased back such self-occupied property for its own use for 3 years commencing from the completion date of the aforesaid transaction. The excess of consideration over fair value of such leased property has been deferred and amortised over the lease period. The lease was early terminated in February 2018 and as a result, the remaining deferred gain totaling HK\$33,446,000 as at 1st April 2017 has been fully amortised and recognised in the consolidated income statement for the current year.

7 EXPENSES BY NATURE

Expenses included in cost of goods sold, selling expenses, administrative expenses and other operating expenses are analysed as follows:

	2018 HK\$'000	2017 HK\$'000
Amortisation of intangible assets (Note 17)	9,899	7,800
Amortisation of leasehold land and land use rights (Note 16)	283	281
Auditor's remuneration	2,280	2,200
Cost of inventories (Note 20)	1,651,059	1,628,633
Provision for/(write-back of) impairment of inventories (Note 20)	4,486	(17,440)
Depreciation of property, plant and equipment (Note 14)	38,857	37,326
Employee benefit expenses (including directors' emoluments) (Note 8)	203,384	233,353
Severance pay (Note 8)	8,482	6,550
Loss on disposal of plant and equipment	1,399	662
Operating lease rental in respect of land and buildings	26,249	33,174
Research and development costs	35,007	26,443
Provision for doubtful debt (Note 21)	2,908	–

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31st March 2018

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2018 HK\$'000	2017 HK\$'000
Wages and salaries	178,577	214,240
Pension costs – defined contribution retirement schemes (Note (a))	3,754	2,864
Other staff benefits	21,053	16,249
	203,384	233,353
Severance pay	8,482	6,550

Notes:

(a) Defined contribution retirement schemes

Before 1st December 2000, the Group operated a defined contribution retirement scheme (the "ORSO Scheme") in Hong Kong for all qualified employees. The rate of contribution payable by the Group was 5% of the individual employee's basic salaries.

With effect from 1st December 2000, the Mandatory Provident Fund Scheme (the "MPF Scheme") was set up under the MPF Scheme Ordinance for existing staff who opted for this scheme and eligible staff recruited on or after that date. The ORSO Scheme has remained in place with the introduction of the MPF Scheme. Under the MPF Scheme, eligible employees and the Group are each required to contribute 5% on the employees' monthly net salaries with a maximum monthly contribution of HK\$1,500 for employees' monthly contribution.

Contributions to the ORSO Scheme and MPF Scheme charged to the consolidated income statement for the year amounted to approximately HK\$3,754,000 (2017: HK\$2,864,000). No forfeited contribution in respect of the defined contribution retirement scheme was utilised during the year (2017: same). No forfeiture contribution was available as at 31st March 2018 to reduce future contributions (2017: Nil).

Contributions totaling approximately HK\$612,000 (2017: HK\$625,000) were payable to the ORSO Scheme and MPF Scheme at the year end and were included in other payables and accruals.

Notes to the Consolidated Financial Statements

31st March 2018

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

Notes: (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2017: four) directors whose emoluments are reflected in the analysis presented in Note 9. The emoluments payable to the remaining one (2017: one) individuals during the year are as follows:

	2018 HK\$'000	2017 HK\$'000
Basic salaries, housing allowances, other allowances and benefits in kind	2,600	1,384
Discretionary bonuses	–	2,000
Contributions to pension schemes	120	18
	2,720	3,402

The emoluments fell within the following bands:

	Number of individual	
	2018	2017
Emolument band		
HK\$2,000,001 – HK\$3,000,000	1	–
HK\$3,000,001 – HK\$4,000,000	–	1

(c) Senior management compensation

The emoluments of the senior management include one (2017: one) individual whose emoluments are reflected in the analysis presented in Note 8(b).

The emoluments of the remaining three (2017: four) senior management during the year are as follows:

	Number of individual	
	2018	2017
Emolument bands		
HK\$1 – HK\$1,000,000	–	1
HK\$1,000,001 – HK\$2,000,000	3	3

Notes to the Consolidated Financial Statements

31st March 2018

9 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executives emoluments

Directors' remuneration, including remuneration of chief executive officer (Mr LEUNG Wai Sing, Wilson), for the year, disclosed pursuant to Appendix 14 to the Listing Rules and section 383 of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation, is as follows:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking:

For the year ended 31st March 2017:

Name	Fees HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Total HK\$'000
<i>Executive directors:</i>					
Mr LEUNG Kai Ching, Kimen	–	4,843	6,300	207	11,350
Mr LEUNG Wai Sing, Wilson	–	4,843	6,300	207	11,350
Mr KUOK Kun Man	–	2,662	4,200	114	6,976
Mr LEUNG, Jimmy	–	1,279	2,520	21	3,820
Mr LIU Lup Man	–	1,019	1,680	21	2,720
<i>Independent non-executive directors:</i>					
Mr LI Wah Ming	201	–	–	10	211
Mr LEE Tak Chi	201	–	–	–	201
Mr CHEUNG, Johnson	198	–	–	8	206
	600	14,646	21,000	588	36,834

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9 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and chief executives emoluments (Continued)

For the year ended 31st March 2018:

Name	Fees HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Total HK\$'000
<i>Executive directors:</i>					
Mr LEUNG Kai Ching, Kimen	–	4,843	1,677	207	6,727
Mr LEUNG Wai Sing, Wilson	–	4,843	1,677	207	6,727
Mr KUOK Kun Man	–	2,888	1,118	124	4,130
Mr LEUNG, Jimmy	–	1,640	671	88	2,399
Mr LIU Lup Man	–	1,358	447	76	1,881
<i>Independent non-executive directors:</i>					
Mr LI Wah Ming	300	–	–	15	315
Mr LEE Tak Chi	300	–	–	–	300
Mr CHEUNG, Johnson	300	–	–	15	315
	900	15,572	5,590	732	22,794

Notes to the Consolidated Financial Statements

31st March 2018

9 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking (2017: Nil).

(c) Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment during the year (2017: Nil).

(d) Consideration provided to third parties for making available directors' services

No payment was made to the third parties for making available directors' services (2017: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year (2017: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2017: Nil).

10 FINANCE INCOME AND FINANCE COSTS

	2018 HK\$'000	2017 HK\$'000
Finance income:		
– Bank interest income	8,045	9,875
Finance costs:		
– Interest expense on bank borrowings	9,253	10,268

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11 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2018 HK\$'000	2017 HK\$'000
Current income tax		
– Hong Kong profits tax	5	16
– PRC corporate income tax	2,036	530
– Overseas corporate income tax	69	60
– Under/(over) provision in prior years	2	(16)
Deferred income tax charge (Note 27)	12,525	3,397
Income tax expense	14,637	3,987

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

	2018 HK\$'000	2017 HK\$'000
(Loss)/profit before income tax	(71,299)	77,879
Tax calculated at a tax rate of 16.5% (2017: 16.5%)	(11,764)	12,850
Effect of different tax rates in other countries	(455)	(12)
Income not subject to tax	(11,932)	(14,726)
Expenses not deductible for tax purposes	11,472	5,881
Under/(over) provision in prior years	2	(16)
Reversal of tax losses previously recognised	14,135	–
Tax losses unrecognised	13,226	10
Utilisation of previously recognised tax loss	(47)	–
Income tax expense	14,637	3,987

Notes to the Consolidated Financial Statements

31st March 2018

12 LOSS/EARNINGS PER SHARE

Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2018	2017
(Loss)/profit for the year attributable to equity holders of the Company (HK\$'000)	(85,808)	73,897
Weighted average number of ordinary shares in issue	579,044,115	579,367,720
Basic (loss)/earnings per share (HK cents)	(14.8)	12.8

Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares during the years ended 31st March 2018 and 2017. Therefore, the diluted (loss)/earnings per share are the same as basic (loss)/earnings per share.

13 DIVIDENDS

	2018 HK\$'000	2017 HK\$'000
Interim dividend, paid, of HK3 cents (2017: HK5 cents) per ordinary share	17,358	28,969
Final dividend, proposed, of HK2 cents (2017: HK5 cents) per ordinary share	11,572	28,968
	28,930	57,937

At a meeting held on 20th June 2018, the directors proposed a final dividend of HK2 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements.

Notes to the Consolidated Financial Statements

31st March 2018

14 PROPERTY, PLANT AND EQUIPMENT

(a) Details of movements in property, plant and equipment of the Group are as follows:

	Land and buildings HK\$'000	Moulds HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
At 1st April 2016							
Cost	8,492	272,234	113,412	182,038	111,584	11,430	699,190
Accumulated depreciation and impairment	(3,037)	(251,452)	(19,622)	(137,587)	(81,687)	(7,493)	(500,878)
Net book amount	5,455	20,782	93,790	44,451	29,897	3,937	198,312
Year ended 31st March 2017							
Opening net book amount	5,455	20,782	93,790	44,451	29,897	3,937	198,312
Additions	–	16,806	6,140	21,069	2,024	2,277	48,316
Disposals	–	–	–	(697)	(473)	(520)	(1,690)
Depreciation	(220)	(12,441)	(7,882)	(10,883)	(4,849)	(1,051)	(37,326)
Exchange differences	(106)	–	(4,143)	(364)	(148)	(53)	(4,814)
Closing net book amount	5,129	25,147	87,905	53,576	26,451	4,590	202,798
At 31st March 2017							
Cost	8,342	289,040	114,468	196,592	101,575	11,075	721,092
Accumulated depreciation and impairment	(3,213)	(263,893)	(26,563)	(143,016)	(75,124)	(6,485)	(518,294)
Net book amount	5,129	25,147	87,905	53,576	26,451	4,590	202,798

Notes to the Consolidated Financial Statements

31st March 2018

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Details of movements in property, plant and equipment of the Group are as follows: (Continued)

	Land and buildings HK\$'000	Moulds HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Year ended 31st March 2018							
Opening net book amount	5,129	25,147	87,905	53,576	26,451	4,590	202,798
Additions	120,632	18,043	3,460	16,537	19,621	1,984	180,277
Disposals	–	–	(45)	(421)	(1,065)	(438)	(1,969)
Depreciation	(562)	(13,721)	(8,395)	(10,631)	(4,437)	(1,111)	(38,857)
Exchange differences	161	–	6,354	862	301	80	7,758
Closing net book amount	125,360	29,469	89,279	59,923	40,871	5,105	350,007
At 31st March 2018							
Cost	129,211	300,616	126,074	175,041	79,407	10,141	820,490
Accumulated depreciation and impairment	(3,851)	(271,147)	(36,795)	(115,118)	(38,536)	(5,036)	(470,483)
Net book amount	125,360	29,469	89,279	59,923	40,871	5,105	350,007

(b) Depreciation expenses have been included in:

	2018 HK\$'000	2017 HK\$'000
Cost of goods sold	35,167	33,966
Administrative expenses	3,690	3,360
	38,857	37,326

(c) As at 31st March 2018, certain of the Group's bank borrowing is secured by land and buildings with carrying value of HK\$120,290,000 (Note 24). No bank borrowing was secured on any building which was classified under property, plant and equipment as at 31st March 2017.

Notes to the Consolidated Financial Statements

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15 INVESTMENT PROPERTIES

	2018 HK\$'000	2017 HK\$'000
Beginning of the year	90,488	79,420
Fair value gain (Note 6)	3,500	11,068
End of the year	93,988	90,488

Rental income derived from the investment properties amounted to approximately HK\$3,846,000 (2017: HK\$2,979,000) during the year (Note 6).

Valuation process of the Group

The Group measures its investment property at fair value. The fair value of the Group's investment property at 31st March 2018 has been determined on the basis of valuation carried out by an independent qualified valuer, LCH (Asia-Pacific) Surveyors Limited (the "Valuer") (2017: same). The valuation, which conforms to the valuation standards issued by Hong Kong Institute of Surveyors ("HKIS") was arrived at by reference to the current and forecast rental income, allowing for reversionary potential of the investment property.

The Group reviews the valuation performed by the Valuer for financial reporting purposes. Discussions of valuation processes and results are held between management and the Valuer at least once every year, which is in line with the Group's annual reporting date.

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15 INVESTMENT PROPERTIES (CONTINUED)

Fair value measurements using significant unobservable inputs

The table below analyses investment property carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group's investment property is categorised as level 3 and there was no transfers between levels 1, 2 and 3 during the year.

Fair value of the Group's investment properties is mainly derived using the income approach, by taking into account the current rental income from the existing tenancy agreement and reversionary income potential by adopting appropriate term/reversionary yields, which are derived from analysis of sales transactions and Valuer's interpretation of prevailing investor requirements or expectations. For the reversionary potential of the property, the Valuer refers to market price of similar comparable properties. There was no change to the valuation technique with that of prior year.

Term and reversionary yields are estimated by the Valuer based on the risk profile of the type of investment properties being valued. The higher the yields, the lower is the fair value. At 31st March 2018, yields ranging from 3.3% to 6.3% (2017: 4.0% to 7.0%) were adopted in the term yields analysis for the Group's investment properties.

For the investment property located in Yuen Long, prevailing market price is estimated based on recent land sales transactions nearby. The lower the prices, the lower is the fair value. At 31st March 2018, prevailing market prices ranged from HK\$524 to HK\$583 (2017: HK\$121 to HK\$714) per square foot on site area basis were adopted in the term and reversionary analysis for the Group's investment properties.

For the remaining investment properties, prevailing market price is estimated based on recent sales transactions within the subject buildings/developments or other comparable properties. The lower the prices, the lower is the fair value. At 31st March 2018, prevailing market prices ranged from HK\$3,004 to HK\$3,647 (2017: HK\$2,901 to HK\$3,587) per square foot on saleable area basis were adopted in the term and reversionary analysis for the Group's investment properties.

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16 LEASEHOLD LAND AND LAND USE RIGHTS

	2018 HK\$'000	2017 HK\$'000
Beginning of the year	6,001	6,423
Amortisation	(283)	(281)
Exchange differences	208	(141)
End of the year	5,926	6,001

Amortisation expenses of leasehold land and land use rights have been included in administrative expenses.

17 INTANGIBLE ASSETS

	Licence right HK\$'000	Deferred development costs HK\$'000	Total HK\$'000
At 1st April 2016			
Cost	78,000	–	78,000
Accumulated amortisation	(64,350)	–	(64,350)
Net book amount	13,650	–	13,650
For the year ended 31st March 2017			
At 1st April 2016	13,650	–	13,650
Additions	–	4,926	4,926
Amortisation	(7,800)	–	(7,800)
Net book amount	5,850	4,926	10,776
At 31st March 2017			
Cost	78,000	4,926	82,926
Accumulated amortisation	(72,150)	–	(72,150)
Net book amount	5,850	4,926	10,776
For the year ended 31st March 2018			
At 1st April 2017	5,850	4,926	10,776
Additions	–	35,840	35,840
Amortisation	(5,850)	(4,049)	(9,899)
Exchange differences	–	(65)	(65)
Net book amount	–	36,652	36,652
At 31st March 2018			
Cost	78,000	40,766	118,766
Accumulated amortisation	(78,000)	(4,114)	(82,114)
Net book amount	–	36,652	36,652

Amortisation expenses of license right and deferred development costs have been included in cost of goods sold.

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18 SUBSIDIARIES

As at 31st March 2018, the Company held interests in the following principal subsidiaries:

Name	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Percentage of equity held by the Company				Principal activities
			2018		2017		
			Direct	Indirect	Direct	Indirect	
Alco Investments (B.V.I.) Limited	The British Virgin Islands	Ordinary US\$50,000	100	–	100	–	Investment holding and provision of management services to its subsidiaries
Advance Packaging Limited	Hong Kong	Ordinary HK\$500,000	–	100	–	100	Property investment
Alco Digital Devices Limited	Hong Kong	Ordinary HK\$1,000,000	–	100	–	100	Software development
Alco Electronics Limited	Hong Kong	Ordinary HK\$1,000 non-voting deferred HK\$5,000,000	–	100	–	100	Design, manufacture and sale of AV and Notebook products
Alco Electronics (Dongguan) Limited ¹	The PRC	Registered capital HK\$120,000,000	–	100	–	100	Manufacture of AV and Notebook products
Alco Electronics (Shenzhen) Limited ¹	The PRC	Registered capital HK\$25,000,000	–	100	–	100	Provision of design and logistic services to group companies
Alco International Limited	Hong Kong	Ordinary HK\$500,000	–	100	–	100	Trading of AV and Notebook products
Nexstgo Company Limited	Hong Kong	Ordinary HK\$5,000,000	–	100	–	100	Trading of Notebook products
Taiwan Nexstgo Limited	Taiwan	Ordinary NTD10,000,000	–	100	–	100	Research and development and sale of Notebook products
Windom Limited	Hong Kong	Ordinary HK\$100,000	–	100	N/A	N/A	Property holding

Note:

¹ Represents a wholly foreign owned enterprise.

The above table lists out the principal subsidiaries of the Company as at 31st March 2018 and 2017 which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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19 FINANCIAL INSTRUMENTS BY CATEGORY

	2018 HK\$'000	2017 HK\$'000
Assets		
Trade and other receivables	848,375	765,763
Cash and cash equivalents (Note 22)	279,520	787,201
Total	1,127,895	1,552,964

	2018 HK\$'000	2017 HK\$'000
Liabilities		
Trade and other payables (Note 23)	215,090	320,739
Borrowings (Note 24)	133,718	174,600
Total	348,808	495,339

20 INVENTORIES

	2018 HK\$'000	2017 HK\$'000
Raw materials	273,633	240,717
Work in progress	12,337	7,790
Finished goods	236,670	339,875
	522,640	588,382
Less: Provision for impairment	(119,049)	(114,563)
	403,591	473,819

The cost of inventories recognised as expenses and included in cost of goods sold amounted to approximately HK\$1,651,059,000 (2017: HK\$1,628,633,000).

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21 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2018 HK\$'000	2017 HK\$'000
Non-current		
Prepayments, deposits and other receivables (Note)	17,677	23,070
Current		
Trade receivables	826,632	697,222
Less: Provision for doubtful debt	(2,908)	–
Trade receivables, net	823,724	697,222
Prepayments, deposits and other receivables (Note)	40,433	45,471
	864,157	742,693
	881,834	765,763

Note: As at 31st March 2018, other receivables included HK\$14,300,000 (2017: HK\$28,629,000), being the consideration receivable from PVI Global Corporation (a subsidiary of E Ink Holdings Inc. ("E Ink")) for the disposal of the corporate bond of Hydys Technologies Company Limited. A guarantee was granted by E Ink to cover the entire receivable amount.

The credit terms given to customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

The fair values of the trade and other receivables approximate to their carrying amounts.

As of 31st March 2018, trade receivables of HK\$2,908,000 (2017: Nil) were considered impaired. The individual impaired receivables are mainly related to a customer which no longer has business relationship with the Group. The amount of provision is HK\$2,908,000 as of 31st March 2018 (2017: Nil). The ageing of these impaired receivables is as follows:

	2018 HK\$'000	2017 HK\$'000
Over 90 days	2,908	–

Notes to the Consolidated Financial Statements

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21 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

Movements of the provision for impairment of trade receivables are as follows:

	2018 HK\$'000	2017 HK\$'000
Beginning of the year	–	–
Provision for doubtful debt	2,908	–
End of the year	2,908	–

At 31st March 2018 and 2017, the ageing analysis of the trade receivables based on shipping terms is as follows:

	2018 HK\$'000	2017 HK\$'000
0 – 30 days	103,685	102,368
31 – 60 days	153,351	95,899
61 – 90 days	111,182	132,720
Over 90 days	455,506	366,235
	823,724	697,222

As at 31st March 2018, trade receivables of HK\$351,444,000 (2017: HK\$163,543,000) were past due with reference to the credit terms offered. The overdue sum is not considered as impaired since the overdue sum has been fully settled in early July 2018.

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates.

	2018 HK\$'000	2017 HK\$'000
Counterparties without external credit rating		
– New customers (less than 6 months)	5,899	1,719
– Customers (more than 6 months) with no defaults in the past	817,825	695,503
	823,724	697,222

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21 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

The carrying amounts of the trade receivables are denominated in the following currencies:

	2018 HK\$'000	2017 HK\$'000
USD	805,154	666,445
Canadian dollar	13,470	27,115
NTD	2,044	–
GBP	1,237	368
Euro ("EUR")	897	1,470
Others	922	1,824
	823,724	697,222

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

22 CASH AND CASH EQUIVALENTS

	2018 HK\$'000	2017 HK\$'000
Cash at bank and on hand	158,746	196,481
Short-term bank deposits	120,774	590,720
	279,520	787,201
Maximum exposure to credit risk	277,479	786,397

As at 31st March 2018, the Group's cash and cash equivalents of approximately HK\$20,045,000 (2017: HK\$20,109,000) denominated in Renminbi ("RMB") were deposited with banks in Mainland China. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the Mainland China Government.

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22 CASH AND CASH EQUIVALENTS (CONTINUED)

The cash and cash equivalents are denominated in the following currencies:

	2018 HK\$'000	2017 HK\$'000
USD	112,569	667,398
RMB	95,332	84,773
HKD	50,628	30,781
GBP	10,658	984
NTD	9,964	1,058
EUR	195	1,291
Denmark Krone	169	912
Others	5	4
	279,520	787,201

23 TRADE AND OTHER PAYABLES

	2018 HK\$'000	2017 HK\$'000
Trade payables	149,876	250,407
Other payables and accruals	65,214	70,332
	215,090	320,739

The carrying amounts of trade and other payables approximate to their fair values.

At 31st March 2018 and 2017, the ageing analysis of the trade payables based on invoice date is as follows:

	2018 HK\$'000	2017 HK\$'000
0 – 30 days	118,621	215,469
31 – 60 days	18,497	28,703
61 – 90 days	5,809	1,650
Over 90 days	6,949	4,585
	149,876	250,407

Notes to the Consolidated Financial Statements

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23 TRADE AND OTHER PAYABLES (CONTINUED)

The carrying amounts of trade payables are denominated in the following currencies:

	2018 HK\$'000	2017 HK\$'000
HKD	83,632	154,665
USD	63,021	95,229
EUR	1,557	421
RMB	1,202	92
GBP	464	–
	149,876	250,407

24 BORROWINGS

	2018 HK\$'000	2017 HK\$'000
Non-current		
Bank borrowing, secured (Note i)	42,103	–
Bank borrowings, unsecured (Note ii)	–	58,200
	42,103	58,200
Current		
Bank borrowing, secured (Note i)	1,810	–
Bank borrowings, unsecured (Note ii)	89,805	116,400
	91,615	116,400
Total borrowings	133,718	174,600

Notes:

- i) As at 31st March 2018, the bank borrowing is secured by the Group's land and buildings with the carrying amounts of HK\$120,290,000 (Note 14).
- ii) The bank borrowings are unsecured and supported by corporate guarantees given by the Company (Note 29).

Notes to the Consolidated Financial Statements

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24 BORROWINGS (CONTINUED)

The maturity of bank borrowings is as follows:

	2018 HK\$'000	2017 HK\$'000
Within one year	91,615	116,400
In the second year	1,850	58,200
In the third to fifth year	5,796	–
Over five years	34,457	–
	133,718	174,600

The carrying amounts of the bank borrowings approximate to their fair values.

As at 31st March 2018 the borrowings were denominated in HKD or USD (2017: USD) and interest-bearing at a margin over Hong Kong Inter-bank Offered Rate or London Inter-bank Offered Rate (2017: London Inter-bank Offered Rate).

