



ALCO HOLDINGS LIMITED

Stock Code 股份代號 : 328

>> ANNUAL REPORT  
年報 2020

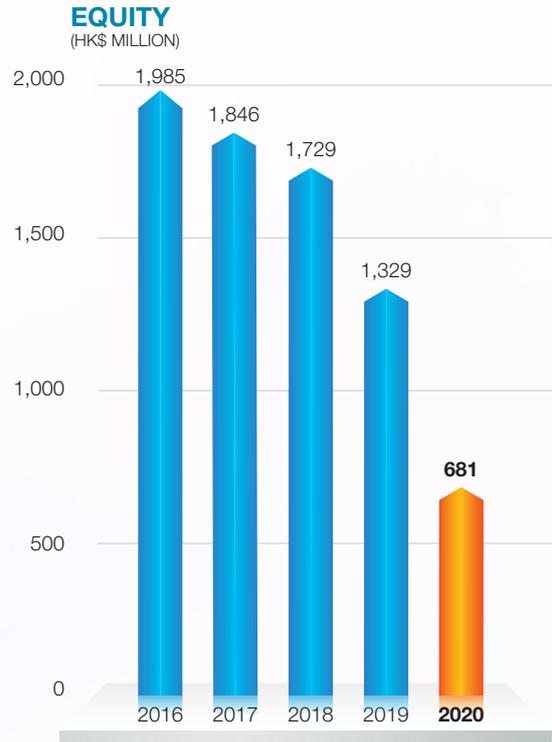
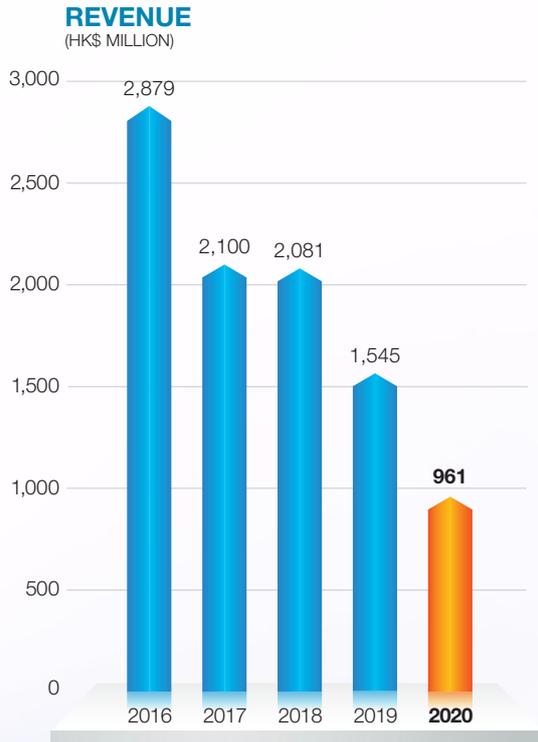
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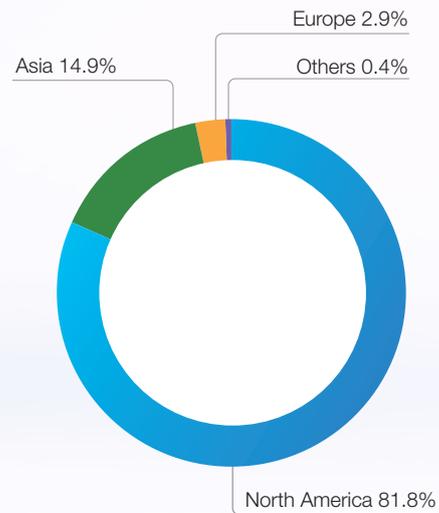
# Corporate Information

<b>Directors</b>	Mr LEUNG Wai Sing, Wilson ( <i>Chairman</i> ) Mr LEUNG, Kam Fai, Peter Mr LIU Hoi Keung Mr LEE Tak Chi* Mr CHEUNG, Johnson* Mr CHEUNG Ka Wing*
	<i>* Independent non-executive directors</i>
<b>Company Secretary</b>	Mr LIU Hoi Keung
<b>Principal Bankers</b>	Hang Seng Bank Limited Shanghai Commercial Bank Limited Chong Hing Bank Limited
<b>Auditor</b>	PricewaterhouseCoopers <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i>
<b>Legal Advisers on Bermuda Law</b>	Conyers
<b>Registered Office</b>	Clarendon House 2 Church Street Hamilton HM11 Bermuda
<b>Head Office and Principal Place of Business</b>	11/F, Metropole Square 2 On Yiu Street Sha Tin New Territories Hong Kong
<b>Principal Registrars</b>	Conyers Corporate Services (Bermuda) Limited Clarendon House 2 Church Street Hamilton HM11 Bermuda
<b>Registrars in Hong Kong</b>	Tricor Abacus Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
<b>Website</b>	<a href="http://www.alco.com.hk">http://www.alco.com.hk</a>
<b>Stock Code</b>	328

# Financial Highlights



**REVENUE BY GEOGRAPHICAL SEGMENT IN 2020**



# 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 31 March 2020.

For the year under review, the Group recorded turnover of HK\$961 million (2019: HK\$1,545 million) and net loss attributable to shareholders of HK\$599 million (2019: net loss attributable to shareholders of HK\$563 million). The net loss was partly the result of a decline in sales of approximately 38%, due mainly to the uncertainty created by the on-going China and US trade war that has dampened the desire of buyers in the United States (which is the key market for the Group's tablet and audio visual products) in placing large quantity orders as well as orders for models likely to be impacted by sudden imposition of tariffs. Furthermore, the outbreak of COVID-19 at the beginning of the year had devastated our production and delivery of products for February and March of this year. Continuous and substantial investments in advertising and promotions for AVITA, Nexstgo and VAIO notebook computers together with costs incurred in developing more variety of notebook models for different price points in different markets further impacted profitability.

Other reasons for the net loss was the impairment of inventories and certain non-current assets. For inventories, in addition to the provision of HK\$153 million made in prior years, a further impairment of HK\$24 million was made. As the Group's business has incurred losses. The Group has to assess the recoverable amounts of its underlying assets, pursuant to requirements of relevant accounting standards, an impairment provision of HK\$136 million was made further on certain property, plant and equipment, right-of-use assets, intangible assets and receivables. Finally, there was a fair value loss of approximately HK\$18 million of investment properties.

The directors do not recommend the payment of a final dividend (2019: Nil) for the financial year ended 31 March 2020.



# Chairman's Statement

## REVIEW OF OPERATIONS

Since the start of the financial year under review, overall macroeconomic conditions deteriorated further. The on-going and ever escalating China and US trade war together with a weakened global economy especially in the second half of the financial year have continued to erode the confidence of retailers, many of whom deciding to place orders in piecemeal fashion with small quantities and short lead time as their countermeasures against possible and unpredictable imposition of new tariffs. This resulted in the double damage to the Group of increases in production costs and reduced sales.



Moreover, the outbreak of COVID-19 since the last quarter of the financial year devastated the operation of our production facilities and our supply chains. A number of provinces and municipalities in Mainland China have taken emergency public health measures and various actions to prevent the spread of the virus. Some workers were not able to return to our Dongguan factory after the extended Chinese New Year Holiday. In addition, many of our suppliers in Mainland China also could not resume work immediately following the extended New Year Holiday period, leading to major disruptions in our supply chains. Such unprecedented conditions created by the COVID-19 pandemic resulted in a virtual shutdown of our Dongguan factory in the last quarter of the financial year, substantially delaying and reducing our delivery to customers, thus putting a significant dent to the Group's last-quarter revenue. Nevertheless, due to unrelenting efforts by our factory management and the positive development of the coronavirus in Mainland China since April 2020, the production capacity of our Dongguan facilities has resumed to almost 80%. However, since the Group's supply chains have not yet fully recovered, we would still be facing shortages of certain components at least in the months of July to September 2020.



# Chairman's Statement

As has been widely reported, due to COVID-19, many countries implemented large scale lockdown, quarantine measures and the virtual stoppage of many economic activities. In view of significant drop in consumer demand and economic slump, many companies across different industries and even global corporations have had to adjust their earnings forecasts, with quite a few even declaring bankruptcy protection. Under such unprecedented circumstance, our retail customers' already fragile confidence receded further, with many of them adopting a conservative approach to sales and forecast. Most severely impacted were the Group's AV products that have traditionally been most popular with and dependent on US retailers. The anticipated growth of our notebook computer business was also not realized (even though the same quantity of units were shipped in the first 9 months of 2019 compared to the quantity shipped from 1 April 2018 to 31 March 2019) due to the shutdown of many technology partners' operations, resulting in delays of models originally planned to be launched in the last quarter of the financial year under review.

Despite such severe and unprecedented challenges during the year, the Group has continued to implement a long-term growth strategy that centers on the development and promotion of notebook computers under the AVITA, Nexstgo, Venturer and Vaio brands. As at the year under review, there are a total of more than 20 notebook computer models in the Group's portfolio. Besides the 10 key Asian markets which the Group has entered last year, namely Hong Kong, Taiwan, Singapore, Malaysia, China, India, Indonesia, Vietnam, Thailand and the Philippines, we have also entered the markets of Bangladesh, Middle East (Bahrain, Qatar and Saudi Arabia), the United Kingdom, Ireland, USA, Africa (Mauritius), Australia and Papua New Guinea in the year under review.



# Chairman's Statement

Moreover, in order to increase consumers' awareness of our notebook computer brands, we actively participated in different computer exhibitions worldwide during the year under review, e.g. CES in Las Vegas (Jan 2020), COMEX in Singapore (Sep 2019); Hong Kong Computer & Communications Festival (Aug 2019), and COMPUTEX in Taiwan (Jun 2019). In particular, AVITA notebook received global recognition and obtained international awards such as 2020 CES Innovation Awards and 2019 Computex Best Choice Award. One of the most exciting and encouraging news during the year under review was that according to industry survey, one of AVITA's notebooks became the bestselling model in Hong Kong in March of 2020, regardless of screen size, technical configuration, or retail price.



CES 2020



CHKCI 2019

CORPHUB 2019



EZONE MAGAZINE 2019



COMPUTEX TAIPEI 2019



CAPITAL MAGAZINE 2019



PC3 MAGAZINE 2019

# Chairman's Statement

## PROSPECTS

Even though the coronavirus pandemic is gradually slowing and receding around the world, it won't be much of an exaggeration to say that financial year 2020/21 is and will be full of challenges, especially in view of the on-going and ever worsening trade dispute between China and the United States. It is therefore all the more important for the Group to remain committed to implementing our strategy of products and markets expansion based squarely on the strength and competitiveness of products under our own brands.

Consistent with this strategy, and with the Group's supply chains gradually recovering, a number of new notebook computer models have been launched in the first quarter of the 2020/2021 financial year, with all of them receiving very good feedback from retail channels in various markets. In fact, we have already shipped almost the same quantity of notebook computers in the first quarter of 2020/2021 compared to the entire year of

2019/2020. Furthermore, based on the latest forecasts from all the markets in which the Group's notebook computers are currently sold, and it will very much depend on our supply chains returning to normal, the quantity of notebook computers to be shipped in the second quarter of 2020/2021 should at least double the quantity shipped in the entire year of 2019/2020.

Such a surge in the demand for the Group's notebook computers is partly a result of an increasing number of companies looking at work from home (WFH) options and partly a result of students setting themselves up to study remotely at home. Furthermore, the recent surge in demand for our notebook computers is a direct consequence of the Group's unwavering determination to continuously promote and develop more variety of notebook models to suit different price points in different markets.



PURA 15.6"

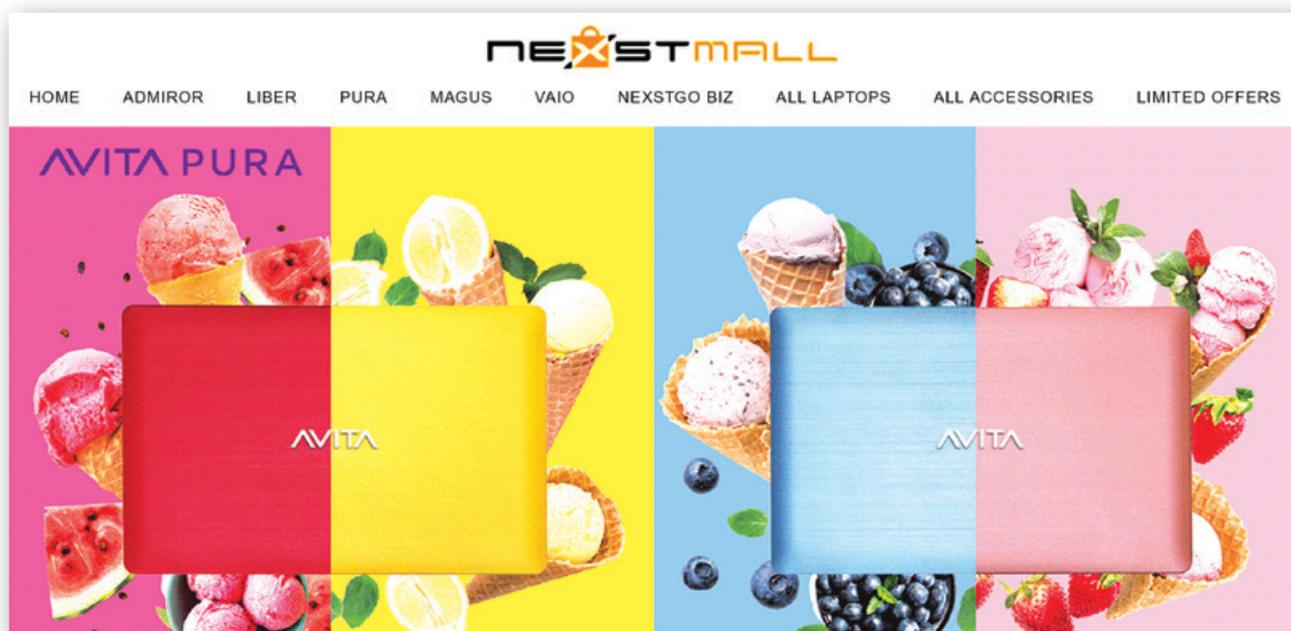


ESSENTIAL 14"

# Chairman's Statement

As direct results of the above, we are now working very closely with large distributors and international chain stores in their interests to place large-quantity orders for our notebook computers. Based on substantial increase in the sales of our notebook business in the coming year, we are also working very closely with our supply chains in volume discount on component purchases, which in turn will help to increase our gross margin.

Since online shopping has become ever more popular and essential under COVID-19 in many countries, in addition to working with traditional brick-and-mortar retail channels, we are also actively channeling more and more of our sales online. We will continue to invest more resources in our direct online shops and digital marketing activities, with the aim that in the not-too-distant future, online sales will be a major contributor to the Group's overall revenue.



# Chairman's Statement

Besides constantly bolstering our product portfolio and market presence, the Group is also mindful of the importance of strengthening our production capabilities. We have continued to automate and streamline our manufacturing operations, in order to reduce the reliance on direct labour, thus further boosting efficiency of our Dongguan facilities and the quality/reliability of our products. Despite already having more than 100 robots, the Group will continue to invest in automation, control manufacturing expenses, and ensure greater flexibility, which is particularly essential for handling the increasing demand of our notebook products.



For AV products, in addition to our regular line-up such as soundbars and home theatre systems, the Group is developing a series of Smart Furniture that incorporates audio and visual elements as well as wireless communication features. With our capabilities in AV and notebook computer technologies, we aim to develop a line-up of unique and attractive digital furniture products for the new generation of internet savvy consumers.



# Chairman's Statement

Considering the political instability between China and the United States and the impact of COVID-19, the financial year 2020/21 remains extremely challenging to say the least. It is unknown to us when the pandemic will truly end and how the economic recovery will take place. However, we are certain that we will continue to take decisive measures, including streamlining various aspects of operations to lower costs, continuing to invest in developing new products and making good use of marketing costs to explore new markets and customers, further enhancing our online business and last but not least incessantly continue to automate our production activities. Backed by an experienced and dedicated management team, we have absolute confidence in the Group's long-term business prospects and success.

## APPRECIATION

On behalf of the Board of Directors, I want to express my appreciation to the management team for their commitment and contributions over the past years. Furthermore, I would like to thank all members of Alco's Group of Companies for their trust, perseverance, and unwavering dedication. Equally important, I want to extend my sincere gratitude to our customers, business partners and shareholders, all of whom are greatly valued by the Group.

**LEUNG Wai Sing, Wilson**

Chairman and Chief Executive Officer

Hong Kong, 29 June 2020

# Biographical Details of Directors and Senior Management

## Executive Directors

Mr LEUNG Wai Sing, Wilson, aged 60, 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 of science degree in electrical engineering from Queen's University, Canada.

Mr LEUNG Kam Fai, Peter, aged 63, joined the Group in 1979 and was appointed as an executive director of the Company in 2019. He has more than 30 years of experience in the field of audio and visual products and he oversees the Group's supply chain function.

Mr LIU Hoi Keung, aged 55, joined the Group in 2020 and was appointed as an executive director and the company secretary. He holds a professional diploma in accountancy of the Hong Kong Polytechnic (currently known as the Hong Kong Polytechnic University) and a Master of Science degree in electronic commerce and internet computing of the University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He has over 30 years of experience in the field of auditing, accounting, finance, management and secretarial work, over 15 years of which were gained from working as directors in manufacturing companies listed on the Stock Exchange. He is an independent non-executive director of China Leon Inspection Holding Limited (stock code: 1586).

## Independent Non-executive Directors

Mr LEE Tak Chi, aged 65, joined the Group in 2011 and was previously Associate Dean and Professor of School of Design, The Hong Kong Polytechnic University. He served as Board of Director of Automotive Parts and Accessory Systems R&D Centre and currently serves as Member of Assessment Panel of the Innovation and Technology Fund for Better Living established by the Hong Kong Government.

Mr CHEUNG, Johnson, aged 54, 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 28 years of experience in the equity market and presently is the Director of Research at China Galaxy International Securities (Hong Kong) Co., Ltd.

Mr CHEUNG Ka Wing, aged 59, joined the Group in May 2019 and holds a Bachelor's Degree in Management Science from the Taiwan National Chiao Tung University. He has more than 35 years of experience in various well-known computer and electronic companies and is currently a special assistant to President of Heronelite Inc.

# Biographical Details of Directors and Senior Management

## Senior Management

Mr LEUNG Wai Lap, David, aged 59, 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 services in North America.

Mr YIP Wing Shing, David, *S.B.S., M.H., J.P.*, aged 62, joined the Group in 1973. He is the Group's general manager and oversees the whole operation of the Dongguan factory. He has over 36 years of experience in the field of consumer electronic products.

Mr CHUNG Hau Yeung, Alex, aged 50, joined the Group in 2016 as CEO of Nexstgo Company Limited, a wholly owned subsidiary carrying the business of notebook trading. He has over 23 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 and member of the Major Sports Events Committee under the Sports Commission.

# 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 31 March 2020, except with deviation from code provision A.2.1.

Under code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. On 15 June 2018, Mr. LEUNG Wai Sing, Wilson succeeded the chairman of the Board and since then he has the combined role of Chairman of the Board and Chief Executive Officer of the Company. The Board believes that this arrangement is beneficial to the Company as Mr. LEUNG has considerable industry experience and has been with the Group for 35 years.

## 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 three executive directors, namely Mr LEUNG Wai Sing, Wilson, Mr LEUNG, Kam Fai, Peter and Mr LIU Hoi Keung and three independent non-executive directors, namely Mr LEE Tak Chi, Mr CHEUNG, Johnson and Mr CHEUNG Ka Wing.

Six Board meetings were held during the year ended 31 March 2020. The attendance of each director is set out as follows:

<b>Members of the Board</b>	<b>Attended/Eligible to attend</b>
<i>Executive Directors</i>	
Mr LEUNG Wai Sing, Wilson	6/6
Mr LEUNG Kam Fai, Peter (appointed on 24 September 2019)	3/3
Mr LIU Hoi Keung (appointed on 1 February 2020)	0/0
Mr LEUNG, Jimmy (resigned on 13 December 2019)	5/5
Mr LIU Lup Man (resigned on 1 February 2020)	6/6
<i>Independent Non-executive Directors</i>	
Mr LEE Tak Chi	6/6
Mr CHEUNG, Johnson	6/6
Mr CHEUNG Ka Wing (appointed on 9 May 2019)	5/5
Mr LI Wah Ming (resigned on 30 June 2019)	2/2

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 LEUNG Kam Fai, Peter and Mr LIU Hoi Keung 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 31 March 2020.

## 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 LEE Tak Chi and Mr CHEUNG Ka Wing, 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 31 March 2020 and the attendance of each Committee member is set out as follows:

<b>Members of the Remuneration Committee</b>	<b>Attended/Eligible to attend</b>
Mr CHEUNG, Johnson	1/1
Mr LEE Tak Chi	1/1
Mr CHEUNG Ka Wing (appointed on 9 May 2019)	1/1
Mr LI Wah Ming (resigned on 30 June 2019)	0/0

# Corporate Governance Report

## AUDIT COMMITTEE

The Audit Committee currently comprises Mr CHEUNG, Johnson (chairman of the Audit Committee), Mr LEE Tak Chi and Mr CHEUNG Ka Wing, 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 31 March 2020.

Two Audit Committee meetings were held during the year ended 31 March 2020 and the attendance of each Committee member is set out as follows:

<b>Members of the Audit Committee</b>	<b>Attended/Eligible to attend</b>
Mr CHEUNG, Johnson	2/2
Mr LEE Tak Chi	2/2
Mr CHEUNG Ka Wing (appointed on 9 May 2019)	2/2
Mr LI Wah Ming (resigned on 30 June 2019)	1/1

## 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 LEE Tak Chi, Mr CHEUNG, Johnson and Mr CHEUNG Ka Wing.

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.