25 SHARE CAPITAL

The movement of the Company's authorised and issued share capital during the year is as follows:

	2018		2017	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
Ordinary shares of HK\$0.10 each	800,000,000	80,000	800,000,000	80,000
Issued and fully paid:				
Ordinary shares of HK\$0.10 each				
At the beginning of the year	579,367,720	57,937	579,367,720	57,937
Repurchase of the Company's own shares	(772,000)	(77)	–	–
At the end of the year	578,595,720	57,860	579,367,720	57,937

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26 RESERVES

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Exchange and other reserves HK\$'000	Staff compensation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1st April 2016	309,674	1,012	(9,235)	11,783	1,614,263	1,927,497
Comprehensive income/(loss)						
Profit for the year	-	-	-	-	73,897	73,897
Currency translation differences	-	-	(9,620)	-	-	(9,620)
Total comprehensive (loss)/income	-	-	(9,620)	-	73,897	64,277
Transactions with owners						
2017 interim dividend	-	-	-	-	(28,969)	(28,969)
2016 final dividend	-	-	-	-	(173,810)	(173,810)
Total transactions with owners	-	-	-	-	(202,779)	(202,779)
At 31st March 2017	309,674	1,012	(18,855)	11,783	1,485,381	1,788,995
At 1st April 2017	309,674	1,012	(18,855)	11,783	1,485,381	1,788,995
Comprehensive (loss)/income						
Loss for the year	-	-	-	-	(85,808)	(85,808)
Currency translation differences	-	-	16,473	-	-	16,473
Total comprehensive income/(loss)	-	-	16,473	-	(85,808)	(69,335)
Transactions with owners						
Repurchase of own shares	(1,396)	77	-	-	(77)	(1,396)
2018 interim dividend	-	-	-	-	(17,358)	(17,358)
2017 final dividend	-	-	-	-	(28,968)	(28,968)
Total transactions with owners	(1,396)	77	-	-	(46,403)	(47,722)
At 31st March 2018	308,278	1,089	(2,382)	11,783	1,353,170	1,671,938

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27 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using a principal tax rate of 16.5% (2017: 16.5%).

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	2018 HK\$'000	2017 HK\$'000
Deferred income tax assets to be recovered after more than 12 months	27,560	35,460
Deferred income tax liabilities to be settled after more than 12 months	(10,770)	(7,235)
Deferred income tax assets, net	16,790	28,225

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27 DEFERRED INCOME TAX (CONTINUED)

The movement in deferred tax assets during the year is as follows:

Deferred income tax assets/(liabilities)	Tax losses HK\$'000	Accelerated tax depreciation HK\$'000	Deferred development cost HK\$'000	Others HK\$'000	Total HK\$'000
At 1st April 2016	15,144	(1,140)	–	18,367	32,371
Credited/(charged) to consolidated income statement	6,683	(572)	(813)	(8,695)	(3,397)
Exchange difference	(271)	(272)	–	(206)	(749)
At 31st March 2017	21,556	(1,984)	(813)	9,466	28,225
At 1st April 2017	21,556	(1,984)	(813)	9,466	28,225
Charged to consolidated income statement	(4,112)	(2,110)	(2,166)	(4,137)	(12,525)
Exchange difference	370	371	–	349	1,090
At 31st March 2018	17,814	(3,723)	(2,979)	5,678	16,790

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately HK\$30,315,000 (2017: HK\$2,104,000) in respect of tax losses amounting to approximately HK\$166,121,000 (2017: HK\$5,751,000) that can be carried forward against future taxable profit. Approximately HK\$160,530,000 (2017: HK\$381,000) of the unrecognised tax losses have no expiry date and the remaining balance of HK\$5,591,000 (2017: HK\$5,370,000) will be expired at various dates up to and including 2037 (2017: 2036).

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28 NOTES TO CONSOLIDATION STATEMENT OF CASH FLOWS

(a) Reconciliation of (loss)/profit before income tax to cash used in operations:

	2018 HK\$'000	2017 HK\$'000
(Loss)/profit before income tax	(71,299)	77,879
Interest income	(8,045)	(9,875)
Interest expense on bank borrowings	9,253	10,268
Amortisation of intangible assets	9,899	7,800
Loss on disposal of plant and equipment	1,399	662
Amortisation of deferred gain	(33,446)	(17,450)
Depreciation of property, plant and equipment	38,857	37,326
Provision for/(write-back of) impairment for inventories	4,486	(17,440)
Provision of doubtful debts	2,908	–
Amortisation of leasehold land and land use rights	283	281
Fair value gain on investment properties	(3,500)	(11,068)
Operating (loss)/profit before working capital changes	(49,205)	78,383
Decrease/(increase) in inventories	65,742	(140,740)
Increase in trade and other receivables	(126,748)	(30,849)
Decrease in trade and other payables	(102,562)	(25,052)
Net cash used in operations	(212,773)	(118,258)

(b) In the consolidated statement of cash flows, proceeds from disposal of plant and equipment comprise:

	2018 HK\$'000	2017 HK\$'000
Net book amount (Note 14)	1,969	1,690
Loss on disposal of plant and equipment (Note 7)	(1,399)	(662)
Proceeds from disposal of plant and equipment	570	1,028

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28 NOTES TO CONSOLIDATION STATEMENT OF CASH FLOWS (CONTINUED)

(c) Net debt reconciliation

This section sets out an analysis of net cash and the movements in net cash for each of the years presented.

	2018 HK\$'000	2017 HK\$'000
Net cash		
Cash and cash equivalents	279,520	787,201
Borrowings – repayable within one year	(91,615)	(116,400)
Borrowings – repayable after one year	(42,103)	(58,200)
Net cash	145,802	612,601
Cash and cash equivalents	279,520	787,201
Gross debt – variable interest rates	(133,718)	(174,600)
Net cash	145,802	612,601

Net cash	Liabilities from financing activities			Total HK\$'000
	Cash and cash equivalents HK\$'000	Borrowings repayable within one year HK\$'000	Borrowings repayable after one year HK\$'000	
At 1st April 2016	1,591,643	(9,700)	(223,100)	1,358,843
Cash flows	(797,015)	(106,700)	164,900	(738,815)
Foreign exchange adjustments	(7,427)	–	–	(7,427)
At 31st March 2017	787,201	(116,400)	(58,200)	612,601
At 1st April 2017	787,201	(116,400)	(58,200)	612,601
Cash flows	(520,471)	26,360	15,097	(479,014)
Foreign exchange adjustments	12,790	(1,575)	1,000	12,215
At 31st March 2018	279,520	(91,615)	(42,103)	145,802

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29 BANKING FACILITIES

As at 31st March 2018, banking facilities of approximately HK\$1,245 million (2017: HK\$1,177 million) were granted by banks to the Group, of which approximately HK\$134 million (2017: HK\$175 million) have been utilised by the Group. All banking facilities were supported by corporate guarantees given by the Company and as at 31st March 2018, bank borrowing of approximately HK\$44 million is secured by charges over the Group's land and buildings with the carrying amounts of HK\$120,290,000 (2017: Nil).

30 COMMITMENTS

(a) Capital commitments

	2018 HK\$'000	2017 HK\$'000
Moulds, plant and machinery and renovation contracted but not provided for	13,030	5,189

(b) Operating lease commitments (as lessee)

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

	2018 HK\$'000	2017 HK\$'000
Not later than one year	36,062	33,713
Later than one year and not later than five years	143,075	128,998
Later than five years	233,274	232,852
	412,411	395,563

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30 COMMITMENTS (CONTINUED)

(c) Operating lease commitments (as lessor)

The Group leases various properties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease rental receivables under non-cancellable operating leases in respect of land and buildings are as follows:

	2018 HK\$'000	2017 HK\$'000
Not later than one year	396	3,841
Later than one year and not later than five years	1,217	1,234
	1,613	5,075

The lease terms are from one to three years.

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31 BALANCE SHEET OF THE COMPANY

	Note	2018 HK\$'000	2017 HK\$'000
Non-current assets			
Investments in subsidiaries		1,131,897	1,099,635
Current assets			
Other receivables		105	105
Current income tax recoverables		16	11
Cash and cash equivalents		1,582	1,568
		1,703	1,684
Current liabilities			
Other payables		290	312
Net current assets		1,413	1,372
Total assets less current liabilities		1,133,310	1,101,007
Capital and reserves attributable to equity holders of the Company			
Share capital		57,860	57,937
Reserves	a	1,075,450	1,043,070
Total equity		1,133,310	1,101,007

The balance sheet was approved by the Board of Directors on 20th June 2018 and were signed on its behalf.

LEUNG Wai Sing, Wilson
Director

LEUNG, Jimmy
Director

Notes to the Consolidated Financial Statements

31st March 2018

31 BALANCE SHEET OF THE COMPANY (CONTINUED)

Note (a)

Reserves movement of the Company

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Staff compensation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1st April 2016	309,674	1,012	40,586	11,783	708,661	1,071,716
Comprehensive income						
Profit for the year	-	-	-	-	174,133	174,133
Transactions with owners						
2017 interim dividend	-	-	-	-	(28,969)	(28,969)
2016 final dividend	-	-	-	-	(173,810)	(173,810)
Total transactions with owners	-	-	-	-	(202,779)	(202,779)
At 31st March 2017	309,674	1,012	40,586	11,783	680,015	1,043,070
At 1st April 2017	309,674	1,012	40,586	11,783	680,015	1,043,070
Comprehensive income						
Profit for the year	-	-	-	-	80,102	80,102
Transactions with owners						
Repurchase of own shares	(1,396)	77	-	-	(77)	(1,396)
2018 interim dividend	-	-	-	-	(17,358)	(17,358)
2017 final dividend	-	-	-	-	(28,968)	(28,968)
Total transactions with owners	(1,396)	77	-	-	(46,403)	(47,722)
At 31st March 2018	308,278	1,089	40,586	11,783	713,714	1,075,450

Note:

The contributed surplus of the Company, which arose from a corporate reorganisation in November 1992, represents the difference between the nominal value of the Company's shares issued in exchange for the issued ordinary shares of Alco Investments (B.V.I.) Limited and the value of net assets of the underlying subsidiaries acquired as at 6th November 1992. Under the Companies Act 1981 of Bermuda (as amended), a company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts. Otherwise the contributed surplus is distributable.

Principal Properties

31st March 2018

As at 31st March 2018, principal properties held for investment purposes are as follows:

Location	Lot number	Existing use	Lease term
Workshops A to J, on 7th Floor of Block 1, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong	Kwai Chung Town Lot Nos. 322, 323 and 324	Industrial rental	Medium term
Lot Nos. 593 and 595 in Demarcation District No. 106, Off Kam Sheung Road, Ng Ka Tsuen, Kam Tin, Yuen Long, New Territories, Hong Kong	Lot Nos. 593 and 595 in Demarcation District No. 106	Industrial rental	Medium term

Five-year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is as follows:

	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000
Revenue	2,080,707	2,100,142	2,879,104	2,562,566	2,291,141
Profit/(loss) attributable to equity holders of the Company	(85,808)	73,897	506,028	114,250	(19,099)
Total assets	2,081,398	2,378,157	2,971,460	2,497,147	2,561,764
Total liabilities	(352,169)	(531,666)	(986,462)	(570,812)	(705,843)
Total equity	1,729,229	1,846,491	1,984,998	1,926,335	1,855,921

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公司資料

董事

梁偉成先生 (主席)
郭冠文先生
梁偉明先生
廖立民先生
李華明先生，銀紫荊星章、太平紳士*
李德志先生*
張富紳先生*

* 獨立非執行董事

公司秘書

廖立民先生

主要往來銀行

恒生銀行有限公司
香港上海滙豐銀行有限公司
三菱UFJ銀行

核數師

羅兵咸永道會計師事務所

法律顧問

郭葉陳律師事務所

百慕達法律顧問

Conyers, Dill & Pearman

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

總辦事處及主要營業地點

香港新界沙田
安耀街2號
新都廣場11樓

主要過戶登記處

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港過戶登記處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心22樓

網址

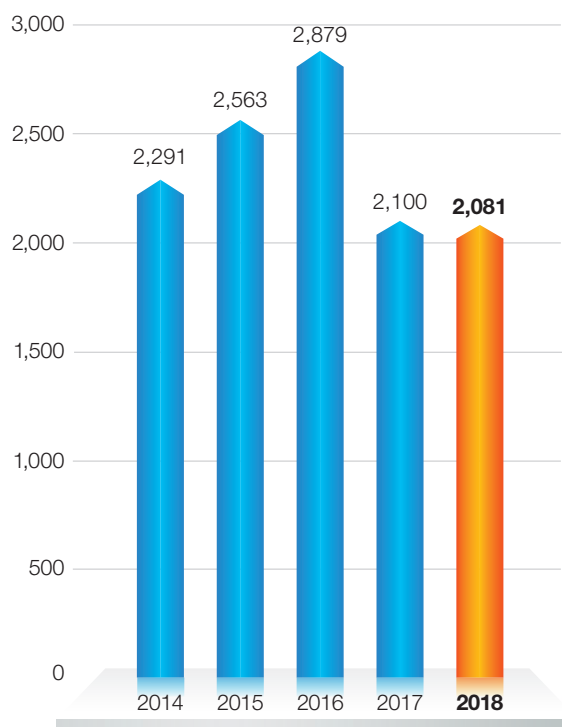
<http://www.alco.com.hk>

股份代號

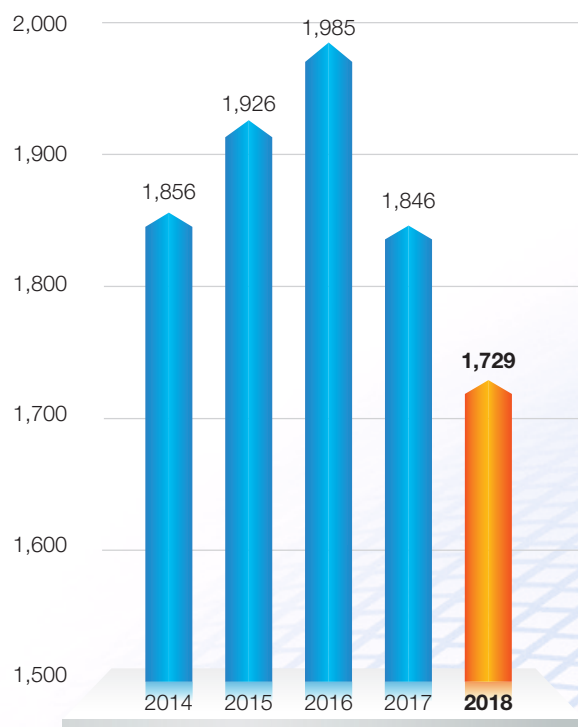
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財務摘要

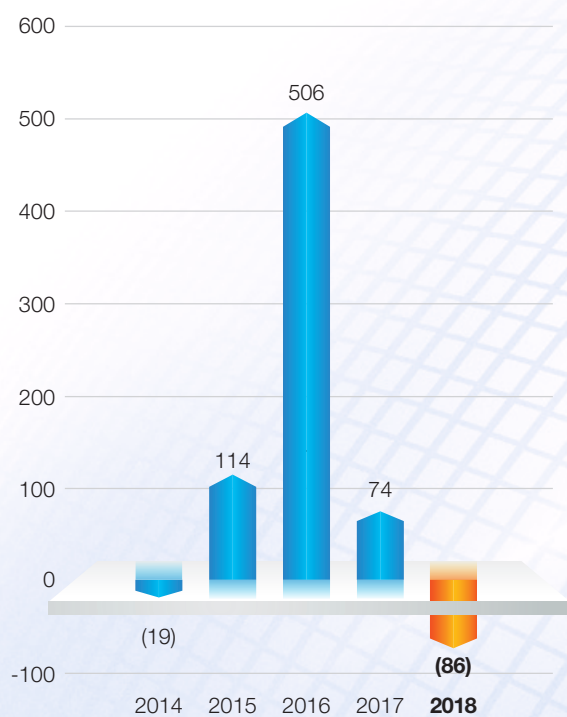
營業額
(百萬港元)



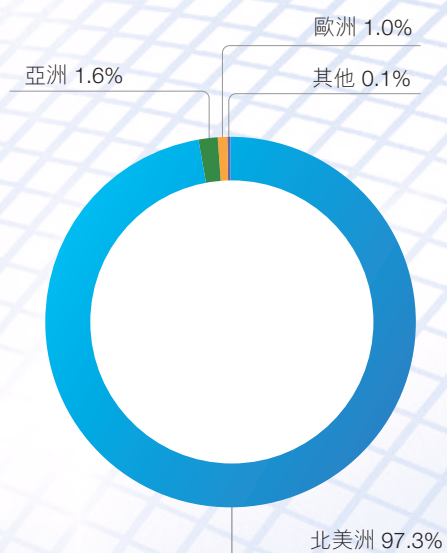
股東權益
(百萬港元)



股東應佔溢利／(虧損)
(百萬港元)



**於二零一八年按地區
分類之營業額**



主席報告

集團業績及股息

本人謹代表董事會呈報Alco Holdings Limited及其附屬公司（統稱「本集團」）截至二零一八年三月三十一日止年度的財務業績。

於回顧年度，本集團錄得營業額21億港元（二零一七年：21億港元），而股東應佔淨虧損為8千5百80萬港元（二零一七年：溢利7千3百90萬港元）。業績錄得淨虧損部份是由於營商環境持續充滿挑戰，加上本集團於生產部份產品所用的若干主要元件的成本顯著增加所致，令情況雪上加霜。而其他因素如本集團對新筆記型電腦業務的初期成立及投資亦影響本集團於回顧年度的盈利能力。

儘管業績表現疲弱，本集團仍維持健康的財務狀況，擁有現金2億8千萬港元。因此，董事會議決派付末期股息每股2港仙（二零一七年：5港仙）。連同早前已派付的中期股息每股3港仙（二零一七年：5港仙），本財政年度派發的股息總額為每股5港仙（二零一七年：10港仙）。末期股息將於二零一八年九月十一日派付予本集團股東，惟須經股東於應屆股東週年大會批准後方可作實。



主席報告

業務回顧

縱使本集團過去一年面對種種挑戰，但本集團始終認為追求卓越中難免出現障礙，這種情況在本集團積極把旗下產品組合及業務模式由主要針對折扣零售渠道轉為針對合理利潤率和高端的市場的時候尤甚，這個方向現已成為本集團的短期至長期的業務策略，在過去12個月更取得若干顯著的進

展，例如本集團推出AVITA品牌的消費筆記型電腦及Primus品牌的商用／商業筆記型電腦，兩個系列皆由本集團全資附屬公司力高創科有限公司管理。力高創科分別在台灣及香港招聘了頂尖人才領導專屬研發小組及市場推廣小組，於回顧年內成功在香港、澳門、台灣及新加坡推出了消費筆記型電腦及商業筆記型電腦。



主席報告

本集團不單致力投資產品開發，亦致力提升AVITA及Primus品牌的知名度，為配合此業務方針，本集團大力投資於上述品

牌的市場推廣及宣傳方面，其中包括力高創科於今年一月參加於拉斯維加斯舉行的「2018年消費電子展」。



除了推出旗下AVITA消費筆記型電腦及Primus商用／商業筆記型電腦外，本集團於過去一年亦在英國及法國推出RCA品牌的平板電腦、在南非推出RCA品牌及Venturer品牌的平板電腦、以及在印度推出Venturer品牌的平板電腦，有關事宜皆由本集團全資附屬公司愛高國際有限公司負責。其中RCA品牌的平板電腦在英國的銷售令人鼓舞，預期RCA品牌（及Venturer品牌）的平板電腦將進一步滲透英國的零售渠道。

然而，本集團的平板電腦於北美洲表現則受到上述主要元件尤其是記憶體IC的成本上升所影響。這行業狀況對平板電腦及電腦設備於本年度的盈利能力造成龐大壓力。幸而，由於該等元件的價格其後開始回穩，北美洲的零售買家逐漸開始恢復向本集團訂購較大量平板電腦，而成本增幅亦逐漸變得較易透過提高零售價而轉嫁客戶。

主席報告

雖然電腦設備及平板電腦產品未來在促使本集團轉型及轉向合理利潤率及高端市場分部中擔當重要角色，但本集團影音產品的重要性絲毫未減，影音產品仍是本集團重要的基礎和收入來源。於回顧年度，由於本集團的條型音箱系統、揚聲器、藍芽無線揚聲器、DVD播放機及家庭影院系統等產品的需求穩定，尤其是北美洲零售商對該等產品的需求，因此影音產品維持穩定表現。

本集團的另一主要營運範疇及其業務組合不可分割的是生產部份。本集團位於東莞的生產廠房於二零一八年踏入第五年營運，受惠於本集團適時的提升措施及引進最新自動化技術，東莞廠房繼續以高效率營運。最近，該廠房的自動化技術更加入了機械臂，不單讓本集團減少對低技術勞工的需要，同時亦讓我們得以生產質素更高的產品。大規模使用自動化技術亦有助本集團迅速提升產能以應付市場對現有產品及未來推出的新產品的需求。



主席報告

展望

於新一個財政年度，本集團將繼續集中三個策略，分別是開發高增值產品、透過增加自動化從而進一步提升生產設施，並以新品牌及新產品組別滲透新市場。

誠如以上所述，本集團的短期至長期策略為發展消費筆記型電腦及商用／商業筆記型電腦業務。本集團已在香港、澳門、台灣及新加坡推出上述產品，初步反應理想，加上旨在提升AVITA及Primus品牌在上述市場的知名度而進行的市場推廣及宣傳活動取得成功，本集團已乘勢就進軍中國及東南亞市場分配資源及制定推廣計劃。

此外，在近期於六月五日至九日的台北國際電腦展上，力高創科宣布與日本VAIO株式會社合作，在香港、澳門、台灣及新加坡分銷VAIO旗下S11及S13商用／商業筆記型電腦。展望未來，力高創科計劃積極與VAIO及其夥伴合作，開發更多型號及市場。本集團亦將開發RCA及Venturer品牌的新型號平板電腦及筆記型電腦，以進一步擴大本集團於中學入學前教育市場及大眾化市場組別的市場份額。



主席報告

儘管客戶至目前為止對本集團的消費筆記型電腦及商用／商業筆記型電腦反應不俗，但由於個人電腦市場的競爭極為激烈，本集團提供高價值優質產品的能力仍是新推出個人電腦業務取得成功及建立勢頭的

關鍵。因此，本集團將繼續專注研發，令消費筆記型電腦及商用／商業筆記型電腦業務得以在其特定價位提供高價值產品，以及滿足現今識別力高的消費者的需要及需求。



主席報告

隨著本集團致力加快新業務發展，生產效率及出色的製造能力將變得更为重要。雖然高度自動化的東莞生產廠房已讓本集團能夠隨時調整產能及具有更大靈活性以配合不同的生產參數，但人力資源在實現

生產目標方面仍擔當不可或缺的角色。因此，本集團繼續聘用高技術人才，確保生產團隊能配合本集團生產更複雜產品的策略及符合生產該等產品所需的更高準確性及靈活性。



剛過去的財政年度挑戰重重，促使本集團更決心推行其專注高端市場分部的長期策略。雖然過程中定必充滿波折，但集團將保持審慎，聚焦於整體情況，並善用本身的優勢達致目標，為股東帶來合理的回報。

致謝

本人謹藉此機會代表董事會對管理層於上年度盡心盡力迎難而上深表肯定，同時對Alco全體員工為本集團作出的一切貢獻表示感謝，亦謹此向鼎力支持本集團的客戶、業務夥伴及股東致以衷心謝意。

主席兼行政總裁

梁偉成

香港，二零一八年六月二十日

董事及高級管理人員履歷

執行董事

梁偉成先生，58歲，於一九八五年加入本集團，並為本集團之主席及行政總裁，全面負責本集團之整體策略及監督業務運作。彼持有加拿大Queen's University之電氣工程理學碩士學位。

郭冠文先生，64歲，於一九九零年加入本集團，現為本集團之董事。彼持有工商管理學碩士學位，於跨國機構中擁有逾41年財務及會計經驗。

梁偉明先生，49歲，為本集團主席之胞弟。彼於一九九三年加入本集團及於二零一三年獲委任為執行董事。彼於電子音響產品領域擁有逾25年經驗，負責監督本集團的採購職能。

廖立民先生，47歲，於二零零五年加入本集團及於二零一三年獲委任為執行董事。彼於二零一七年亦獲委任為本集團之公司秘書。彼持有加拿大多倫多大學學士學位，亦為香港會計師公會及特許公認會計師公會資深會員。彼在審計及會計方面擁有逾23年經驗。

獨立非執行董事

李華明先生，銀紫荊星章、太平紳士，63歲，於一九九二年加入本集團，為一間顧問公司之董事。彼持有加拿大University of Waterloo文學士學位及加拿大多倫多大學社會工作碩士學位。

李德志先生，63歲，於二零一一年加入本集團，曾任香港理工大學設計學院副院長兼教授。彼亦擔任由香港政府成立之汽車零部件研究及發展中心董事局成員。

張富紳先生，52歲，於二零一六年加入本集團，持有英屬哥倫比亞大學生物學理學學士榮譽學位及經濟學文學碩士學位。彼於證券市場擁有逾26年經驗，現時為中國銀河國際證券（香港）有限公司研究部主管。

董事及高級管理人員履歷

高級管理人員

梁偉立先生，57歲，為本集團主席之胞弟，於二零零五年加入本集團，現為本集團高級銷售經理，監督本集團產品及服務於北美洲之銷售及市場營銷。

葉永成先生，銀紫荊星章、榮譽勳章、太平紳士，60歲，於一九七三年加入本集團。彼為本集團的總經理，負責監督東莞工廠的整體營運。彼於消費電子產品領域有逾34年經驗。

鍾孝揚先生，48歲，於二零一六年加入本集團，擔任力高創科之行政總裁，成立力高創科有限公司及台灣力高創科有限公司。彼於科技、資訊科技、手機及消費電子行業擁有逾21年經驗。於加入力高創科前，鍾先生曾擔任聯想（香港）之總經理。彼亦曾於信興集團、三星電子及索尼公司擔任高級管理職位。彼持有加拿大西安大略大學之行政人員工商管理碩士學位。彼現為香港資訊科技商會委員、英國特許市務學會(Chartered Institute of Marketing)資深會員及特許市務師(Chartered Marketer)。彼亦為香港浸會大學商學院諮詢委員會成員。

孫國鼎先生，45歲，於二零一六年加入本集團，為力高創科有限公司營運長，負責筆記型電腦業務之研發工作。彼於科技、消費電子及資訊科技行業擁有逾17年經驗，尤其瞭解研究及開發、營運、產品管理及產品推廣。於加入力高創科前，孫先生曾擔任視源股份之研發副總經理，負責硬件研究及開發。孫先生亦曾於宏碁、戴爾及惠普擔任資深管理職位。彼持有台灣國立交通大學之環境工程碩士學位。

企業管治報告

企業管治常規

於截至二零一八年三月三十一日止十二個月內，除偏離守則條文第E.1.2條外，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之企業管治守則及企業管治報告（「守則」）載列之所有適用守則條文。

董事會時任主席並無出席本公司於二零一七年八月二十五日舉行之股東週年大會，該情況偏離守則條文第E.1.2條。主席將盡力出席本公司日後所有股東週年大會。

董事會

董事會負責作出本集團有關業務及策略之決定並監察管理人員之表現。

董事會目前包括四位執行董事梁偉成先生、郭冠文先生、梁偉明先生及廖立民先生，以及三位獨立非執行董事李華明先生、李德志先生及張富紳先生。

董事會於截至二零一八年三月三十一日止年度曾舉行四次會議。各董事之出席率載列如下：

董事會成員

出席／合資格出席

執行董事

梁劍文先生（於二零一八年六月十五日退任）	4/4
梁偉成先生	4/4
郭冠文先生	4/4
梁偉明先生	4/4
廖立民先生	4/4

獨立非執行董事

李華明先生	3/4
李德志先生	4/4
張富紳先生	4/4

本公司已收到獨立非執行董事各自根據上市規則第3.13條所呈交有關其獨立性之年度確認函。董事會已評估彼等之獨立性，結論為所有獨立非執行董事均具獨立身份。

企業管治報告

主席及行政總裁

梁偉成先生同時為主席及行政總裁。

董事之重選

郭冠文先生及李德志先生將於應屆股東週年大會上告退，且符合資格並願意接受重選。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司本身董事進行證券交易時之行為守則。經向董事作出具體查詢後，所有董事確認，彼等於截至二零一八年三月三十一日止十二個月內已遵守載列於標準守則之規定標準及有關董事與本公司進行證券交易之行為守則。

薪酬委員會

本公司已根據守則條文之規定設立薪酬委員會，並以書面列明職權範圍。

薪酬委員會目前由獨立非執行董事張富紳先生（薪酬委員會主席）、李華明先生及李德志先生組成。

薪酬委員會之主要職責為就董事及高級管理人員之薪酬政策及架構提出建議，並根據公司之目標及目的審議及批准董事及高級管理人員之薪酬。現有薪酬方案包括基本薪金、根據表現酌情發放之花紅及附帶福利。就本年度而言，薪酬委員會認為，薪酬方案為公平並與市場行情一致。

薪酬委員會於截至二零一八年三月三十一日止年度曾舉行一次會議，委員會各成員之出席率載列如下：

薪酬委員會成員	出席／合資格出席
張富紳先生	1/1
李華明先生	1/1
李德志先生	1/1

企業管治報告

審核委員會

審核委員會目前由獨立非執行董事張富紳先生（審核委員會主席）、李華明先生及李德志先生組成。

審核委員會已與管理層審閱本集團所採納之會計原則及慣例，並討論有關內部控制及財務呈報之事項，包括審閱本集團截至二零一八年三月三十一日止年度之財務報表。

審核委員會於截至二零一八年三月三十一日止年度曾舉行兩次會議，委員會各成員之出席率載列如下：

審核委員會成員	出席／合資格出席
張富紳先生	2/2
李華明先生	2/2
李德志先生	2/2

提名委員會

本公司已根據守則條文之規定設立提名委員會，並以書面列明職權範圍。

提名委員會目前由梁偉成先生（提名委員會主席）、李華明先生、李德志先生及張富紳先生組成。

提名委員會之主要職責為檢討董事會之架構、人數及組成，物色具備合適資格可擔任董事會成員之人士，並挑選獲提名出任董事之有關人士，或就此向董事會提供意見。此外，提名委員會已採納董事會成員多樣化政策，董事會成員多樣化可通過考慮若干因素，包括（但不限於）性別、年齡、文化及教育背景、技能、知識及專業經驗而達致。以上各方面將於有必要甄選董事會成員時予以考慮。

提名委員會於截至二零一八年三月三十一日止年度曾舉行一次會議，委員會各成員之出席率載列如下：

提名委員會成員	出席／合資格出席
梁劍文先生（於二零一八年六月十五日退任）	1/1
梁偉成先生	1/1
李華明先生	1/1
李德志先生	1/1
張富紳先生	1/1

企業管治報告

董事及核數師就財務報表須承擔之責任

董事確認其須負責擬備本集團之財務報表。於擬備財務報表時，董事已採納香港財務報告準則，貫徹使用並應用適當之會計政策，並作出合理及審慎之判斷及估計。董事會並不知悉與可能導致對本集團之持續經營能力產生重大疑慮之事項或情況有關之任何重大不確定性。故此，董事會在擬備財務報表時繼續採用持續經營會計基礎。

核數師之責任載列於獨立核數師報告。

核數師酬金

截至二零一八年三月三十一日止年度，支付本公司核數師羅兵咸永道會計師事務所之酬金載列如下：

所提供服務	已付／應付費用 千港元
審計相關服務	2,280
非審計相關服務	
稅務合規服務	191

風險管理及內部控制

董事會須就本公司之風險管理及內部控制系統負上最終責任，並有責任檢討該等系統之成效。該等系統旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大失實陳述或損失作出合理而非絕對之保證。

審核委員會負責監管本公司之風險管理及內部控制系統及程序，並向董事會匯報任何重大事宜及提供建議。

審核委員會與管理層負責識辨本集團之風險，並與管理委員會討論該等風險。管理委員會將評估該等風險是否重大，並按照本集團達成策略目標時所願意接納的程度管理有關風險。

內部審核部負責協助董事會根據監控環境、風險評估、監控活動、資料及通訊之框架評估內部監控系統之各個組成部份，並監察及協調本集團風險管理及內部控制系統之實施，定期檢討該等系統之成效。

企業管治報告

於年內，內部審核部已檢討本集團對買賣週期、存貨、支薪及固定資產管理所實施之內部監控成效及充足程度。內部監控之建議已送達管理層，並於周詳考慮後推行適當改善計劃。

本公司於每個財政年度至少舉行兩次審核委員會會議，外聘核數師亦須參與其中。外聘核數師編製審核委員會報告，並與審核委員會討論相關事項。本集團識別內部監控缺失或缺陷（如有）並採取適當糾正行動。

董事會須按照證券及期貨條例以及上市規則之規定，評估某一消息是否內幕消息及須作出披露。本集團嚴格保密，只容許有必要之人士接觸內幕消息，並於實際合理可行情況下盡快向公眾披露。

董事培訓

於回顧年度，所有董事均已參加與業務發展及監管更新有關之專業培訓。所有董事均已向本公司提供彼等於財政年度內之培訓紀錄。

股東通訊

為了讓股東及潛在投資者作出查詢及在知情情況下提供意見，本公司已制定股東通訊政策，當中載列股東及潛在投資者與本公司通訊之方式。

股東及潛在投資者可透過發送電子郵件至 investor.enquiry@alco.com.hk、傳真至 (852) 2597 8700 或郵寄至香港新界沙田安耀街2號新都廣場11樓，向本公司公司秘書發出書面查詢。

股東召開股東特別大會

根據本公司之公司細則，持有不少於本公司繳足股本十分之一的股東可向董事會或公司秘書遞交一份由股東簽署的書面要求（寄送至本公司主要營業地點香港新界沙田安耀街2號新都廣場11樓）要求董事會召開股東特別大會以處理該要求內指明之任何事項。

結論

董事會認為，良好的企業管治可保障有效之資源配置並保護股東權益。管理層將努力維持、加強並改善本集團之企業管治水平及質素。

環境、社會及管治報告

關於本報告

本報告旨在概述本集團在環境、社會及管治方面的表現（「ESG報告」）。本ESG報告乃根據聯交所主板證券上市規則（「上市規則」）附錄二十七所載《環境、社會及管治報告指引》（「ESG指引」）以及當中所載的「不遵守就解釋」條文規定而編撰。

除另有說明者外，本ESG報告涵蓋於截至二零一八年三月三十一日止年度報告期間（「報告期間」）本集團在香港及中國的業務營運的工作環境質素、環境保護、經營實務及社區參與等方面的整體表現、風險、策略、措施及承諾。

於報告期間，本集團主要從事設計、製造及銷售影音及筆記型電腦產品。因此，本ESG報告主要涵蓋上述業務。所有資料均來自本集團的官方文件或統計報告。

有關本集團企業管治架構的資料及其他相關披露資料，請參閱本年報第13至17頁。

重要性評估

本集團的管理層及員工參與編製本ESG報告，評估及檢討其在環境、社會及管治方面的經營實務，以及該等經營實務對我們的業務營運及持份者如何重要。

企業社會責任

作為製造商，我們秉承高道德標準，致力於以對社會及環境負責任的方式營運，同時保持經濟可持續性。企業社會責任是我們經營實務中一個不可缺少的組成部份。同時，我們以各種方式與持份者溝通，務求平衡各方利益。我們不時審視我們在提升環保、員工關係、社區參與、企業管治等方面所作的措施，盡我們所能維持最佳實務，為世界的持續發展作出貢獻。實現此承諾需要本集團及員工的個人及集體努力，因此，我們確保所有員工均遵循相關指引。本集團的企業社會責任政策適用於所有董事、高級管理人員及其他員工。

環境、社會及管治報告

持份者意見

我們歡迎閣下在閱讀ESG報告後，對本集團在環境、社會及管治方面所採取的方法提出意見。請電郵至 investor.enquiry@alco.com.hk 與我們分享寶貴意見。

環境方面

本集團十分關注其業務營運對環境的影響，每年均會根據其對應環境的方法、影響及風險評估結果以及其他內部及外部因素設立新目標及績效指標。本集團的環保目標主要集中在節約用水、用電及能源、合法妥善處置廢棄物、環境安全及其他領域。

本集團已制定《風險與機遇控制程序》，當中規定有關識別潛在風險及採取應對措施、了解持份者的需求及期望、履行合規要求及擬備應急方案的內部措施。我們會評估各種措施的成效並存置記錄，以制訂持續改進流程。

我們會在內部指導方針、清單及解決方案、佈告欄及其他文件中載列內部環境政策、方法及目標，力求確保所有員工均了解該等政策、方法及目標。環境保護方面的所有努力均由我們專責的環境管理委員會發起並受其監督，該委員會由具有ISO 14001:2015環境管理體系資質的成員（即來自中山大學嶺南學院內部核數師及環境、健康和安全管理經理）組成。

於報告期間，並無發生任何不遵守與空氣及溫室氣體排放、排入水土及產生有害及無害廢棄物相關的當地環境法律法規而對本集團產生重大影響的事件。

排放物

我們在中華人民共和國（「中國」）廣東省東莞市厚街鎮設有生產廠房（「厚街廠房」）。厚街廠房已通過東莞市環境保護局的環評批復及項目竣工驗收，並獲得開展生產活動所必需的廣東省污染物排放許可證。厚街廠房亦通過了ISO 14001:2015認證，滿足環境管理體系要求。

環境、社會及管治報告

環境方面（續）

排放物（續）

1. 空氣污染－溫室氣體及廢氣

我們會在工作場所進行苯、甲苯、對二甲苯等指標的空氣質量檢查，檢查結果表明，所有排放均在法律所允許的最高水平內，包括廣東省《大氣污染物排放限值》(DB44/27-2001)。厚街廠房已通過東莞市環境保護局的環境績效評估，並取得《廣東省污染物排放許可證》。

我們確保機器製造業務所產生的廢氣會先經過洗滌器過濾，方會排入大氣。此外，我們會對設備進行維護及修理，並進行環境檢查，以定期監測排放水平。我們對加強環境管理的其他措施包括建立節能減排制度、精簡生產工序、提高員工意識、淘汰低效機器以及安裝節能設備。

下文載列溫室氣體數據摘要：

排放物類型		單位	數量
直接溫室氣體排放物	汽油及柴油消耗（二氧化碳當量）	千克	11,483
間接溫室氣體排放物	電力消耗（二氧化碳當量）	噸	6,147

環境、社會及管治報告

環境方面（續）

排放物（續）

2. 污水排放

本集團在日常營運期間不會排放工業廢水，而其生活污水（在廣東省《水污染物排放限制》的範圍內）則排入厚街沙塘污水處理廠進行妥善處理。我們的污水處理程序亦受專業機構的檢查及審查。

3. 廢物管理

生產及日常營運所產生的所有廢物的處理流程，均嚴格遵守《廢物管理程序》等內部指引。一般而言，我們會鼓勵在可行的情況下回收及重用廢物。有害及無害廢棄物均由合資格收集商處理，而電子固體廢物（包括電子設備、電子部件及印刷電路板）則由經政府批准的公司收集。我們已實施內部指引，以提高在資源消耗及減少產生廢物方面的效率。為減少產生電子固體廢物，我們設有一個專門負責維修及保養電子硬件的部門，以延長電腦及其他電子設備正常運行的使用壽命。

下文載列排放數據摘要：

	單位	數量
排水量	噸	148,472
無害廢棄物	千克	325,277
工業廢棄物（設備）	台	235

環境、社會及管治報告

環境方面（續）

排放物（續）

3. 廢物管理（續）

ESG指引項下A1層面的關鍵績效指標披露概要：

關鍵績效指標A1.1	排放物類型及各自的排放數據（如適用）載於溫室氣體數據摘要。
關鍵績效指標A1.2	間接溫室氣體排放載於溫室氣體數據摘要。
關鍵績效指標A1.3及A1.4	所產生有害及無害廢棄物的類型載於排放數據摘要。
關鍵績效指標A1.5	減排措施可參閱上述各段。
關鍵績效指標A1.6	有關如何處理有害及無害廢棄物的說明及減排舉措可參閱上述各段。

資源使用

本集團已將環保工作拓展至產品設計及引進、生產流程及其他領域。我們致力透過在各業務環節更有效地利用資源來減少碳排放。電力為我們生產及提供熱能的主要能源。有鑑於此，我們致力於提高營運效率以及加強節約能源、水及其他原料。

本集團已編製《資源、能源節約管理指引》。我們會存置水、電及其他能源消耗量的每月統計數據，以確保其符合我們的管理目標。我們的措施包括：

- i. 持續檢查我們的設備及機器是否正常運作，並會在必要時進行更換；
- ii. 在工作時段結束後關閉機器、燈光及空調，以節省電力；
- iii. 在應用新物料、設備或生產技術前進行詳細的環境影響評估；
- iv. 根據客戶訂單決定生產量，以避免庫存過剩；
- v. 使用電子文件推廣無紙化辦公室

環境、社會及管治報告

環境方面（續）

資源使用（續）

此外，我們已建立能源管理中心，使我們能夠實時收集及監測能源消耗的在線數據。這有助於我們使用更高效及更先進的技術及工藝來取代過時的技術及工藝，從而改進我們的節能工作。例如，使用新型具變頻功能的空氣壓縮機來取代舊式、低效的空氣壓縮機，使我們一年節省80,000千瓦時的電力消耗。

厚街廠房地理位置優越，縮短了運輸距離，從而間接降低汽車的燃油消耗。就包裝材料而言，我們亦使用氣泡袋代替瓦楞紙包裝，以減少包裝材料的用量。

下文載列消耗數據摘要：

	單位	數量
電力（製造過程）	千瓦時	5,684,357
電力（行政）	千瓦時	2,146,890
水	立方米	100
製冷劑	噸	0.48
包裝材料－塑膠	千克	797,310
包裝材料－紙箱	千克	1,181,924
包裝材料－模製紙漿	千克	170,708
包裝材料－泡棉	千克	36,018
包裝材料－珍珠棉	千克	3,529
包裝材料－塑膠袋	千克	42,050
碳粉匣	個	128
墨盒	個	10
紙	噸	6

環境、社會及管治報告

環境方面（續）

資源使用（續）

ESG指引項下A1層面的關鍵績效指標披露概要：

關鍵績效指標A2.1	電力消耗詳情載於上文消耗數據摘要。
關鍵績效指標A2.2	水消耗詳情載於上文消耗數據摘要。
關鍵績效指標A2.3	能源使用效益計劃描述可參閱上文各段。
關鍵績效指標A2.4	在求取適用水源方面並無任何問題，本集團認為其用水量處於合理水平。
關鍵績效指標A2.5	有關製成品所用包裝材料總量的詳情，載於上文消耗數據摘要。

環境及天然資源

我們強調保護生物多樣性及生態系統的重要性，並借鑑我們數十年來在製造業獲得的經驗以促進環保措施，致力於減少由業務營運帶來的負面影響，努力提升員工的環保意識及加強環境管理。

我們按照ISO 14001:2015標準建立、遵循並維持了有效的環境管理體系。在產品設計之初我們便已考慮環保因素。我們的產品（倘適用）均符合《危害性物質限制指令》(RoHS)、《化學品註冊、評估、授權和限制法案》(REACH)、美國聯邦通信委員會(FCC)及愛迪生測試實驗室(ETL)對環境及安全的要求；我們在產品設計階段已對相關物料進行有害物質檢測及可靠性測試。

環境、社會及管治報告

社會方面

僱傭及勞工常規

僱傭

於二零一八年三月三十一日，本集團有1,412名員工。我們承諾提供一個能讓員工受重視的工作環境。本集團之僱傭及勞工常規乃按香港法例第57章《僱傭條例》、《中華人民共和國勞動法》、《中華人民共和國勞動合同法》等適用法律及行業慣例制定。所有員工入職時均獲安排入職簡報，介紹我們的僱傭條款、薪酬待遇、工作時數、休息時間及假期、終止僱傭、保密等方面。

本集團按照市場情況及行業準則而釐訂合理的僱員薪酬待遇。員工工作性質及資歷、工作評估結果、本集團財務表現均會納入考慮。本集團給予年度酌情獎金，對勤奮工作的員工表示認可，獎勵表現突出的員工。我們亦因應相關法律為僱員提供如強制性公積金、醫療保險及社會保險等福利，亦提供宿舍及餐飲予工廠工人。

於報告期間，並無發生任何不遵守相關法律法規，而導致對本集團有關補償及解聘、招聘及晉升、工作時間、休息時間、機會均等、多樣性、反歧視及其他利益及福利產生重大影響的事件。

1. 機會均等及多樣性

我們傾向聘請於厚街廠房附近居住的本地居民，以支持本地就業，同時亦重視多元包容。不同背景的僱員均享有平等及充足的晉升機會。我們的招聘及發展計劃由人力資源管理系統監管，以確保由於我們根據工作經驗、知識及能力聘用合適人選，本集團內不存在任何形式的歧視行為，例如性別、年齡、國籍、性取向、家庭狀況、種族或宗教等。

2. 員工溝通

我們重視員工的意見，鼓勵員工之間進行溝通，確保能夠了解到員工在工作中的意見，並以公平、適當的方式作出相應處理。我們倡導員工分享對自身職業發展及本集團發展的看法及期望。我們亦會安排球類比賽、聚會等團體活動，以加強團隊合作及建立歸屬感。

環境、社會及管治報告

社會方面（續）

僱傭及勞工常規（續）

僱傭（續）

3. 解聘

就終止僱傭合約，人力資源部會按照人力資源管理系統及適當的勞動法律內的全部程序進行，所有員工合約均列明終止條款。在複雜的情況下，人力資源部會諮詢法律顧問及／或管理層以確保此類終止僱傭關係乃按照適當法律進行。

下文載列僱傭數據摘要：

僱員總數		人數	1,412
按性別劃分	男性	%	53.6
	女性		46.4
按職位劃分	行政人員（男性）	%	10.3
	行政人員（女性）		2.4
	其他（男性）		47.1
	其他（女性）		40.2
	30歲以下	%	33.5
按年齡劃分	30至39歲		29.9
	40至49歲		28.2
	50至59歲		8.0
	60歲或以上		0.4
平均任期	行政人員（男性）	年數	12.0
	行政人員（女性）		13.5
	其他（男性）		10.5
	其他（女性）		9.5
新聘僱員	男性	人數	151
	女性		110
員工流失（自願）	男性	人數	255
	女性		265
員工流失（非自願）	男性	人數	80
	女性		14