Three Nomination Committee meetings were held during the year ended 31 March 2020 and the attendance of each Committee member is set out as follows:

<b>Members of the Nomination Committee</b>	<b>Attended/Eligible to attend</b>
Mr LEUNG Wai Sing, Wilson	3/3
Mr LEE Tak Chi	3/3
Mr CHEUNG, Johnson	3/3
Mr CHEUNG Ka Wing (appointed on 9 May 2019)	2/2
Mr LI Wah Ming (resigned on 30 June 2019)	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 31 March 2020, the remuneration paid to the Company's auditor, PricewaterhouseCoopers, is set out as follows:

Services rendered	Fees paid/payable HK\$'000
Audit-related services	2,380
Non audit-related services	
Tax compliance services	233

## 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.

## DIVIDEND POLICY

The Company does not have any pre-determined dividend payout ratio. The Board considers a number of factors in declaration and payment of dividends, including the financial condition, results of operation and level of cash; statutory and regulatory restrictions; future prospects and any other factors that the Board may consider relevant. The Board has the discretion to declare and distribute dividends to the shareholders of the Company to the extent that the Company shall maintain adequate cash reserve for meeting its working capital requirements and future growth.

## 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](mailto: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.

### Reporting Principle and Scope

As identified by the materiality assessment, 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 31 March 2020 (“Reporting Period”).

During the Reporting Period, the Group’s main business scope remained unchanged as it was principally engaged in design, manufacturing and sale of AV and notebook products. Therefore, there was no significant change in our ESG management approach, strategy, priorities and objectives and this ESG report mainly covers the above operations.

Information about corporate governance structure of the Group and other relevant disclosure, please refer to page 14 to 18 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. Pursuant to the ESG Guide, the ESG Report provides a quantitative description of the effectiveness of our ESG-related practices, together with general disclosure of these practices. During the Reporting Period, no KPI target was set; however, to the best knowledge of the Board, our environmental and social impact was, if any, within the industry standard and maximum limit placed by the government authorities.

# Environmental, Social and Governance Report

## CORPORATE SOCIAL RESPONSIBILITY – APPROACH AND POLICY

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.

## STAKEHOLDER ENGAGEMENT

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](mailto: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 some of them obtained qualifications of 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, and therefore no penalties was imposed on the Group during the Reporting Period.

# Environmental, Social and Governance Report

## ENVIRONMENTAL ASPECT (CONTINUED)

### 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 Receipt on the Registration of Pollution Discharge for Fixed Pollution Sources (《固定污染源排污登記回執》) 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.

### *Air Pollution – Exhaust Gas and Greenhouse 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 Receipt on the Registration of Pollution Discharge for Fixed Pollution Sources (《固定污染源排污登記回執》).

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.

### *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.

# Environmental, Social and Governance Report

## ENVIRONMENTAL ASPECT (CONTINUED)

### Emissions (Continued)

#### *Waste Management (Continued)*

During the Reporting Period, our hazardous waste included waste engine oil, waste plastic pipes, waste sponge containing tin, and so on. Our non-hazardous waste consisted of paper board, paper tape, etc.

Emission Data:

Emissions	Unit	2020 Quantity	2019 Quantity
Greenhouse gas			
– Scope 1 – direct emission		64,284	120,770
– fuel consumption			
– Scope 2 – indirect emission	kg of CO <sub>2</sub>	4,867,154	5,359,698
– electricity consumption	equivalents		
– Scope 3 – other indirect emission			
(i) paper consumption		6,672	17,184
(ii) water consumption		151,000	199,275
Exhaust gas			
– Nitrogen Oxide (NO <sub>x</sub> )		259,250	571,580
– Sulfur Oxide (SO <sub>x</sub> )	gram	398	747
– Particulate matter (PM)		25,444	54,622
Others			
– Wastewater		151,000	199,275
– Non-hazardous waste	tonnes	123	218
– Other domestic waste		180	254
– Hazardous waste		1	2

# Environmental, Social and Governance Report

## ENVIRONMENTAL ASPECT (CONTINUED)

### Emissions (Continued)

### *Waste Management (Continued)*

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

KPI A1.1	The types of emissions and respective emissions data (if applicable) are set forth above.
KPI A1.2	Emissions of indirect greenhouse gases are set forth above.
KPI A1.3	Data and type of hazardous wastes are set forth above.
KPI A1.4	Data and type of non-hazardous wastes are set forth above.
KPI A1.5	Measures to mitigate emissions can be referred to in the above paragraphs.
KPI A1.6	Description of how wastes are handled, reduction initiatives can be referred to in the Use of Resources – Waste Management.

### 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:

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

### *Resource Consumption Data*

<b>Resources Consumed</b>	<b>Unit</b>	<b>2020 Quantity</b>	<b>2019 Quantity</b>
Electricity	kWh	6,083,942	6,699,623
Paper	kg	1,390	3,580
Water	tonnes	188,789	249,094
Fuel – vehicles	litre	25,612	47,828
Packaging materials – plastic	tonnes	51	42
Packaging materials – corrugate	tonnes	730	1,711

# Environmental, Social and Governance Report

## ENVIRONMENTAL ASPECT (CONTINUED)

### Use of Resources (Continued)

Summary of KPI disclosure of Aspect A2 under the ESG Reporting Guide:

KPI A2.1	Details of electricity consumption are set forth above.
KPI A2.2	Details of water consumption are set forth above.
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 packaging materials are set forth above.

### 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.

In addition, we strive to promote environmental awareness amongst our staff. Besides green practices that we have been implementing in our workplace, we also provide relevant information and updates of latest environmental issues to our staff from time to time.

Summary of KPI disclosure of Aspect A3 under the ESG Reporting Guide:

KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them can be referred to in the above paragraphs.
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# Environmental, Social and Governance Report

## SOCIAL ASPECT

### Employment and labour practices

#### Employment

Employment Data (As at 31 March):

	Unit	2020 Quantity	2019 Quantity
Total employees	No. of people	961	1,296
By gender			
– male	percentage	59.0	58.6
– female		41.0	41.4
By employment type			
– permanent	percentage	100	100
– temporary/part-time		0	0
By rank			
– executives	percentage	12.5	11.1
– others		87.5	88.9
By age			
– below 30		23.3	25.8
– 30-39	percentage	29.9	30.2
– 40-49		35.2	34.5
– 50-59		10.9	9.0
– 60 or above		0.7	0.5
Average service tenure			
By rank			
– executives		11.2	11.8
– others	No. of years	9.1	8.1
By gender			
– male		9.4	8.3
– female		9.4	8.3
New employees			
– male	No. of people	83	190
– female		47	99
Employee turnover			
– male	No. of people	295	291
– female		170	222

# Environmental, Social and Governance Report

## SOCIAL ASPECT (CONTINUED)

### Employment and labour practices (Continued)

#### *Employment (Continued)*

##### *Recruitment and remuneration policies*

The Group had 961 employees as at 31 March 2020. We undertake to provide a workplace where our staff is respected. We maintain a healthy balance between male and female employees. 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.

During our recruitment process, we ensure that we take only work experiences, job-related knowledge and skills and capabilities into consideration. Such indications have been included in our recruitment policy manual and we do not allow any form of discrimination to any potential candidates.

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.

We tend to recruit short-term temporary workers during the peak season as supply of permanent, long-term workers is relatively limited in the market. Nevertheless, we offer healthy and safe work environment and salaries at a level shared with other long-term, permanent workers. As at 31 March 2020, there were no short-term temporary workers in the Group.

# Environmental, Social and Governance Report

## SOCIAL ASPECT (CONTINUED)

### Employment and labour practices (Continued)

#### *Employment (Continued)*

##### *Recruitment and remuneration policies (Continued)*

During the Reporting Period, we experienced a higher voluntary turnover rate of employees, mainly attributable to the increasing job opportunities in certain provinces and cities in Mainland China which enjoy a rapid development. The Group does not deem the turnover rate worth concerning as it is in-line with the industry level.

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.

##### *Equal opportunities, diversity and inclusion*

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.

##### *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)*

##### *Dismissal policies*

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.

##### *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.

##### *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. These employees are also provided with extra occupational health check.

With strengthened orientation training and safety prevention for manufacturing equipment, as well as reinforced regular inspection and safety awareness, we witnessed a lower rate of work-related injuries.

# Environmental, Social and Governance Report

## **SOCIAL ASPECT** (CONTINUED)

### **Employment and labour practices** (Continued)

#### *Health and Safety* (Continued)

##### *Work safety* (Continued)

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.

In addition, the Group carries out, through site visit and telephone and email communication, an annual evaluation and review of suppliers on their workplace safety, corporate social responsibility, among others, to ensure that our business partners share the same value and safeguard their employees' health.

##### *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

##### Training statistics

	Unit	2020 Quantity	2019 Quantity
Participating employees	No. of people	723	936
Participating employees as % of total employees	percentage	75.2	72.2
By gender			
– male	Total hours	15,300	20,698
– female		10,728	15,245
By gender			
– male	Average hours per employee	36	38.4
– female		36	38.4
By rank			
– executives	Total hours	2,448	3,725
– others		23,580	32,218
By rank			
– executives	Average hours per employee	36	38.4
– others		36	38.4

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 at least 32 hours of required annual training.

# Environmental, Social and Governance Report

## SOCIAL ASPECT (CONTINUED)

### Employment and labour practices (Continued)

#### *Development and Training (Continued)*

##### *Training statistics (Continued)*

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. Relevant qualifications and certificates are required for employees to perform certain duties. The Group will help arrange trainings for these employees. For other employees, we promote continuous learning, whereby we encourage our staff to obtain professional qualifications, such as engineering, human resources management, etc.

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 noncompliance 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 PRC, 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 work 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.

# Environmental, Social and Governance Report

## OPERATING PRACTICES (CONTINUED)

### Product Responsibility (Continued)

#### *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 driving force to keep us working better.

During the Reporting Period, there were no material complaints or damage claim on our product and service quality from our clients.

#### *Data privacy and intellectual property*

Due to our business nature, we might be handling intellectual property owned by our clients or other parties, such as certain patented technology. Therefore, we have formulated strict guidelines and prevent employees from dishonest or inappropriate use of intellectual property. Such guidelines are communicated to our employees and are reinforced from time to time.

Our operation does not involve data privacy. Nevertheless, the Group has a clear set of rules in handling and protecting data privacy and all of our employees are required to follow such rules.

#### *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.

# Environmental, Social and Governance Report

## OPERATING PRACTICES (CONTINUED)

### 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 whistle-blower.

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.

## 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.

# Environmental, Social and Governance Report

## REFERENCES TO HKEX ESG REPORTING GUIDE

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
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.	Social Aspect – 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.	Social Aspect – Employment and Labour Practices – Health and Safety

# Environmental, Social and Governance Report

Subject Areas	Content	Section in This ESG Report
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Social Aspect – 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.	Social Aspect – Employment and Labour Practices – Labour Standards
Operating Practices		
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Social Aspect – 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.	Social Aspect – 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.	Social Aspect – Operating Practices – Anti-corruption

# Environmental, Social and Governance Report

Subject Areas	Content	Section in This ESG Report
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.	Social Aspect – Community – Community Investment

# Report of the Directors

The directors submit their report together with the audited financial statements for the year ended 31 March 2020.

## PRINCIPAL ACTIVITIES AND SEGMENT ANALYSIS

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 19 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 59.

The directors did not declare an interim dividend.

The directors did not recommend the payment of a final dividend.

## 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 Chairman's Statement 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 31 March 2020 were HK\$681 million (2019: HK\$1,329 million) and HK\$0.94 (2019: HK\$1.84) respectively.

As at 31 March 2020, we had cash and deposits of HK\$104 million. After deducting bank borrowings of HK\$157 million, we had net bank borrowing of HK\$53 million. With unused banking facilities of HK\$376 million, the Group has adequate liquidity for future working capital requirements. In addition, we had long term loans from shareholders of HK\$161 million and lease liability of HK\$78 million.

# Report of the Directors

## LIQUIDITY AND FINANCIAL RESOURCES (CONTINUED)

As at 31 March 2020, our inventory was HK\$337 million (2019: HK\$480 million). We take a cautious approach to monitor the inventory level especially during an unstable business environment. As at year end, apart from the opening provision, the Group had made an additional provision of certain slow moving and obsolete raw materials and finished goods totalling HK\$24 million (2019: HK\$34 million).

Trade receivables as at 31 March 2020 was HK\$387 million (2019: HK\$511 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 as at 31 March 2020 was HK\$40 million (2019: HK\$94 million).

Capital expenditure on fixed assets during the year was HK\$39 million (2019: HK\$47 million). As at 31 March 2020, we had capital commitments contracted but not provided for in respect of moulds, plant and machinery and renovation amounting to HK\$3 million (2019: HK\$9 million).

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 were no speculative activities during the reporting financial year.

## EMPLOYEES

As at 31 March 2020, the Group had approximately 960 (2019: 1,300) 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.

# Report of the Directors

## 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 31 March 2020 are as follows:

Purchases	
– the largest supplier	11%
– five largest suppliers combined	30%
Sales	
– the largest customer	76%
– five largest customers combined	81%

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.

## RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in Note 29 and Note 35 to the consolidated financial statements respectively.

## DONATIONS

During the year, the Group made charitable and other donations amounting to HK\$20,000.

## 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 139.

# Report of the Directors

## SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in Note 28 to the consolidated financial statements.

## DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2020 amounted to HK\$178,045,000 (2019: HK\$772,835,000), 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 140.

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor its subsidiary companies has purchased or sold any of the Company's shares during the year ended 31 March 2020 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 31 March 2020 and 2019 is set out below:

	Bank borrowings	
	2020 HK\$'000	2019 HK\$'000
Within one year	157,370	143,397
In the second to fifth year	–	7,365
Over five years	–	33,151
	<b>157,370</b>	<b>183,913</b>

# Report of the Directors

## PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 March 2020 are set out in Note 19 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 Wai Sing, Wilson  
Mr LEUNG, Jimmy (resigned on 13 December 2019)  
Mr LIU Lup Man (resigned on 1 February 2020)  
Mr LEUNG Kam Fai, Peter (appointed on 24 September 2019)  
Mr LIU Hoi Keung (appointed on 1 February 2020)  
Mr LI Wah Ming, *S.B.S., J.P.*<sup>1</sup> (resigned on 30 June 2019)  
Mr LEE Tak Chi<sup>1</sup>  
Mr CHEUNG, Johnson<sup>1</sup>  
Mr CHEUNG Ka Wing<sup>1</sup> (appointed on 9 May 2019)

<sup>1</sup> *Independent non-executive directors*

In accordance with clauses 87(1) and 86(2) of the Company's Bye-laws, Mr LEUNG Kam Fai, Peter and Mr LIU Hoi Keung 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 12 and 13.

## **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 31 March 2020, 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 Wai Sing, Wilson	68,311,153	–	68,311,153	9.45%

### (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 31 March 2020, 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.

# Report of the Directors

## 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 31 March 2020, 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
Mr LEUNG Kai Ching, Kimen (deceased)	Beneficial owner	293,000,000 (Note i)	40.51%
Shundean Investments Limited	Beneficial owner	267,812,500 (Note i)	37.03%
Mr Webb David Michael	Beneficial owner	75,344,884 (Note ii)	10.42%
Mr LEUNG Wai Lap, David	Beneficial owner	52,280,631	7.23%
Preferable Situation Assets Limited	Beneficial owner	48,080,841 (Note ii)	6.65%

Notes:

- (i) Mr LEUNG Kai Ching, Kimen (deceased) beneficially owned 25,187,500 shares, and in addition he held 267,812,500 shares through Shundean Investments Limited, which was 100% directly owned by him. Mr. LEUNG's interests are now undergoing probate.
- (ii) Mr Webb David Michael beneficially owned 27,264,043 shares, and in addition he held 48,080,841 shares through Preferable Situation Assets Limited, which was 100% directly owned by him.

Save as disclosed above, as at 31 March 2020, 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.

# Report of the Directors

## SHARE OPTION SCHEME

There was no share option scheme for the year ended 31 March 2020.

## 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.

## 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 14 to 18.

## 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 31 March 2020.

The Audit Committee currently comprises three independent non-executive directors of the Company, namely Mr CHEUNG, Johnson, Mr LEE Tak Chi and Mr CHEUNG Ka Wing.

## 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 31 March 2020 and up to the date of this report.

## AUDITOR

The consolidated 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, 29 June 2020

# 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 59 to 138, which comprise:

- the consolidated balance sheet as at 31 March 2020;
- 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 31 March 2020, 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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*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong  
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

# Independent Auditor's Report

## **BASIS FOR OPINION**

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

We 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.

## **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw your attention to Note 2.1(c) to the consolidated financial statements, which states that, the Group incurred a net loss of HK\$599,430,000 and an operating cash outflow of HK\$242,475,000 for the year ended 31 March 2020. As at 31 March 2020, the Group had total bank borrowings of HK\$157,370,000 while its cash and cash equivalents was HK\$104,481,000. The Group failed to comply with certain financial covenants in respect of the Group’s facilities with three banks totaling HK\$437,150,000, of which HK\$88,272,000 was utilised by the Group as bank borrowings as of 31 March 2020. The Group’s production and its customers are also adversely affected by the COVID-19 pandemic. These events or conditions, along with other matters as set forth in Note 2.1(c) to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt over the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

# Independent Auditor's Report

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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 slow-moving and obsolete inventories
- Impairment of non-financial assets

### Key Audit Matter

### How our audit addressed the Key Audit Matter

#### *Provision for slow-moving and obsolete inventories*

Refer to Notes 21 "Inventories" and Note 4 "Critical accounting estimates and judgements" to the consolidated financial statements.

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

At 31 March 2020, the carrying value of the Group's inventories amounted to HK\$336,572,000 which was after the impairment provision for slow-moving and obsolete inventories of HK\$176,467,000. Inventories are stated at the lower of cost and net realisable value in the consolidated financial statements.

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.

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Key Audit Matter

*Provision for slow-moving and obsolete inventories*  
(Continued)

Management assessed the provision at each period end for slow-moving and obsolete 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 on factors such as 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 slow-moving and obsolete inventories.

### How our audit addressed the Key Audit Matter

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

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

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Key Audit Matter

#### *Impairment of non-financial assets*

Refer to Note 4 “Critical accounting estimates and judgements”, Note 14 “Property, plant and equipment”, Note 17 “Leases” and Note 18 “Intangible assets” to the consolidated financial statements.

As at 31 March 2020, the carrying amount before impairment provision of property, plant and equipment, right-of-use assets and intangible assets amounted to HK\$235,981,000, HK\$96,003,000 and HK\$810,000 respectively.

During the year ended 31 March 2020, the business development and operation of both AV products and Notebook products segments were impacted by the trade war between China and United States, intensive market competition and the outbreak of Coronavirus Disease 2019 (“COVID-19”) in the second half of the year. The Group incurred substantial operating loss compared to budget.

Management review for impairment whenever events or changes in circumstances indicate that carrying amount of the assets may not be recoverable. In view of the business performance had been below management’s expectation and other situation described above, management consider there were impairment indicators for these non-financial assets.

### How our audit addressed the Key Audit Matter

We tested management’s impairment assessment of the non-financial assets by assessing the DCF used in the calculations as set out below.

Comparing the key input data in management’s DCF to the Board’s approved budget and business plan;

Assessing the methodology adopted and the mathematical accuracy of the underlying DCF calculations;

Assessing the reasonableness of management’s key assumptions and judgements exercised in DCF in relation to:

AV products and notebook products revenue growth rates and material cost ratio by comparing them to historical performance and business plan, as well as benchmarking against industry forecast; and

Discount rates by comparing with the cost of capital of comparable companies with assistance of our in house valuation specialists.

We assessed the reasonableness of management determined recoverable amount of individual assets within the CGU by reference to the market prices available.

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Key Audit Matter

#### *Impairment of non-financial assets (Continued)*

In carrying out the impairment assessment on a cash-generating unit ("CGU") basis as required by HKAS 36 "Impairment of assets", management identified and determined there is only one CGU given both AV products segment and Notebook products segment share the same group of non-financial assets. The Group assessed the recoverable amount of the CGU, which is the higher of the value-in-use ("VIU") and fair value less cost of disposal ("FVLCD"). Management adopted the income approach to prepare a 5-year discounted cash flow forecast ("DCF") to determine the recoverable amounts of the CGU under the VIU method. Individual assets are then further assessed for its recoverable amount if impairment is necessary for the CGU.

Preparation of the DCF required the use of many assumptions and exercise of significant judgements in determining these assumptions.

### How our audit addressed the Key Audit Matter

Based on the above procedures performed, we found the judgements and estimates made by management in determining the recoverable amounts of these non-financial assets to be supportable based on the evidence we gathered.

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Key Audit Matter

### How our audit addressed the Key Audit Matter

#### *Impairment of non-financial assets (Continued)*

Key assumptions adopted and judgements exercised in the preparation of the DCF included:

- AV products revenue growth rates and material cost ratio
- Notebook products revenue growth rates and material cost ratio
- Discount rates

The recoverable amount of the CGU determined were lower than their carrying amount, and management assessed the recoverable amount of property, plant and equipment and right-of-use assets based on quoted prices in secondary market to be HK\$140,681,000 and HK\$65,661,000, respectively. As a result, provision for impairment of HK\$95,758,000, HK\$30,342,000 and HK\$810,000 in respect of property, plant and equipment, right-of-use assets and intangible assets, respectively were made for the year ended 31 March 2020.

We focused on this area due to the significance of the carrying amounts of these non-financial assets to the consolidated balance sheet and high level of judgements and estimations are required by management in determining the recoverable amounts of these non-financial assets at the date of consolidated balance sheet.

# 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 is 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 HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism 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, 29 June 2020

# Consolidated Income Statement

For the year ended 31 March 2020

	Note	2020 HK\$'000	2019 HK\$'000
Revenue	5	961,246	1,545,212
Cost of goods sold	7	(1,136,174)	(1,752,912)
Gross loss		(174,928)	(207,700)
Other (loss)/income, net	6	(8,452)	11,028
Selling expenses	7	(123,181)	(155,199)
Administrative expenses	7	(120,202)	(140,070)
Other operating expenses	7	(5,668)	(6,815)
(Provision for)/reversal of impairment losses on trade and other receivables		(9,585)	600
Provision for impairment of property, plant and equipment	14	(95,758)	(20,000)
Provision for impairment of right-of-use assets	17	(30,342)	–
Provision for impairment of intangible assets	18	(810)	(21,761)
Operating loss		(568,926)	(539,917)
Finance income	10	1,109	4,867
Finance costs	10	(26,169)	(16,165)
Loss before income tax		(593,986)	(551,215)
Income tax expense	11	(5,444)	(11,948)
<b>Loss for the year</b>		<b>(599,430)</b>	<b>(563,163)</b>
<b>Loss attributable to:</b>			
Equity holders of the Company		(599,374)	(563,134)
Non-controlling interests		(56)	(29)
		<b>(599,430)</b>	<b>(563,163)</b>
<b>Loss per share attributable to equity holders of the Company</b>			
– Basic	12	(HK82.9 cents)	(HK94.8 cents)
– Diluted	12	(HK82.9 cents)	(HK94.8 cents)
Dividends	13	–	–

The above consolidated income statement should be read in conjunction with the accompanying notes.

# Consolidated Statement of Comprehensive Income

For the year ended 31 March 2020

	2020 HK\$'000	2019 HK\$'000
Loss for the year	(599,430)	(563,163)
Other comprehensive loss, net of tax:		
<i>Item that may be subsequently reclassified to profit or loss</i>		
Currency translation differences	(6,734)	(12,412)
<i>Item that will not be reclassified to profit or loss</i>		
Revaluation gain on transfer of owner occupied property to investment properties	–	65,423
Total comprehensive loss for the year	<b>(606,164)</b>	<b>(510,152)</b>
<b>Attributable to:</b>		
Equity holders of the Company	<b>(606,108)</b>	(510,123)
Non-controlling interests	<b>(56)</b>	(29)
	<b>(606,164)</b>	<b>(510,152)</b>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated Balance Sheet

As at 31 March 2020

	Note	2020 HK\$'000	2019 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	14	140,223	316,797
Investment properties	15	55,800	78,238
Right-of-use assets	17	65,661	–
Intangible assets	18	–	2,004
Deferred income tax assets	30	–	8,153
Prepayments, deposits, and other receivables	22	56,817	11,560
		<b>318,501</b>	<b>416,752</b>
<b>Current assets</b>			
Inventories	21	336,572	480,248
Trade and other receivables	22	442,155	531,304
Other current assets	24	459	7,986
Current income tax recoverable		13,856	13,075
Cash and cash equivalents	23	104,481	277,474
		<b>897,523</b>	<b>1,310,087</b>
<b>Current liabilities</b>			
Trade and other payables	25	128,679	205,340
Current income tax liabilities		4,961	3,396
Lease liabilities	17	31,050	–
Bank borrowings	26	157,370	143,397
		<b>322,060</b>	<b>352,133</b>
<b>Net current assets</b>		<b>575,463</b>	<b>957,954</b>
<b>Total assets less current liabilities</b>		<b>893,964</b>	<b>1,374,706</b>

# Consolidated Balance Sheet

As at 31 March 2020

	Note	2020 HK\$'000	2019 HK\$'000
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	28	72,324	72,324
Reserves	29	609,250	1,257,744
		<b>681,574</b>	<b>1,330,068</b>
<b>Non-controlling interests</b>			
		<b>(654)</b>	<b>(598)</b>
<b>Total equity</b>			
		<b>680,920</b>	<b>1,329,470</b>
<b>Non-current liabilities</b>			
Other payables	25	4,666	4,720
Lease liabilities	17	47,178	–
Bank borrowings	26	–	40,516
Loans from shareholders	27	161,200	–
		<b>213,044</b>	<b>45,236</b>
<b>Total equity and non-current liabilities</b>			
		<b>893,964</b>	<b>1,374,706</b>

The consolidated financial statements on pages 59 to 138 were approved by the Board of Directors on 29 June 2020 and were signed on its behalf.

**LEUNG Wai Sing, Wilson**  
Director

**LIU Hoi Keung**  
Director

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

# Consolidated Statement of Changes in Equity

For the year ended 31 March 2020

	Attributable to equity holders of the Company				Non-controlling interests	Total
	Share capital	Other reserves	Retained earnings	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 1 April 2018</b>	57,860	318,768	1,353,170	1,729,798	(569)	1,729,229
Change in accounting policy	-	-	(1,900)	(1,900)	-	(1,900)
<b>Restated as at 1 April 2018</b>	57,860	318,768	1,351,270	1,727,898	(569)	1,727,329
<b>Comprehensive loss</b>						
Loss for the year	-	-	(563,134)	(563,134)	(29)	(563,163)
<b>Other comprehensive (loss)/income</b>						
Currency translation differences	-	(12,412)	-	(12,412)	-	(12,412)
Revaluation gain on transfer of owner occupied property to investment property	-	65,423	-	65,423	-	65,423
<b>Total comprehensive income/(loss)</b>	-	53,011	(563,134)	(510,123)	(29)	(510,152)
<b>Transactions with owners</b>						
2018 final dividend	-	-	(11,572)	(11,572)	-	(11,572)
Issuance of right shares	14,464	109,401	-	123,865	-	123,865
	14,464	109,401	(11,572)	112,293	-	112,293
<b>Balance at 31 March 2019</b>	72,324	481,180	776,564	1,330,068	(598)	1,329,470
<b>Balance at 1 April 2019</b>	72,324	481,180	776,564	1,330,068	(598)	1,329,470
Change in accounting policy (Note 2.2)	-	-	(42,386)	(42,386)	-	(42,386)
<b>Restated as at 1 April 2019</b>	72,324	481,180	734,178	1,287,682	(598)	1,287,084
<b>Comprehensive loss</b>						
Loss for the year	-	-	(599,374)	(599,374)	(56)	(599,430)
<b>Other comprehensive loss</b>						
Currency translation differences	-	(6,734)	-	(6,734)	-	(6,734)
<b>Total comprehensive loss</b>	-	(6,734)	(599,374)	(606,108)	(56)	(606,164)
<b>Balance at 31 March 2020</b>	72,324	474,446	134,804	681,574	(654)	680,920

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Consolidated Statement of Cash Flows

For the year ended 31 March 2020

	Note	2020 HK\$'000	2019 HK\$'000
Cash flows from operating activities			
Cash used in operations	31(a)	(223,235)	(186,894)
Interest received		1,109	4,867
Interest paid		(19,337)	(15,831)
Income tax paid		(1,012)	(3,644)
Net cash used in operating activities		(242,475)	(201,502)
Cash flows from investing activities			
Purchase of property, plant and equipment		(38,983)	(46,776)
Proceeds from disposal of property, plant and equipment	31(b)	3,095	1,916
Payments for intangible assets		(657)	(1,186)
Net proceeds from disposal of investment property		–	88,350
Net cash (used in)/generated from investing activities		(36,545)	42,304
Cash flows from financing activities			
Proceeds from trust receipt loans		671,857	895,867
Repayments of trust receipt loans		(690,094)	(778,299)
Repayments of bank borrowings		(8,306)	(67,077)
Dividends paid to the Company's shareholders		–	(11,572)
Proceeds from loans from shareholders		181,200	93,840
Repayments of loans from shareholders		(20,000)	(93,840)
Repayments of principal element of leases liabilities		(23,426)	–
Net proceeds from issuance of right shares		–	123,865
Net cash generated from financing activities		111,231	162,784
Net (decrease)/increase in cash and cash equivalents		(167,789)	3,586
Cash and cash equivalents at the beginning of the year		277,474	279,520
Effect of foreign exchange rate change		(5,204)	(5,632)
Cash and cash equivalents at the end of the year	23	104,481	277,474

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Consolidated Financial Statements

31 March 2020

## 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 31 March 2020, the Company and its subsidiaries (together, the “Group”) are engaged in designing, manufacturing and selling of consumer electronic products including AV products and notebook 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 (“HKFRSs”) and requirements of the Hong Kong Companies Ordinance Cap. 622. 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 HKFRSs 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

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### (a) *New standard, amendments to standards and interpretation adopted by the Group*

The following new standard, amendments to standards and interpretation are mandatory for the financial year beginning 1 April 2019:

Annual Improvements Project	Annual Improvements 2015-2017 Cycle (amendments)
HKAS 19 (Amendment)	Plan Amendment, Curtailment or Settlement
HKAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures
HKFRS 9 (Amendment)	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 April 2019. This is disclosed in Note 2.2. Other amendments to standards and interpretation listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### *(b) New standard, amendments to standards, interpretation and conceptual framework not yet adopted*

The new standard, amendments to standards, interpretation and conceptual framework relevant to the Group which have been issued, but not effective for the financial year beginning 1 April 2020 and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions:

		Effective for accounting year beginning on or after
HKAS 1 and HKAS 8 (Amendments)	Definition of material	1 April 2020
HKAS 39, HKFRS 7 and HKFRS 9 (Amendments)	Interest rate benchmark reform	1 April 2020
HKFRS 3 (Amendments)	Definition of business	1 April 2020
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting	1 April 2020
HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)	Hedge accounting (Amendments)	1 April 2020
HKFRS 17	Insurance contracts	1 April 2021
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be announced

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### (c) *Going concern basis*

During the year ended 31 March 2020, the Group incurred loss for the year of HK\$599,430,000 and reported a net cash used in operation of HK\$242,475,000.

As at 31 March 2020, the Group had total bank borrowings of HK\$157,370,000 while its cash and cash equivalents was HK\$104,481,000. The Group failed to comply with certain financial covenants in respect of the Group's facilities with three banks totaling HK\$437,150,000, of which HK\$88,272,000 was utilised by the Group as bank borrowings as of 31 March 2020. Such non-compliance of covenants may give the relevant banks a right to cancel or suspend the facilities.

The performance of the Group's AV products segment had declined since 2017 due to intensive competition in the AV products industry which eroded the gross margin significantly. The China and US trade war has further adversely affected the sales of the Group's AV products during the year, as the Group is having more difficulty in securing profitable order after the additional tariffs imposed by the US government. In view of the decline in profitability of the AV products segment, the Group has started to invest in research and development of notebook products since 2017 in order to diversify its business. The decline in profit in AV products segment, together with the large upfront investment required for the development and marketing of notebook products have brought pressure to the profitability and working capital of the Group.

Furthermore, the outbreak of Coronavirus Disease 2019 ("COVID-19") had led to the suspension of production of the Group's factory in China from February to March 2020. The production has gradually resumed since March 2020. With the outbreak of COVID-19 in the US and other countries since March 2020, certain of the Group's customers postponed their purchase orders due to the uncertain market situation.

The above conditions indicate the existence of material uncertainties which may cast a significant doubt about the ability of the Group to continue as a going concern.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### (c) *Going concern basis (Continued)*

In view of such circumstances and the uncertainties related to the possible impact of the COVID-19 pandemic, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors have reviewed the Group's cash flow forecast prepared by management covering a period of twelve months from 31 March 2020. The directors have taken certain plans and measures to mitigate the liquidity pressure, to improve its financial position and to deal with the potential impact of COVID-19, which include, but are not limited to, the following:

- (i) On 18 June 2020 and 23 June 2020, the Group obtained written waivers from two banks mentioned above from complying with the relevant financial covenants for the year ended 31 March 2020. For the remaining banking facility of HK\$41,200,000 with financial covenant breached, the Group has not obtained a waiver from the bank as such facility was not utilised as at 31 March 2020 and the Group does not plan to use that facility before the relevant financial covenant is met or waived. The Group will continue to monitor its compliance with the covenant requirements. Management will also discuss and negotiate with the respective banks to seek for revision of the terms and the restrictive undertaking requirements as and when necessary. Based on the communication with the banks, the directors are confident that the existing banking facilities will be renewed upon its annual review and continued to be available to the Group in view of the long-established relationships with the banks.
- (ii) On 31 March 2020, the Group has entered into two amendments to the original loan agreements with the shareholders to extend the repayment date of the shareholders loan of HK\$161,200,000 to 31 December 2021.
- (iii) On 15 June 2020, the Group entered into a deed of funding undertakings with one of its major shareholders, Chairman and Chief Executive Director, Mr. Leung Wai Sing, Wilson ("Mr. Leung") to provide additional funding to the Group. The funding request notice could be issued at the discretion of the Company to Mr. Leung within eighteen months from the date of the deed, i.e. 15 December 2021. The total amount of funding undertakings shall not exceed HK\$170,000,000.

The funding when provided shall be treated as an advance to the Company and be repayable by the Company at a suitable time to be agreed between the Company and Mr. Leung, but in any event shall only be repaid after at least twelve months from the funding draw down date.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### (c) *Going concern basis (Continued)*

##### (iii) (Continued)

The undertakings shall cease to have effect after eighteen months from the date of the deed or upon the Company or any member of the Group having obtained additional long-term external bank borrowings or other sources of long-term financing with an aggregated principal amount of not less than HK\$170,000,000, whichever is earlier.

On 16 June 2020, the Group drew down a loan of HK\$50,000,000 from Mr. Leung under the terms of the deed. The loan is unsecured and repayable after eighteen months from the date of draw down and interest bearing at 1.3% over 1-month HIBOR per annum. The amount of available funding under the deed of funding undertakings was HK\$120,000,000 as at 29 June 2020.

- (iv) Based on the sales orders on hand for the notebook products up to June 2020, the directors have seen significant increase in sales comparing to the corresponding period in FY2019. In addition, sales orders for the AV products received up to June 2020 have also been in line with the forecast. The directors will continue with its effort in sales and marketing to promote the Group's notebook products in the market. Under the COVID-19 situation, the Group will focus more of its effort on online sales and OEM customers in the current year. The Group also closely monitors the market developments, review collection performance and bolster collection capability under the COVID-19 situation. The directors are confident that the Group would be able to obtain more sale orders going forward and further expand its production scale of its notebook products to improve the profit margin in order to improve its operating performance and reduce the Group's operating cash outflow.
- (v) The Group will continue to take active measures to improve profitability and cash flow through various initiatives including further leveraging on capital investments made in the automation of manufacturing process to reduce production costs, improve efficiency and further strengthening its relationships with major suppliers to negotiate for lower cost of critical components and for better trading terms, and negotiate with its landlord for rental concession to mitigate the impact of COVID-19.
- (vi) The Group will also continue to seek for other alternative financing and bank borrowings to finance the settlement of the existing financial obligations and future operating and capital expenditure.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### (c) *Going concern basis (Continued)*

- (vii) In light of the COVID-19 outbreak, the Group is closely monitoring the latest development and will continue to assess the impact of the pandemic on the Group's operations from time to time and to adjust its plan for the business to generate sufficient cash from its operations.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above which have incorporated assumptions about future events and conditions that are subject to inherent uncertainties. Whether the Group will be able to continue as a going concern would depend upon the following:

- (i) the successful implementation of the business plan to increase and accelerate the sales of notebook products and to collect the sales proceeds in the expected timeframe;
- (ii) the successful implementation of measures over cost control and capital expenditures so as to improve its profit margin and generate adequate net cash inflow to strengthen its working capital position;
- (iii) continuous compliance by the Group of the existing terms and conditions of the bank borrowings and, where applicable, successful negotiation with the banks to obtain waiver or to revise the existing terms and conditions of the bank borrowings for the continuous compliance thereof as and when needed such that the existing bank borrowings will continue to be available to the Group and be repaid in accordance with the agreed repayment schedules;
- (iv) whether Mr. Leung will be able to provide further funding advance of up to HK\$120,000,000 to the Group, as and when needed, under the funding undertaking as mentioned above; and
- (v) whether the Group can successfully contain the impact of the pandemic on the Group's operations from time to time and adjusting its business plan to generate sufficient cash from its operations.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's consolidated financial statements.

As indicated in Note 2.1(a) above, the Group has adopted HKFRS 16 Leases retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated balance sheet on 1 April 2019. The new accounting policies are disclosed in Note 2.25.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 4.88%.

#### (i) *Practical expedients applied*

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 April 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (Continued)

#### (ii) Measurement of lease liabilities

The reconciliation between the operating lease commitments as disclosed as at 31 March 2019 and the lease liabilities recognised in the consolidated balance sheet as at 1 April 2019 (date of initial application of HKFRS 16) is as follows:

	HK\$'000
Operating lease commitments disclosed as at 31 March 2019	378,842
Discounted using the lessee's incremental borrowing rate at the date of initial application	282,940
Less: short-term leases not recognised as a liability	(3,093)
Less: low-value leases not recognised as a liability	(504)
Lease liabilities recognised as at 1 April 2019	279,343
Of which are:	
Current lease liabilities	22,780
Non-current lease liabilities	256,563
	279,343

#### (iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated balance sheet as at 31 March 2019.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (Continued)

#### (iv) Adjustments recognised in the consolidated balance sheet at 1 April 2019

As a lessee, the Group's leases are mainly rentals of factory, offices and land use rights. The change in accounting policies affected the following items in the consolidated balance sheet at 1 April 2019:

Consolidated balance sheet (extracted)	31 March 2019 As previously stated HK\$'000	Adjustments on adoption of HKFRS 16 HK\$'000	1 April 2019 Restated HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	316,797	(68,070)	248,727
Prepayments, deposits and other receivables	11,560	(2,253)	9,307
Right-of-use assets	–	295,059	295,059
Deferred income tax assets	8,153	(4,074)	4,079
<b>Non-current liabilities</b>			
Lease liabilities	–	256,563	256,563
<b>Current liabilities</b>			
Trade and other payables	205,340	(16,295)	189,045
Lease liabilities	–	22,780	22,780
<b>Equity</b>			
Reserves	1,257,744	(42,386)	1,215,358

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Consolidation

#### (a) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.3 (b)).

Inter-company 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

#### (b) *Business combinations*

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Consolidation (Continued)

#### (b) *Business combinations (Continued)*

- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Consolidation (Continued)

#### *(b) Business combinations (Continued)*

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 remeasurement are recognised in profit or loss.

#### *(c) Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes 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 or transferred to another category of equity as specified/ permitted by applicable HKFRSs.

#### *(d) 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 a dividend 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

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 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.

### 2.5 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 at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement, within finance costs.

#### (c) *Group companies*

The results and financial position of foreign operations (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;

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Foreign currency translation (Continued)

#### *(c) Group companies (Continued)*

(ii) income and expenses for each income statement and statement of comprehensive income 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.

#### *(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 profit or loss.

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 profit or loss.

### 2.6 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.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated 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 any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on leasehold improvements, buildings and moulds is calculated using the straight-line method to allocate their costs over their estimated useful lives or, in the case of leasehold improvements the shorter lease term. 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%
Moulds	25%
Land and buildings	2.5%
Leasehold improvements moulds	6.67%

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 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. Those are recognised in profit or loss.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields and are not occupied by the Group. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are recorded in profit or loss as part of “other income, net”. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

On the transfer of self-occupied property to investment property, increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as revaluation reserve in shareholders’ equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to the consolidated income statement.

### 2.9 Intangible assets

#### (a) *Acquired licence right*

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

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

#### (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;

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.9 Intangible assets (Continued)

#### (b) *Deferred development costs (Continued)*

- (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.

### 2.10 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or change in circumstances indicate that they might be impaired. Other assets are tested 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 disposal 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 which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting date.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Financial assets

#### (a) *Classification*

The Group classifies its financial assets category as financial assets at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing the assets changes.

#### (b) *Recognition and derecognition*

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### (c) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as amortised cost.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Financial assets (Continued)

#### (c) *Measurement (Continued)*

##### *Debt instruments (Continued)*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in “other income, net”. Impairment losses are presented as separate line item in the consolidated income statement.

#### (d) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3(b) for further details.

### 2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Group currently has 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 Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

### 2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Trade 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 are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1(b) for a description of the Group's impairment policies.

### 2.15 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

### 2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 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

31 March 2020

## 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 profit or loss 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 income tax expense or credit for the year is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### (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

31 March 2020

## 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 provided on full, 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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# Notes to the Consolidated Financial Statements

31 March 2020

## 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 and maternity leave are not recognised until the time of leave.

#### (b) *Pension obligations*

The Group operates a number of defined contribution plans. Under 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 at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. 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

31 March 2020

## 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

#### *Sales of goods*

Sales of goods are recognised when control of the products has transferred, being a group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the Group. It is the Group's policy to sell its products to the customer with a right of return. Therefore, a refund liability (included in trade and other payables) and a right to the returned goods (included in other current assets) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.24 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 below. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### 2.25 Leases

As explained in Note 2.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in Note 2.2.

Until 31 March 2019, 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.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases (Note 33). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.25 Leases (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

A lessee shall reassess whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that: (a) is within the control of the lessee; and (b) affects whether the lessee is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.25 Leases (Continued)

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

# Notes to the Consolidated Financial Statements

31 March 2020

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.26 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 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 31 March 2020, if RMB had strengthened/weakened by 10% against HKD with all other variables held constant, post-tax loss for the year would have been approximately HK\$1,649,000 higher/lower (2019: HK\$8,154,000 lower/higher), mainly as a result of the net foreign exchange differences on translation of RMB denominated cash and bank balances and other payables.

# Notes to the Consolidated Financial Statements

31 March 2020

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### (i) Foreign exchange risk (Continued)

At 31 March 2020, if NTD had strengthened/weakened by 10% against HKD with all other variables held constant, post-tax loss for the year would have been approximately HK\$644,000 lower/higher (2019: HK\$549,000 lower/higher), 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.

At 31 March 2020, if GBP had strengthened/weakened by 10 % against HKD with all other variables held constant, post-tax loss for the year would have been approximately HK\$244,000 lower/higher (2019: HK\$342,000 lower/higher), 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 and loans from shareholders. The Group's bank borrowings and loans from shareholders 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 31 March 2020, the Group's bank borrowings and loans from shareholders at variable rates were denominated in HKD and USD.

At 31 March 2020, if interest rates on all borrowings had been 100 basis points higher/lower with all other variables held constant, post-tax loss for the year would have been approximately HK\$2,660,000 higher/lower (2019: HK\$1,536,000 higher/lower), mainly as a result of higher/lower interest expense on floating rate borrowings.

At 31 March 2020, 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 (2019: loss) for the year would have been approximately HK\$862,000 lower/higher (2019: HK\$2,311,000 lower/higher) due to interest income earned on market interest rate.