環境、社會及管治報告

社會方面（續）

僱傭及勞工常規（續）

健康與安全

本集團盡力為員工締造健康、安全的工作環境，致力去除潛在的健康及安全危害。厚街廠房涉及大量機器及設備操作，員工可能需要面對一定的職業安全風險。因此，我們參考《中華人民共和國安全生產法》及其他國際標準，為日常營運及處理緊急事件制定嚴格的安全規程。主管會監督生產過程的各個階段，以確保遵守該等規程。

1. 工作安全

厚街廠房已配備足夠的防護裝備和設備，包括急救用品、防護頭盔、手套及護目鏡、滅火器、耳罩及耳塞以及防微粒口罩。我們定期提供消防演習，聘請合資格的急救人員，以及同時負責個人衛生教育的公司駐廠醫生。我們為生產機器及設備進行定期檢查，以確保安全運作。我們會每年為指定崗位的工人進行身體檢查以及提供保險，以覆蓋與工作相關的意外可能致的受傷或死亡賠償。我們有若干工作崗位要求僱員擁有專業資格或執照，如司機、叉車司機、電梯操作員、電工及化學物質處理員等。

在整個營運過程中，我們鼓勵員工及安全生產委員會不斷進行溝通，及時應對任何風險，以便在問題出現時解決有關問題。

2. 員工關懷

我們一直鼓勵員工通過由本集團主辦或組織的活動（如興趣班、球類比賽等），達致工作與生活的平衡。我們渴望員工能夠重視身心健康，並努力營造和諧的工作環境，以緩解彼等的壓力。同時，我們為員工提供有關健康與安全的資料，以提高彼等的健康意識。

於報告期間，本集團沒有發生重大安全事故及工傷；亦無發生任何不遵守相關法律法規，而導致對本集團有關提供安全工作環境及保障僱員避免職業性危害產生重大影響的事件。

環境、社會及管治報告

社會方面（續）

僱傭及勞工常規（續）

發展及培訓

本集團引進符合我們業務情況及發展需要的人才，透過一系列針對性及系統性的發展與培訓計劃，致力培養員工成長。本集團組織及資助各種內部及外部的員工培訓，加強員工技能及知識，包括機器操作、工作安全和生產環境管理、行業及市場知識、企業管理等。厚街廠房的僱員需按業務需要，通過32個小時的所需年度培訓。

我們根據業務需求調整培訓課程。例如，於報告期間，由於產品組合發生變動，機器人流程自動化（「RPA」）及筆記本電腦項目相關培訓的參與率有所提高。

此外，對本集團營運及員工職責重要的行業訊息、以及法律法規，本集團亦會不時提供最新資訊。我們亦提供有關上市公司董事及高級管理層的義務、職責及責任的培訓。該項培訓符合證券及期貨條例及上市規則的規定。

為留住人才，獎勵有傑出表現及具潛力的員工，我們提供集團內部晉升機會。我們亦鼓勵各員工就工作情況、晉升及事業目標與管理層溝通及討論，以支持員工發展，與本公司一同成長。

勞工準則

本集團的內部規則及勞動制度嚴格遵守《僱傭條例》、《勞動保障監察條例》、《勞動基準法》及其他適用的法律法規。本集團根據其人力資源管理計劃密切監察所有招聘流程及推廣活動，以預防童工、強迫勞動或任何、種族、宗教、年齡及殘疾歧視。倘發現任何不合規情況，本集團將立即調查、處罰或解僱有關員工。如有需要，本集團將進一步完善打擊非法行為的勞工機制。

於報告期間，本集團在營運中並無僱用任何童工或強迫勞動。

環境、社會及管治報告

營運慣例

供應鏈管理

本集團於報告期間共有約300名供應商，主要向我們供應TFT顯示器、IC、機械零件等。我們供應商的地理位置並無發生任何重大更改。我們的供應商主要來自中華人民共和國、香港及台灣。

本集團致力維持適當及正當的供應商管理，以促進供應鏈良好運作。我們有一套供應商管理程序及供應商評估標準，而我們會不時到供應商處進行實地檢查，以評估及維持供應商的質量。

我們與供應商維持長期合作關係。中國供應商因具有運輸成本優勢而成為我們的首選，但我們會就供應商履行採購合約責任，包括成本、品質以及交付表現上進行嚴格評估。我們的目標是維持一個比例健康的供應商平台，讓他們互相競爭，最終為公司帶來利益。

我們亦通過電話會議、實地拜訪及電郵與供應商保持密切溝通，使其符合本集團在合法合規、社會責任、勞工準則、工作安全與健康、環保各方面的標準。我們會對任何不符合要求或不能履行合約責任的供應商進行內部評估。我們會立即更換該等供應商，並要求賠償因未履行合約責任而導致的任何損失。

產品責任

通過嚴格執行指引政策，我們承諾為消費者提供優質的產品。在生產符合消費者需求的產品的同時，我們亦在生產過程中進行質量安全保證工作，以確保產品能夠通過各自銷售地區的安全及環境標準。我們將盡快處理及調查客戶的投訴，以改善我們的服務及產品質量。

1. 客戶滿意度

為提高客戶滿意度，我們的政策是快速回應及處理客戶投訴。客戶對我們產品的反饋乃我們不斷改進工作的驅動力。

環境、社會及管治報告

營運慣例（續）

產品責任（續）

2. 廣告及標籤

我們不但舉辦大型市場推廣活動或大規模刊登廣告來推廣我們的業務或產品，亦指定銷售代表不時與客戶會面以宣傳我們的產品及服務。我們會確保所有相關的銷售及市場推廣工作均符合政府及行業協會制定的所有適用法律及標準。

於報告期間，本集團遵守在健康與安全、廣告、標籤及私隱事宜方面對本集團產生重大影響的所有相關法律法規。

反貪污

本集團遵守所有相關反貪污法律及法規（例如香港法例《防止賄賂條例》、《中華人民共和國刑法》及《中華人民共和國反洗錢法》），以及有關貪污、賄賂、勒索、洗錢等欺詐行為的法律法規。

為加強企業管治，我們組成審核委員會，聘請外部律師及核數師就財務報告及其他合規性問題提出意見。我們堅守聯交所對上市公司的企業管治要求，同時仍會繼續審查，完善內部控制以及企業管治。

我們已將香港《防止賄賂條例》的部份條文列入我們的行為守則當中。如涉及與公司有利益衝突，我們的員工須察覺並申報個人利益。

舉報政策

本集團鼓勵其僱員、供應商、客戶及其他持份者報告任何不當行為。我們會在保護舉報者身份的同時，及時進行調查並採取必要措施。

於報告期間，我們並未發現任何對本集團產生重大影響的違規行為，如貪污、賄賂、勒索、欺詐及洗錢等。本集團將定期檢討其內部反貪污制度，並在必要時進行改善。

環境、社會及管治報告

社區

社區投資

本集團致力履行企業公民責任，承諾積極貢獻社會。透過組織參與合適的社區活動、捐贈或獎學金計劃，本集團將繼續留意提高公司內的企業社會責任精神的方法。我們亦渴望能透過此類活動創造員工回饋社區的觀念，同時藉著照顧及幫助有需要的人士，令本集團、員工及社區建立更緊密的關係。

於報告期間，我們參與捐血活動及青少年義工活動，以及參加社區籃球賽並提供場地。同時，我們在營運所在社區招聘了20名人士。

附錄一：香港聯合交易所有限公司ESG報告指引

主要範疇	內容	在本ESG報告中的章節
A. 環境方面		
A1 排放物		
一般披露	有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的政策；及遵守對發行人有重大影響的相關法律法規的資料。	環境方面－排放物
A2 資源使用		
一般披露	有效使用資源（包括能源、水及其他原材料）的政策。	環境方面－資源使用
A3 環境及天然資源		
一般披露	減低發行人對環境及天然資源造成重大影響的政策。	環境方面－環境及天然資源

環境、社會及管治報告

主要範疇	內容	在本ESG報告中的章節
B. 社會方面		
僱傭及勞工常規		
B1 僱傭		
一般披露	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的政策；及遵守對發行人有重大影響的相關法律法規的資料。	僱傭及勞工常規－僱傭
B2 健康與安全		
一般披露	有關提供安全工作環境及保障僱員避免職業性危害的政策；及遵守對發行人有重大影響的相關法律法規的資料。	僱傭及勞工常規－健康與安全
B3 發展及培訓		
一般披露	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	僱傭及勞工常規－發展及培訓
B4 勞工準則		
一般披露	有關防止童工或強制勞工的政策；及遵守對發行人有重大影響的相關法律法規的資料。	僱傭及勞工常規－勞工準則

環境、社會及管治報告

主要範疇	內容	在本ESG報告中的章節
營運慣例		
B5 供應鏈管理		
一般披露	管理供應鏈的環境及社會風險政策。	營運慣例－供應鏈管理
B6 產品責任		
一般披露	有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的政策；及遵守對發行人有重大影響的相關法律法規的資料。	營運慣例－產品責任
B7 反貪污		
一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的政策；及遵守對發行人有重大影響的相關法律法規的資料。	營運慣例－反貪污
社區		
B8 社區投資		
一般披露	有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	社區－社區投資

董事會報告

董事會謹此提呈董事會報告連同截至二零一八年三月三十一日止年度之經審核財務報表。

主要業務及分類分析

本公司之主要業務為投資控股，其附屬公司之業務載列於綜合財務報表附註18。

本集團按產品及地區分類之年度表現分析載列於綜合財務報表附註5。

業績及分派

本集團於本年度之業績載列於第52頁之綜合損益表。

董事會已宣派中期股息每股普通股3港仙，合共17,358,000港元。

董事會建議派付末期股息每股普通股2港仙，合共11,572,000港元。

業務回顧

香港法例第622章公司條例附表5要求本集團刊載年內業務回顧，回顧的內容於董事會報告及本年報不同章節內載述，該等章節構成本董事會報告之一部份。

環境政策及表現

本集團致力於管理及於可行情況下儘量減少其營運對環境之影響。本集團積極控制及致力減少排放及浪費，善用能源及資源。本集團亦於其生產運作中使用環保生產部件。此外，本集團之管理層團隊持續檢討環境保護措施之成效及於有需要時作出改善。

董事會報告

與僱員、客戶及供應商之關係

本集團肯定與其僱員、客戶及供應商維持良好關係對於實現長期業務目標之重要性。

僱員被視為本集團之寶貴資產。本集團根據僱員表現、資歷及市場趨勢提供合理薪酬。包括醫療保險及教育津貼在內之薪酬組合會作定期檢討。

本集團已與客戶及供應商建立長期關係。與供應商之良好關係有助鼓勵準時交付狀況良好之原材料。憑藉可靠之生產部件，我們能為客戶生產高質量及可靠之產品，最終令本公司及其股東整體受惠。

年末後重大事件

據本公司所知，自本財政年度結束以來概無發生任何對本公司構成影響之重大事件。

遵守相關法例及規例

年內，據本公司所知，本集團概無嚴重違反或不遵守相關法例及規例，從而對本集團之業務及營運構成重大影響。

流動資金及財務資源

於二零一八年三月三十一日，本集團之總權益及每股總權益分別為17億2千9百萬港元（二零一七年：18億4千6百萬港元）及2.99港元（二零一七年：3.19港元）。

本集團保持健康的財務狀況。於二零一八年三月三十一日，本集團擁有之現金及存款為2億8千萬港元。於扣除銀行貸款1億3千4百萬港元後，本集團之淨現金為1億4千6百萬港元。本集團擁有充足的流動資金應對日後之營運資金需求。

於二零一八年三月三十一日，本集團之存貨為4億4百萬港元（二零一七年：4億7千4百萬港元）。本集團審慎監察存貨水平，尤其是目前環境存在不明朗因素。

於二零一八年三月三十一日，應收貿易賬款結餘為8億2千4百萬港元（二零一七年：6億9千7百萬港元）。本集團與信譽良好之客戶交易及採取審慎的信貸政策，亦一直密切監控信貸風險。

於二零一八年三月三十一日，應付貿易賬款結餘為1億5千萬港元（二零一七年：2億5千萬港元）。

董事會報告

流動資金及財務資源（續）

於本年度，固定資產之資本開支為1億8千萬港元（二零一七年：4千8百萬港元），包括有關收購沙田新總部之1億2千1百萬港元。於二零一八年三月三十一日，本集團就模具、廠房及機器以及翻新之已訂約但未撥備資本承擔為13,030,000港元（二零一七年：5,189,000港元）。

在聯繫匯率制度下，本集團就貿易所承擔之外匯風險有限，原因為本集團絕大部份銷售、採購及借貸均以美元及港元為貨幣單位。本集團遵守不進行貨幣投機活動之政策，於財政報告年度內並未就投機活動錄得任何損益。

為對人民幣帶來的潛在成本影響提供一個自然對沖，本集團已透過投資於以人民幣計值之存款對其現金組合進行分散投資。於二零一八年三月三十一日，有關款項總額為7千7百萬元人民幣。

僱員

於二零一八年三月三十一日，本集團於中國、台灣及香港聘用約1,400名（二零一七年：1,600名）僱員。薪酬方案一般於參考市場條款及個人資歷後釐定。薪金及工資通常每年根據表現評估及其他相關因素檢討。本集團亦向所有合資格員工提供包括醫療保險、公積金及教育津貼等其他福利。

主要供應商及客戶

本集團截至二零一八年三月三十一日止年度主要供應商及客戶所佔之採購額及銷售額佔總採購額及銷售額之百分比如下：

採購額

—最大供應商	11%
—五大供應商合計	39%

銷售額

—最大客戶	90%
—五大客戶合計	98%

各董事、彼等之聯繫人或股東（據董事所知擁有本公司股本5%以上者）於年內任何時間概無持有上述主要供應商或客戶之權益。

董事會報告

儲備

本年度本集團及本公司儲備之變動分別載列於綜合財務報表附註26及附註31。

捐款

年內本集團之慈善及其他捐款金額為37,000港元。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載列於綜合財務報表附註14。

主要物業

本集團持作投資用途之主要物業詳情載列於第119頁。

股本

本公司股本之變動詳情載列於綜合財務報表附註25。

可供分派儲備

本公司於二零一八年三月三十一日之可供分派儲備為數754,300,000港元（二零一七年：720,601,000港元），包括保留盈利及繳入盈餘。

五年財務概要

本集團最近五個財政年度之業績以及資產與負債概要載列於第120頁。

董事會報告

購買、出售或贖回股份

於截至二零一八年三月三十一日止年度，本公司於香港聯合交易所有限公司購回合共772,000股本公司之普通股，代價為1,472,500港元。該772,000股所購回股份全部已於財政年度內註銷。購回詳情如下：

購回月份	所購回股份 總數	每股價格		總代價 港元
		最高 港元	最低 港元	
二零一七年九月	772,000	1.95	1.83	1,472,500

購回乃為本公司及其股東整體之利益而作出，以提高本公司之每股資產淨值及每股盈利。

除上述所披露者外，本公司及其附屬公司於截至二零一八年三月三十一日止年度概無購買或出售本公司任何股份，而本公司亦無於同一財政年度內贖回其任何股份。

銀行貸款及其他借貸

本集團於二零一八年及二零一七年三月三十一日之銀行借貸之分析載列如下：

	銀行借貸	
	二零一八年 千港元	二零一七年 千港元
一年以內	91,615	116,400
於第二至第五年	7,646	58,200
超過五年	34,457	—
	133,718	174,600

董事會報告

主要附屬公司

本公司於二零一八年三月三十一日之主要附屬公司之詳情載列於綜合財務報表附註18。

退休福利計劃

本集團之退休福利計劃之詳情載列於綜合財務報表附註8。

董事

本年度及直至本報告日期之董事如下：

梁劍文先生（於二零一八年六月十五日退任）

梁偉成先生

郭冠文先生

梁偉明先生

廖立民先生

李華明先生，銀紫荊星章、太平紳士¹

李德志先生¹

張富紳先生¹

¹ 獨立非執行董事

根據本公司之公司細則第87(1)條，郭冠文先生及李德志先生將於應屆股東週年大會上告退，且符合資格並願接受重選。

董事會報告

董事之服務合約

各執行董事均與本公司訂有三年期之服務合約，該等合約將一直有效，直至其中一方向對方發出不少於三個月之書面通知予以終止為止。

各獨立非執行董事均與本公司訂有三年期之服務合約，該等合約將一直有效，直至其中一方向對方發出不少於兩個月之書面通知予以終止為止。

董事及高級管理人員履歷

董事及高級管理人員履歷詳情載列於第11及12頁。

董事於合約中之權益

本公司或其任何附屬公司概無訂立任何對本集團業務有重大影響，本公司之董事直接或間接在其中擁有重大權益，並於年末或年內任何時間存續之合約。

董事於競爭業務之權益

本公司董事概無於對本集團業務構成競爭或可能構成競爭之業務中擁有權益。

獲准許的彌償條文

根據本公司之公司細則，董事均可從本公司之資產及溢利獲得彌償執行其職責時因所作出、發生之作為或不作為而招致或蒙受之所有訴訟、費用、收費、損失、損害及開支，並可獲確保免就此受任何損害。

本公司已購買董事責任保險，為董事提供適當保障。

董事會報告

董事及最高行政人員於本公司或任何相聯法團之股份、相關股份及債券之權益及淡倉

(a) 於本公司每股面值0.10港元普通股之好倉

於二零一八年三月三十一日，本公司各董事及最高行政人員於本公司及其相聯法團（按證券及期貨條例所定義者）之股份、相關股份及債券中所擁有須記入本公司根據證券及期貨條例第XV部第352條存置之登記冊內之權益及淡倉，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

	持有股份數目			佔本公司 已發行股本之 百分比
	個人權益	法團權益	總計	
梁劍文先生（於二零一八年六月十五日退任）	20,150,000	225,911,400 (附註)	246,061,400	42.53%
梁偉成先生	47,072,000	—	47,072,000	8.14%
梁偉明先生	1,144,000	—	1,144,000	0.20%
李華明先生	260,000	—	260,000	0.04%

附註：

此等股份由在英屬處女群島註冊成立之有限公司Shundean Investments Limited擁有，而梁劍文先生是該公司之唯一股東。

董事會報告

董事及最高行政人員於本公司或任何相聯法團之股份、相關股份及債券之權益及淡倉（續）

(b) 於本公司相關股份之好倉

於年內任何時間，本公司或其任何附屬公司概無參與任何安排，致使董事或最高行政人員或其配偶或十八歲以下子女可藉購入本公司或任何其他法人團體之股份或債券而獲益。

除上文所披露者及梁劍文先生代本集團以信託形式持有本公司旗下若干香港註冊成立附屬公司各自之一股普通股外，於二零一八年三月三十一日，本公司董事及最高行政人員概無於本公司及其相聯法團之股份、相關股份或債券中，擁有根據證券及期貨條例須予披露之任何權益或淡倉，或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

主要股東於本公司股份及相關股份之權益及淡倉

根據證券及期貨條例第XV部第336條存置之主要股東名冊顯示，於二零一八年三月三十一日，本公司已獲知會以下擁有本公司已發行股本5%或以上的主要股東之權益及淡倉。該等權益乃補充上文就董事及最高行政人員披露之權益。

姓名／名稱	持股身份	股份數目－好倉	佔本公司已發行股本之百分比
Shundean Investments Limited	實益擁有人	225,911,400 (附註i)	39.04%
Webb David Michael先生	實益擁有人	58,085,400 (附註ii)	10.04%
Preferable Situation Assets Limited	實益擁有人	38,435,000 (附註ii)	6.64%
梁偉立先生	實益擁有人	34,828,190	6.02%

董事會報告

主要股東於本公司股份及相關股份之權益及淡倉（續）

附註：

- (i) 該等股份由在英屬處女群島註冊成立之有限公司Shundean Investments Limited擁有，而梁劍文先生是該公司之唯一股東。
- (ii) Webb David Michael先生實益擁有19,650,400股股份，此外，彼透過由其直接全資擁有之Preferable Situation Assets Limited持有38,435,000股股份。

除上文所披露者外，按照本公司根據證券及期貨條例第XV部第336條存置之權益登記冊，於二零一八年三月三十一日，並無任何人士（本公司董事除外，彼等之權益於上文「董事及最高行政人員於本公司或任何相聯法團之股份、相關股份及債券之權益及淡倉」一節載列）於本公司之股份或相關股份中擁有任何權益或淡倉。

購股權計劃

截至二零一八年三月三十一日止年度概無購股權計劃。

管理合約

本年度並無訂立或存在有關本公司全部或任何主要部份業務管理及行政事宜之合約。

優先購買權

儘管百慕達法律並無對優先購買權施加限制，惟本公司之公司細則概無涉及有關權利之規定。

董事會報告

企業管治

本公司一直保持高水平之企業管治常規。本公司所採納之企業管治常規詳情載列於第13至17頁之企業管治報告內。

審核委員會

審核委員會已與管理層審閱本集團所採納之會計原則及慣例，並討論有關內部控制及財務呈報之事項，包括審閱本集團截至二零一八年三月三十一日止年度之財務報表。

審核委員會目前由本公司三位獨立非執行董事組成，分別為張富紳先生、李華明先生及李德志先生。

充足公眾持股量

根據可公開獲得以及董事所知悉之資料，董事確認，截至二零一八年三月三十一日止年度及直至本報告日期止整段期間內，本公司股份之公眾持股量充足，超過已發行股份之25%。

核數師

財務報表已由羅兵咸永道會計師事務所審計，該核數師將於本公司應屆股東週年大會上任滿告退，並符合資格且願意接受續聘。

承董事會命

主席兼行政總裁

梁偉成

香港，二零一八年六月二十日

獨立核數師報告



羅兵咸永道

致Alco Holdings Limited股東
(於百慕達註冊成立的有限公司)

意見

我們已審計的內容

Alco Holdings Limited (以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第52至118頁的綜合財務報表,包括:

- 於二零一八年三月三十一日的綜合資產負債表;
- 截至該日止年度的綜合損益表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,包括主要會計政策概要。

我們的意見

我們認為,該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一八年三月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

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獨立核數師報告

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部份中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於 貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

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

於我們的審計之中已識別關鍵審計事項概要如下：

- 陳舊或滯銷存貨撥備
- 就開發成本資本化

關鍵審計事項

我們的審計如何處理關鍵審計事項

陳舊或滯銷存貨撥備

請參閱綜合財務報表附註20「存貨」及附註4「關鍵會計估計及判斷」。

於二零一八年三月三十一日， 貴集團持有淨存貨403,591,000港元，而陳舊或滯銷存貨撥備為119,049,000港元。存貨於綜合財務報表乃按成本與可變現淨值兩者的較低者呈列。

我們已瞭解及測試管理層賴以識別陳舊程度及釐定存貨可變現淨值的監控。

獨立核數師報告

關鍵審計事項 (續)

關鍵審計事項

陳舊或滯銷存貨撥備 (續)

管理層於各期末依據原材料及在建工程的陳舊程度，以及製成品的可變現淨值，評估陳舊或滯銷存貨撥備。識別存貨陳舊程度及釐定估計售價減出售成本須運用關鍵判斷及估計，包括存貨性質、賬齡、最新售價及預期未來銷售訂單。該等估計亦取決於市場走勢、客戶需求及科技發展等不確定性。

我們關注此部份乃由於結餘重大，釐定陳舊或滯銷存貨的減值撥備涉及關鍵管理層判斷及估計。

我們的審計如何處理關鍵審計事項

我們已進行抽樣測試，比較經篩選項目的估計售價與年結後銷售數據，並已透過比較存貨紀錄與相關文件，測試存貨的賬齡。再者，我們已與管理層討論及調查潛在訂單在價格及數量方面的最近銷售模式及其他因素，包括產品轉變及市場走勢。