# Notes to the Consolidated Financial Statements

31 March 2020

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### (ii) Cash flow and fair value interest rate risk (Continued)

The total bank borrowings and loans from shareholders held by the Group as at 31 March 2020 and 2019 were all with floating rates.

#### (b) Credit risk

##### (i) Risk management

Credit risk arises from cash and cash equivalents, trade and other receivables and deposits. 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 cash equivalents are placed with reputable banks and financial institutions. The Group reviews regularly the recoverable amount of deposits and other receivable to ensure that adequate impairment losses are made for irrecoverable amounts. For trade receivables from customers, management assesses the credit quality of each individual major customer, taking into account its financial position, past experience and other factors.

##### (ii) Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Other financial assets carried at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, management considers that the impairment loss is immaterial.

# Notes to the Consolidated Financial Statements

31 March 2020

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

###### (i) Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Future cash flows for each group receivables are estimated on the basis of historical loss experience, adjusted to reflect the effects of current conditions as well as forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Trade receivables in dispute are assessed individually for impairment allowance and determined whether specific provisions are required. Trade receivables are written off when there is no reasonable expectation of recovery.

The lifetime expected credit loss in respect of individually assessed trade receivables as at 31 March 2020 was nil (2019: nil).

The expected credit loss rates are assessed to be approximately 1.5% to 22.6% (2019: 0.1% to 26.3%) for trade receivables and the expected credit loss of these collectively assessed trade receivables as at 31 March 2020 are assessed to be approximately HK\$7,770,000 (2019: HK\$1,300,000).

###### (ii) Other financial assets at amortised cost

The Group applies a 12-month expected credit loss on other financial assets at amortised cost. Management considered among other factors, analysed historical pattern and concluded that the expected credit loss for other financial assets at amortised cost to as at 31 March 2020 was approximately HK\$3,115,000 (2019: nil).

# Notes to the Consolidated Financial Statements

31 March 2020

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (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 and loans from shareholders.

Banking facilities have been put in place for contingency purposes. As at 31 March 2020, the Group's total available banking facilities amounted to approximately HK\$553,750,000 (2019: HK\$898,400,000), of which approximately HK\$157,370,000 (2019: HK\$183,913,000) 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 maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand	Within one year	In the second year	In the third to fifth year	Over five years	Total	Carrying amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 March 2020							
Bank borrowings	159,803	-	-	-	-	159,803	157,370
Loans from shareholders	-	-	168,671	-	-	168,671	161,200
Lease liabilities	-	34,126	43,990	3,775	567	82,458	78,228
Trade and other payables	-	128,679	-	-	-	128,679	128,679
At 31 March 2019							
Bank borrowings	142,990	2,969	2,969	8,908	40,580	198,416	183,913
Trade and other payables	-	205,340	-	-	-	205,340	205,340

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. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis contained below.

# Notes to the Consolidated Financial Statements

31 March 2020

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (c) Liquidity risk (Continued)

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	Over five years HK\$'000	Total HK\$'000	Carrying amount HK\$'000
31 March 2020	109,394	9,857	13,876	39,016	172,143	157,370
31 March 2019	124,639	6,797	11,554	–	142,990	141,692

### 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, return capital to shareholders, raise or repay loans from shareholders and 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.

# Notes to the Consolidated Financial Statements

31 March 2020

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.2 Capital risk management (Continued)

The gearing ratios at 31 March 2020 and 2019 were as follows:

	2020 HK\$'000	2019 HK\$'000
Cash and cash equivalents (Note 23)	104,481	277,474
Less: Bank borrowings (Note 26)	(157,370)	(183,913)
Loans from shareholders (Note 27)	(161,200)	–
Lease liabilities (Note 17)	(78,228)	–
Net (debt)/surplus cash	(292,317)	93,561
Total equity	680,920	1,329,470
Gearing ratio	42.9%	Not applicable

The gearing ratio increased to 42.9% as at 31 March 2020 mainly resulted from the increase in loans from shareholders and adoption of HKFRS 16.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

### (a) Provision for slow-moving and obsolete inventories

The Group makes provision for slow-moving and obsolete 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.

# Notes to the Consolidated Financial Statements

31 March 2020

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### (b) 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.

### (c) 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.

### (d) 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
- right-of-use assets
- 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.

# Notes to the Consolidated Financial Statements

31 March 2020

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### (e) 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.

### (f) 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.

### (g) Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of offices and factory, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

# Notes to the Consolidated Financial Statements

31 March 2020

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### (g) Determination of the lease term (Continued)

- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

## 5 REVENUE AND SEGMENT INFORMATION

Revenues recognised during the year are as follows:

	2020 HK\$'000	2019 HK\$'000
AV products	786,251	1,387,713
Notebook products	174,995	157,499
	<b>961,246</b>	<b>1,545,212</b>

	2020 HK\$'000	2019 HK\$'000
Timing of revenue recognition		
– At a point in time	<b>961,246</b>	<b>1,545,212</b>

# Notes to the Consolidated Financial Statements

31 March 2020

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (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. No analysis of segment assets or segment liabilities is regularly provided to the chief operating decision-maker. A management approach has been used for the operating segment reporting.

The Group mainly operates in the PRC, Taiwan and Hong Kong and is principally engaged in designing, manufacturing and selling of consumer electronic product including AV products and notebook products.

During the year, the chief operating decision-makers examine the Group's performance both from a product and geographic perspective and has identified two reportable segments of its business:

AV products	–	Design, manufacture and sale of consumer electronic products, including audio, video and tablet products
Notebook products	–	Design, manufacture and sale of commercial notebook and personal computers products

# Notes to the Consolidated Financial Statements

31 March 2020

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (a) Segment analysed by products (Continued)

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

	2020				2019			
	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
<b>Segment revenue</b>								
External sales	786,251	174,995	-	961,246	1,387,713	157,499	-	1,545,212
Inter-segment sales	6,919	30,916	(37,835)	-	5,620	34,557	(40,177)	-
	<b>793,170</b>	<b>205,911</b>	<b>(37,835)</b>	<b>961,246</b>	<b>1,393,333</b>	<b>192,056</b>	<b>(40,177)</b>	<b>1,545,212</b>
Segment results <sup>(1)</sup>	(205,064)	(237,762)	-	(442,826)	(205,570)	(314,347)	-	(519,917)
Provision for impairment of right-of-use assets				(30,342)				-
Provision for impairment of property, plant and equipment				(95,758)				(20,000)
Finance income				1,109				4,867
Finance costs				(26,169)				(16,165)
Loss before income tax				(593,986)				(551,215)
Income tax expense				(5,444)				(11,948)
Loss for the year				(599,430)				(563,163)
Loss for the year attributable to								
- Equity holders of the Company				(599,374)				(563,134)
- Non-controlling interest				(56)				(29)
				<b>(599,430)</b>				<b>(563,163)</b>

<sup>(1)</sup> 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.

# Notes to the Consolidated Financial Statements

31 March 2020

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment analysed by geographical areas

The segment revenue for the years ended 31 March 2020 and 2019 are as follows:

	2020 HK\$'000	2019 HK\$'000
North America	786,250	1,379,523
Asia	142,989	132,909
Europe	27,513	29,042
Others	4,494	3,738
	<b>961,246</b>	<b>1,545,212</b>

The Company is domiciled in the Bermuda. The analysis of revenue by geographical segment is based on the destination to which the shipments are made. Substantially all non-current assets of the Group as at the end of the year are located in Asia.

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

	2020 HK\$'000	2019 HK\$'000
Customer A	725,788	1,282,549

# Notes to the Consolidated Financial Statements

31 March 2020

## 6 OTHER (LOSS)/INCOME, NET

	2020 HK\$'000	2019 HK\$'000
Rental income from investment properties (Note 15)	2,436	4,724
Fair value loss on investment properties (Note 15)	(18,209)	(2,726)
Net gain on disposal of investment property	–	2,650
Rent concession	3,554	–
Refund of royalties fee	914	6,256
Sub-contracting income	2,095	–
Loss on early termination of lease	(53)	–
Promotion allowance from suppliers	516	–
Others	295	124
	<b>(8,452)</b>	<b>11,028</b>

## 7 EXPENSES BY NATURE

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

	2020 HK\$'000	2019 HK\$'000
Amortisation of intangible assets (Note 18)	1,785	13,932
Amortisation of leasehold land and land use rights (Note 16)	–	47
Auditor's remuneration	2,380	2,280
Cost of inventories (Note 21)	815,614	1,342,403
Provision for impairment of inventories	23,622	34,413
Depreciation of property, plant and equipment (Note 14)	42,731	48,249
Depreciation of right-of-use assets (Note 17)	24,876	–
Employee benefit expenses (including directors' emoluments) (Note 8)	183,098	215,455
Severance pay (Note 8)	10,495	2,707
Loss on disposal of plant and equipment (Note 31)	323	433
Operating lease rental in respect of land and buildings (Note 17)	2,232	29,584
Research and development costs	40,452	84,578
Repairs and inspection costs	9,849	20,303
Promotion and exhibition expenses	57,518	74,710

# Notes to the Consolidated Financial Statements

31 March 2020

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

	2020 HK\$'000	2019 HK\$'000
Wages and salaries	162,434	188,705
Other staff benefits and pension costs	20,664	26,750
	183,098	215,455
Severance pay	10,495	2,707

Notes:

### (a) Pension costs – defined contribution retirement schemes

Before 1 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 1 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 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\$3,539,000 (2019: HK\$4,199,000). No forfeited contribution in respect of the defined contribution retirement scheme was utilised during the year (2019: Same). No forfeiture contribution was available as at 31 March 2020 to reduce future contributions (2019: Nil). Contributions totaling approximately HK\$545,000 (2019: HK\$531,000) were payable to the ORSO Scheme and MPF Scheme at the year end and were included in other payables and accruals.

The Company's subsidiaries in the PRC are members of the state-managed retirement benefits scheme operated by the government of the PRC. The retirement benefits scheme contributions of HK\$5,122,000 (2019: HK\$6,611,000), which are based on a certain percentage of the salaries of the subsidiaries' employees, are charged to the consolidated income statement in the period to which they relate and represent the amount of contributions payable by these subsidiaries to the scheme.

For both retirement benefits schemes, the Group has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods.

# Notes to the Consolidated Financial Statements

31 March 2020

## 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 three (2019: four) directors whose emoluments are reflected in the analysis presented in Note 9. The emoluments payable to the remaining two (2019: one) individuals during the year are as follows:

	2020 HK\$'000	2019 HK\$'000
Basic salaries, housing allowances, other allowances and benefits in kind	3,758	2,600
Contributions to pension schemes	173	120
	<b>3,931</b>	<b>2,720</b>

The emoluments fell within the following band:

	Number of individual	
	2020	2019
Emolument band		
HK\$1,000,001 – HK\$2,000,000	1	–
HK\$2,000,001 – HK\$3,000,000	1	1
	<b>2</b>	<b>1</b>

### (c) Senior management compensation

The emoluments of the senior management include the two (2019: one) individuals whose emoluments are reflected in the analysis presented in Note 8(b).

The emoluments of the remaining one (2019: three) senior management during the year are as follows:

	Number of individuals	
	2020	2019
Emolument bands		
HK\$1 – HK\$1,000,000	1	–
HK\$1,000,001 – HK\$2,000,000	–	3
	<b>1</b>	<b>3</b>

# Notes to the Consolidated Financial Statements

31 March 2020

## 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 161 of the Hong Kong Companies Ordinance, is as follows:

For the year ended 31 March 2020:

Name	Fees HK\$'000	Salary HK\$'000	Employer's contribution to a retirement benefit scheme	Total HK\$'000
			HK\$'000	
<i>Executive directors:</i>				
Mr LEUNG Wai Sing, Wilson	–	4,843	207	5,050
Mr LEUNG Kam Fai, Peter (i)	–	520	43	563
Mr LIU Hoi Keung (ii)	–	500	–	500
Mr LEUNG, Jimmy (iii)	–	2,698	96	2,794
Mr LIU Lup Man (iv)	–	2,770	118	2,888
<i>Independent non-executive directors:</i>				
Mr CHEUNG, Johnson	300	–	15	315
Mr LEE Tak Chi	300	–	–	300
Mr CHEUNG Ka Wing (v)	269	–	11	280
Mr LI Wah Ming (vi)	100	–	5	105
	969	11,331	495	12,795

# Notes to the Consolidated Financial Statements

31 March 2020

## 9 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

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

For the year ended 31 March 2019:

Name	Fees HK\$'000	Salary HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Total HK\$'000
<i>Executive directors:</i>				
Mr LEUNG Kai Ching, Kimen (vii)	–	1,620	39	1,659
Mr LEUNG Wai Sing, Wilson	–	4,843	207	5,050
Mr KUOK Kun Man (viii)	–	3,600	141	3,741
Mr LEUNG, Jimmy (iii)	–	2,202	94	2,296
Mr LIU Lup Man (iv)	–	2,180	93	2,273
<i>Independent non-executive directors:</i>				
Mr LI Wah Ming (vi)	300	–	15	315
Mr CHEUNG, Johnson	300	–	15	315
Mr LEE Tak Chi	300	–	–	300
	900	14,445	604	15,949

Note:

- (i) Appointed on 24 September 2019
- (ii) Appointed on 1 February 2020
- (iii) Resigned on 13 December 2019
- (iv) Resigned on 1 February 2020
- (v) Appointed on 9 May 2019
- (vi) Resigned on 30 June 2019
- (vii) Retired on 15 June 2018
- (viii) Retired on 1 April 2019

### (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 subsidiary undertakings (2019: Nil).

### (c) Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment during the year (2019: Nil).

# Notes to the Consolidated Financial Statements

31 March 2020

## 9 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

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

No payment was made to the third parties for making available directors' services (2019: Nil).

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

The information about loans, quasi-loans and other dealings entered into by the company or subsidiary undertaking of the company, where applicable, in favour of directors are set out in Note 27.

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

Other than those disclosed in Note 27, 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 (2019: Nil).

## 10 FINANCE INCOME AND FINANCE COSTS

	2020 HK\$'000	2019 HK\$'000
Finance income:		
– Bank interest income	1,109	4,867
Finance costs:		
– Interest expense on bank borrowings	7,750	15,445
– Interest expense on loans from shareholders (Note 34)	2,377	720
– Interest expense on lease liabilities (Note 17)	11,076	–
– Imputed interest expenses on other receivables	4,966	–
	26,169	16,165

# Notes to the Consolidated Financial Statements

31 March 2020

## 11 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year. Corporate income tax on profit from subsidiaries operating in the PRC have been calculated at 25% in accordance with the relevant PRC tax law and regulations. 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.

	2020 HK\$'000	2019 HK\$'000
Current income tax expense		
– Hong Kong profits tax	–	8
– PRC corporate income tax	1,549	3,631
– Overseas corporate income tax	–	35
– (Over)/under-provision in prior years	(4)	17
Deferred income tax charge (Note 30)	3,899	8,257
Income tax expense	<b>5,444</b>	11,948

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

	2020 HK\$'000	2019 HK\$'000
Loss before income tax	<b>(593,986)</b>	(551,215)
Tax calculated at a tax rate of 16.5% (2019: 16.5%)	<b>(98,008)</b>	(90,951)
Effect of different tax rates in other countries	<b>(3,094)</b>	(1,400)
Income not subject to tax	<b>(992)</b>	(1,280)
Expenses not deductible for tax purposes	<b>56,802</b>	42,470
(Over)/under provision in prior years	<b>(4)</b>	17
Reversal of tax losses previously recognised	–	7,927
Tax losses not recognised	<b>50,740</b>	55,199
Utilisation of previously recognised tax loss	–	(34)
Income tax expense	<b>5,444</b>	11,948

# Notes to the Consolidated Financial Statements

31 March 2020

## 12 LOSS PER SHARE

### Basic

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

	2020	2019
Loss attributable to equity holders of the Company (HK\$'000)	(599,374)	(563,134)
Weighted average number of ordinary shares in issue	723,244,650	594,051,359
Basic loss per share (HK cents)	(82.9)	(94.8)

### Diluted

Diluted loss 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 31 March 2020 and 2019. Therefore, the diluted loss per share are the same as basic loss per share.

## 13 DIVIDENDS

The directors do not recommend the payment of a final dividend in respect of the year ended 31 March 2020 (2019: Nil).

# Notes to the Consolidated Financial Statements

31 March 2020

## 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
<b>At 1 April 2018</b>							
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>Year ended 31 March 2019</b>							
Opening net book amount	125,360	29,469	89,279	59,923	40,871	5,105	350,007
Additions	-	14,992	13,727	15,023	2,307	727	46,776
Disposals	-	-	(181)	(1,676)	(314)	(178)	(2,349)
Depreciation	(4,169)	(14,181)	(9,866)	(12,289)	(6,688)	(1,056)	(48,249)
Impairment loss	-	(6,312)	(13,688)	-	-	-	(20,000)
Transfer to investment properties	(4,485)	-	-	-	-	-	(4,485)
Exchange differences	(16)	-	(3,397)	(1,092)	(346)	(52)	(4,903)
Closing net book amount	116,690	23,968	75,874	59,889	35,830	4,546	316,797
<b>At 31 March 2019</b>							
Cost	121,709	304,498	135,959	179,419	79,088	9,981	830,654
Accumulated depreciation and impairment	(5,019)	(280,530)	(60,085)	(119,530)	(43,258)	(5,435)	(513,857)
Net book amount	116,690	23,968	75,874	59,889	35,830	4,546	316,797

# Notes to the Consolidated Financial Statements

31 March 2020

## 14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	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 31 March 2020							
Opening net book amount	116,690	23,968	75,874	59,889	35,830	4,546	316,797
Adjustment for change in accounting policy (Note 2.2)	(68,070)	-	-	-	-	-	(68,070)
Restated opening net book amount	48,620	23,968	75,874	59,889	35,830	4,546	248,727
Additions	-	19,902	2,565	13,193	3,323	-	38,983
Disposals	-	-	(584)	(1,185)	(1,189)	(460)	(3,418)
Depreciation	(1,726)	(11,929)	(10,160)	(12,378)	(5,652)	(886)	(42,731)
Impairment loss (Note (c))	-	(31,941)	(63,817)	-	-	-	(95,758)
Exchange differences	-	-	(3,878)	(1,314)	(335)	(53)	(5,580)
Closing net book amount	46,894	-	-	58,205	31,977	3,147	140,223
At 31 March 2020							
Cost	50,762	324,351	130,796	184,810	79,799	8,227	778,745
Accumulated depreciation and impairment	(3,868)	(324,351)	(130,796)	(126,605)	(47,822)	(5,080)	(638,522)
Net book amount	46,894	-	-	58,205	31,977	3,147	140,223

(b) Depreciation expenses have been included in:

	2020 HK\$'000	2019 HK\$'000
Cost of goods sold	32,869	37,179
Administrative expenses	9,862	11,070
	42,731	48,249

(c) For impairment assessment, the Group assess the recoverable amount of the property, plant and equipment with reference to the higher of the assets' fair value less costs to disposal and value in use. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. As a result, the Group made an additional provision for impairment of approximately HK\$95,758,000 for the year ended 31 March 2020.

(d) As at 31 March 2020, certain of the Group's bank borrowing is secured by land and buildings and right-of-use assets with carrying value of HK\$112,065,000 (2019: HK\$116,177,000) (Note 26).

# Notes to the Consolidated Financial Statements

31 March 2020

## 15 INVESTMENT PROPERTIES

	2020 HK\$'000	2019 HK\$'000
Beginning of the year	78,238	93,988
Transfer from property, plant and equipment and leasehold land and land use rights after revaluation	–	75,767
Disposal	–	(85,700)
Fair value loss (Note 6)	(18,209)	(2,726)
Exchange difference	(4,229)	(3,091)
End of the year	55,800	78,238

Rental income derived from the investment properties amounted to approximately HK\$2,436,000 (2019: HK\$4,724,000) 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 31 March 2020 has been determined on the basis of valuation carried out by an independent qualified valuer, LCH (Asia-Pacific) Surveyors Limited (the "Valuer") (2019: 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.

### 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.

# Notes to the Consolidated Financial Statements

31 March 2020

## 15 INVESTMENT PROPERTIES (CONTINUED)

### Fair value measurements using significant unobservable inputs (Continued)

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 31 March 2020, yields ranging from 4.7% to 7.0% (2019: 2.0% to 6.2%) were adopted in the term yields analysis for the Group's investment properties.

For the investment properties of the Group, the prevailing market price are estimated based on recent sales transactions nearby. The lower the prices, the lower is the fair value. At 31 March 2020, prevailing market prices ranged from HK\$718 to HK\$768 (2019: HK\$442 to HK\$1,742) per square foot on site area basis and from RMB19,608 to RMB23,533 (2019: RMB25,512 to RMB38,850) per square meter on saleable area basis were adopted in the term and reversionary analysis for the Group's investment properties location in Hong Kong and the PRC, respectively.

## 16 LEASEHOLD LAND AND LAND USE RIGHTS

	2020 HK\$'000	2019 HK\$'000
Beginning of the year	–	5,926
Amortisation (Note 7)	–	(47)
Transfer to investment properties	–	(5,859)
Exchange differences	–	(20)
End of the year	–	–

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

# Notes to the Consolidated Financial Statements

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## 17 LEASES

This note provides information for leases where the Group is a lessee.

### (i) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

#### (a) Right-of-use assets

	Leasehold land HK\$'000	Office and buildings HK\$'000	Total HK\$'000
As at 1 April 2019	68,070	226,989	295,059
Additions	–	3,356	3,356
Termination	–	(677)	(677)
Depreciation	(2,409)	(22,467)	(24,876)
Remeasurement	–	(166,360)	(166,360)
Impairment loss	–	(30,342)	(30,342)
Exchange differences	–	(10,499)	(10,499)
As at 31 March 2020	<b>65,661</b>	<b>–</b>	<b>65,661</b>

Note: For impairment assessment, the Group assesses the recoverable amount of the right-of-use assets with reference to the higher of the assets' fair value less costs to disposal and value in use. As a result, the Group made a provision for impairment of approximately HK\$30,342,000 for the year ended 31 March 2020.

# Notes to the Consolidated Financial Statements

31 March 2020

## 17 LEASES (CONTINUED)

### (i) Amounts recognised in the consolidated balance sheet (Continued)

#### (b) Lease liabilities

	HK\$'000
As at 1 April 2019	279,343
Additions	3,314
Termination	(616)
Payments	(23,426)
Remeasurement	(166,360)
Exchange differences	(14,027)
As at 31 March 2020	<u>78,228</u>
<b>Analysed into:</b>	
Current	31,050
Non-current	<u>47,178</u>
	<u>78,228</u>

### (ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	2020 HK\$'000
<b>Depreciation charge of right-of-use assets</b>	
Leasehold land	2,409
Office and buildings	<u>22,467</u>
	<u>24,876</u>
Provision for impairment of right-of-use assets	30,342
Interest expense on lease liabilities (Note 10)	11,076
Expenses relating to leases of short-term leases (Note 7)	<u>2,232</u>

The total cash outflow for leases for the year was HK\$36,734,000.

# Notes to the Consolidated Financial Statements

31 March 2020

## 18 INTANGIBLE ASSETS

	Licence right HK\$'000	Deferred development costs HK\$'000	Total HK\$'000
At 1 April 2018			
Cost	78,000	40,766	118,766
Accumulated amortisation	(78,000)	(4,114)	(82,114)
Net book amount	–	36,652	36,652
For the year ended 31 March 2019			
At 1 April 2018	–	36,652	36,652
Additions	–	1,186	1,186
Amortisation	–	(13,932)	(13,932)
Impairment loss	–	(21,761)	(21,761)
Exchange differences	–	(141)	(141)
Net book amount	–	2,004	2,004
At 31 March 2019			
Cost	78,000	41,683	119,683
Accumulated amortisation and impairment	(78,000)	(39,679)	(117,679)
Net book amount	–	2,004	2,004
For the year ended 31 March 2020			
At 1 April 2019	–	2,004	2,004
Additions	–	657	657
Amortisation	–	(1,785)	(1,785)
Impairment loss	–	(810)	(810)
Exchange differences	–	(66)	(66)
Net book amount	–	–	–
At 31 March 2020			
Cost	78,000	42,112	120,112
Accumulated amortisation and impairment	(78,000)	(42,112)	(120,112)
Net book amount	–	–	–

- (a) Amortisation expenses of license right and deferred development costs have been included in cost of goods sold.
- (b) For impairment assessment, the Group assess the recoverable amount of the intangible assets with reference to the higher of the assets' fair value less costs to disposal and value in use. As a result, the Group made an additional provision for impairment of approximately HK\$810,000 for the deferred development costs for the year ended 31 March 2020.

# Notes to the Consolidated Financial Statements

31 March 2020

## 19 SUBSIDIARIES

As at 31 March 2020, 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
			2020		2019		
			Direct	Indirect	Direct	Indirect	
Alco Investments (B.V.I.) Limited	The British Virgin Islands	Ordinary USD50,000	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 <sup>1</sup>	The PRC	Registered capital HK\$120,000,000	-	100	-	100	Manufacture of AV and Notebook products
Alco Electronics (Shenzhen) Limited <sup>1</sup>	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	-	100	Property holding

Note:

<sup>1</sup> Represents a wholly foreign owned enterprise.

The above table lists out the principal subsidiaries of the Company as at 31 March 2020 and 2019 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.

# Notes to the Consolidated Financial Statements

31 March 2020

## 20 FINANCIAL INSTRUMENTS BY CATEGORY

	2020 HK\$'000	2019 HK\$'000
Financial assets at amortised cost		
Trade and other receivables	474,755	529,903
Cash and cash equivalents	104,481	277,474
Total	<b>579,236</b>	807,377

	2020 HK\$'000	2019 HK\$'000
Financial liabilities at amortised cost		
Trade and other payables	107,160	197,683
Bank borrowings	157,370	183,913
Loans from shareholders	161,200	–
Lease liabilities	78,228	–
Total	<b>503,958</b>	381,596

## 21 INVENTORIES

	2020 HK\$'000	2019 HK\$'000
Raw materials	293,215	330,808
Work in progress	11,684	23,152
Finished goods	208,140	279,750
	<b>513,039</b>	633,710
Less: Provision for impairment	<b>(176,467)</b>	(153,462)
	<b>336,572</b>	480,248

The cost of inventories recognised as expenses and included in cost of goods sold amounted to approximately HK\$815,614,000 (2019: HK\$1,342,403,000).

# Notes to the Consolidated Financial Statements

31 March 2020

## 22 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2020 HK\$'000	2019 HK\$'000
Non-current		
Prepayments, deposits and other receivables	59,932	11,560
Less: Loss allowance	(3,115)	–
	<b>56,817</b>	11,560
Current		
Trade receivables	394,822	512,054
Less: Loss allowance	(7,770)	(1,300)
Trade receivables, net	<b>387,052</b>	510,754
Prepayments, deposits and other receivables	55,103	20,550
	<b>442,155</b>	531,304
	<b>498,972</b>	542,864

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 their carrying amounts.

At 31 March 2020 and 2019, the ageing analysis of the trade receivables based on shipping terms is as follows:

	2020 HK\$'000	2019 HK\$'000
0 – 30 days	40,999	41,899
31 – 60 days	124,568	62,159
61 – 90 days	94,733	69,602
Over 90 days	126,752	337,094
	<b>387,052</b>	510,754

# Notes to the Consolidated Financial Statements

31 March 2020

## 22 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

Movements of the loss allowance of trade receivables are as follows:

	2020 HK\$'000	2019 HK\$'000
At 1 April	1,300	4,808
Receivables written off during the year as uncollectable	–	(2,908)
Provision for/(reversal of) impairment losses	6,470	(600)
At 31 March	7,770	1,300

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables are presented as net impairment losses within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

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

	2020 HK\$'000	2019 HK\$'000
USD	348,200	494,842
Canadian dollar	18,315	247
HKD	10,634	5,475
NTD	5,191	6,710
GBP	2,556	664
Euro ("EUR")	18	23
Singapore dollar ("SGD")	–	1,685
Others	2,138	1,108
	<b>387,052</b>	<b>510,754</b>

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

# Notes to the Consolidated Financial Statements

31 March 2020

## 23 CASH AND CASH EQUIVALENTS

	2020 HK\$'000	2019 HK\$'000
Cash at bank and on hand	104,481	191,015
Short-term bank deposits	–	86,459
	<b>104,481</b>	<b>277,474</b>
Maximum exposure to credit risk	<b>103,198</b>	<b>276,726</b>

As at 31 March 2020, the Group's cash and cash equivalents of approximately HK\$8,269,000 (2019: HK\$24,402,000) denominated in RMB were deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the China Government.

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

	2020 HK\$'000	2019 HK\$'000
HKD	64,171	78,716
USD	25,049	87,677
RMB	9,367	101,311
NTD	4,121	3,644
Denmark Krone ("DKK")	1,179	985
GBP	368	3,822
EUR	105	167
Malaysian Ringgit	95	574
SGD	25	577
Others	1	1
	<b>104,481</b>	<b>277,474</b>

# Notes to the Consolidated Financial Statements

31 March 2020

## 24 OTHER CURRENT ASSETS

	2020 HK\$'000	2019 HK\$'000
Right to returned goods	459	7,986

## 25 TRADE AND OTHER PAYABLES

	2020 HK\$'000	2019 HK\$'000
Non-current		
Other payables	4,666	4,720
Current		
Trade payables	39,637	94,128
Other payables and accruals	87,342	95,979
Refund liabilities (Note i)	1,700	15,233
	<b>128,679</b>	205,340
	<b>133,345</b>	210,060

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

- (i) When a customer has a right to return product within a given period, the Group recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled. The Group also recognises a right to the returned goods (Note 24).

At 31 March 2020 and 2019, the ageing analysis of the trade payables based on invoice date is as follows:

	2020 HK\$'000	2019 HK\$'000
0 – 30 days	23,897	76,763
31 – 60 days	5,225	8,446
61 – 90 days	4,571	2,008
Over 90 days	5,944	6,911
	<b>39,637</b>	94,128

# Notes to the Consolidated Financial Statements

31 March 2020

## 25 TRADE AND OTHER PAYABLES (CONTINUED)

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

	2020 HK\$'000	2019 HK\$'000
USD	25,888	69,132
HKD	12,452	23,331
DKK	1,148	1,575
RMB	126	63
NTD	23	27
	<b>39,637</b>	94,128

## 26 BANK BORROWINGS

	2020 HK\$'000	2019 HK\$'000
Non-current		
Bank borrowing, secured (Note i)	–	40,516
Current		
Bank borrowing, secured (Note i)	111,852	1,705
Bank borrowings, unsecured (Note ii)	45,518	141,692
	<b>157,370</b>	143,397
	<b>157,370</b>	183,913

Notes:

- (i) As at 31 March 2020, the bank borrowing is secured by the Group's land and buildings and right-of-use assets with the carrying amounts of HK\$112,065,000 (2019: HK\$116,177,000) (Note 14).
- (ii) The bank borrowings are unsecured and supported by corporate guarantees given by the Company (Note 32).

# Notes to the Consolidated Financial Statements

31 March 2020

## 26 BANK BORROWINGS (CONTINUED)

The maturity of bank borrowings is as follows:

	2020 HK\$'000	2019 HK\$'000
Within one year	157,370	143,397
In the second year	–	1,758
In the third to fifth year	–	5,607
Over five years	–	33,151
	<b>157,370</b>	<b>183,913</b>

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

As at 31 March 2020, the borrowings were interest-bearing at a margin over HIBOR or Lender's Costs of Funds (2019: HIBOR, London Inter-bank Offered Rate ("LIBOR") or Lender's Costs of Funds).

The carrying amounts of bank borrowings are denominated in the following currencies:

	2020 HK\$'000	2019 HK\$'000
HKD	64,703	66,641
USD	92,667	117,272
	<b>157,370</b>	<b>183,913</b>

### Covenants

During the year ended 31 March 2020, some of the Group's banking facilities are subject to financial and non-financial covenant clauses, whereby the Group is required to meet certain key performance indicators and conditions including but not limited to the Group's sales volume, current ratio, net gearing ratio, tangible net worth and interest coverage.

The Group failed to comply with certain financial covenants in respect of the Group's facilities with three banks totaling HK\$437,150,000, of which HK\$88,272,000 was utilised by the Group as bank borrowings as of 31 March 2020. Under these bank facilities letters, such non-compliance of covenants may give the relevant banks a right to cancel or suspend the facilities.

On 18 June 2020 and 23 June 2020, the Group obtained written waivers from two banks mentioned above from complying with the relevant financial covenants for the year ended 31 March 2020, respectively.

# Notes to the Consolidated Financial Statements

31 March 2020

## 27 LOANS FROM SHAREHOLDERS

	2020 HK\$'000	2019 HK\$'000
Mr LEUNG Kai Ching, Kimen	78,200	–
Mr LEUNG Wai Sing, Wilson	83,000	–
	<b>161,200</b>	–

The carrying amounts of the loans from shareholders approximate their fair values.

As at 31 March 2020, the loans from shareholders were interest-bearing at 1.3% over 1-month HIBOR or LIBOR per annum. The balances were repayable on 31 December 2021.

The carrying amounts of loans from shareholders are denominated in the following currencies:

	2020 HK\$'000	2019 HK\$'000
HKD	83,000	–
USD	78,200	–
	<b>161,200</b>	–

- (i) Subsequent to the year end, on 15 June 2020, the Group entered into a deed of funding undertakings with one of its major shareholders, Chairman and Chief Executive Officer, Mr. Leung, to provide funding to the Group. The funding notice could be issued at the discretion of the Company to Mr. Leung within eighteen months from the date of the deed, i.e. 15 December 2021. The total amount of funding undertakings shall not exceed HK\$170,000,000.
- (ii) Subsequent to the year end, on 16 June 2020, the Group drew down a loan of HK\$50,000,000 from Mr. Leung under the terms of the deed. The loan is unsecured and repayable after eighteen months from the date of draw down and interest bearing at 1.3% over 1-month HIBOR per annum. The amount of available funding under the deed of funding undertakings was HK\$120,000,000 as at 29 June 2020.

# Notes to the Consolidated Financial Statements

31 March 2020

## 28 SHARE CAPITAL

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

	2020		2019	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
Ordinary shares of HK\$0.10 each	<b>800,000,000</b>	<b>80,000</b>	800,000,000	80,000
Issued and fully paid:				
Ordinary shares of HK\$0.10 each				
At the beginning of the year	<b>723,244,650</b>	<b>72,324</b>	578,595,720	57,860
Issuance of rights shares (Note a)	–	–	144,648,930	14,464
At the end of the year	<b>723,244,650</b>	<b>72,324</b>	723,244,650	72,324

### (a) Issuance of rights shares

On 21 February 2019, the rights issue on the basis of one right share for every four ordinary shares at a subscription price of HK\$0.87 per rights share was completed. A total of 144,648,930 shares were issued resulting in net proceeds of approximately HK\$123,865,000 to the Company. The new shares rank pari passu with the existing shares.

# Notes to the Consolidated Financial Statements

31 March 2020

## 29 RESERVES

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Revaluation reserve HK\$'000	Exchange and other reserves HK\$'000	Staff compensation reserve HK\$'000	Retained earnings HK\$'000	Sub-total HK\$'000
<b>At 1 April 2018</b>	308,278	1,089	-	(2,382)	11,783	1,353,170	1,671,938
Change in accounting policy	-	-	-	-	-	(1,900)	(1,900)
<b>Restated as at 1 April 2018</b>	308,278	1,089	-	(2,382)	11,783	1,351,270	1,670,038
<b>Comprehensive loss</b>							
Loss for the year	-	-	-	-	-	(563,134)	(563,134)
<b>Other comprehensive income/(loss)</b>							
Currency translation differences	-	-	-	(12,412)	-	-	(12,412)
Revaluation gain on transfer of owner occupied property to investment property	-	-	65,423	-	-	-	65,423
<b>Total comprehensive income/(loss)</b>	-	-	65,423	(12,412)	-	(563,134)	(510,123)
<b>Transactions with owners</b>							
2018 final dividend	-	-	-	-	-	(11,572)	(11,572)
Issuance of right shares	109,401	-	-	-	-	-	109,401
<b>Total transactions with owners</b>	109,401	-	-	-	-	(11,572)	97,829
<b>At 31 March 2019</b>	417,679	1,089	65,423	(14,794)	11,783	776,564	1,257,744
<b>At 1 April 2019</b>	417,679	1,089	65,423	(14,794)	11,783	776,564	1,257,744
Change in accounting policy (Note 2.2)	-	-	-	-	-	(42,386)	(42,386)
<b>Restated as at 1 April 2019</b>	417,679	1,089	65,423	(14,794)	11,783	734,178	1,215,358
<b>Comprehensive loss</b>							
Loss for the year	-	-	-	-	-	(599,374)	(599,374)
<b>Other comprehensive loss</b>							
Currency translation differences	-	-	-	(6,734)	-	-	(6,734)
<b>Total comprehensive loss</b>	-	-	-	(6,734)	-	(599,374)	(606,108)
<b>At 31 March 2020</b>	417,679	1,089	65,423	(21,528)	11,783	134,804	609,250

# Notes to the Consolidated Financial Statements

31 March 2020

## 30 DEFERRED INCOME TAX

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.

	2020 HK\$'000	2019 HK\$'000
Deferred income tax assets to be recovered after more than 12 months	–	16,550
Deferred income tax liabilities to be settled after more than 12 months	–	(8,397)
Deferred income tax assets, net	–	8,153

The movement in deferred income tax assets/(liabilities) 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
<b>As at 1 April 2018</b>	17,814	(3,723)	(2,979)	5,678	16,790
(Charged)/credited to consolidated income statement	(10,659)	(308)	2,529	181	(8,257)
Exchange difference	(9)	(186)	9	(194)	(380)
As at 31 March 2019	7,146	(4,217)	(441)	5,665	8,153
Adjustment on adoption of HKFRS 16	–	–	–	(4,074)	(4,074)
<b>Restated as at 1 April 2019</b>	7,146	(4,217)	(441)	1,591	4,079
<b>As at 1 April 2019</b>	<b>7,146</b>	<b>(4,217)</b>	<b>(441)</b>	<b>1,591</b>	<b>4,079</b>
(Charged)/credited to consolidated income statement	(7,146)	4,397	441	(1,591)	(3,899)
Exchange difference	–	(180)	–	–	(180)
<b>As at 31 March 2020</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

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\$142,639,000 (2019: HK\$92,798,000) in respect of tax losses amounting to approximately HK\$824,734,000 (2019: HK\$538,188,000) that can be carried forward against future taxable profit. Approximately HK\$791,085,000 (2019: HK\$528,828,000) of the unrecognised tax losses have no expiry date and HK\$24,009,000 (2019: HK\$3,303,000) will be expired within five years and HK\$9,640,000 (2019: HK\$6,057,000) will be expired after five years.

# Notes to the Consolidated Financial Statements

31 March 2020

## 31 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

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

	2020 HK\$'000	2019 HK\$'000
Loss before income tax	(593,986)	(551,215)
Adjustments for		
Interest income	(1,109)	(4,867)
Interest expense	26,169	16,165
Amortisation of intangible assets	1,785	13,932
Loss on disposal of plant and equipment	323	433
Depreciation of property, plant and equipment	42,731	48,249
Depreciation of right-of-use assets	24,876	–
Provision for impairment for inventories	23,622	34,413
Provision for/(reversal of) impairment losses on financial assets	9,585	(600)
Net gain on disposal of investment property	–	(2,650)
Impairment of intangible assets	810	21,761
Impairment of property, plant and equipment	95,758	20,000
Impairment of right-of-use assets	30,342	–
Loss on early termination of lease	53	–
Amortisation of leasehold land and land use rights	–	47
Fair value loss on investment properties	18,209	2,726
Operating loss before working capital changes	(320,832)	(401,606)
Decrease/(increase) in inventories	127,581	(119,056)
Decrease in trade and other receivables	35,046	341,509
Decrease in trade and other payables	(65,030)	(7,741)
Net cash used in operations	(223,235)	(186,894)

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

	2020 HK\$'000	2019 HK\$'000
Net book amount (Note 14)	3,418	2,349
Loss on disposal of plant and equipment (Note 7)	(323)	(433)
Proceeds from disposal of property, plant and equipment	3,095	1,916

# Notes to the Consolidated Financial Statements

31 March 2020

## 31 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

### (c) Reconciliation of liabilities arising from financing activities

	Liabilities from financing activities			Total HK\$'000
	Bank borrowings HK\$'000	Loans from shareholders HK\$'000	Lease liabilities HK\$'000	
<b>At 1 April 2018</b>	(133,718)	–	–	(133,718)
Cash flows	(50,491)	–	–	(50,491)
Foreign exchange adjustments	296	–	–	296
<b>At 31 March 2019</b>	(183,913)	–	–	(183,913)
<b>At 1 April 2019</b>	<b>(183,913)</b>	–	–	<b>(183,913)</b>
Recognised on adoption of HKFRS 16 (Note 2.2)	–	–	(279,343)	(279,343)
<b>Restated as at 1 April 2019</b>	<b>(183,913)</b>	–	<b>(279,343)</b>	<b>(463,256)</b>
Cash flows	26,543	(161,200)	23,426	(111,231)
Foreign exchange adjustments	–	–	14,027	14,027
Other changes (Note)	–	–	163,662	163,662
<b>At 31 March 2020</b>	<b>(157,370)</b>	<b>(161,200)</b>	<b>(78,228)</b>	<b>(396,798)</b>

Note:

Other changes include non-cash movements, including addition of lease liabilities and remeasurement of leases.

# Notes to the Consolidated Financial Statements

31 March 2020

## 32 BANKING FACILITIES

As at 31 March 2020, banking facilities of approximately HK\$553,750,000 (2019: HK\$898,400,000) were granted by banks to the Group, of which approximately HK\$157,370,000 (2019: HK\$183,913,000) have been utilised by the Group. All banking facilities were supported by corporate guarantees given by the Company and as at 31 March 2020, bank borrowing of approximately HK\$112,218,000 (2019: HK\$42,221,000) is secured by charges over the Group's land and buildings and right-of-use assets with the carrying amounts of approximately HK\$112,065,000 (2019: HK\$116,177,000).

The Group has failed to comply with certain financial covenants of its borrowing facilities during the year ended 31 March 2020, see Note 26 for details.

## 33 COMMITMENTS

### (a) Capital commitments

	2020 HK\$'000	2019 HK\$'000
Moulds, plant and machinery contracted but not provided for	2,914	8,815

### (b) Operating lease commitments (as lessee)

From 1 April 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see Note 17 for further information.

	2020 HK\$'000	2019 HK\$'000
Not later than one year	–	41,680
Later than one year and not later than five years	–	145,636
Later than five years	–	191,526
	–	378,842

# Notes to the Consolidated Financial Statements

31 March 2020

## 33 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:

	2020 HK\$'000	2019 HK\$'000
Not later than one year	2,276	2,280
Later than one year and not later than five years	4,530	6,806
	6,806	9,086

The lease terms are from one to five years.

## 34 RELATED PARTY TRANSACTIONS

- (a) The Group had the following related party transactions in the normal course of business during the year:

	2020 HK\$'000	2019 HK\$'000
Interest expense on loans from shareholders		
– Mr LEUNG Kai Ching, Kimen (deceased)	1,789	720
– Mr LEUNG Wai Sing, Wilson	588	–
	2,377	720

	2020 HK\$'000	2019 HK\$'000
Rental expense		
– Advance Leather Products Limited	2,016	2,016

Note: Mr. LEUNG Kai Ching, Kimen (deceased) was a shareholder of both the Company and Advance Leather Products Limited.

### (b) The Key management compensation

Details on key management compensation are set out in Note 8.