我們已抽樣以存貨賬齡及銷售模式的相關文件及分析進一步證實管理層的解釋。

根據上述執行的程序，我們認為管理層於評估陳舊或滯銷存貨撥備所作的估計均由可獲取的證據支持。

獨立核數師報告

關鍵審計事項（續）

關鍵審計事項

就開發成本資本化

請參閱綜合財務報表附註17「無形資產」、附註2.8「主要會計政策概要－無形資產」及附註4「關鍵會計估計及判斷」。

於二零一八年三月三十一日，貴集團之無形資產包括遞延開發成本36,652,000港元（扣除攤銷）。

年內，貴集團進行大型開發活動開發新產品，如筆記型電腦。管理層根據會計準則之規定，運用判斷識別符合資本化標準之項目及項目應佔開支。管理層所考慮因素包括貴集團之意向、完成有關項目所需的技術、財政及其他資源以及技術可行性、出售有關項目所開發相關產品之能力、為貴集團帶來足夠未來經濟效益的可能性及可靠地計量指定項目所產生開支之能力。

我們關注此部份乃由於已資本化成本重大及評估是否達致資本化標準涉及判斷。

我們的審計如何處理關鍵審計事項

我們已瞭解及測試有關管理層如何釐定及計量開發活動直接應佔成本之控制權。

我們評估已產生並資本化為無形資產之開發成本性質。此外，我們與管理層商討有關項目之整體業務計劃，包括該等產品之計劃銷售頻道及銷售預測。根據管理層提供之解釋及我們對業務及行業之認識，我們評估被視為支持資本化開發成本之因素之合理性。

對於直接歸屬於開發活動之僱員所產生薪酬成本，我們取得就各個別項目之工作時數列表，並與項目經理商討，以瞭解僱員所執行工作之性質。我們亦就有關各項目的時數列表取得管理層批准。

我們亦已透過協定有關合約成本、外部發票及內部薪酬記錄（如適用）抽樣測試資本化成本。

基於上述所採取步驟，我們認為現有證據支持已資本化之成本。

獨立核數師報告

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

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

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

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

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督 貴集團的財務報告過程。

獨立核數師報告

核數師就審計綜合財務報表須承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅根據百慕達一九八一年公司法第90條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可能被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

獨立核數師報告

核數師就審計綜合財務報表須承擔的責任(續)

- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。

我們負責 貴集團審計的方向、監督及執行。我們為審計意見承擔全部責任。除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是黃家強。

羅兵咸永道會計師事務所
執業會計師

香港，二零一八年六月二十日

綜合損益表

截至二零一八年三月三十一日止年度

	附註	二零一八年 千港元	二零一七年 千港元
營業額	5	2,080,707	2,100,142
銷貨成本	7	(1,982,104)	(1,862,266)
毛利		98,603	237,876
其他收入	6	41,227	33,022
銷售開支	7	(95,117)	(84,351)
行政開支	7	(96,978)	(96,192)
其他經營開支	7	(17,826)	(12,083)
經營(虧損)/溢利		(70,091)	78,272
財務收入	10	8,045	9,875
財務成本	10	(9,253)	(10,268)
除所得稅前(虧損)/溢利		(71,299)	77,879
所得稅開支	11	(14,637)	(3,987)
本年度(虧損)/溢利		(85,936)	73,892
以下應佔本年度(虧損)/溢利：			
— 本公司股東		(85,808)	73,897
— 非控股權益		(128)	(5)
		(85,936)	73,892
本公司股東應佔每股(虧損)/盈利			
— 基本	12	(14.8港仙)	12.8港仙
— 攤薄	12	(14.8港仙)	12.8港仙
股息	13	28,930	57,937

第58至118頁之附註乃此等綜合財務報表之一部份。

綜合全面收益表

截至二零一八年三月三十一日止年度

	二零一八年 千港元	二零一七年 千港元
本年度（虧損）／溢利	(85,936)	73,892
其他全面收入／（虧損），扣除稅項：		
其後可能重新分類為損益之項目		
貨幣匯兌差額	16,473	(9,620)
本年度全面（虧損）／收入總額	(69,463)	64,272
以下應佔本年度全面（虧損）／收入總額：		
— 本公司股東	(69,335)	64,277
— 非控股權益	(128)	(5)
	(69,463)	64,272

第58至118頁之附註乃此等綜合財務報表之一部份。

綜合資產負債表

於二零一八年三月三十一日

	附註	二零一八年 千港元	二零一七年 千港元
非流動資產			
物業、廠房及設備	14	350,007	202,798
投資物業	15	93,988	90,488
租賃土地及土地使用權	16	5,926	6,001
無形資產	17	36,652	10,776
遞延所得稅資產	27	16,790	28,225
預付款項、按金及其他應收賬款	21	17,677	23,070
		521,040	361,358
流動資產			
存貨	20	403,591	473,819
應收貿易及其他賬款	21	864,157	742,693
可收回即期所得稅		13,090	13,086
現金及現金等值	22	279,520	787,201
		1,560,358	2,016,799
流動負債			
應付貿易及其他賬款	23	215,090	320,739
即期所得稅負債		3,361	2,881
遞延收益	6	–	17,450
借貸	24	91,615	116,400
		310,066	457,470
流動資產淨值		1,250,292	1,559,329
總資產減流動負債		1,771,332	1,920,687

綜合資產負債表

於二零一八年三月三十一日

	附註	二零一八年 千港元	二零一七年 千港元
本公司股東應佔資本及儲備			
股本	25	57,860	57,937
儲備	26	1,671,938	1,788,995
		1,729,798	1,846,932
非控股權益		(569)	(441)
總權益		1,729,229	1,846,491
非流動負債			
遞延收益	6	—	15,996
借貸	24	42,103	58,200
		42,103	74,196
總權益及非流動負債		1,771,332	1,920,687

第52至118頁之綜合財務報表已於二零一八年六月二十日獲董事會批准，並由下列董事代表董事會簽署。

董事
梁偉成

董事
梁偉明

第58至118頁之附註乃此等綜合財務報表之一部份。

綜合權益變動表

截至二零一八年三月三十一日止年度

	本公司股東應佔				非控股權益 千港元	總權益 千港元
	股本 千港元	其他儲備 千港元	保留盈利 千港元	總計 千港元		
於二零一六年四月一日	57,937	313,234	1,614,263	1,985,434	(436)	1,984,998
全面收入／(虧損)						
本年度溢利／(虧損)	-	-	73,897	73,897	(5)	73,892
其他全面虧損						
貨幣匯兌差額	-	(9,620)	-	(9,620)	-	(9,620)
全面(虧損)／收入總額	-	(9,620)	73,897	64,277	(5)	64,272
與擁有人進行之交易						
二零一七年年中期股息	-	-	(28,969)	(28,969)	-	(28,969)
二零一六年末期股息	-	-	(173,810)	(173,810)	-	(173,810)
與擁有人進行之交易總額	-	-	(202,779)	(202,779)	-	(202,779)
於二零一七年三月三十一日	57,937	303,614	1,485,381	1,846,932	(441)	1,846,491
於二零一七年四月一日	57,937	303,614	1,485,381	1,846,932	(441)	1,846,491
全面虧損						
本年度虧損	-	-	(85,808)	(85,808)	(128)	(85,936)
其他全面收入						
貨幣匯兌差額	-	16,473	-	16,473	-	16,473
全面收入／(虧損)總額	-	16,473	(85,808)	(69,335)	(128)	(69,463)
與擁有人進行之交易						
購回本公司股份	(77)	(1,319)	(77)	(1,473)	-	(1,473)
二零一八年年中期股息	-	-	(17,358)	(17,358)	-	(17,358)
二零一七年末期股息	-	-	(28,968)	(28,968)	-	(28,968)
與擁有人進行之交易總額	(77)	(1,319)	(46,403)	(47,799)	-	(47,799)
於二零一八年三月三十一日	57,860	318,768	1,353,170	1,729,798	(569)	1,729,229

第58至118頁之附註乃此等綜合財務報表之一部份。

綜合現金流量表

截至二零一八年三月三十一日止年度

	附註	二零一八年 千港元	二零一七年 千港元
經營業務之現金流量			
經營所用之現金	28(a)	(212,773)	(118,258)
收取利息		8,045	9,875
支付利息		(9,253)	(10,268)
支付所得稅		(1,687)	(17,550)
經營業務所用之現金淨額		(215,668)	(136,201)
投資業務之現金流量			
購置物業、廠房及設備		(180,277)	(48,316)
出售廠房及設備所得款項	28(b)	570	1,028
支付無形資產款項		(35,840)	(4,926)
投資業務所用之現金淨額		(215,547)	(52,214)
融資業務之現金流量			
信託收據貸款所得款項		530,621	643,491
償還信託收據貸款		(530,621)	(643,491)
借貸所得款項		75,993	—
償還借貸		(117,450)	(58,200)
購回本公司股份		(1,473)	—
派發予本公司股東之股息		(46,326)	(550,400)
融資業務所用之現金淨額		(89,256)	(608,600)
現金及現金等值減少淨額		(520,471)	(797,015)
於年初之現金及現金等值		787,201	1,591,643
外幣匯率變化之影響		12,790	(7,427)
於年末之現金及現金等值	22	279,520	787,201

第58至118頁之附註乃此等綜合財務報表之一部份。

綜合財務報表附註

二零一八年三月三十一日

1 一般資料

Alco Holdings Limited (「本公司」)乃一間於百慕達註冊成立之有限責任公司。註冊辦事處地址為 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司於香港聯合交易所有限公司主板上市。

於截至二零一八年三月三十一日止年度，本公司及其附屬公司（統稱「本集團」）從事設計、製造及銷售消費電子產品。

除另有註明外，該等綜合財務報表均以港元千位（「千港元」）呈列。

2 主要會計政策概要

於編製該等綜合財務報表時採用之主要會計政策載列如下。除另有註明外，該等政策已於所有呈報年度貫徹採用。

2.1 編製基準

本公司之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」）、香港聯合交易所有限公司證券上市規則附錄十六及香港公司條例之披露規定編製。綜合財務報表乃根據歷史成本常規法編製，並經按公平值列賬之投資物業之重估予以修訂。

編製符合香港財務報告準則之綜合財務報表須採用若干重要會計估計，管理層亦須於應用本集團會計政策時作出判斷。涉及較高程度判斷或複雜性，或涉及其假設及估算對綜合財務報表屬重大之範疇於附註4披露。

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(a) 於二零一七年四月一日開始之財政年度強制執行之經修訂準則如下：

香港會計準則第7號 (修訂本)	披露計劃
香港會計準則第12號 (修訂本)	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號 (修訂本)	二零一四年至二零一六年週期之年度改進

採納上述經修訂準則對本集團之業績及財務狀況並無重大影響。

(b) 以下與本集團有關之新訂準則、準則修訂本及詮釋已公佈，但於二零一七年四月一日開始之財政年度尚未生效且本集團並無提早採用：

		於下列日期或 之後開始之 會計期間生效
香港會計準則第28號 (修訂本)	於聯營公司及合營公司之投資	二零一九年一月一日
香港會計準則第40號 (修訂本)	投資物業的轉撥	二零一八年一月一日
香港財務報告準則第1號及 香港會計準則第28號 (修訂本)	二零一四年至二零一六年週期之 香港財務報告準則年度改進	二零一八年一月一日
香港財務報告準則第2號 (修訂本)	以股份為基礎的付款交易的分類和計量	二零一八年一月一日
香港財務報告準則第4號 (修訂本)	與香港財務報告準則第4號「保險合約」 一併應用香港財務報告準則第9號「金融工具」	二零一八年一月一日
香港財務報告準則第9號	金融工具	二零一八年一月一日
香港財務報告準則第9號 (修訂本)	具有負補償的預付特性	二零一九年一月一日
香港財務報告準則第10號及 香港會計準則第28號 (修訂本)	投資者與其聯營公司或合營企業之間的 資產出售或投入	尚未釐定
香港財務報告準則第15號	來自與客戶合約之收入	二零一八年一月一日
香港財務報告準則第15號 (修訂本)	香港財務報告準則第15號之澄清	二零一八年一月一日
香港財務報告準則第16號	租賃	二零一九年一月一日
香港財務報告準則第17號	保險合約	二零二一年一月一日
香港 (國際財務報告詮釋 委員會) – 詮釋第22號	外幣交易及預付代價	二零一八年一月一日
香港 (國際財務報告詮釋 委員會) – 詮釋第23號	所得稅處理之不確定性	二零一九年一月一日
年度改進項目	二零一五年至二零一七年週期之 香港財務報告準則年度改進	二零一九年一月一日

綜合財務報表附註

二零一八年三月三十一日

2 主要會計政策概要(續)

2.1 編製基準(續)

(b) (續)

本集團估計採用該等新訂準則及詮釋之影響載列如下：

香港財務報告準則第9號「金融工具」

變動性質

香港財務報告準則第9號處理金融資產及金融負債之分類、計量及終止確認，引入對沖會計之新規則及金融資產之新減值模型。

影響

本集團已審閱其金融資產及負債，預期新指引不會影響其金融資產及金融負債之分類及計量。

新減值模型規定根據預期信貸虧損（「預期信貸虧損」），而非按照香港會計準則第39號之情況僅以已產生信貸虧損確認減值撥備。此準則應用於按攤銷成本分類之金融資產、透過其他全面收入按公平值計量之債務工具、香港財務報告準則第15號「來自與客戶合約之收入」項下之合約資產、應收租賃款項、貸款承擔及若干財務擔保合約。根據目前已作出的評估，本集團預期新模式將不會對本集團確認信貸虧損有重大影響。

新訂準則亦引入擴充披露規定及呈列變動，預期會改變本集團披露其金融工具之性質及範圍，尤其是於採納新訂準則之年度。

本集團採納日期

於二零一八年一月一日或之後開始之財政年度強制應用。本集團擬按經修訂追溯方法採納該準則，即採納之累積影響將於截至二零一八年四月一日之保留盈利確認，且比較金額將不會重列。

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(b) (續)

香港財務報告準則第15號「來自與客戶合約之收入」

變動性質

香港會計師公會已頒佈確認收入之新訂準則。此準則將取代香港會計準則第18號（涵蓋貨品及服務合約）及香港會計準則第11號（涵蓋建築合約及相關文獻）。

新訂準則之原則為於貨品或服務控制權轉移至客戶時確認收入。

此準則允許全面追溯或以經修改追溯方法採納。

影響

管理層已評估應用新訂準則對本集團綜合財務報表之影響，並已識別以下可能受影響之範疇：

- 來自服務之收入－應用香港財務報告準則第15號可能導致識別個別履約義務，可能影響確認收入之時間。
- 履行合約時所產生若干成本之會計處理－現時支銷之若干成本可能需確認為香港財務報告準則第15號項下之資產；及
- 收回權利－香港財務報告準則第15號規定於資產負債表獨立呈列從客戶收回貨品之權利與退款義務。

基於截至今日的評估，本集團預計新準則不會對本集團綜合財務報表有任何重大影響。

綜合財務報表附註

二零一八年三月三十一日

2 主要會計政策概要(續)

2.1 編製基準(續)

(b) (續)

香港財務報告準則第15號「來自與客戶合約之收入」(續)

本集團採用日期

於二零一八年一月一日或之後開始之財政年度強制應用。本集團擬按經修訂追溯方法採納該準則，即採納之累積影響將於截至二零一八年四月一日之保留盈利確認，且比較金額將不會重列。

香港財務報告準則第16號「租賃」

變動性質

香港財務報告準則第16號將導致近乎所有租賃於綜合資產負債表確認，原因為經營及融資租賃之區分已廢除。根據新訂準則，資產(使用租賃項目之權利)與支付租金之金融負債予以確認。只有短期及低價值租賃屬例外情況。

出租人之會計處理不會有重大變動。

影響

該準則將主要影響本集團經營租賃之會計處理。於報告日，本集團之不可撤銷經營租賃承擔為412,411,000港元(見附註30(b))。然而，本集團尚未釐定此等承擔將導致就未來付款確認資產及負債之程度，以及此舉將如何影響本集團之業績及現金流量分類。

管理層現正量化此項新準則對其綜合財務報表之潛在影響。

2 主要會計政策概要(續)

2.1 編製基準(續)

(b) (續)

香港財務報告準則第16號「租賃」(續)

本集團採用日期

於二零一九年一月一日或之後開始之財政年度強制應用。本集團於現階段無意於生效日期前採納該準則。本集團擬應用簡化過渡法且不會就首次採納前之年度重列比較金額。

預計概無其他尚未生效之香港財務報告準則或香港(國際財務報告詮釋委員會)詮釋將對實體於即期或未來報告期及於可見未來交易有重大影響。

2.2 綜合

(a) 附屬公司

附屬公司乃本集團對其有控制權之實體(包括結構性實體)。倘本集團可獲得或有權從參與有關實體所得之可變回報,並能透過其在該實體的權力影響該等回報,即擁有該實體的控制權。附屬公司由控制權轉至本集團之日起綜合入賬,由控制權終止之日起停止綜合入賬。

本集團採用收購法為業務合併入賬。就收購附屬公司所轉讓之代價為向被收購方前擁有人轉讓的資產、產生之負債及本集團發行之股本權益之公平值。所轉讓之代價包括由或然代價安排所產生之任何資產或負債之公平值。收購相關成本於產生時入賬列為開支。因業務合併收購之可識別資產及所承擔之負債及或然負債初步按於收購日之公平值計量。

綜合財務報表附註

二零一八年三月三十一日

2 主要會計政策概要(續)

2.2 綜合(續)

(a) 附屬公司(續)

本集團根據逐項收購基準確認任何於被收購方之非控股權益。屬於現時擁有權權益並賦予其持有人權利於清盤時按比例分佔實體資產淨值之被收購方非控股權益乃以公平值或現時之擁有權權益應佔被收購方可識別資產淨值已確認金額之比例計量。除非香港財務報告準則規定須採用其他計量基準，否則非控股權益之一切其他成份均以於收購日之公平值計量。

倘業務合併分階段進行，則收購方先前持有之被收購方股本權益之收購日賬面值按於收購日之公平值重新計量；進行重新計量所產生之盈虧於損益確認。

本集團將轉讓之或然代價按於收購日之公平值確認。被視為一項資產或負債的或然代價之公平值後續變動，按照香港會計準則第39號之規定，在損益確認。分類為權益之或然代價毋須重新計量，而其後結算在權益入賬。

所轉讓代價、被收購方之任何非控股權益金額及任何先前於被收購方之股本權益於收購日之公平值超逾所收購可識別淨資產公平值間之差額，乃入賬列作商譽。倘所轉讓代價、已確認非控股權益及先前持有的權益經計量之總額低於所收購附屬公司淨資產之公平值（於議價收購之情況下），則該差額會直接在綜合損益表確認。

集團間之交易、集團內公司間交易之結餘及未變現收益均予以對銷。未變現損失亦予以對銷，惟交易證明所轉撥資產出現減值則除外。附屬公司所報金額已作出必要調整以確保與本集團會計政策一致。

2 主要會計政策概要(續)

2.2 綜合(續)

(a) 附屬公司(續)

與非控股權益進行不導致失去控制權之交易入賬列作權益交易—即以彼等作為擁有人之身份與擁有人進行之交易。任何已付代價公平值與所收購附屬公司淨資產賬面值之相關份額間之差額入賬列作權益。

向非控股權益進行出售之盈虧亦入賬列作權益。於本集團失去控制權時，於實體中之任何保留權益按於失去控制權當日之公平值重新計量，有關賬面值變動在損益確認。就其後入賬列作聯營公司、合營企業或金融資產之保留權益而言，其公平值為初始賬面值。此外，先前於其他全面收入就該實體確認之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。此可能意味先前在其他全面收入確認之金額重新分類至損益。

(b) 獨立財務報表

於附屬公司之投資按成本扣除減值列賬。成本包括投資之直接歸屬成本。附屬公司之業績由本公司按已收股息及應收賬款基準入賬。

倘股息超過宣派股息期間內附屬公司之全面收入總額，或在獨立財務報表之投資賬面值超過綜合財務報表中被投資方淨資產(包括商譽)之賬面值，則須於收取於附屬公司之投資的股息時對該等投資作減值測試。

綜合財務報表附註

二零一八年三月三十一日

2 主要會計政策概要(續)

2.3 分類報告

經營分類按與向主要經營決策人內部呈報者一致之方式呈報。負責分配資源及評核經營分類表現之主要經營決策人，被視為負責作出策略決定之執行董事。

2.4 外幣換算

(a) 功能及呈報貨幣

本集團各實體之財務報表所包括之項目，均以該實體主要營運經濟環境之貨幣（「功能貨幣」）計量。本綜合財務報表乃以港元（即本公司之功能貨幣及本集團之呈報貨幣）呈報。

(b) 交易及結餘

外幣交易均按交易或（倘項目重新計量）估值當日之匯率換算為功能貨幣。結算該等交易以及按年結日之匯率換算以外幣計值之貨幣資產及負債所產生之匯兌盈虧，均在綜合損益表確認。

有關借貸以及現金及現金等值之匯兌盈虧在綜合損益表呈列。

2 主要會計政策概要(續)

2.4 外幣換算(續)

(c) 集團公司

本集團旗下所有實體之功能貨幣如與呈報貨幣不同(其中並無任何實體持有通脹嚴重之經濟體系之貨幣),其業績及財務狀況均按以下方法換算為呈報貨幣:

- (i) 各資產負債表所列之資產及負債均按照該資產負債表結算日之收市匯率換算;
- (ii) 各損益表所列之收入及支出均按照平均匯率換算(但若此平均匯率未能合理地反映各交易日之匯率所帶來之累積影響,則按照交易日之匯率換算此等收入及支出);及
- (iii) 所有產生之匯兌差額均在其他全面收入確認。

因收購海外實體而產生之商譽及公平值調整,均視作為該海外實體之資產及負債處理,並以收市匯率換算。所產生之匯兌差額在其他全面收入確認。

(d) 出售海外業務及出售部份權益

於出售海外業務(即出售本集團於一項海外業務之全部權益,或涉及失去包含海外業務的附屬公司控制權之出售,或涉及失去包含海外業務之合營企業共同控制權之出售,或涉及失去對包含海外業務之聯營公司重大影響力之出售)時,本公司擁有人應佔就有關業務於權益累計之所有匯兌差額重新分類至綜合損益表。

倘出售部份權益不會導致本集團失去對包含海外業務的附屬公司之控制權,按比例分佔之累計匯兌差額重新撥歸非控股權益,且不會於損益確認。就所有其他部份權益出售(即本集團於聯營公司或合營企業之擁有權權益減少,而並無導致本集團失去重大影響力或共同控制權),按比例分佔之累計匯兌差額重新分類至綜合損益表。

綜合財務報表附註

二零一八年三月三十一日

2 主要會計政策概要(續)

2.5 租賃土地及土地使用權

分類為經營租賃之租賃土地及土地使用權乃按成本減累計攤銷及累計減值虧損列賬。成本主要指就自相應權利授出日期起就使用土地之權利所支付之代價。租賃土地及土地使用權乃按權利年期以直線法計算攤銷。

2.6 物業、廠房及設備

分類為融資租賃之租賃土地以及所有其他物業、廠房及設備均按歷史成本減折舊及減值虧損列賬。歷史成本包括直接用於收購項目之開支。當與項目有關之未來經濟利益可能會流入本集團，且能可靠地計量項目之成本時，方會將其後之成本併入資產之賬面值或確認為一項獨立資產(如適用)。已更換部份之賬面值不予確認。所有其他維修及保養費用，均於產生之財政期間內在綜合損益表扣除。