# Notes to the Consolidated Financial Statements

31 March 2020

## 35 BALANCE SHEET OF THE COMPANY

	Note	2020 HK\$'000	2019 HK\$'000
<b>Non-current assets</b>			
Investments in subsidiaries		680,984	1,275,467
<b>Current assets</b>			
Other receivables		105	105
Current income tax assets		10	21
Cash and cash equivalents		76	1,693
		191	1,819
<b>Current liabilities</b>			
Other payables		255	1,576
<b>Net current (liabilities)/assets</b>			
		(64)	243
<b>Total assets less current liabilities</b>			
		680,920	1,275,710
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital		72,324	72,324
Reserves	a	608,596	1,203,386
<b>Total equity</b>			
		680,920	1,275,710

The balance sheet was approved by the Board of Directors on 29 June 2020 and was signed on its behalf.

LEUNG Wai Sing, Wilson  
Director

LIU Hoi Keung  
Director

# Notes to the Consolidated Financial Statements

31 March 2020

## 35 BALANCE SHEET OF THE COMPANY (CONTINUED)

(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
<b>At 1 April 2018</b>	308,278	1,089	40,586	11,783	713,714	1,075,450
<b>Comprehensive income</b>						
Profit for the year	-	-	-	-	30,107	30,107
<b>Transactions with owners</b>						
2018 final dividend	-	-	-	-	(11,572)	(11,572)
Issuance of rights shares	109,401	-	-	-	-	109,401
<b>Total transactions with owners</b>	109,401	-	-	-	(11,572)	97,829
<b>At 31 March 2019</b>	417,679	1,089	40,586	11,783	732,249	1,203,386
<b>At 1 April 2019</b>	417,679	1,089	40,586	11,783	732,249	1,203,386
<b>Comprehensive loss</b>						
Loss for the year	-	-	-	-	(594,790)	(594,790)
<b>At 31 March 2020</b>	417,679	1,089	40,586	11,783	137,459	608,596

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 6 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.

## 36 COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation.

# Principal Properties

31 March 2020

As at 31 March 2020, principal properties held for investment purposes are as follows:

Location	Lot number	Existing use	Lease 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
Units 2101 and 2104 on Level 21 and Units 2301, 2302, 2302A, 2303 and 2304 on Level 23, Huangcheng Plaza, No. 7 Futian Road South, Futian District, Shenzhen, the PRC	Not applicable	Commercial 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:

	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000
Revenue	<b>961,246</b>	1,545,212	2,080,707	2,100,142	2,879,104
(Loss)/profit attributable to equity holders of the Company	<b>(599,374)</b>	(563,134)	(85,808)	73,897	506,028
Total assets	<b>1,216,024</b>	1,726,839	2,081,398	2,378,157	2,971,460
Total liabilities	<b>(535,104)</b>	(397,369)	(352,169)	(531,666)	(986,462)
Total equity	<b>680,920</b>	1,329,470	1,729,229	1,846,491	1,984,998

# 目錄

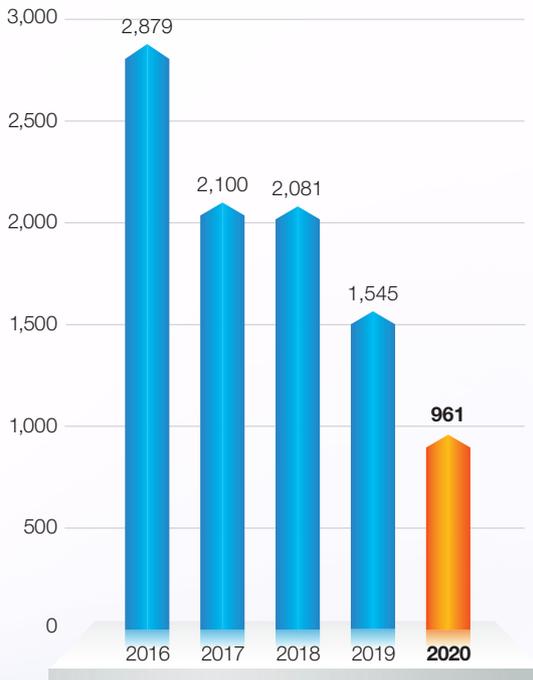
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# 公司資料

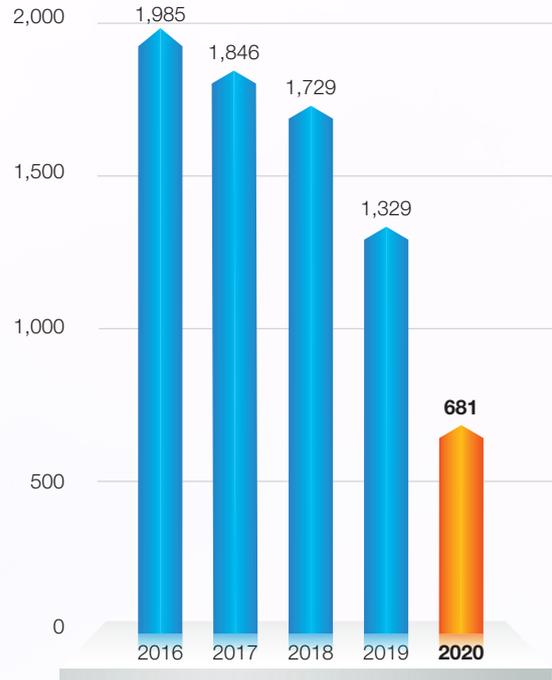
董事	梁偉成先生(主席) 梁錦輝先生 廖開強先生 李德志先生* 張富紳先生* 張嘉榮先生*
	* 獨立非執行董事
公司秘書	廖開強先生
主要往來銀行	恒生銀行有限公司 上海商業銀行有限公司 創興銀行有限公司
核數師	羅兵咸永道會計師事務所 執業會計師 註冊公眾利益實體核數師
百慕達法律顧問	Conyers
註冊辦事處	Clarendon House 2 Church Street Hamilton HM11 Bermuda
總辦事處及主要營業地點	香港 新界 沙田 安耀街2號 新都廣場11樓
主要過戶登記處	Conyers Corporate Services (Bermuda) Limited 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54樓
網址	<a href="http://www.alco.com.hk">http://www.alco.com.hk</a>
股份代號	328

# 財務摘要

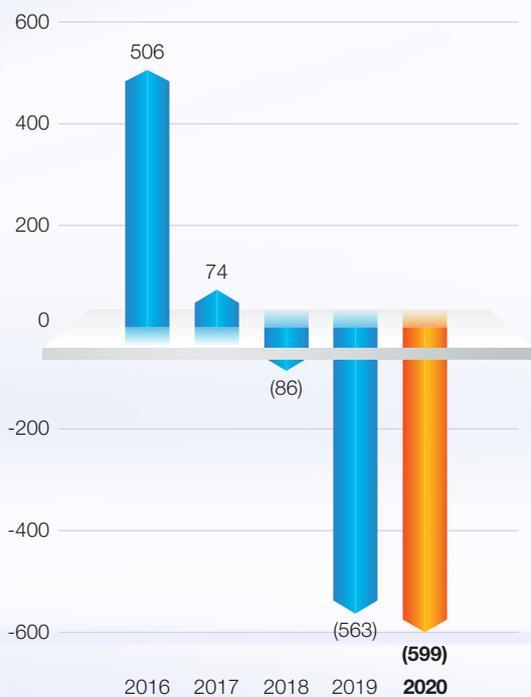
**營業額**  
(百萬港元)



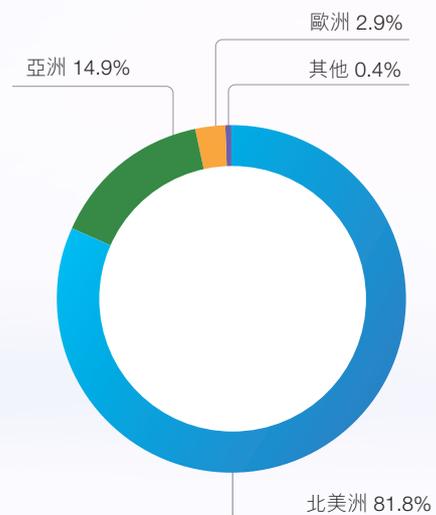
**股東權益**  
(百萬港元)



**股東應佔溢利 / (虧損)**  
(百萬港元)



**於二零二零年按地區  
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」）截至二零二零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9億6千1百萬港元（二零一九年：15億4千5百萬港元），而股東應佔淨虧損為5億9千9百萬港元（二零一九年：股東應佔淨虧損5億6千3百萬港元）。淨虧損的部分原因是銷售減少約38%。而銷售減少，主要是由於持續中美貿易戰帶來的不確定性，抑制了美國（本集團平板電腦及影視產品的主要市場）買家大量訂購及訂購可能受突然徵收關稅影響的型號的意欲。此外，年初COVID-19的爆發嚴重影響了我們今年二月及三月產品的生產及交付。AVITA、Nexstgo及VAIO筆記型電腦的持續及龐大廣告及宣傳投資，加上針對不同市場的不同價格點開發更多種類的筆記型電腦型號而產生的成本，均進一步影響盈利能力。

淨虧損的其他原因是存貨及若干非流動資產的減值。對於存貨，除了於往年計提的撥備1億5千3百萬港元之外，本集團作出額外減值2千4百萬港元。由於本集團的業務已產生虧損，本集團須評估相關資產的可收回金額，根據相關會計準則的規定，本集團對若干物業、廠房及設備、使用權資產、無形資產及應收賬款作出進一步減值撥備1億3千6百萬港元。最後，投資物業的公平值虧損約為1千8百萬港元。

董事不建議派發截至二零二零年三月三十一日止財政年度之末期股息（二零一九年：無）。



## 業務回顧

自回顧財政年度初開始，整體宏觀經濟情況進一步惡化。中美貿易戰持續升溫，加上全球經濟疲弱，特別是本財政年度下半年，繼續削弱零售商的信心，許多零售商決定採用散件式、小批量及短交付週期的方式下單，以避免可能徵收的不可預測的新關稅。這給本集團帶來生產成本增加及銷量減少的雙重損害。



此外，自本財政年度最後一個季度以來，COVID-19爆發嚴重破壞了我們的生產設施及供應鏈的運作。中國內地的許多省市已採取緊急公共衛生措施，並採取各種行動以防止病毒傳播。部分工人無法於延長的春節假期後返回我們的東莞工廠。此外，我們許多中國內地的供應商亦無法於延長的新年假期後立即恢復工作，導致我們的供應鏈出現重大中斷。COVID-19疫情造成的這種前所未有的狀況導致東莞工廠於本財政年度最後一個季度幾乎關閉，大大延遲及減少了我們向客戶的交付，從而對本集團最後一個季度的營業額造成重大影響。然而，由於我們工廠管理層的不懈努力以及自二零二零年四月以來中國內地冠狀病毒的正面發展，東莞工廠的產能已恢復至近80%。但是，由於本集團的供應鏈尚未完全恢復，至少在二零二零年七月至九月，我們仍將面臨若干零部件的短缺。



# 主席報告

正如廣泛報導的那樣，由於COVID-19，許多國家實施大規模封鎖、檢疫措施以及實際上停止了許多經濟活動。鑑於消費者需求的大幅下降及經濟下滑，許多不同行業的公司甚至全球公司都不得不調整其盈利預測，甚至有很多公司宣佈破產保護。在這種空前的情況下，我們的零售客戶本已脆弱的信心進一步減弱，其中許多人對銷售及預測採取保守的態度。受影響最嚴重的是本集團的影音產品，該等產品歷來在美國零售商中最受歡迎並依賴美國零售商。由於許多技術合作夥伴停業，我們筆記型電腦業務的預期增長亦未實現（儘管二零一九年前九個月的發貨量與二零一八年四月一日至二零一九年三月三十一日的發貨量相同），導致原計劃於回顧財政年度最後一個季度推出的型號有所延遲。

儘管本年度面臨如此嚴峻及前所未有的挑戰，但本集團仍繼續實施一項長期增長策略，以AVITA、Nexstgo、Venturer及Vaio品牌的筆記型電腦的開發及推廣為中心。於回顧年度，本集團組合中共有20多種筆記型電腦型號。除本集團去年進入的10個主要亞洲市場（即香港、台灣、新加坡、馬來西亞、中國、印度、印度尼西亞、越南、泰國及菲律賓）外，於回顧年度，我們亦已進入孟加拉國、中東（巴林、卡塔爾及沙特阿拉伯）、英國、愛爾蘭、美國、非洲（毛里求斯）、澳大利亞及巴布亞新幾內亞市場。



# 主席報告

此外，為提高消費者對我們筆記型電腦品牌的認知，我們於回顧年度積極參加全球內的各個電腦展覽會，例如拉斯維加斯的CES（二零二零年一月）、新加坡的COMEX（二零一九年九月）、香港電腦通訊節（二零一九年八月）及台灣的COMPUTEX（二零一九年六月）。特別是，AVITA筆記型電腦獲得了全球認受，並獲得2020 CES Innovation Awards及2019 Computex Best Choice Award等國際獎項。於回顧年度最令人振奮及鼓舞人心的消息之一是，根據行業調查，無論屏幕尺寸、技術配置或零售價格如何，其中一款AVITA筆記型電腦於二零二零年三月成為香港最暢銷的機型。



CES 2020



CHKCI 2019

CORPHUB 2019



COMPUTEX TAIPEI 2019



CAPITAL MAGAZINE 2019



EZONE MAGAZINE 2019



PC3 MAGAZINE 2019

# 主席報告

## 展望

即使冠狀病毒大流行正在全球逐步緩和及消退，但可以毫不誇張地說，二零二零／二一財政年度現在及未來均充滿挑戰，尤其是鑑於中美之間貿易爭端的持續惡化。因此，對於本集團而言，更加重要的是繼續專注地根據我們自有品牌的產品實力及競爭力實施我們的產品及市場拓展策略。

配合上述策略，隨著本集團供應鏈的逐步恢復，於二零二零／二零二一財政年度第一季度推出許多新的筆記型電腦型號，所有型號都收到來自各個市場零售渠道的良好反饋。實際上，我們於二零二零／二零二一年第一季度的筆記型電腦發貨量與二零一九／二零

二零年全年幾乎相同。此外，根據本集團目前銷售筆記型電腦的所有市場的最新預測，於二零二零／二零二一年第二季度的筆記型電腦發貨量應該是二零一九／二零二零年全年的至少兩倍，但這在很大程度上取決於我們的供應鏈是否恢復正常。

對本集團筆記型電腦需求的激增，部分是由於越來越多的公司開始選擇在家辦公(WFH)，另一部分是由於學生開始在家遠程學習。此外，最近對我們筆記型電腦的需求激增是本集團堅定不移地致力於不斷推廣及開發更多種類的筆記型電腦型號以適應不同市場中不同價格點的直接結果。



PURA 15.6"

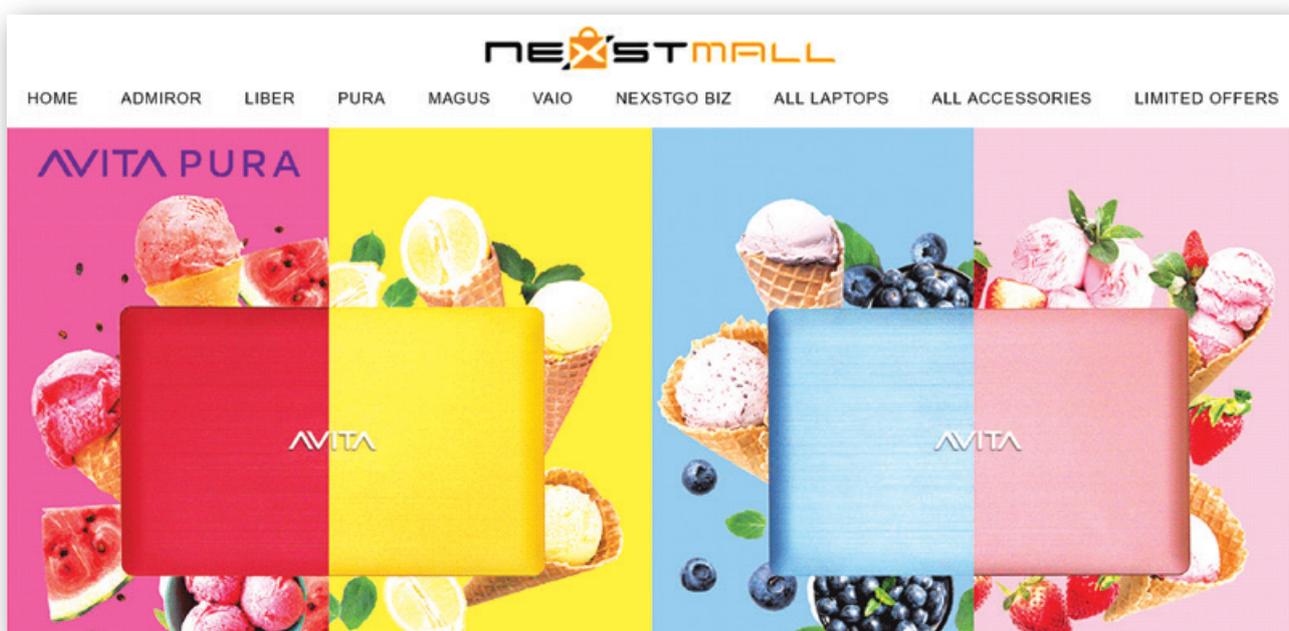


ESSENTIAL 14"

# 主席報告

作為上述原因的直接結果，我們目前正在與有興趣大量訂購我們筆記型電腦的大型分銷商及國際連鎖店密切合作。基於來年筆記型電腦業務的大幅增長，我們亦正在就零件購買的批量折扣與供應鏈密切合作，而這反過來將有助於提高我們的毛利率。

由於在COVID-19疫情下，在線購物在許多國家變得越來越流行及必要，因此，除與傳統的實體零售渠道合作之外，我們亦積極地在網上進行越來越多的銷售。我們將繼續在直接的在線商店及數字營銷活動中投入更多資源，目標在不遠的將來，在線銷售將成為本集團總營業額的主要貢獻者。



# 主席報告

除不斷加強我們的產品組合及市場佔有率外，本集團亦緊記提高產能的重要性。為了減少對直接人工的依賴，我們繼續使製造流程自動化並予以精簡，從而進一步提高東莞工廠的效率及產品的質量／可靠性。儘管已擁有100多個機器人，但本集團將繼續投資於自動化，控制製造費用並確保更大的靈活性，這對於滿足筆記型電腦產品不斷增長的需求尤其重要。

對於影音產品，除常規產品如條形音箱及家庭影院系統外，本集團正在開發一系列智能家居，該等家具融合了音頻及視頻元素以及無線通信功能。憑藉我們在影音及筆記型電腦技術方面的能力，我們旨在為新一代精通互聯網的消費者開發一系列獨特且有吸引力的數碼家具產品。



# 主席報告

考慮到中美之間的政治動盪以及COVID-19的影響，可以說，至少二零二零／二一財政年度仍然極具挑戰性。我們尚不知曉疫情何時才能真正結束以及經濟如何復蘇。然而，我們確信我們將繼續採取果斷措施，包括精簡運營的各個方面以降低成本，繼續投資開發新產品，充分利用營銷成本以開拓新市場及新客戶，進一步增強我們的在線業務，最後但同樣重要的一點是，不斷地使我們的生產活動自動化。在經驗豐富且敬業的管理團隊的支持下，我們對本集團的長期業務前景及成功充滿信心。

## 致謝

本人謹藉此機會代表董事會，對管理團隊多年來盡心盡力作出貢獻致謝，同時感謝Alco集團公司全體員工的信任、堅持及貢獻。同樣重要的是，我亦謹此向本集團極為重視的客戶、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，二零二零年六月二十九日

# 董事及高級管理人員履歷

## 執行董事

梁偉成先生，60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。

梁錦輝先生，63歲，於一九七九年加入本集團，並於二零一九年獲委任為本公司執行董事。彼於音響製品方面擁有超過30年經驗並監管本集團供應鏈部門。

廖開強先生，55歲，於二零二零年加入本集團並獲委任為執行董事兼公司秘書。彼持有香港理工學院（現稱香港理工大學）會計學專業文憑及香港大學電子商貿及互聯網工程理學碩士學位。彼為香港會計師公會會員及特許公認會計師公會資深會員。彼於審計、會計、融資、管理及秘書工作方面擁有逾30年經驗，其中擔任於聯交所上市的製造業公司之董事職位逾15年。彼為中國力鴻檢驗控股有限公司（股份代號：1586）獨立非執行董事。

## 獨立非執行董事

李德志先生，65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。彼曾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及現任創科生活基金評審委員會委員。

張富紳先生，54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28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。

張嘉榮先生，59歲，於二零一九年五月加入本集團並持有台灣國立交通大學管理科學系學士學位。彼於多間著名電腦及電子公司擁有逾35年經驗，現時為Heronelite Inc.總經理之特別助理。

# 董事及高級管理人員履歷

## 高級管理人員

梁偉立先生，59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*，62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36年經驗。

鍾孝揚先生，50歲，於二零一六年加入本集團，擔任從事筆記型電腦買賣的全資附屬公司力高創科有限公司之行政總裁。彼於科技、資訊科技、手機及消費電子行業擁有逾23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及體育委員會轄下大型體育活動事務委員會成員。

# 企業管治報告

## 企業管治常規

於截至二零二零年三月三十一日止十二個月內，除偏離守則條文第A.2.1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。

根據守則條文第A.2.1條，主席及行政總裁之角色應予分離及不應由同一名個人履行。於二零一八年六月十五日，梁偉成先生接替董事會主席之職，自此彼同時擔任本公司董事會主席及行政總裁角色。由於梁先生擁有豐富之行業經驗及在本集團工作35年，故董事會認為該項安排對本公司有利。

## 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。

董事會目前包括三位執行董事梁偉成先生、梁錦輝先生及廖開強先生，以及三位獨立非執行董事李德志先生、張富紳先生及張嘉榮先生。

董事會於截至二零二零年三月三十一日止年度曾舉行六次會議。各董事之出席率載列如下：

董事會成員	出席／合資格出席
<b>執行董事</b>	
梁偉成先生	6/6
梁錦輝先生（於二零一九年九月二十四日獲委任）	3/3
廖開強先生（於二零二零年二月一日獲委任）	0/0
梁偉明先生（於二零一九年十二月十三日辭任）	5/5
廖立民先生（於二零二零年二月一日辭任）	6/6
<b>獨立非執行董事</b>	
李德志先生	6/6
張富紳先生	6/6
張嘉榮先生（於二零一九年五月九日獲委任）	5/5
李華明先生（於二零一九年六月三十日辭任）	2/2