分類為融資租賃之租賃土地自土地權益可作其擬定用途時開始攤銷。分類為融資租賃的租賃土地之攤銷及其他資產之折舊採用直線法計算，以將其成本分攤至剩餘價值，並以其剩餘租期或估計可使用年期(以較短者為準)作為其成本之分攤期限。

租賃物業裝修及模具之折舊採用直線法計算，以分別於15年及4年之估計可使用年期內分攤成本。樓宇折舊採用直線法計算，以土地使用權年期及40年兩者的較短者為基準。其他物業、廠房及設備之折舊以餘額遞減法，按可於資產估計可使用年期內將減去累計減值虧損後的成本撇銷之折舊率計算。所採用之主要折舊率如下：

傢俬、裝置及設備	20%
廠房及機器	14.5%至20%
汽車	20%

資產之剩餘價值及可使用年期均於各報告期末予以審閱及調整(如適用)。

倘資產賬面值高於估計可收回金額，則資產之賬面值將立刻被撇減至其可收回金額(附註2.9)。

2 主要會計政策概要(續)

2.6 物業、廠房及設備(續)

出售盈虧乃透過比較所得款項與賬面值釐定，並在綜合損益表確認。

2.7 投資物業

投資物業(主要包括租賃土地及樓宇)乃持作賺取長期租金或資本增值或兩者兼備，而非由本集團佔用。投資物業亦包括建造中或發展供未來用作投資物業之物業。當符合投資物業之其餘定義時，根據經營租賃持有之土地亦入賬列為投資物業。於該情況下，相關經營租賃以融資租賃方式入賬。投資物業初步按成本(包括相關交易成本及適用之借貸成本)計量。於初步確認後，投資物業乃按公平值列賬，而公平值乃外聘估值師於每個報告日期所釐定之公開市值。物業之市值乃於計及復歸潛力後，按租金收入折現淨額計算。公平值變動乃於綜合損益表入賬列為「其他收入」之一部份。出售盈虧乃透過比較所得款項與賬面值釐定，並在綜合損益表確認。

2.8 無形資產

(a) 已購置特許權

已購置特許權以成本減累計攤銷列賬。已購置特許權之經濟可使用年期於購置時估計(附註4(d))。

攤銷採用直線法計算，以於10年之估計可使用年期內分攤已購置特許權之成本。

根據香港會計準則第36號，特許權須每年進行減值測試。

綜合財務報表附註

二零一八年三月三十一日

2 主要會計政策概要（續）

2.8 無形資產（續）

(b) 遞延開發成本

研究開支於產生時確認為開支。倘符合以下條件，則開發項目所產生（即設計及測試全新或經改良產品直接應佔）之成本確認為無形資產：

- (i) 技術上可完成開發中／已開發產品，使其可供使用或銷售；
- (ii) 管理層有意完成開發中／已開發產品並作使用或銷售；
- (iii) 有能力使用或銷售開發中／已開發產品；
- (iv) 可展示開發中／已開發產品將有可能產生未來經濟利益之方式；
- (v) 擁有足夠技術、財務及其他資源完成開發及使用或銷售開發中／已開發產品；及
- (vi) 開發中／已開發產品於開發時所產生的開支能可靠地計量。

其他不符合該等條件之開發開支於產生時確認為開支。先前確認為開支之開發成本不會在往後期間確認為資產。已資本化開發成本入賬列為無形資產並按36個月期間攤銷，以反映確認有關經濟利益之模式。根據香港會計準則第36號，發展資產須每年進行減值測試。

2.9 非金融資產減值

並無固定可使用年期之資產毋須攤銷，但需每年進行減值測試。倘有事件出現或情況變動顯示資產賬面值或許不能收回，則予以攤銷之資產須檢討有否減值。減值虧損按資產賬面值超出其可收回金額之款額確認。可收回金額指資產之公平值減出售費用與使用價值之較高者。就評估有否減值而言，資產將會按有獨立可識別現金流量（現金產生單位）之最低水平分類。出現減值之非金融資產（不包括商譽），於各報告日期均就撥回減值之可能性進行檢討。

2 主要會計政策概要(續)

2.10 金融資產

2.10.1 分類

本集團將其金融資產分類為貸款及應收賬款。分類視乎購入有關金融資產之目的而定。管理層於初步確認時決定其金融資產之分類。

貸款及應收賬款為並無於活躍市場報價惟具有固定或可予釐定款項之非衍生金融資產。貸款及應收賬款計入流動資產內，惟到期日為報告期末起計十二個月以後者除外。該等款項一概分類為非流動資產。本集團之貸款及應收賬款包括列於綜合資產負債表內之「應收貿易及其他賬款」以及「現金及現金等值」（附註2.14及2.15）。

2.10.2 確認及計量

金融資產之常規買賣於交易日確認，交易日即本集團承諾買賣資產之日期。就所有並非透過損益按公平值列賬之金融資產而言，投資初步按公平值另加交易成本確認。在收取來自投資的現金流量之權利屆滿或已轉讓，且本集團已轉讓擁有權之絕大部份風險及回報時，有關金融資產將終止確認。貸款及應收賬款其後採用實際利息法按攤銷成本列賬。

本集團於各報告期末評核是否有客觀證據證明一項或一組金融資產出現減值。貸款及應收賬款之減值測試於附註2.11說明。

2.11 按攤銷成本列賬之金融資產減值

本集團於各報告期末評核是否有客觀證據證明一項或一組金融資產出現減值。僅當有客觀證據證明初步確認資產後發生一宗或多宗事件導致出現減值（「虧損事件」），而該宗（或該等）虧損事件對該項或該組金融資產之估計未來現金流量構成之影響能可靠地估計時，有關金融資產方會出現減值及產生減值虧損。

綜合財務報表附註

二零一八年三月三十一日

2 主要會計政策概要(續)

2.11 按攤銷成本列賬之金融資產減值(續)

減值之證據可能包括以下指標：債務人或一組債務人正面臨重大財政困難，違約或拖欠利息或本金付款，彼等有可能將進入破產程序或進行其他財務重組，以及當有可觀察數據顯示，估計未來現金流量有可計量之減少，例如欠款變動或與違約相關之經濟狀況。

就貸款及應收賬款類別而言，虧損金額按資產賬面值與按金融資產原實際利率折現之估計未來現金流量現值（不包括尚未產生之未來信貸虧損）間之差額計量。資產賬面值會予以削減，而虧損金額會在綜合損益表確認。倘貸款或持至到期投資存在浮動利率，則計量任何減值虧損之折現率乃根據合約釐定之現行實際利率。在實際運作上，本集團可能採用可觀察之市場價格根據工具之公平值計量減值。

倘在較後期間，減值虧損之金額減少，而該減少可客觀地與於確認減值後發生之事件連繫（例如債務人信貸評級改善），則之前確認的減值虧損之撥回在綜合損益表確認。

2.12 抵銷金融工具

當本集團有可合法強制執行之權利抵銷已確認金額，且有意按淨額基準結算或同時變現資產與清償負債時，則抵銷金融資產與負債，並於資產負債表呈報淨額。可合法強制執行之權利不得取決於未來事件，必須可於日常業務過程中以及公司或對手違約、無力償債或破產時強制執行。

2.13 存貨

存貨乃按成本與可變現淨值兩者之較低者呈列。成本使用加權平均法釐定。製成品及在製品之成本包括設計成本、原材料、直接勞工、其他直接成本及生產相關之間接費用（根據正常營運能力計算）。存貨不包括借貸成本。可變現淨值乃於日常業務過程中之估計售價，扣除適用之可變銷售開支。

2 主要會計政策概要(續)

2.14 應收貿易賬款、預付款項、按金及其他應收賬款

應收貿易賬款為在日常業務過程中就銷售貨物或提供服務應收客戶的款項。倘若應收貿易及其他賬款預期於一年或以內(或如屬較長時間,則以一般營運業務週期為準)收回,則分類為流動資產;否則呈列為非流動資產。

應收貿易賬款、預付款項、按金及其他應收賬款初步按公平值確認,其後以實際利息法按攤銷成本計量並扣除減值撥備。

2.15 現金及現金等值

於綜合現金流量表中,現金及現金等值包括手頭現金、銀行之通知存款及原到期日為三個月或以下的其他短期高流動投資。

2.16 股本

普通股分類為權益。直接歸屬於發行新股份及購股權之新增成本在權益中列為所得款項之減少(除稅後)。當任何集團公司購買本公司之權益股本(庫存股份),所繳付之代價(包括任何扣除所得稅之直接產生之增量成本)自本公司擁有人應佔權益扣除,直至該等股份註銷或重新發行為止。若該等普通股之後重新發行,所收取之任何代價(扣除任何直接產生之增量交易成本及有關所得稅影響)會計入本公司擁有人應佔權益。

2.17 應付貿易及其他賬款

應付貿易賬款為於日常業務過程中就向供應商購買的貨物或服務的付款責任。如付款於一年或以內(或如屬較長時間,則以一般營運業務週期為準)到期,應付貿易賬款分類為流動負債,否則呈列為非流動負債。

應付貿易及其他賬款初步按公平值確認,其後以實際利息法按攤銷成本計量。

綜合財務報表附註

二零一八年三月三十一日

2 主要會計政策概要(續)

2.18 借貸

借貸最初乃按公平值(扣除已產生之交易成本)確認。借貸其後按攤銷成本列賬,如扣除交易成本之後的所得款項與贖回價值之間出現差額,則於借貸期內以實際利息法在綜合損益表內確認。

於貸款融資將很有可能部份或全部提取之情況下,就設立融資支付之費用乃確認為貸款交易成本。在此情況下,該費用將遞延至提取貸款發生時。在並無跡象顯示該融資將很有可能部份或全部提取之情況下,該費用撥充資本作為流動資金服務之預付款項,並於其相關融資期間內攤銷。

除非本集團有無條件之權利將債務結算日期遞延至報告期末後至少十二個月,否則借貸會分類為流動負債。

2.19 借貸成本

所有借貸成本在產生期間於綜合損益表確認。

2.20 即期及遞延所得稅

本年度稅項支出包括即期及遞延稅項,並於綜合損益表確認,惟其有關於其他全面收入或直接於權益內確認的項目除外。在此情況下,稅項亦分別於其他全面收入或直接於權益內確認。

(a) 即期所得稅

即期所得稅支出根據本公司及其附屬公司營運所在及產生應課稅收入之國家於結算日已頒佈或實質頒佈之稅務法例計算。管理層就須詮釋適用稅務規例之情況定期評估報稅表之狀況,並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

2 主要會計政策概要(續)

2.20 即期及遞延所得稅(續)

(b) 遞延所得稅

內部基準差異

遞延所得稅以負債法就資產及負債之稅基與其在綜合財務報表所列賬面值之間之暫時差額作出確認。然而，遞延稅項負債如源自初步確認商譽，則不會確認；遞延所得稅如源自初步確認業務合併以外之交易中資產或負債，而在交易時並不影響會計溢利或應課稅溢利或虧損，則不予入賬。遞延所得稅使用於結算日前已頒佈或實質頒佈，且預期於相關遞延所得稅資產變現或遞延所得稅負債清償時應用之稅率（及税法）釐定。

遞延所得稅資產僅於有可能將未來應課稅溢利與可動用之暫時差額抵銷之情況下確認。

外部基準差異

遞延所得稅負債乃就附屬公司投資產生之應課稅暫時差額計提撥備，惟本集團可控制暫時差額之撥回時間，且暫時差額在可預見未來不大可能撥回之遞延所得稅負債則除外。僅當有協議賦予本集團能力控制暫時差額之撥回時方不予確認。

遞延所得稅資產就附屬公司投資產生之可扣減暫時差額確認，惟只限於暫時差額很可能在將來撥回，並有充足之應課稅溢利可供抵銷暫時差額時進行。

(c) 抵銷

當有可依法強制執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債與同一稅務機關就一個或多個應課稅實體徵收之所得稅有關，而有關實體有意按淨額基準結算結餘時，遞延所得稅資產與負債會作抵銷。

綜合財務報表附註

二零一八年三月三十一日

2 主要會計政策概要（續）

2.21 僱員福利

(a) 僱員應享假期權利

僱員應享年假權利乃於其應計予僱員時確認，並按截至結算日止因僱員提供服務而產生之估計年假負債計提撥備。

僱員應享病假、分娩假期及侍產假期權利，僅於支取假期時方予確認。

(b) 退休金承擔

本集團設有多個界定供款計劃。界定供款計劃為本集團向一間獨立機構支付定額供款之退休金計劃。倘該項基金不具備足夠資產而無法就本期及以往期間之僱員服務向所有僱員支付福利，則本集團亦無法律或推定責任作進一步供款。

對於界定供款計劃，本集團以強制、合同或自願方式向公營或私人管理的退休金保險計劃供款。本集團作出供款後，即無進一步付款義務。供款在到期支付時確認為僱員福利開支。預付供款在有現金退款或可扣減未來付款之情況下確認為資產。

(c) 終止僱傭福利

終止僱傭福利在正常退休日期前遭本集團終止僱用，或每當僱員接受自願遣散以換取此等福利時支付。當實體有正式詳細計劃終止僱用現有僱員，且不具撤回之可能時，即明確表示會終止僱用，本集團會確認終止僱傭福利。倘作出建議鼓勵自願遣散，則終止僱傭福利按預期接受該建議之僱員人數計量。在報告期末後超過十二個月到期支付之福利會折現至其現值。

2 主要會計政策概要(續)

2.22 撥備

當本集團因已發生之事件而須承擔現有法律或推定責任，且將可能需要有資源流出以履行債務，而有關金額已可靠地估計時，會確認撥備。本集團並無為未來經營虧損確認撥備。

倘出現多項類似債務，則透過整體考慮債務類別釐定須就結算流出資源之可能性。即使同類別債務中任何一個項目之流出可能性不大，仍會確認撥備。

撥備乃利用稅前比率（反映市場目前對金錢時間價值及與債務有關之特定風險之評估）根據預期須履行債務之開支的現值計量。撥備因時間流逝而增加之部份確認為利息開支。

2.23 收入確認

收入包括在本集團日常業務過程中出售貨品及服務而已收或應收代價之公平值。所示收入已扣除增值稅、退貨、回扣及折扣及對銷本集團內之銷售。當收入之金額能可靠地計量，未來經濟溢利可能流入公司，以及當符合下文所述本集團各業務之特定條件時，本集團會確認收入：

- (i) 銷售貨品乃於本集團之公司已向客戶交付產品，而客戶已接納有關產品，並可合理確定相關應收賬款之可收回程度時確認。
- (ii) 租金收入乃按有關租約之年期按直線基準確認。
- (iii) 利息收入利用實際利息法按時間比例基準確認。當應收賬款出現減值時，本集團會將其賬面值減至可收回金額（即以工具之原實際利率折現之估計未來現金流），並繼續解除折現作為利息收入。

綜合財務報表附註

二零一八年三月三十一日

2 主要會計政策概要（續）

2.24 租賃

經營租賃（作為承租人）

倘若租賃擁有權之重大部份風險及回報由出租人保留，則該等租賃會分類為經營租賃。根據經營租賃支付之款項（扣除已收出租人之任何優惠後）於租賃期內以直線基準在綜合損益表支銷。

融資租賃（作為承租人）

本集團擁有所有權之絕大部份風險及回報之土地租賃，乃分類為融資租賃。融資租賃於租賃開始時按租賃物業之公平值與最低租賃付款現值之較低者撥充資本。

經營租賃（作為出租人）

倘本集團按經營租賃租出資產，則該等資產按其性質列入綜合資產負債表（見附註2.7）。經營租賃產生之收入根據本集團之收入確認政策（見附註2.23(ii)）確認。

2.25 出售及回租交易

出售及回租交易涉及出售一項資產並回租相同資產。由於租賃款項及售價乃一併磋商，故通常互有關聯。出售及回租交易之會計處理方法取決於所涉及之租賃種類。

倘出售及回租交易產生融資租賃，則任何超過賬面值之出售所得款項予以遞延，並在租賃期內攤銷。倘出售及回租交易產生經營租賃，且該交易明顯按公平值確立，則會即時確認任何溢利或虧損。倘售價低於公平值，則會即時確認任何溢利或虧損，惟倘該損失將通過以低於市價之未來租賃款項進行補償，則損失會予以遞延，並在該資產預期使用期間內按所佔租賃付款之比例攤銷。倘售價高於公平值，則超過公平值之部份會予以遞延，並在該資產預期使用期間內攤銷。

2 主要會計政策概要(續)

2.26 股息分派

向本公司股東分派之股息於本公司股東或董事(如適用)批准股息之期間內在本集團及本公司之財務報表內確認為負債。

3 金融風險管理

本集團之活動使本集團面對各種金融風險：市場風險(包括外匯風險、現金流量及公平值利率風險)、信貸風險及流動資金風險。

風險管理由本集團之財資部進行。本集團採取保守及平衡之財資政策，重點關注以下金融風險因素並盡量減低對本集團財務表現可能產生之負面影響。

3.1 金融風險因素

(a) 市場風險

(i) 外匯風險

本集團之交易主要以港元、美元、人民幣及新台幣計值。大部份資產及負債以港元、美元、人民幣、新台幣及英鎊計值，並無重大資產及負債以其他貨幣計值。

由於港元與美元掛鈎，故本集團並無重大貨幣風險。本集團之政策為不參與投機活動。本集團並無訂立任何合約以對沖其面對之外匯風險。

於二零一八年三月三十一日，倘人民幣兌港元升值／貶值10%，而所有其他變數不變，則本年度除稅後虧損(二零一七年：溢利)將減少／增加約6,010,000港元(二零一七年：增加／減少6,397,000港元)，主要由於換算以人民幣計值之現金及銀行結餘以及其他應付賬款產生淨外匯差額所致。

於二零一八年三月三十一日，倘新台幣兌港元升值／貶值10%，而所有其他變數不變，則本年度除稅後虧損(二零一七年：溢利)將減少／增加約694,000港元(二零一七年：增加／減少255,000港元)，主要由於換算以新台幣計值之現金及銀行結餘、應收貿易及其他賬款以及其他應付賬款產生淨外匯差額所致。

綜合財務報表附註

二零一八年三月三十一日

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

於二零一八年三月三十一日，倘英鎊兌港元升值／貶值10%，而所有其他變數不變，則本年度除稅後虧損（二零一七年：溢利）將減少／增加約952,000港元（二零一七年：增加／減少103,000港元），主要由於換算以英鎊計值之現金及銀行結餘產生淨外匯差額所致。

(ii) 現金流量及公平值利率風險

由於本集團並無重大計息資產（短期銀行存款除外），故本集團之收入及經營現金流量實質上獨立於市場利率變動。

本集團之利率風險來自銀行借貸。本集團之銀行借貸乃以浮動利率計息，因而令本集團面對現金流量利率風險。本集團並無訂立任何利率掉期以對沖其面對之利率風險。

於二零一八年三月三十一日，本集團之浮動利率借貸以港元及美元計值。

於二零一八年三月三十一日，倘所有借貸之利率上升／下降100個基點，而所有其他變數不變，則本年度除稅後虧損（二零一七年：溢利）將增加／減少1,117,000港元（二零一七年：減少／增加1,746,000港元），主要是由於浮動利率借貸之利息開支增加／減少所致。

於二零一八年三月三十一日，倘所有計息銀行及現金存款之利率上升／下降100個基點，而所有其他變數不變，則本年度除稅後虧損（二零一七年：溢利）將減少／增加2,317,000港元（二零一七年：增加／減少7,864,000港元），乃由於市場利率賺取之利息收入所致。

於二零一八年及二零一七年三月三十一日，本集團持有之銀行貸款總額全為浮動利率。

3 金融風險管理（續）

3.1 金融風險因素（續）

(b) 信貸風險

信貸風險來自現金及現金等值以及於銀行及金融機構之短期存款、貸款及應收賬款，以及客戶之信貸風險（包括未償還之應收賬款）。管理層設有信貸政策，此等信貸風險持續受到監察。

本集團之現金及短期存款存放於信譽良好之銀行及金融機構。就來自客戶之信貸風險而言，管理層會考慮其財政狀況、過去經驗及其他因素，以評估各個別主要客戶之信貸質素。

(c) 流動資金風險

審慎之流動資金風險管理包括持有充足之現金、獲得足夠之備用承諾信貸融資作為資金及擁有結算市場持倉之能力。

本集團主要通過其日常營運產生之資金及從備用承諾信貸融資所得之資金，維持其流動資金。

本集團已取得銀行融資以應付或然情況。於二零一八年三月三十一日，本集團之備用銀行融資總額約為12億4千5百萬港元（二零一七年：11億7千7百萬港元），其中已動用之數額約為1億3千4百萬港元（二零一七年：1億7千5百萬港元）。

按結算日至合約到期日之餘下期間分類，本集團將於相關到期組別結算之金融負債分析載於下表。表內披露之金額為合約未折現現金流。

綜合財務報表附註

二零一八年三月三十一日

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(c) 流動資金風險 (續)

	按要求 千港元	一年內 千港元	於第二年 千港元	於第三至 第五年 千港元	五年以上 千港元	總額 千港元	賬面值 千港元
於二零一七年三月三十一日							
借貸	-	119,967	59,983	-	-	179,950	174,600
應付貿易及其他賬款	-	320,739	-	-	-	320,739	320,739
於二零一八年三月三十一日							
借貸	31,784	63,248	2,745	8,235	40,262	146,274	133,718
應付貿易及其他賬款	-	215,090	-	-	-	215,090	215,090

下表概述附有須按要求還款條文之銀行借貸根據貸款協議所載之協定還款期作出之到期日分析。有關金額包括使用合約利率計算之利息付款。

經計及本集團之財務狀況，董事認為銀行不太可能行使酌情權要求立即還款。董事認為，該等銀行借貸將根據貸款協議所載之預定還款日期償還。

到期日分析－受按要求還款條文約束之銀行借貸按預定還款期分析：

	一年內 千港元	於第二年 千港元	於第三至 第五年 千港元	總額 千港元	賬面值 千港元
二零一七年三月三十一日	-	-	-	-	-
二零一八年三月三十一日	6,810	13,499	11,475	31,784	31,080

綜合財務報表附註

二零一八年三月三十一日

3 金融風險管理（續）

3.2 資本風險管理

本集團資本管理之目標是保障本集團能繼續營運，以為股東提供回報及為其他持份者提供利益，並維持最佳資本結構以減低資本成本。

為維持或調整資本結構，本集團可能調整派付予股東之股息金額、籌集或償還銀行借貸、發行新股或出售資產以減少債務。

本集團以資產負債比率監察資本。此比率乃以扣除現金及現金等值後之借貸總額除以綜合資產負債表所載之總權益計算。

於二零一八年及二零一七年三月三十一日，資產負債比率如下：

	二零一八年 千港元	二零一七年 千港元
現金及現金等值（附註22）	279,520	787,201
借貸（附註24）	(133,718)	(174,600)
現金盈餘淨額	145,802	612,601
總權益	1,729,229	1,846,491
資產負債比率	不適用	不適用

4 關鍵會計估計及判斷

估計及判斷持續受到評估，並以過往經驗及其他因素為基準，包括相信在有關情況下對未來事件之合理預期。

本集團對未來作出估計及假設。所達致之會計估計顧名思義，甚少相等於有關之實際結果。具有引致對下個財政年度內資產及負債賬面值須作大幅調整之重大風險之估計及假設討論如下。

綜合財務報表附註

二零一八年三月三十一日

4 關鍵會計估計及判斷（續）

(a) 陳舊或滯銷存貨撥備

本集團依據原材料及在製品的陳舊程度，以及製成品的可變現淨值，就陳舊或滯銷存貨計提撥備。於日常業務過程中識別存貨陳舊程度及估計售價須運用判斷及估計。倘預期有別於原先估計，則有關差異將影響修改有關估計年度之存貨賬面值及減值撥備。

(b) 遞延開發成本之資本化

釐定將予資本化之開發成本（包括個別項目之時間及成本）需要根據該等開發成本產生之產品所帶來之預期未來經濟得益進行估計及假設。在此評估過程中之其他重要估計及假設包括於研究及開發之間的區別、完成該等項目之可行性以及該等產品為本集團帶來足夠未來經濟效益的可能性。

(c) 投資物業公平值之估計

投資物業公平值使用估值技術釐定。有關判斷及假設之詳情已於附註15披露。

(d) 物業、廠房及設備以及無形資產之估計可使用年期

本集團有重大物業、廠房及設備以及無形資產。本集團須估計物業、廠房及設備以及無形資產之可使用年期，以確定各報告期之折舊金額及攤銷費用。

該等資產之可使用年期乃於購入時經考慮未來技術變動、業務發展及本集團之策略後作出估計。本集團會每年進行檢討以評估估計可使用年期是否適當。有關檢討應考慮情況或事件之任何不可預見逆轉，包括預測經營業績倒退、行業或經濟趨勢逆轉及技術迅速發展。本集團會根據檢討結果延長或縮短可使用年期及／或計提減值撥備。

4 關鍵會計估計及判斷(續)

(e) 非金融資產之減值

於各結算日，本集團及本公司會審閱內部及外部資料來源，以識別下列資產可能減值或先前已確認之減值虧損不再存在或可能已經減少之跡象：

- 物業、廠房及設備
- 租賃土地及土地使用權
- 無形資產
- 於附屬公司之投資

倘有任何該等跡象存在，則會估計資產之可收回金額。每當資產之賬面值超過其可收回金額時，減值虧損會在綜合損益表內確認。倘確定出現減值跡象，則本集團須估計可收回價值，即資產之公平值減出售成本或其使用價值兩者之較高值。該等估算如出現任何變動，則可能會導致於財務報表之資產賬面值出現重大變動。

(f) 確認遞延所得稅資產

根據附註2.20所載會計政策，遞延所得稅資產於有可能出現未來應課稅溢利以抵銷可扣減暫時差額及稅項虧損時予以確認，且按變現相關遞延所得稅資產時預計應用之稅率計量。

釐定將予確認的遞延所得稅資產時，管理層須估計遞延稅項資產之變現情況。該等估計與實際結果間的任何差異將影響本集團於釐定實際結果期間內的業績。

(g) 其他負債及支出撥備

當本集團因過往事件而產生現有法定或推定義務時確認撥備。於釐定負債及支出撥備時需要作出重大判斷。本集團管理層藉估計履行義務所需之預期開支的現值，釐定負債及支出撥備。該評估要求使用估計。本集團生產及其他業務活動引發之或然事件相關的估計重大撥備及有關變動之性質及程度於綜合財務報表內披露，惟有關披露可能嚴重損害本集團於與各賣方或其他交易對手之待決爭議或可能由賣方或其他交易對手提出之申索中之狀況則作別論。

綜合財務報表附註

二零一八年三月三十一日

5 營業額及分類資料

年內確認之營業額如下：

	二零一八年 千港元	二零一七年 千港元 (經重列)
影音產品	2,067,912	2,100,142
筆記型電腦產品	12,795	—
	2,080,707	2,100,142

(a) 按產品分析之分類

主要經營決策人已被確定為執行董事及直接向本集團董事匯報之高級管理層。執行董事及高級管理層審閱本集團內部報告，以評估表現及分配資源。營運分類報告已使用管理層之方針。

本集團主要於中華人民共和國（「中國」）、台灣及香港營運，主要從事設計、製造及銷售消費電子產品。

於本年度內，本集團將其發展重心由現時的音響、影像及平板電腦產品（統稱「影音產品」）等傳統消費電子產品分散至商業筆記型及個人電腦（「筆記型電腦產品」）。因應業務策略的變動，主要營運決策人對本集團分類表現及資源分配的審閱已與過往年度不同。為與最近期披露的分類資料的呈列方式保持一致，截至二零一七年三月三十一日止年度的比較分類資料已因應有關變動予以重新分類：

影音產品 — 設計、製造及銷售影音產品

筆記型電腦產品 — 設計、製造及銷售筆記型電腦產品

本集團的分類間交易主要包括附屬公司間的配件及筆記型電腦產品銷售。該等交易乃按一般商業條款及條件訂立，有關條款亦適用於概無關聯的第三方。

綜合財務報表附註

二零一八年三月三十一日

5 營業額及分類資料 (續)

(a) 按產品分析之分類 (續)

	二零一八年				二零一七年 (經重列)			
	影音產品 千港元	筆記型 電腦產品 千港元	抵銷 千港元	總額 千港元	影音產品 千港元	筆記型 電腦產品 千港元	抵銷 千港元	總額 千港元
分類業績								
截至二零一八年及二零一七年 三月三十一日止年度								
分類營業額								
外部銷售	2,067,912	12,795	-	2,080,707	2,100,142	-	-	2,100,142
內部份類銷售	23,139	14,902	(38,041)	-	-	-	-	-
	2,091,051	27,697	(38,041)	2,080,707	2,100,142	-	-	2,100,142
分類業績 ⁽¹⁾	(18,294)	(51,797)		(70,091)	84,570	(6,298)		78,272
財務收入				8,045				9,875
財務成本				(9,253)				(10,268)
除所得稅前 (虧損) / 溢利				(71,299)				77,879
所得稅開支				(14,637)				(3,987)
本年度 (虧損) / 溢利				(85,936)				73,892
本年度以下人士應佔 (虧損) / 溢利:								
— 本公司股東				(85,808)				73,897
— 非控股權益				(128)				(5)
				(85,936)				73,892
分類資產及負債								
於二零一八年及二零一七年 三月三十一日								
分類資產 ⁽²⁾	2,001,893	91,657	(136,020)	1,957,530	2,250,467	11,367	(15,476)	2,246,358
未分配企業資產				123,868				131,799
總資產				2,081,398				2,378,157
分類負債 ⁽³⁾	206,761	144,349	(136,020)	215,090	319,603	16,612	(15,476)	320,739
未分配企業負債				137,079				210,927
總負債				352,169				531,666
其他分類資料								
截至二零一八年及二零一七年 三月三十一日止年度								
資本開支 ⁽⁴⁾	175,529	40,588		216,117	45,604	7,638		53,242

綜合財務報表附註

二零一八年三月三十一日

5 營業額及分類資料 (續)

(a) 按產品分析之分類 (續)

- (1) 管理層根據經營溢利的計量評估營運分類表現。獲提供的其他資料按照與綜合財務報表一致的方式計量。
- (2) 分類資產主要包括物業、廠房及設備、租賃土地及土地使用權、無形資產、按金、存貨、應收賬款及經營現金，但不包括投資物業、可收回即期所得稅及遞延稅項資產等項目。
- (3) 分類負債包括經營負債，但不包括若干企業借貸、即期所得稅負債及遞延收益等項目。
- (4) 資本開支包括增添之物業、廠房及設備以及無形資產。

(b) 按地區分析之分類

截至二零一八年及二零一七年三月三十一日止年度之分類營業額如下：

	二零一八年 千港元	二零一七年 千港元
北美洲	2,025,007	2,079,543
亞洲	33,563	4,643
歐洲	20,609	8,740
其他	1,528	7,216
	2,080,707	2,100,142

按地區分類作出之營業額分析乃根據付運目的地釐定。截至二零一八年及二零一七年三月三十一日止年度，本集團之資產及資本開支絕大部份均位於或用於中國、台灣或香港。

佔營業額總額10%或以上的客戶詳情如下：

	二零一八年 千港元	二零一七年 千港元
客戶甲	1,877,613	1,951,321

綜合財務報表附註

二零一八年三月三十一日

6 其他收入

	二零一八年 千港元	二零一七年 千港元
投資物業之公平值收益(附註15)	3,500	11,068
投資物業之租金收入	3,846	2,979
遞延收益攤銷(附註)	33,446	17,450
其他	435	1,525
	41,227	33,022

附註：

於二零一六年一月，本集團向獨立第三方出售位於香港而賬面值分別為23,791,000港元及236,310,000港元之自用物業及若干投資物業，總代價淨額為533,769,000港元。本集團其後租回該自用物業供其自用，自上述交易完成日期起計為期三年。代價超出該租賃物業公平值之差額已遞延並於租期內攤銷。於二零一八年二月，租約已提早終止，因此，於二零一七年四月一日之餘下遞延收益合共33,446,000港元已於本年度之綜合損益表內悉數攤銷及確認。

7 按性質分類之開支

銷貨成本、銷售開支、行政開支及其他經營開支中所包括之開支分析如下：

	二零一八年 千港元	二零一七年 千港元
無形資產攤銷(附註17)	9,899	7,800
租賃土地及土地使用權攤銷(附註16)	283	281
核數師酬金	2,280	2,200
存貨成本(附註20)	1,651,059	1,628,633
存貨減值撥備／(撥回)(附註20)	4,486	(17,440)
物業、廠房及設備折舊(附註14)	38,857	37,326
僱員福利開支(包括董事酬金)(附註8)	203,384	233,353
遣散費用(附註8)	8,482	6,550
出售廠房及設備之虧損	1,399	662
土地及樓宇之經營租賃租金	26,249	33,174
研究及發展成本	35,007	26,443
呆賬撥備(附註21)	2,908	—

綜合財務報表附註

二零一八年三月三十一日

8 僱員福利開支（包括董事酬金）

	二零一八年 千港元	二零一七年 千港元
工資及薪金	178,577	214,240
退休金成本—界定供款退休計劃（附註(a)）	3,754	2,864
其他員工福利	21,053	16,249
	203,384	233,353
遣散費用	8,482	6,550

附註：

(a) 界定供款退休計劃

於二零零零年十二月一日前，本集團於香港為全部合資格僱員設立一項界定供款退休計劃（「職業退休計劃」）。本集團應付之供款率為個別僱員基本薪金之5%。

自二零零零年十二月一日起，強制性公積金計劃（「強積金計劃」）根據強積金計劃條例成立，適用於自願參與該計劃之現有員工及於該日或之後聘用之合資格員工。推行強積金計劃後，職業退休計劃仍維持運作。根據強積金計劃，合資格僱員及本集團須各自按僱員月薪淨額之5%作出供款，僱員的每月供款上限為1,500港元。

本年度於綜合損益表扣除之職業退休計劃及強積金計劃供款約為3,754,000港元（二零一七年：2,864,000港元）。年內沒有動用界定供款退休計劃之沒收款項（二零一七年：相同）。於二零一八年三月三十一日沒有可供扣減未來供款之沒收供款（二零一七年：無）。

本集團於年底時應向職業退休計劃及強積金計劃作出合共約612,000港元（二零一七年：625,000港元）供款，已計入其他應付賬款及應計費用內。

綜合財務報表附註

二零一八年三月三十一日

8 僱員福利開支（包括董事酬金）（續）

附註：（續）

(b) 五位最高薪酬人士

本年度本集團五位最高薪酬人士包括四位（二零一七年：四位）董事，其酬金於附註9呈列之分析內反映。年內應付其餘一位（二零一七年：一位）人士之酬金如下：

	二零一八年 千港元	二零一七年 千港元
基本薪金、房屋津貼、其他津貼及實物福利	2,600	1,384
酌情花紅	-	2,000
退休金計劃供款	120	18
	2,720	3,402

酬金屬於以下範圍：

	二零一八年 人數	二零一七年 人數
酬金範圍		
2,000,001港元－3,000,000港元	1	-
3,000,001港元－4,000,000港元	-	1

(c) 高級管理層之薪酬

高級管理層的酬金包括於附註8(b)呈列之分析內反映之一位（二零一七年：一位）人士之酬金。

年內，餘下三位（二零一七年：四位）高級管理層之酬金如下：

	二零一八年 人數	二零一七年 人數
酬金範圍		
1港元－1,000,000港元	-	1
1,000,001港元－2,000,000港元	3	3

綜合財務報表附註

二零一八年三月三十一日

9 董事福利及權益

(a) 董事及最高行政人員之酬金

年內，董事之薪酬（包括行政總裁梁偉成先生之薪酬）根據上市規則附錄十四及香港公司條例第383條及公司（披露董事利益資料）規例第2部披露如下：

就出任董事（不論屬本公司或其附屬公司）而獲支付或應收之酬金：

截至二零一七年三月三十一日止年度：

姓名	袍金 千港元	薪金 千港元	酌情花紅 千港元	退休福利計劃 僱主供款 千港元	總計 千港元
執行董事：					
梁劍文先生	—	4,843	6,300	207	11,350
梁偉成先生	—	4,843	6,300	207	11,350
郭冠文先生	—	2,662	4,200	114	6,976
梁偉明先生	—	1,279	2,520	21	3,820
廖立民先生	—	1,019	1,680	21	2,720
獨立非執行董事：					
李華明先生	201	—	—	10	211
李德志先生	201	—	—	—	201
張富紳先生	198	—	—	8	206
	600	14,646	21,000	588	36,834

綜合財務報表附註

二零一八年三月三十一日

9 董事福利及權益 (續)

(a) 董事及最高行政人員之酬金 (續)

截至二零一八年三月三十一日止年度：

姓名	袍金 千港元	薪金 千港元	酌情花紅 千港元	退休福利計劃 僱主供款 千港元	總計 千港元
執行董事：					
梁劍文先生	-	4,843	1,677	207	6,727
梁偉成先生	-	4,843	1,677	207	6,727
郭冠文先生	-	2,888	1,118	124	4,130
梁偉明先生	-	1,640	671	88	2,399
廖立民先生	-	1,358	447	76	1,881
獨立非執行董事：					
李華明先生	300	-	-	15	315
李德志先生	300	-	-	-	300
張富紳先生	300	-	-	15	315
	900	15,572	5,590	732	22,794

綜合財務報表附註

二零一八年三月三十一日

9 董事福利及權益（續）

(b) 董事退休福利

概無董事就其有關管理本公司或其附屬公司事務之其他服務而獲支付或應收任何退休福利（二零一七年：無）。

(c) 董事離職福利

概無就提前終止委聘而向董事支付任何款項作為補償（二零一七年：無）。

(d) 就獲得董事服務而向第三方提供之代價

概無就獲得董事服務而向第三方支付任何款項（二零一七年：無）。

(e) 有關以董事以及董事之受控制法人團體及關連實體為受益人之貸款、准貸款及其他交易之資料

年內，概無以董事以及董事之受控制法人團體及關連實體為受益人之貸款、准貸款及其他交易（二零一七年：無）。

(f) 董事於交易、安排或合約之重大利益

年內，概無於年末或年內任何時間存續並由本公司訂立且與本公司業務有關，而本公司董事於當中直接或間接擁有重大權益之重要交易、安排及合約（二零一七年：無）。

10 財務收入及財務成本

	二零一八年 千港元	二零一七年 千港元
財務收入：		
— 銀行利息收入	8,045	9,875
財務成本：		
— 銀行借貸利息支出	9,253	10,268

綜合財務報表附註

二零一八年三月三十一日

11 所得稅開支

香港利得稅乃按照本年度之估計應課稅溢利以16.5%（二零一七年：16.5%）之稅率撥備。海外溢利之稅款則按照本年度之估計應課稅溢利以本集團經營業務所在國家之現行稅率計算。

	二零一八年 千港元	二零一七年 千港元
即期所得稅		
— 香港利得稅	5	16
— 中國企業所得稅	2,036	530
— 海外企業所得稅	69	60
— 以往年度撥備不足／（超額）撥備	2	(16)
遞延所得稅開支（附註27）	12,525	3,397
所得稅開支	14,637	3,987

本集團除所得稅前（虧損）／溢利之稅項與採用香港稅率所計算之理論稅款差異如下：

	二零一八年 千港元	二零一七年 千港元
除所得稅前（虧損）／溢利	(71,299)	77,879
按稅率16.5%（二零一七年：16.5%）計算之稅項	(11,764)	12,850
其他國家不同稅率之影響	(455)	(12)
無須課稅之收入	(11,932)	(14,726)
不可扣稅之支出	11,472	5,881
以往年度撥備不足／（超額）撥備	2	(16)
撥回以往確認之稅項虧損	14,135	—
未確認稅項虧損	13,226	10
使用以往確認稅項虧損	(47)	—
所得稅開支	14,637	3,987

綜合財務報表附註

二零一八年三月三十一日

12 每股虧損／盈利

基本

每股基本（虧損）／盈利乃按照本公司股東應佔本年度（虧損）／溢利除以本年度已發行普通股之加權平均數計算。

	二零一八年	二零一七年
本公司股東應佔本年度（虧損）／溢利（千港元）	(85,808)	73,897
已發行普通股之加權平均數	579,044,115	579,367,720
每股基本（虧損）／盈利（港仙）	(14.8)	12.8

攤薄

每股攤薄（虧損）／盈利乃透過調整發行在外普通股之加權平均數，以假設轉換所有潛在攤薄普通股計算。於截至二零一八年及二零一七年三月三十一日止年度內並無潛在攤薄普通股。因此，每股攤薄（虧損）／盈利與每股基本（虧損）／盈利相同。

13 股息

	二零一八年 千港元	二零一七年 千港元
已派付中期股息每股普通股3港仙（二零一七年：5港仙）	17,358	28,969
擬派付末期股息每股普通股2港仙（二零一七年：5港仙）	11,572	28,968
	28,930	57,937

於二零一八年六月二十日舉行之會議上，董事建議派付末期股息每股普通股2港仙。該擬派股息並無於該等綜合財務報表內反映為應付股息。

綜合財務報表附註

二零一八年三月三十一日

14 物業、廠房及設備

(a) 本集團物業、廠房及設備變動詳情如下：

	土地及樓宇 千港元	模具 千港元	租賃物業裝修 千港元	傢俬、裝置及 設備 千港元	廠房及機器 千港元	汽車 千港元	總計 千港元
於二零一六年四月一日							
成本	8,492	272,234	113,412	182,038	111,584	11,430	699,190
累積折舊及減值	(3,037)	(251,452)	(19,622)	(137,587)	(81,687)	(7,493)	(500,878)
賬面淨值	5,455	20,782	93,790	44,451	29,897	3,937	198,312
截至二零一七年三月三十一日止年度							
年初賬面淨值	5,455	20,782	93,790	44,451	29,897	3,937	198,312
增添	-	16,806	6,140	21,069	2,024	2,277	48,316
出售	-	-	-	(697)	(473)	(520)	(1,690)
折舊	(220)	(12,441)	(7,882)	(10,883)	(4,849)	(1,051)	(37,326)
匯兌差額	(106)	-	(4,143)	(364)	(148)	(53)	(4,814)
年末賬面淨值	5,129	25,147	87,905	53,576	26,451	4,590	202,798
於二零一七年三月三十一日							
成本	8,342	289,040	114,468	196,592	101,575	11,075	721,092
累積折舊及減值	(3,213)	(263,893)	(26,563)	(143,016)	(75,124)	(6,485)	(518,294)
賬面淨值	5,129	25,147	87,905	53,576	26,451	4,590	202,798

綜合財務報表附註

二零一八年三月三十一日

14 物業、廠房及設備（續）

(a) 本集團物業、廠房及設備變動詳情如下：（續）

	土地及樓宇 千港元	模具 千港元	租賃物業裝修 千港元	傢俬、裝置及 設備 千港元	廠房及機器 千港元	汽車 千港元	總計 千港元
截至二零一八年三月三十一日止年度							
年初賬面淨值	5,129	25,147	87,905	53,576	26,451	4,590	202,798
增添	120,632	18,043	3,460	16,537	19,621	1,984	180,277
出售	-	-	(45)	(421)	(1,065)	(438)	(1,969)
折舊	(562)	(13,721)	(8,395)	(10,631)	(4,437)	(1,111)	(38,857)
匯兌差額	161	-	6,354	862	301	80	7,758
年末賬面淨值	125,360	29,469	89,279	59,923	40,871	5,105	350,007
於二零一八年三月三十一日							
成本	129,211	300,616	126,074	175,041	79,407	10,141	820,490
累積折舊及減值	(3,851)	(271,147)	(36,795)	(115,118)	(38,536)	(5,036)	(470,483)
賬面淨值	125,360	29,469	89,279	59,923	40,871	5,105	350,007

(b) 折舊開支已計入：

	二零一八年 千港元	二零一七年 千港元
銷貨成本	35,167	33,966
行政開支	3,690	3,360
	38,857	37,326

(c) 於二零一八年三月三十一日，本集團若干銀行信貸以賬面值為120,290,000港元之土地及樓宇作為抵押（附註24）。於二零一七年三月三十一日，並無銀行借貸以分類為物業、廠房及設備之樓宇作抵押。

綜合財務報表附註

二零一八年三月三十一日

15 投資物業

	二零一八年 千港元	二零一七年 千港元
年初	90,488	79,420
公平值收益(附註6)	3,500	11,068
年末	93,988	90,488

年內，投資物業取得之租金收入約為3,846,000港元(二零一七年：2,979,000港元)(附註6)。

本集團估值程序

本集團按公平值計量其投資物業。本集團投資物業於二零一八年三月三十一日之公平值乃根據獨立合資格估值師利駿行測量師有限公司(「估值師」)進行之估值釐定(二零一七年：相同)。有關估值參照投資物業之現時及預測租金收入釐定，並已考慮復歸潛力，符合香港測量師學會頒佈之估值準則。

本集團審閱由估值師就財務申報用途而編製之估值。管理層與估值師每年至少就估值程序及結果進行一次討論，其與本集團之年度報告日期相符。

綜合財務報表附註

二零一八年三月三十一日

15 投資物業（續）

採用重大無法觀察輸入資料進行的公平值計量

下表按估值方法分析以公平值列賬之投資物業。不同等級界定如下：

- 利用在活躍市場上相同資產或負債之報價（未經調整）（第一級）。
- 除包括在第一級之報價外，資產或負債之直接（由價格）或間接（由價格衍生）可觀察輸入資料（第二級）。
- 資產或負債之輸入資料並非基於可觀察市場數據（無法觀察輸入資料）（第三級）。

年內，本集團之投資物業分類為第三級，而第一級、第二級與第三級之間並無轉撥。

本集團投資物業之公平值主要採用收入法，並計及現有租賃協議之現行租金收入及採用合適租期／復歸收益率（透過分析銷售交易及估值師對當時投資者之要求或預期之詮釋得出）計算之復歸收入潛力得出。就物業之復歸潛力方面，估值師會參照類似可比較物業之市場價格。估值技巧與過往年度相同。

年期及復歸收益率由估值師根據接受估值之投資物業類型之風險分析進行估計。收益率越高，則公平值越低。於二零一八年三月三十一日，本集團投資物業年期收益率分析採用介乎3.3%至6.3%（二零一七年：4.0%至7.0%）之收益率。