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

梁錦輝先生及廖開強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，彼等於截至二零二零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）、李德志先生及張嘉榮先生組成。

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。

薪酬委員會於截至二零二零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
李德志先生	1/1
張嘉榮先生（於二零一九年五月九日獲委任）	1/1
李華明先生（於二零一九年六月三十日辭任）	0/0

# 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）、李德志先生及張嘉榮先生組成。

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二零二零年三月三十一日止年度之財務報表。

審核委員會於截至二零二零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
李德志先生	2/2
張嘉榮先生（於二零一九年五月九日獲委任）	2/2
李華明先生（於二零一九年六月三十日辭任）	1/1

## 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）、李德志先生、張富紳先生及張嘉榮先生組成。

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。

提名委員會於截至二零二零年三月三十一日止年度曾舉行三次會議，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
梁偉成先生	3/3
李德志先生	3/3
張富紳先生	3/3
張嘉榮先生（於二零一九年五月九日獲委任）	2/2
李華明先生（於二零一九年六月三十日辭任）	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

截至二零二零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	2,380
非審計相關服務	
稅務合規服務	233

## 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分，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。

## 股息政策

本公司並無任何預先釐定的派息比率。董事會於宣派及派付股息時考慮多項因素，包括財務狀況，經營業績和現金水平；法定和監管限制；未來前景以及董事會可能認為相關的任何其他因素。董事會可酌情決定向本公司股東宣派及派發股息，前提為本公司須維持足夠現金儲備以滿足其營運資金需要及未來增長。

## 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](mailto: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。

## 報告原則及範圍

根據重要性評估，本ESG報告涵蓋於截至二零二零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，本集團的主要業務範圍維持不變；主要從事設計、製造及銷售影音及筆記型電腦產品。因此，我們的ESG管理方針、策略、重點及目標並無重大改變，本ESG報告主要涵蓋上述業務。

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14至18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的重要性。根據ESG指引，本ESG報告提供我們ESG相關實務成效的量化描述，以及這些實務的一般披露。於報告期間，我們並未為關鍵績效指標訂立目標；然而，盡董事會所知，我們的環境及社會影響（如有）均符合行業標準及低於政府機構設定的最高限制。

# 環境、社會及管治報告

## 企業社會責任－方針及政策

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。

## 持份者參與

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](mailto:investor.enquiry@alco.com.hk) 與我們分享寶貴意見。

## 環境層面

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環境管理體系內部審核員資質的成員組成，部份成員具有中山嶺南學院EHS管理師資格。

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；亦並無向本集團施加的懲罰。

# 環境、社會及管治報告

## 環境層面（續）

### 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《固定污染源排污登記回執》。厚街廠房亦通過了ISO14001:2015認證，滿足環境管理體系要求。

### 空氣污染－廢氣及溫室氣體

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《固定污染源排污登記回執》。

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，我們會對設備進行保養及修理，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。

### 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。

# 環境、社會及管治報告

## 環境層面 (續)

### 排放物 (續)

### 廢物管理 (續)

於報告期間，我們的有害廢棄物包括廢機油、廢膠管、廢錫綿等。我們的無害廢棄物包括紙皮、紙帶等。

排放數據：

排放物	單位	二零二零年 數量	二零一九年 數量
溫室氣體			
— 範圍一—直接排放		64,284	120,770
— 燃料消耗			
— 範圍二—間接排放	千克	4,867,154	5,359,698
— 電力消耗	(二氧化碳當量)		
— 範圍三—其他間接排放			
(i) 紙張消耗		6,672	17,184
(ii) 水消耗		151,000	199,275
廢氣			
— 氮氧化物(NO <sub>x</sub> )		259,250	571,580
— 硫氧化物(SO <sub>x</sub> )	克	398	747
— 懸浮粒子(PM)		25,444	54,622
其他			
— 污水		151,000	199,275
— 無害廢棄物		123	218
— 其他生活垃圾	噸	180	254
— 有害廢棄物		1	2

# 環境、社會及管治報告

## 環境層面 (續)

### 排放物 (續)

### 廢物管理 (續)

ESG報告指引項下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) 已如上列出。
關鍵績效指標A1.2	間接溫室氣體排放已如上列出。
關鍵績效指標A1.3	有害廢棄物的數據及類型已如上列出。
關鍵績效指標A1.4	無害廢棄物的數據及類型已如上列出。
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	有關如何處理廢棄物的說明及減排舉措可參閱資源利用－廢物管理。

### 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、水及其他原材料。

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：

- 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；
- 在工作時段結束後關閉機器、燈光及空調，以節省電力；
- 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；
- 根據客戶訂單決定生產量，以避免庫存過剩；
- 使用電子文件推廣無紙化辦公室

# 環境、社會及管治報告

## 環境層面 (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。

### 資源消耗數據

資源消耗	單位	二零二零年 數量	二零一九年 數量
電力	千瓦時	6,083,942	6,699,623
紙張	千克	1,390	3,580
水	噸	188,789	249,094
燃料—汽車	公升	25,612	47,828
包裝物料—塑膠	噸	51	42
包裝物料—瓦楞	噸	730	1,711

# 環境、社會及管治報告

## 環境層面 (續)

### 資源使用 (續)

ESG報告指引項下A2層面的關鍵績效指標披露概要：

關鍵績效指標A2.1	電力消耗詳情已如上載列。
關鍵績效指標A2.2	水消耗詳情已如上載列。
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	有關包裝物料詳情已如上載列。

### 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。

此外，我們積極向員工推動提升環保意識。除了我們一直在工作環境中推行的綠色實務，我們亦不時向員工提供最新環保事宜的相關資訊。

ESG報告指引項下A3層面的關鍵績效指標披露概要：

關鍵績效指標A3.1	有關對環境及天然資源的重大影響及已採取行動的描述可參考以上段落。
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# 環境、社會及管治報告

## 社會層面

### 僱傭及勞工常規

#### 僱傭

僱傭數據(截至三月三十一日):

	單位	二零二零年 數量	二零一九年 數量
員工總數	人數	961	1,296
按性別			
— 男性	百分比	59.0	58.6
— 女性		41.0	41.4
按僱傭類別			
— 長期員工	百分比	100	100
— 臨時/兼職員工		0	0
按職級			
— 行政人員	百分比	12.5	11.1
— 其他		87.5	88.9
按年齡			
— 30歲以下		23.3	25.8
— 30-39歲	百分比	29.9	30.2
— 40-49歲		35.2	34.5
— 50-59歲		10.9	9.0
— 60歲或以上		0.7	0.5
平均服務年期			
按職級			
— 行政人員		11.2	11.8
— 其他	年期	9.1	8.1
按性別			
— 男性		9.4	8.3
— 女性		9.4	8.3
新聘員工			
— 男性	人數	83	190
— 女性		47	99
員工流失			
— 男性	人數	295	291
— 女性		170	222

# 環境、社會及管治報告

## 社會層面 (續)

### 僱傭及勞工常規 (續)

#### 僱傭 (續)

##### 招聘及薪酬政策

於二零二零年三月三十一日，本集團有961名員工。我們承諾提供一個能讓員工受重視的工作環境。我們令男性與女性員工保持良好的平衡。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。

於招聘過程，我們確保只會考慮工作經驗、工作相關知識及技能、以及個人能力。有關指引已包含在我們的招聘政策手冊內，我們不會容許對應徵者有任何形式的歧視。

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、本集團財務業績均會納入考慮。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。

我們於生產旺季長期正式工人供應相對有限時，會傾向聘用短期臨時工。然而，我們會為短期臨時工提供與長期正式工人同樣的健康安全的工作環境及薪資待遇。於二零二零年三月三十一日，本集團並無短期臨時工。

# 環境、社會及管治報告

## 社會層面 (續)

### 僱傭及勞工常規 (續)

#### 僱傭 (續)

#### 招聘及薪酬政策 (續)

於報告期間，我們的員工自然流失比例偏高，主要由於若干中國大陸省市經濟發展迅速，工作機會增加。本集團認為流失率並不令人憂慮，且符合行業水平。

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。

#### 平等機會及多元共融

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。

#### 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

## 社會層面 (續)

### 僱傭及勞工常規 (續)

#### 僱傭 (續)

##### 解聘政策

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。

### 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。

#### 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。我們亦定期提供消防演習，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引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。這些員工獲提供額外職業健康檢查。

隨著員工上崗前培訓及對生產設備的安全防護有所加強，以及加強日常安全檢查監督，令我們的工傷比例偏低。

# 環境、社會及管治報告

## 社會層面 (續)

### 僱傭及勞工常規 (續)

### 健康與安全 (續)

#### 工作安全 (續)

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。

此外，本集團通過視察、電話及郵件溝通，就供應商的工作環境安全、社會責任等方面進行年度評估，以確保我們的業務夥伴與我們的價值一致，保障其員工健康。

#### 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

## 社會層面 (續)

### 僱傭及勞工常規 (續)

#### 發展及培訓

##### 培訓數據

	單位	二零二零年 數量	二零一九年 數量
參與員工	人數	723	936
參與員工佔員工總數比例	百分比	75.2	72.2
按性別			
— 男性	總時數	15,300	20,698
— 女性		10,728	15,245
按性別			
— 男性	平均時數 (每名員工)	36	38.4
— 女性		36	38.4
按職級			
— 行政人員	總時數	2,448	3,725
— 其他		23,580	32,218
按職級			
— 行政人員	平均時數 (每名員工)	36	38.4
— 其他		36	38.4

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。厚街廠房的僱員須通過最少32個小時的年度培訓。

# 環境、社會及管治報告

## 社會層面 (續)

### 僱傭及勞工常規 (續)

### 發展及培訓 (續)

#### 培訓數據 (續)

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。員工需要持有相關資格及證書方可進行苦干工作。本集團會協助安排他們接受培訓。我們亦對其他員工推廣持續學習，鼓勵他們取得專業資格，例如工程、人力資源管理等。

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，最終為本公司帶來利益。

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。

# 環境、社會及管治報告

## 營運慣例 (續)

### 產品責任 (續)

#### 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。

報告期間，我們並未接獲針對我們產品及服務質素的重大客戶投訴或賠償要求。

#### 資料私隱及知識產權

我們的業務性質令我們可能會處理客戶或其他人擁有的知識產權，例如專利技術。因此，我們已制定嚴格的指引，防止員工不誠實或不適當使用知識產權。我們已清晰地向員工傳達有關指引內容，並不時加強。

我們的業務不涉及資料私隱。然而，本集團有清晰的處理及保護資料私隱條規則，所有員工必須遵守。

#### 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。

# 環境、社會及管治報告

## 營運慣例 (續)

### 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進行申報。

### 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。

## 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。透過組織或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聘用了20名人士。

# 環境、社會及管治報告

## 香港聯交所ESG報告指引

主要範疇	內容	在本ESG報告中的章節
A. 環境層面		
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。	環境層面－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。	環境層面－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
B. 社會層面		
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。	社會層面 －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。	社會層面 －僱傭及勞工常規 －健康與安全

# 環境、社會及管治報告

主要範疇	內容	在本ESG報告中的章節
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。	社會層面 — 僱傭及勞工常規 — 發展及培訓
B4 勞工準則		
一般披露	有關防止童工及強制勞工的政策；及遵守對發行人有重大影響的相關法律法規的資料。	社會層面 — 僱傭及勞工常規 — 勞工準則
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。	社會層面 — 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。	社會層面 — 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。	社會層面 — 營運慣例 — 反貪污

# 環境、社會及管治報告

主要範疇	內容	在本ESG報告中的章節
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。	社會層面 - 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二零二零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19。

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59頁之綜合損益表。

董事會並無宣派中期股息。

董事會不建議派付末期股息。

## 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，回顧的內容於主席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分。

## 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

於二零二零年三月三十一日，本集團之總權益及每股總權益分別為6億8千1百萬港元（二零一九年：13億2千9百萬港元）及0.94港元（二零一九年：1.84港元）。

於二零二零年三月三十一日，本集團擁有之現金及存款為1億4百萬港元。於扣除銀行借貸1億5千7百萬港元，本集團之淨銀行借貸為5千3百萬港元。憑藉未經使用的銀行融資3億7千6百萬港元，本集團擁有充足的流動資金應對日後之營運資金需求。此外，本集團有長期股東貸款1億6千1百萬港元及租賃負債7千8百萬港元後。

# 董事會報告

## 流動資金及財務資源（續）

於二零二零年三月三十一日，本集團之存貨為3億3千7百萬港元（二零一九年：4億8千萬元）。本集團在目前不穩定的商業環境下特別審慎監察存貨水平。於年末，除期初撥備外，本集團已對若干滯銷及陳舊原材料及製成品作出額外撥備，總額為2千4百萬港元（二零一九年：3千4百萬港元）。

於二零二零年三月三十一日，應收貿易賬款為3億8千7百萬港元（二零一九年：5億1千1百萬港元）。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。

於二零二零年三月三十一日，應付貿易賬款為4千萬港元（二零一九年：9千4百萬港元）。

於本年度，固定資產之資本開支為3千9百萬港元（二零一九年：4千7百萬港元）。於二零二零年三月三十一日，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3百萬港元（二零一九年：9百萬港元）。

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分銷售、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無投機活動。

## 僱員

於二零二零年三月三十一日，本集團於中國、台灣及香港聘用約960名（二零一九年：1,300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。

# 董事會報告

## 主要供應商及客戶

本集團截至二零二零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	30%

### 銷售額

— 最大客戶	76%
— 五大客戶合計	81%

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。

## 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29及附註35。

## 捐款

年內，本集團作出慈善及其他捐款的金額為20,000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139頁。

# 董事會報告

## 股本

本公司股本之變動詳情載列於綜合財務報表附註28。

## 可供分派儲備

本公司於二零二零年三月三十一日之可供分派儲備為數178,045,000港元（二零一九年：772,835,000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140頁。

## 購買、出售或贖回股份

本公司及其附屬公司於截至二零二零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

本集團於二零二零年及二零一九年三月三十一日之銀行借貸之分析載列如下：

	銀行借貸	
	二零二零年 千港元	二零一九年 千港元
一年以內	157,370	143,397
於第二至第五年	-	7,365
超過五年	-	33,151
	<b>157,370</b>	<b>183,913</b>

# 董事會報告

## 主要附屬公司

本公司於二零二零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19。

## 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：

梁偉成先生  
梁偉明先生（於二零一九年十二月十三日辭任）  
廖立民先生（於二零二零年二月一日辭任）  
梁錦輝先生（於二零一九年九月二十四日獲委任）  
廖開強先生（於二零二零年二月一日獲委任）  
李華明先生，銀紫荊星章、太平紳士<sup>1</sup>（於二零一九年六月三十日辭任）  
李德志先生<sup>1</sup>  
張富紳先生<sup>1</sup>  
張嘉榮先生<sup>1</sup>（於二零一九年五月九日獲委任）

<sup>1</sup> 獨立非執行董事

根據本公司之公司細則第87(1)及86(2)條，梁錦輝先生及廖開強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詳情

董事及高級管理人員履歷詳情載列於第12及13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

於二零二零年三月三十一日，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（「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	
梁偉成先生	68,311,153	-	68,311,153	9.45%

### (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。

除上文所披露者外，於二零二零年三月三十一日，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。

# 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

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，於二零二零年三月三十一日，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
梁劍文先生（已辭世）	實益擁有人	293,000,000 （附註i）	40.51%
Shundean Investments Limited	實益擁有人	267,812,500 （附註i）	37.03%
Webb David Michael先生	實益擁有人	75,344,884 （附註ii）	10.42%
梁偉立先生	實益擁有人	52,280,631	7.23%
Preferable Situation Assets Limited	實益擁有人	48,080,841 （附註ii）	6.65%

附註：

- (i) 梁劍文先生（已辭世）實益擁有25,187,500股股份，此外，彼透過由其直接全資擁有之Shundean Investments Limited持有267,812,500股股份。梁先生之權益現正在遺囑認證程序中。
- (ii) Webb David Michael先生實益擁有27,264,043股股份，此外，彼透過由其直接全資擁有之Preferable Situation Assets Limited持有48,080,841股股份。

除上文所披露者外，於二零二零年三月三十一日，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，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。

# 董事會報告

## 購股權計劃

截至二零二零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分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。

## 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14至18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，並討論內部控制及財務呈報之事項，包括審閱本集團截至二零二零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、李德志先生及張嘉榮先生。

## 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，截至二零二零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

綜合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，二零二零年六月二十九日

# 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59至138頁的綜合財務報表,包括:

- 於二零二零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二零二零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。

羅兵咸永道會計師事務所,香港中環太子大廈廿二樓  
總機: +852 2289 8888, 傳真: +852 2810 9888, www.pwchk.com

# 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」部分中作進一步闡述。

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道德責任。

## 與持續經營有關的重大不確定性

我們籲請關注綜合財務報表附註2.1(c)， 貴集團截至二零二零年三月三十一日止年度產生淨虧損599,430,000港元及經營現金流出242,475,000港元。於二零二零年三月三十一日， 貴集團之銀行借貸總額為157,370,000港元，而其現金及現金等值為104,481,000港元。 貴集團未能遵守有關 貴集團向三家銀行取得融資的若干財務契諾，所涉總額為437,150,000港元，截至二零二零年三月三十一日，其中88,272,000港元已由 貴集團用作銀行借貸。 貴集團的生產及其客戶亦受到COVID-19疫情的不利影響。該等事件或情況連同其他事項，如綜合財務報表附註2.1(c)所載，表明存在重大不確定性，其可能會對 貴集團持續經營的能力構成重大疑慮。我們的意見未有就此事項作出修訂。

# 獨立核數師報告

## 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。

我們在審計中識別的關鍵審計事項概述如下：

- 滯銷及陳舊存貨撥備
- 非金融資產減值

### 關鍵審計事項

#### 滯銷及陳舊存貨撥備

請參閱綜合財務報表附註21「存貨」及附註4「關鍵會計估計及判斷」。

於二零二零年三月三十一日，扣除滯銷及陳舊存貨減值撥備176,467,000港元之後，貴集團存貨的賬面值為336,572,000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。

### 我們的審計如何處理關鍵審計事項

我們已了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。

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，並已透過比較存貨記錄與相關文件，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。

# 獨立核數師報告

## 關鍵審計事項 (續)

### 關鍵審計事項

#### 滯銷及陳舊存貨撥備 (續)

管理層於各期末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，評估滯銷及陳舊存貨撥備。識別存貨陳舊程度及釐定估計售價減出售成本須對存貨性質、賬齡、最新售價及預期未來銷售訂單等因素運用重大判斷及估計。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。

我們關注此部分乃由於結餘重大以及釐定滯銷及陳舊存貨的減值撥備涉及管理層判斷及估計。

### 我們的審計如何處理關鍵審計事項

我們已抽樣以存貨賬齡及銷售記錄的相關文件及分析進一步證實管理層的解釋及估計。

根據上述執行的程序，我們認為管理層於評估滯銷及陳舊存貨減值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

#### 非金融資產減值

請參閱綜合財務報表附註4「關鍵會計估計及判斷」、附註14「物業、廠房及設備」、附註17「租賃」及附註18「無形資產」。

於二零二零年三月三十一日，物業、廠房及設備、使用權資產及無形資產未計減值撥備前的賬面值分別為235,981,000港元、96,003,000港元及810,000港元。

於截至二零二零年三月三十一日止年度，影音產品及筆記型電腦產品分類的業務發展及營運均受到中美貿易戰、市場競爭加劇及本年度下半年爆發2019冠狀病毒病（「COVID-19」）的影響。相比預算，貴集團產生大量經營虧損。

每當有事件出現或情況改變顯示資產的賬面值可能無法收回時，管理層會檢討有無減值。鑑於業務表現低於管理層預期及上述其他情形，管理層認為該等非金融資產存在減值跡象。

### 我們的審計如何處理關鍵審計事項

我們透過評估計算時採用的貼現現金流量預測，測試管理層的非金融資產減值評估，詳情載列如下。

將管理層的貼現現金流量預測的主要輸入數據與董事會批准的預算及業務計劃進行比較；

評估計算相關貼現現金流量預測所採用方法及算術上的準確性；

評估管理層於貼現現金流量預測中有關下列各項的主要假設及所行使判斷是否合理：

影音產品及筆記型電腦產品收益增長率及材料成本比率，方法為將彼等與過去表現及業務計劃，以及行業預測基準進行比較；及

貼現率，方法在自有估值專家協助下與可資比較公司的資本成本進行比較。

我們參考可得市價評估管理層釐定的現金產生單位內個別資產的可收回金額是否合理。

# 獨立核數師報告

## 關鍵審計事項 (續)

### 關鍵審計事項

#### 非金融資產減值 (續)

為遵照《香港會計準則》第36號「資產減值」的規定按現金產生單位(「現金產生單位」)基準進行減值評估,鑑於影音產品分類及筆記型電腦產品分類共享同組非金融資產,管理層識別並確定僅有一個現金產生單位。貴集團評估現金產生單位的可收回金額,即使用價值(「使用價值」)與公平值減出售成本(「公平值減出售成本」)的較高者。管理層已採納收益法擬備五年貼現現金流量預測(「貼現現金流量預測」),以釐定使用價值法項下現金產生單位的可收回金額。個別資產則就其可收回金額進一步評估是否需就現金產生單位計提減值。

擬備貼現現金流量預測須使用眾多假設及行使重大判斷以釐定該等假設。

### 我們的審計如何處理關鍵審計事項

根據以上已進行的程序,我們發現管理層釐定該等非金融資產的可收回金額所作判斷及估計有我們收集的證據支持。

# 獨立核數師報告

## 關鍵審計事項 (續)

### 關鍵審計事項

### 我們的審計如何處理關鍵審計事項

#### 非金融資產減值 (續)

擬備貼現現金流量預測時所採納主要假設及所行使判斷包括：

- 影音產品收益增長率及材料成本比率
- 筆記型電腦產品收益增長率及材料成本比率
- 貼現率

所釐定現金產生單位的可收回金額低於其賬面值，管理層根據二級市場報價將物業、廠房及設備以及使用權資產的可收回金額分別評估為140,681,000港元及65,661,000港元。因此，截至二零二零年三月三十一日止年度，已分別就物業、廠房及設備、使用權資產及無形資產作出減值撥備95,758,000港元、30,342,000港元及810,000港元。

我們關注此部分乃由於該等非金融資產的賬面值對綜合資產負債表攸關重要，加上管理層於綜合資產負債表日期釐定該等非金融資產的可收回金額時須作出重大判斷及估計。

# 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。我們僅按照百慕達一九八一年《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該等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相關交易和事項。

# 獨立核數師報告

## 核數師就審計綜合財務報表承擔的責任(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，二零二零年六月二十九日

# 綜合損益表

截至二零二零年三月三十一日止年度

	附註	二零二零年 千港元	二零一九年 千港元
營業額	5	961,246	1,545,212
銷貨成本	7	(1,136,174)	(1,752,912)
毛損		(174,928)	(207,700)
其他(虧損)/收入淨額	6	(8,452)	11,028
銷售開支	7	(123,181)	(155,199)
行政開支	7	(120,202)	(140,070)
其他經營開支	7	(5,668)	(6,815)
就應收貿易及其他賬款減值虧損(撥備)/撥回		(9,585)	600
就物業、廠房及設備減值撥備	14	(95,758)	(20,000)
就使用權資產減值撥備	17	(30,342)	-
就無形資產減值撥備	18	(810)	(21,761)
經營虧損		(568,926)	(539,917)
財務收入	10	1,109	4,867
財務成本	10	(26,169)	(16,165)
除所得稅前虧損		(593,986)	(551,215)
所得稅開支	11	(5,444)	(11,948)
<b>本年度虧損</b>		<b>(599,430)</b>	<b>(563,163)</b>
以下應佔虧損：			
本公司股東		(599,374)	(563,134)
非控股權益		(56)	(29)
		(599,430)	(563,163)
<b>本公司股東應佔每股虧損</b>			
— 基本	12	(82.9港仙)	(94.8港仙)
— 攤薄	12	(82.9港仙)	(94.8港仙)
股息	13	-	-

以上綜合損益表應與隨附附註一併閱讀。

# 綜合全面收益表

截至二零二零年三月三十一日止年度

	二零二零年 千港元	二零一九年 千港元
本年度虧損	(599,430)	(563,163)
其他全面虧損，扣除稅項：		
其後可能重新分類至損益之項目		
貨幣匯兌差額	(6,734)	(12,412)
將不會重新分類至損益之項目		
業主自用物業轉移為投資物業之重估收益	-	65,423
本年度全面虧損總額	(606,164)	(510,152)
以下應佔：		
本公司股東	(606,108)	(510,123)
非控股權益	(56)	(29)
	(606,164)	(510,152)

以上綜合全面收益表應與隨附附註一併閱讀。

# 綜合資產負債表

於二零二零年三月三十一日

	附註	二零二零年 千港元	二零一九年 千港元
<b>非流動資產</b>			
物業、廠房及設備	14	140,223	316,797
投資物業	15	55,800	78,238
使用權資產	17	65,661	–
無形資產	18	–	2,004
遞延所得稅資產	30	–	8,153
預付款項、按金及其他應收賬款	22	56,817	11,560
		<b>318,501</b>	<b>416,752</b>
<b>流動資產</b>			
存貨	21	336,572	480,248
應收貿易及其他賬款	22	442,155	531,304
其他流動資產	24	459	7,986
可收回即期所得稅		13,856	13,075
現金及現金等值	23	104,481	277,474
		<b>897,523</b>	<b>1,310,087</b>
<b>流動負債</b>			
應付貿易及其他賬款	25	128,679	205,340
即期所得稅負債		4,961	3,396
租賃負債	17	31,050	–
銀行借貸	26	157,370	143,397
		<b>322,060</b>	<b>352,133</b>
<b>流動資產淨值</b>		<b>575,463</b>	<b>957,954</b>
<b>總資產減流動負債</b>		<b>893,964</b>	<b>1,374,706</b>

# 綜合資產負債表

於二零二零年三月三十一日

	附註	二零二零年 千港元	二零一九年 千港元
<b>本公司股東應佔資本及儲備</b>			
股本	28	72,324	72,324
儲備	29	609,250	1,257,744
		<b>681,574</b>	1,330,068
<b>非控股權益</b>		<b>(654)</b>	(598)
<b>總權益</b>		<b>680,920</b>	1,329,470
<b>非流動負債</b>			
其他應付賬款	25	4,666	4,720
租賃負債	17	47,178	–
銀行借貸	26	–	40,516
股東貸款	27	161,200	–
		<b>213,044</b>	45,236
<b>總權益及非流動負債</b>		<b>893,964</b>	1,374,706

第59至138頁之綜合財務報表已於二零二零年六月二十九日獲董事會批准，並由下列董事代表董事會簽署。

董事  
梁偉成

董事  
廖開強

以上綜合資產負債表應與隨附附註一併閱讀。

# 綜合權益變動表

截至二零二零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		
於二零一八年四月一日結餘	57,860	318,768	1,353,170	1,729,798	(569)	1,729,229
會計政策變動	-	-	(1,900)	(1,900)	-	(1,900)
於二零一八年四月一日重列	57,860	318,768	1,351,270	1,727,898	(569)	1,727,329
<b>全面虧損</b>						
本年度虧損	-	-	(563,134)	(563,134)	(29)	(563,163)
<b>其他全面(虧損)/收入</b>						
貨幣匯兌差額	-	(12,412)	-	(12,412)	-	(12,412)
業主自用物業轉移至投資物業之 重估收益	-	65,423	-	65,423	-	65,423
<b>全面收入/(虧損)總額</b>	-	53,011	(563,134)	(510,123)	(29)	(510,152)
<b>與擁有人進行之交易</b>						
二零一八年末期股息	-	-	(11,572)	(11,572)	-	(11,572)
發行供股股份	14,464	109,401	-	123,865	-	123,865
	14,464	109,401	(11,572)	112,293	-	112,293
於二零一九年三月三十一日結餘	72,324	481,180	776,564	1,330,068	(598)	1,329,470
於二零一九年四月一日結餘	72,324	481,180	776,564	1,330,068	(598)	1,329,470
會計政策變動(附註2.2)	-	-	(42,386)	(42,386)	-	(42,386)
於二零一九年四月一日重列	72,324	481,180	734,178	1,287,682	(598)	1,287,084
<b>全面虧損</b>						
本年度虧損	-	-	(599,374)	(599,374)	(56)	(599,430)
<b>其他全面虧損</b>						
貨幣匯兌差額	-	(6,734)	-	(6,734)	-	(6,734)
<b>全面虧損總額</b>	-	(6,734)	(599,374)	(606,108)	(56)	(606,164)
於二零二零年三月三十一日結餘	72,324	474,446	134,804	681,574	(654)	680,920

以上綜合權益變動表應與隨附附註一併閱讀。

# 綜合現金流量表

截至二零二零年三月三十一日止年度

	附註	二零二零年 千港元	二零一九年 千港元
<b>經營業務之現金流量</b>			
經營所用之現金	31(a)	(223,235)	(186,894)
收取利息		1,109	4,867
支付利息		(19,337)	(15,831)
支付所得稅		(1,012)	(3,644)
<b>經營業務所用之現金淨額</b>		<b>(242,475)</b>	(201,502)
<b>投資業務之現金流量</b>			
購置物業、廠房及設備		(38,983)	(46,776)
出售物業、廠房及設備之所得款項	31(b)	3,095	1,916
支付無形資產款項		(657)	(1,186)
出售投資物業之所得款項淨額		-	88,350
<b>投資業務(所用)／產生之現金淨額</b>		<b>(36,545)</b>	42,304
<b>融資業務之現金流量</b>			
信託收據貸款所得款項		671,857	895,867
償還信託收據貸款		(690,094)	(778,299)
償還銀行借貸		(8,306)	(67,077)
派發予本公司股東之股息		-	(11,572)
股東貸款所得款項		181,200	93,840
償還股東貸款		(20,000)	(93,840)
償還租賃負債之本金部分		(23,426)	-
發行供股股份之所得款項淨額		-	123,865
<b>融資業務產生之現金淨額</b>		<b>111,231</b>	162,784
<b>現金及現金等值(減少)／增加淨額</b>		<b>(167,789)</b>	3,586
於年初之現金及現金等值		277,474	279,520
外幣匯率變化之影響		(5,204)	(5,632)
於年末之現金及現金等值	23	104,481	277,474

以上綜合現金流量表應與隨附附註一併閱讀。

# 綜合財務報表附註

二零二零年三月三十一日

## 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。

於截至二零二零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，包括影音產品及筆記型電腦產品。

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《香港財務報告準則》(「《香港財務報告準則》」)及香港《公司條例》(第622章)之規定編製。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。

# 綜合財務報表附註

二零二零年三月三十一日

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (a) 本集團採納之新訂準則、準則修訂本及詮釋

以下新訂準則、準則修訂本及詮釋於二零一九年四月一日開始的財政年度強制應用：

年度改進項目	二零一五年至二零一七年週期的年度改進(修訂本)
《香港會計準則》第19號 (修訂本)	計劃修訂、縮減或結算
《香港會計準則》第28號 (修訂本)	於聯營公司及合營企業之長期權益
《香港財務報告準則》第9號 (修訂本)	具有負補償的提前付款特性
《香港財務報告準則》第16號	租賃
《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

由於採用《香港財務報告準則》第16號，本集團必須改變其會計政策。本集團選擇追溯採納新規則，但確認於二零一九年四月一日首次應用新準則的累積影響。有關資料於附註2.2披露。上文列出的其他準則修訂本及詮釋對過往期間確認的金額概無任何影響，並預期不會對當前或未來期間產生重大影響。

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### (b) 尚未採納之新訂準則、準則修訂本、詮釋及概念框架

以下與本集團有關之新訂準則、準則修訂本、詮釋及概念框架已公佈，但於二零二零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。該等準則預期不會對實體於目前或未來報告期間及可見未來的交易產生重大影響：

	於下列日期或 之後開始之 會計年度生效
《香港會計準則》第1號及 《香港會計準則》第8號 (修訂本)	重大之定義 二零二零年四月一日
《香港會計準則》第39號、 《香港財務報告準則》第7號 及《香港財務報告準則》 第9號(修訂本)	利率基準改革 二零二零年四月一日
《香港財務報告準則》第3號 (修訂本)	業務之定義 二零二零年四月一日
二零一八年財務報告概念框架	經修訂財務報告概念框架 二零二零年四月一日
《香港財務報告準則》第9號、 《香港會計準則》第39號及 《香港財務報告準則》第7號 (修訂本)	對沖會計(修訂本) 二零二零年四月一日
《香港財務報告準則》第17號	保險合約 二零二一年四月一日
《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 合營企業間之資產出售或注資 待宣佈

# 綜合財務報表附註

二零二零年三月三十一日

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (c) 持續經營基準

截至二零二零年三月三十一日止年度，本集團產生年內虧損599,430,000港元及呈報經營所用之現金淨額242,475,000港元。

於二零二零年三月三十一日，本集團之銀行借貸總額為157,370,000港元，而其現金及現金等值為104,481,000港元。本集團未能遵守有關本集團向三家銀行取得融資的若干財務契諾，所涉總額為437,150,000港元，截至二零二零年三月三十一日，其中88,272,000港元已由本集團用作銀行借貸。該違反契諾之行為可能使有關銀行有權取消或暫停提供融資。

自二零一七年以來，由於影音產品行業競爭激烈，嚴重侵蝕了毛利率，導致本集團影音產品分類表現有所下降。中美貿易戰進一步對年內本集團之影音產品銷售造成不利影響，在美國政府徵收額外關稅後，本集團更難以取得有利可圖的訂單。鑑於影音產品分類之盈利能力下降，本集團自二零一七年起開始投資於筆記型電腦產品之研發，以使其業務多元化。影音產品分類之溢利下降，加上筆記型電腦產品之開發及營銷需要大量前期投資，給本集團之盈利能力及營運資金帶來了壓力。

此外，2019冠狀病毒病(「COVID-19」)疫情爆發導致本集團在中國之工廠於二零二零年二月至三月停產。生產自二零二零年三月起逐步恢復。隨著自二零二零年三月起美國及其他國家爆發COVID-19，由於市場形勢難以確定，本集團若干客戶推遲下達採購訂單。

上述情況表明存在重大不確定性，可能對本集團之持續經營能力產生重大疑慮。

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (c) 持續經營基準(續)

鑑於該等情況以及與COVID-19疫情可能之影響有關的不確定性，本公司董事在評估本集團是否將擁有足夠財政資源以持續經營方面，已仔細考慮本集團之未來流動性及表現以及其可用之資金來源。董事已審閱由管理層編製之本集團自二零二零年三月三十一日起計十二個月期間之現金流量預測。董事已採取若干計劃及措施以紓緩流動性壓力、改善其財務狀況及應對COVID-19之潛在影響，包括但不限於下列各項：

- (i) 於二零二零年六月十八日及二零二零年六月二十三日，本集團自上述兩家銀行取得有關於截至二零二零年三月三十一日止年度遵守相關財務契諾之書面豁免。就財務契諾遭違反的餘下41,200,000港元的銀行融資而言，本集團未獲得銀行的豁免，原因是於二零二零年三月三十一日，尚未動用該融資，且本集團並無計劃於相關財務契諾獲達成或豁免前使用該融資。本集團將繼續監察其對契諾要求之遵守情況。管理層亦將與各銀行進行討論及磋商，以尋求於必要時修訂有關條款及限制性承諾要求。基於與銀行之溝通，董事相信，鑑於與銀行之長期穩固關係，現有銀行融資將在其進行年度審閱後予以續新，並繼續供本集團使用。
- (ii) 於二零二零年三月三十一日，本集團與股東訂立兩項原貸款協議的修正案，將161,200,000港元之股東貸款還款日期延長至二零二一年十二月三十一日。
- (iii) 於二零二零年六月十五日，本集團與其主要股東之一、主席兼行政總裁梁偉成先生（「梁先生」）訂立一項出資承諾契據，以向本集團提供額外資金。本公司可於自契據日期起計十八個月（即二零二一年十二月十五日）內酌情向梁先生發出出資要求通知。出資承諾總額不得超過170,000,000港元。

所提供之資金應視作對本公司之墊款，須由本公司在本公司與梁先生議定之適當時間償還，惟無論如何僅應於自資金提取日期起計至少十二個月後償還。

# 綜合財務報表附註

二零二零年三月三十一日

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (c) 持續經營基準(續)

##### (iii) (續)

承諾將自契據日期起計十八個月或本公司或本集團任何成員公司取得本金總額不少於170,000,000港元之其他長期外部銀行借貸或其他長期融資來源(以較早者為準)後不再有效。

於二零二零年六月十六日,本集團根據契據條款向梁先生提取50,000,000港元之貸款。該貸款為無抵押及須於自提取日期起計十八個月後償還,並按一個月香港銀行同業拆息上浮1.3%之年利率計息。於二零二零年六月二十九日,該出資承諾契據項下之可動用資金為120,000,000港元。

- (iv) 基於筆記型電腦產品截至二零二零年六月之手頭銷售訂單,董事已目睹銷量較二零一九財年同期大幅增長。此外,截至二零二零年六月,影音產品之銷售訂單亦符合預期。董事將繼續致力於銷售及營銷工作,以在市場上推廣本集團之筆記型電腦產品。在COVID-19疫情下,本集團將在本年度將更多精力集中於線上銷售及原設備製造客戶。在COVID-19疫情下,本集團亦密切監察市場發展、回顧收款表現及增強收款能力。董事相信,本集團日後將能夠取得更多銷售訂單,並進一步擴大其筆記型電腦產品之生產規模,以提高利潤率,從而改善其經營業績及減少本集團之經營現金流出。
- (v) 本集團將繼續採取積極措施,通過各種舉措來提高盈利能力及現金流,包括進一步利用在自動化生產過程中作出之資本投資來降低生產成本、提高效率及進一步加強與主要供應商之關係以就降低關鍵零件的成本及改善交易條款而展開磋商,並與其業主磋商租金優惠,以減輕COVID-19的影響。
- (vi) 本集團亦將繼續尋求其他替代融資及銀行借貸,以撥付資金支付現有之財務責任以及未來營運及資本開支。

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### (c) 持續經營基準 (續)

(vii) 鑑於爆發COVID-19疫情，本集團密切監察最新發展，並將不時評估疫情對本集團營運之影響，同時調整其業務計劃，以便從營運中產生足夠現金。

儘管如此，本集團能否實現上述計劃及措施仍存在重大不確定性，該等計劃及措施包含與未來事件及條件有關的假設，存在固有不確定性。本集團能否繼續持續經營取決於以下各項：

- (i) 成功實施業務計劃，增加及加速筆記型電腦產品之銷售以及在預期時間範圍內收回銷售所得款項；
- (ii) 成功實施成本控制及資本開支措施，以提高其利潤率及產生足夠之現金流入淨額，從而鞏固其營運資金狀況；
- (iii) 本集團持續遵守銀行借貸之現有條款及條件，並（如適用）與銀行成功磋商，取得豁免或修訂銀行借貸之現有條款及條件，以於需要時持續履行有關要求，使現有銀行借貸繼續可供本集團使用，並按照議定之還款時間表償還；
- (iv) 梁先生能否在需要時根據上述出資承諾向本集團提供最多120,000,000港元之進一步墊款；及
- (v) 本集團能否不時成功控制疫情對本集團營運之影響，並調整其業務計劃，以便從營運中產生足夠現金。

倘本集團無法實現上述計劃及措施並持續經營，則須作出調整以將本集團資產之賬面值撇減至其可收回金額，從而就可能產生之任何其他負債作出撥備，並將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整之影響並無反映在綜合財務報表中。

# 綜合財務報表附註

二零二零年三月三十一日

## 2 主要會計政策概要(續)

### 2.2 會計政策變動

本附註闡釋採納《香港財務報告準則》第16號租賃對本集團綜合財務報表的影響。

如上文附註2.1(a)所示，本集團自二零一九年四月一日起追溯採用《香港財務報告準則》第16號租賃，惟按照該準則之具體過渡條文所許可，並無重列二零一九年報告期之比較資料。因此，新租賃規則產生之重新分類及調整於二零一九年四月一日之期初綜合資產負債表中確認。新會計政策於附註2.25披露。

於採納《香港財務報告準則》第16號後，本集團已就先前根據《香港會計準則》第17號租賃的原則分類為「經營租賃」的租賃確認租賃負債。該等負債按剩餘租賃付款的現值計量，並使用承租人於二零一九年四月一日的增量借款利率貼現。於二零一九年四月一日應用於租賃負債的加權平均承租人增量借款利率為4.88%。

#### (i) 所應用的可行權宜方法

於首次應用《香港財務報告準則》第16號時，本集團已使用該準則所允許的下列可行權宜方法：

- 對具有合理相似特徵的租賃組合使用單一貼現率；
- 依賴先前關於租賃是否虧損的評估作為進行減值檢討的替代方案－於二零一九年四月一日並無虧損性合約；
- 於二零一九年四月一日剩餘租期少於12個月的經營租賃以短期租賃入賬；
- 在首次應用日期排除初始直接成本以計量使用權資產；及
- 當合約包含延長或終止租約的選擇時，以事後分析結果確定租期。

本集團亦已選擇不重新評估合約在首次應用日期是否屬於租賃或包含租賃。

## 2 主要會計政策概要 (續)

### 2.2 會計政策變動 (續)

#### (ii) 租賃負債計量

於二零一九年三月三十一日所披露經營租賃承擔與於二零一九年四月一日(首次應用《香港財務報告準則》第16號之日期)之綜合資產負債表確認之租賃負債對賬如下:

	千港元
於二零一九年三月三十一日披露之經營租賃承擔	378,842
使用於首次應用日期承租人增量借款利率貼現	282,940
減: 並無確認為負債之短期租賃	(3,093)
減: 並無確認為負債之低價值租賃	(504)
於二零一九年四月一日確認之租賃負債	279,343
其中包括:	
流動租賃負債	22,780
非流動租賃負債	256,563
	279,343

#### (iii) 使用權資產計量

物業租賃相關的使用權資產乃按追溯性基準計量, 猶如新規則一直獲應用。其他使用權資產按相等於租賃負債的金額計量, 並已就於二零一九年三月三十一日在綜合資產負債表中確認的與租賃有關的任何預付或應計租賃付款金額進行調整。

# 綜合財務報表附註

二零二零年三月三十一日

## 2 主要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (iv) 於二零一九年四月一日綜合資產負債表確認之調整

作為承租人，本集團的租賃主要為工廠、辦公室租金及土地使用權。會計政策變動影響於二零一九年四月一日綜合資產負債表的項目如下：

綜合資產負債表(摘要)	二零一九年 三月三十一日 如原先所列 千港元	採納 《香港財務 報告準則》 第16號時 調整 千港元	二零一九年 四月一日 經重列 千港元
<strong>非流動資產</strong>			
物業、廠房及設備	316,797	(68,070)	248,727
預付款項、按金及其他應收賬款	11,560	(2,253)	9,307
使用權資產	–	295,059	295,059
遞延所得稅資產	8,153	(4,074)	4,079
<strong>非流動負債</strong>			
租賃負債	–	256,563	256,563
<strong>流動負債</strong>			
應付貿易及其他賬款	205,340	(16,295)	189,045
租賃負債	–	22,780	22,780
<strong>權益</strong>			
儲備	1,257,744	(42,386)	1,215,358

## 2 主要會計政策概要 (續)

### 2.3 綜合

#### (a) 附屬公司

附屬公司乃本集團對其有控制權之所有實體 (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，並有能力透過其對實體活動的主導權影響該等回報，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全數綜合入賬，由控制權終止之日起停止綜合入賬。

本集團使用會計收購法為業務合併入賬 (請參閱附註2.3(b))。

集團公司之間的公司間交易、結餘及未變現交易收益予以對銷。除非交易提供證據顯示所轉讓資產已減值，否則未變現