就位於元朗之投資物業而言，當前市價乃根據鄰近土地之近期銷售交易估計。價格越低，則公平值越低。於二零一八年三月三十一日，本集團投資物業之年期及復歸分析採用介乎土地面積每平方呎524港元至583港元（二零一七年：121港元至714港元）之當前市價。

就餘下投資物業而言，當前市價乃根據有關樓宇／發展項目及其他可比較物業之近期銷售交易估計。價格越低，則公平值越低。於二零一八年三月三十一日，本集團投資物業之年期及復歸分析採用介乎可銷售面積每平方呎3,004港元至3,647港元（二零一七年：2,901港元至3,587港元）之當前市價。

綜合財務報表附註

二零一八年三月三十一日

16 租賃土地及土地使用權

	二零一八年 千港元	二零一七年 千港元
年初	6,001	6,423
攤銷	(283)	(281)
匯兌差額	208	(141)
年末	5,926	6,001

租賃土地及土地使用權之攤銷開支已計入行政開支內。

17 無形資產

	特許權 千港元	遞延開發成本 千港元	總計 千港元
於二零一六年四月一日			
成本	78,000	—	78,000
累積攤銷	(64,350)	—	(64,350)
賬面淨值	13,650	—	13,650
截至二零一七年三月三十一日止年度			
於二零一六年四月一日	13,650	—	13,650
增添	—	4,926	4,926
攤銷	(7,800)	—	(7,800)
賬面淨值	5,850	4,926	10,776
於二零一七年三月三十一日			
成本	78,000	4,926	82,926
累積攤銷	(72,150)	—	(72,150)
賬面淨值	5,850	4,926	10,776
截至二零一八年三月三十一日止年度			
於二零一七年四月一日	5,850	4,926	10,776
增添	—	35,840	35,840
攤銷	(5,850)	(4,049)	(9,899)
匯兌差額	—	(65)	(65)
賬面淨值	—	36,652	36,652
於二零一八年三月三十一日			
成本	78,000	40,766	118,766
累積攤銷	(78,000)	(4,114)	(82,114)
賬面淨值	—	36,652	36,652

特許權及遞延開發成本之攤銷開支已計入銷售成本內。

綜合財務報表附註

二零一八年三月三十一日

18 附屬公司

於二零一八年三月三十一日，本公司於下列主要附屬公司持有權益：

名稱	註冊成立／ 成立地點	已發行及繳足股本／ 註冊資本	本公司持有之股權百分比		二零一七年		主要業務
			二零一八年 直接	間接	直接	間接	
Alco Investments (B.V.I.) Limited	英屬處女群島	普通股50,000美元	100	–	100	–	投資控股及向其附屬公司提供管理服務
力行包裝有限公司	香港	普通股500,000港元	–	100	–	100	物業投資
愛高數碼有限公司	香港	普通股1,000,000港元	–	100	–	100	軟件開發
愛高電業有限公司	香港	普通股1,000港元 無投票權遞延股份 5,000,000港元	–	100	–	100	設計、製造及銷售影音及筆記型電腦產品
愛高電業(東莞)有限公司 ¹	中國	註冊資本120,000,000港元	–	100	–	100	製造影音及筆記型電腦產品
愛高電子(深圳)有限公司 ¹	中國	註冊資本25,000,000港元	–	100	–	100	提供設計及物流服務予集團公司
愛高國際有限公司	香港	普通股500,000港元	–	100	–	100	買賣影音及筆記型電腦產品
力高創科有限公司	香港	普通股5,000,000港元	–	100	–	100	買賣筆記型電腦產品
台灣力高創科有限公司	台灣	普通股新台幣10,000,000元	–	100	–	100	研發及銷售筆記型電腦產品
允進有限公司	香港	普通股100,000港元	–	100	不適用	不適用	物業持有

附註：

¹ 屬外商獨資企業。

上表載列於二零一八年及二零一七年三月三十一日董事認為對本集團年度業績造成重大影響或組成其資產淨值主要部份之本公司主要附屬公司。董事認為載列其他附屬公司之詳情將導致篇幅過於冗長。

綜合財務報表附註

二零一八年三月三十一日

19 按類別劃分之金融工具

	二零一八年 千港元	二零一七年 千港元
資產		
應收貿易及其他賬款	848,375	765,763
現金及現金等值(附註22)	279,520	787,201
總計	1,127,895	1,552,964
負債		
應付貿易及其他賬款(附註23)	215,090	320,739
借貸(附註24)	133,718	174,600
總計	348,808	495,339

20 存貨

	二零一八年 千港元	二零一七年 千港元
原料	273,633	240,717
在製品	12,337	7,790
製成品	236,670	339,875
	522,640	588,382
減：減值撥備	(119,049)	(114,563)
	403,591	473,819

確認為開支並計入銷貨成本之存貨成本約為1,651,059,000港元(二零一七年：1,628,633,000港元)。

綜合財務報表附註

二零一八年三月三十一日

21 應收貿易賬款、預付款項、按金及其他應收賬款

	二零一八年 千港元	二零一七年 千港元
非流動		
預付款項、按金及其他應收賬款（附註）	17,677	23,070
流動		
應收貿易賬款	826,632	697,222
減：呆賬撥備	(2,908)	—
應收貿易賬款淨額	823,724	697,222
預付款項、按金及其他應收賬款（附註）	40,433	45,471
	864,157	742,693
	881,834	765,763

附註：於二零一八年三月三十一日，其他應收賬款包括應收PVI Global Corporation（E Ink Holdings Inc.（「E Ink」）的附屬公司）之14,300,000港元（二零一七年：28,629,000港元），此應收賬款為出售Hydis Technologies Company Limited發行之公司債券之代價。E Ink已授出涵蓋全數應收賬款之擔保。

向客戶提供之信貸條款一般視乎個別客戶之財務實力而定。為有效管理有關應收貿易賬款之信貸風險，本集團定期對客戶進行信貸評估。

應收貿易及其他賬款之公平值與其賬面值相若。

於二零一八年三月三十一日，應收貿易賬款2,908,000港元（二零一七年：零）被視為已減值。個別已減值之應收賬款主要與一名與本集團再無業務關係之客戶有關。於二零一八年三月三十一日之撥備金額為2,908,000港元（二零一七年：零）。該等已減值應收賬款之賬齡分析如下：

	二零一八年 千港元	二零一七年 千港元
超過90日	2,908	—

綜合財務報表附註

二零一八年三月三十一日

21 應收貿易賬款、預付款項、按金及其他應收賬款（續）

就應收貿易賬款減值所作撥備之變動載列如下：

	二零一八年 千港元	二零一七年 千港元
於年初	-	-
呆賬撥備	2,908	-
於年末	2,908	-

於二零一八年及二零一七年三月三十一日，按照付運條款計算之應收貿易賬款賬齡分析如下：

	二零一八年 千港元	二零一七年 千港元
0-30日	103,685	102,368
31-60日	153,351	95,899
61-90日	111,182	132,720
超過90日	455,506	366,235
	823,724	697,222

於二零一八年三月三十一日，參照所提供的信貸條款計算，逾期應收貿易賬款為351,444,000港元（二零一七年：163,543,000港元）。由於所有逾期款項於二零一八年七月初悉數結付，故本公司認為並無逾期款項需作減值。

未逾期亦無減值之應收貿易賬款之信貸質素可參照有關交易對手違約率之歷史資料進行評估。

	二零一八年 千港元	二零一七年 千港元
並無外界信貸評級之交易對手		
— 新客戶（不足六個月）	5,899	1,719
— 於過往並無違約之客戶（六個月以上）	817,825	695,503
	823,724	697,222

綜合財務報表附註

二零一八年三月三十一日

21 應收貿易賬款、預付款項、按金及其他應收賬款（續）

該等應收貿易賬款之賬面值以下列貨幣計值：

	二零一八年 千港元	二零一七年 千港元
美元	805,154	666,445
加幣	13,470	27,115
新台幣	2,044	—
英鎊	1,237	368
歐元	897	1,470
其他	922	1,824
	823,724	697,222

於報告日期須承受之最高信貸風險為上述各類應收款項之賬面值。

22 現金及現金等值

	二零一八年 千港元	二零一七年 千港元
銀行及手頭現金	158,746	196,481
短期銀行存款	120,774	590,720
	279,520	787,201
須承受之最高信貸風險	277,479	786,397

於二零一八年三月三十一日，本集團以人民幣計值之現金及現金等值約20,045,000港元（二零一七年：20,109,000港元）存放於中國大陸之銀行。將該等以人民幣計值之結餘兌換為外幣並匯出中國大陸須遵守中國大陸政府頒佈之外匯管制規則及規例限制。

綜合財務報表附註

二零一八年三月三十一日

22 現金及現金等值（續）

現金及現金等值以下列貨幣計值：

	二零一八年 千港元	二零一七年 千港元
美元	112,569	667,398
人民幣	95,332	84,773
港元	50,628	30,781
英鎊	10,658	984
新台幣	9,964	1,058
歐元	195	1,291
丹麥克朗	169	912
其他	5	4
	279,520	787,201

23 應付貿易及其他賬款

	二零一八年 千港元	二零一七年 千港元
應付貿易賬款	149,876	250,407
其他應付賬款及應計費用	65,214	70,332
	215,090	320,739

應付貿易及其他賬款之賬面值與其公平值相若。

於二零一八年及二零一七年三月三十一日，按照發票日期計算之應付貿易賬款賬齡分析如下：

	二零一八年 千港元	二零一七年 千港元
0—30日	118,621	215,469
31—60日	18,497	28,703
61—90日	5,809	1,650
超過90日	6,949	4,585
	149,876	250,407

綜合財務報表附註

二零一八年三月三十一日

23 應付貿易及其他賬款（續）

該等應付貿易賬款之賬面值以下列貨幣計值：

	二零一八年 千港元	二零一七年 千港元
港元	83,632	154,665
美元	63,021	95,229
歐元	1,557	421
人民幣	1,202	92
英鎊	464	—
	149,876	250,407

24 借貸

	二零一八年 千港元	二零一七年 千港元
非流動		
銀行借貸，有抵押（附註i）	42,103	—
銀行借貸，無抵押（附註ii）	—	58,200
	42,103	58,200
流動		
銀行借貸，有抵押（附註i）	1,810	—
銀行借貸，無抵押（附註ii）	89,805	116,400
	91,615	116,400
借貸總額	133,718	174,600

附註：

i) 於二零一八年三月三十一日，銀行信貸以本集團賬面值為120,290,000港元之土地及樓宇作為抵押（附註14）。

ii) 該等銀行借貸為無抵押並以本公司提供之公司擔保支持（附註29）。

綜合財務報表附註

二零一八年三月三十一日

24 借貸 (續)

銀行借貸之到期日如下：

	二零一八年 千港元	二零一七年 千港元
一年以內	91,615	116,400
於第二年	1,850	58,200
於第三至第五年	5,796	—
超過五年	34,457	—
	133,718	174,600

銀行借貸之賬面值與其公平值相若。

於二零一八年三月三十一日，該等借貸以港元或美元計值（二零一七年：美元），而利息乃按香港銀行同業拆息或倫敦銀行同業拆息加若干息差之利率計算（二零一七年：倫敦銀行同業拆息）。

25 股本

年內，本公司之法定及已發行股本變動如下：

	二零一八年		二零一七年	
	股份數目	千港元	股份數目	千港元
法定股本：				
每股面值0.10港元之普通股	800,000,000	80,000	800,000,000	80,000
已發行及繳足股本：				
每股面值0.10港元之普通股				
於年初	579,367,720	57,937	579,367,720	57,937
購回本公司股份	(772,000)	(77)	—	—
於年末	578,595,720	57,860	579,367,720	57,937

綜合財務報表附註

二零一八年三月三十一日

26 儲備

	股份溢價 千港元	資本贖回儲備 千港元	匯兌及 其他儲備 千港元	員工補償儲備 千港元	保留盈利 千港元	總計 千港元
於二零一六年四月一日	309,674	1,012	(9,235)	11,783	1,614,263	1,927,497
全面收入／(虧損)						
本年度溢利	-	-	-	-	73,897	73,897
貨幣匯兌差額	-	-	(9,620)	-	-	(9,620)
全面(虧損)／收入總額	-	-	(9,620)	-	73,897	64,277
與擁有人進行之交易						
二零一七年年中期股息	-	-	-	-	(28,969)	(28,969)
二零一六年末期股息	-	-	-	-	(173,810)	(173,810)
與擁有人進行之交易總額	-	-	-	-	(202,779)	(202,779)
於二零一七年三月三十一日	309,674	1,012	(18,855)	11,783	1,485,381	1,788,995
於二零一七年四月一日	309,674	1,012	(18,855)	11,783	1,485,381	1,788,995
全面(虧損)／收入						
本年度虧損	-	-	-	-	(85,808)	(85,808)
貨幣匯兌差額	-	-	16,473	-	-	16,473
全面收入／(虧損)總額	-	-	16,473	-	(85,808)	(69,335)
與擁有人進行之交易						
購回本公司股份	(1,396)	77	-	-	(77)	(1,396)
二零一八年年中期股息	-	-	-	-	(17,358)	(17,358)
二零一七年末期股息	-	-	-	-	(28,968)	(28,968)
與擁有人進行之交易總額	(1,396)	77	-	-	(46,403)	(47,722)
於二零一八年三月三十一日	308,278	1,089	(2,382)	11,783	1,353,170	1,671,938

綜合財務報表附註

二零一八年三月三十一日

27 遞延所得稅

遞延所得稅採用負債法就暫時差異按主要稅率16.5%（二零一七年：16.5%）全數計算。

倘具有合法可執行權利將即期稅項資產與即期稅項負債相抵銷，且遞延所得稅涉及同一財政機關，則遞延所得稅資產及負債可予抵銷。

	二零一八年 千港元	二零一七年 千港元
將於十二個月後收回之遞延所得稅資產	27,560	35,460
將於十二個月後償付之遞延所得稅負債	(10,770)	(7,235)
遞延所得稅資產淨值	16,790	28,225

綜合財務報表附註

二零一八年三月三十一日

27 遞延所得稅（續）

年內遞延稅項資產之變動如下：

遞延所得稅資產／（負債）	稅項虧損 千港元	加速稅項折舊 千港元	遞延開發成本 千港元	其他 千港元	總計 千港元
於二零一六年四月一日	15,144	(1,140)	–	18,367	32,371
計入／（扣除自）綜合損益表	6,683	(572)	(813)	(8,695)	(3,397)
匯兌差額	(271)	(272)	–	(206)	(749)
於二零一七年三月三十一日	21,556	(1,984)	(813)	9,466	28,225
於二零一七年四月一日	21,556	(1,984)	(813)	9,466	28,225
計入綜合損益表	(4,112)	(2,110)	(2,166)	(4,137)	(12,525)
匯兌差額	370	371	–	349	1,090
於二零一八年三月三十一日	17,814	(3,723)	(2,979)	5,678	16,790

倘本集團有可能透過日後之應課稅溢利變現相關之稅項利益，則就結轉之稅項虧損確認遞延所得稅資產。本集團並無就可結轉及用作抵銷日後應課稅溢利之稅項虧損約166,121,000港元（二零一七年：5,751,000港元）確認遞延所得稅資產約30,315,000港元（二零一七年：2,104,000港元）。於未確認之稅項虧損當中，約160,530,000港元（二零一七年：381,000港元）並無屆滿日期，餘下結餘5,591,000港元（二零一七年：5,370,000港元）將於二零三七年（二零一七年：二零三六年）或之前（包括該年）於不同日期屆滿。

綜合財務報表附註

二零一八年三月三十一日

28 綜合現金流量表附註

(a) 除所得稅前（虧損）／溢利與經營所用之現金之對賬：

	二零一八年 千港元	二零一七年 千港元
除所得稅前（虧損）／溢利	(71,299)	77,879
利息收入	(8,045)	(9,875)
銀行借貸之利息開支	9,253	10,268
無形資產攤銷	9,899	7,800
出售廠房及設備之虧損	1,399	662
遞延收益攤銷	(33,446)	(17,450)
物業、廠房及設備折舊	38,857	37,326
存貨減值撥備／（撥回）	4,486	(17,440)
呆賬撥備	2,908	—
租賃土地及土地使用權攤銷	283	281
投資物業公平值收益	(3,500)	(11,068)
營運資金變動前之經營（虧損）／溢利	(49,205)	78,383
存貨減少／（增加）	65,742	(140,740)
應收貿易及其他賬款增加	(126,748)	(30,849)
應付貿易及其他賬款減少	(102,562)	(25,052)
經營所用之現金淨額	(212,773)	(118,258)

(b) 於綜合現金流量表內，出售廠房及設備之所得款項包括：

	二零一八年 千港元	二零一七年 千港元
賬面淨值（附註14）	1,969	1,690
出售廠房及設備之虧損（附註7）	(1,399)	(662)
出售廠房及設備之所得款項	570	1,028

綜合財務報表附註

二零一八年三月三十一日

28 綜合現金流量表附註（續）

(c) 債務淨值之對賬

本節載錄下列呈列之各年度現金淨額分析及現金淨額變動。

	二零一八年 千港元	二零一七年 千港元
現金淨額		
現金及現金等值	279,520	787,201
借貸－於一年內償付	(91,615)	(116,400)
借貸－於一年後償付	(42,103)	(58,200)
現金淨額	145,802	612,601
現金及現金等值	279,520	787,201
總債務－浮動利率	(133,718)	(174,600)
現金淨額	145,802	612,601

現金淨額	融資業務之負債			總計 千港元
	現金及 現金等值 千港元	於一年內 償付之借貸 千港元	於一年後 償付之借貸 千港元	
於二零一六年四月一日	1,591,643	(9,700)	(223,100)	1,358,843
現金流量	(797,015)	(106,700)	164,900	(738,815)
匯兌調整	(7,427)	–	–	(7,427)
於二零一七年三月三十一日	787,201	(116,400)	(58,200)	612,601
於二零一七年四月一日	787,201	(116,400)	(58,200)	612,601
現金流量	(520,471)	26,360	15,097	(479,014)
匯兌調整	12,790	(1,575)	1,000	12,215
於二零一八年三月三十一日	279,520	(91,615)	(42,103)	145,802

綜合財務報表附註

二零一八年三月三十一日

29 銀行信貸

於二零一八年三月三十一日，若干銀行向本集團授出銀行信貸約12億4千5百萬港元（二零一七年：11億7千7百萬港元），其中，本集團已動用約1億3千4百萬港元（二零一七年：1億7千5百萬港元）。所有銀行信貸乃以本公司提供之公司擔保支持。於二零一八年三月三十一日，約4千4百萬港元之銀行借貸以本集團賬面值為120,290,000港元之土地及樓宇作為抵押（二零一七年：無）。

30 承擔

(a) 資本承擔

	二零一八年 千港元	二零一七年 千港元
已訂約但未撥備之模具、廠房及機器及裝修	13,030	5,189

(b) 經營租賃承擔（作為承租人）

就土地及樓宇之不可撤銷經營租賃之未來須繳付最低租賃款項總額如下：

	二零一八年 千港元	二零一七年 千港元
一年內	36,062	33,713
一年後但於五年內	143,075	128,998
五年後	233,274	232,852
	412,411	395,563

綜合財務報表附註

二零一八年三月三十一日

30 承擔 (續)

(c) 經營租賃承擔 (作為出租人)

本集團根據不可撤銷經營租賃協議租賃數項不同物業。租約具有不同條款、價格調整條款及續期權利。

就土地及樓宇之不可撤銷經營租賃之未來可收取最低租賃租金總額如下：

	二零一八年 千港元	二零一七年 千港元
一年內	396	3,841
一年後但於五年內	1,217	1,234
	1,613	5,075

租約期限為期一年至三年。

綜合財務報表附註

二零一八年三月三十一日

31 本公司資產負債表

	附註	二零一八年 千港元	二零一七年 千港元
非流動資產			
於附屬公司之投資		1,131,897	1,099,635
流動資產			
其他應收賬款		105	105
可收回即期所得稅		16	11
現金及現金等值		1,582	1,568
		1,703	1,684
流動負債			
其他應付賬款		290	312
流動資產淨值		1,413	1,372
總資產減流動負債		1,133,310	1,101,007
本公司股東應佔資本及儲備			
股本		57,860	57,937
儲備	a	1,075,450	1,043,070
總權益		1,133,310	1,101,007

資產負債表已於二零一八年六月二十日獲董事會批准，並由下列董事代表董事會簽署。

董事
梁偉成

董事
梁偉明

綜合財務報表附註

二零一八年三月三十一日

31 本公司資產負債表（續）

附註(a)

本公司儲備變動

	股份溢價 千港元	資本贖回儲備 千港元	繳入盈餘 千港元	員工補償儲備 千港元	保留盈利 千港元	總計 千港元
於二零一六年四月一日	309,674	1,012	40,586	11,783	708,661	1,071,716
全面收入						
本年度溢利	-	-	-	-	174,133	174,133
與擁有人進行之交易						
二零一七年年中期股息	-	-	-	-	(28,969)	(28,969)
二零一六年年末期股息	-	-	-	-	(173,810)	(173,810)
與擁有人進行之交易總額	-	-	-	-	(202,779)	(202,779)
於二零一七年三月三十一日	309,674	1,012	40,586	11,783	680,015	1,043,070
於二零一七年四月一日	309,674	1,012	40,586	11,783	680,015	1,043,070
全面收入						
本年度溢利	-	-	-	-	80,102	80,102
與擁有人進行之交易						
購回本公司股份	(1,396)	77	-	-	(77)	(1,396)
二零一八年年中期股息	-	-	-	-	(17,358)	(17,358)
二零一七年年末期股息	-	-	-	-	(28,968)	(28,968)
與擁有人進行之交易總額	(1,396)	77	-	-	(46,403)	(47,722)
於二零一八年三月三十一日	308,278	1,089	40,586	11,783	713,714	1,075,450

附註：

本公司之繳入盈餘因一九九二年十一月公司重組而產生，是指本公司所發行以交換Alco Investments (B.V.I.) Limited之已發行普通股之股份面值與於一九九二年十一月六日所收購相關附屬公司之資產淨值兩者之差額。根據百慕達一九八一年公司法（經修訂），在有合理理由相信(i)公司無能力或於支付股息後將無能力支付到期之債務；或(ii)公司資產之可變現值將因而少於其負債、其已發行股本與股份溢價賬三者總和之情況下，公司不得宣派或派付股息，或從繳入盈餘中作出分派。否則，繳入盈餘可予以分派。

主要物業

二零一八年三月三十一日

於二零一八年三月三十一日，持作投資之主要物業如下：

地點	地段編號	現有用途	租約年期
香港 新界葵涌 葵德街15-33號 葵德工業中心 1座7樓 A至J工場	葵涌市鎮 第322、323 及324號地段	工業出租	中期
香港 新界元朗 錦田吳家村 錦上路 丈量約份106號 第593及595號地段	丈量約份106號 第593及595號地段	工業出租	中期

五年財務概要

本集團最近五個財政年度之業績以及資產與負債概要如下：

	二零一八年 千港元	二零一七年 千港元	二零一六年 千港元	二零一五年 千港元	二零一四年 千港元
營業額	2,080,707	2,100,142	2,879,104	2,562,566	2,291,141
本公司股東應佔溢利／（虧損）	(85,808)	73,897	506,028	114,250	(19,099)
總資產	2,081,398	2,378,157	2,971,460	2,497,147	2,561,764
總負債	(352,169)	(531,666)	(986,462)	(570,812)	(705,843)
總權益	1,729,229	1,846,491	1,984,998	1,926,335	1,855,921

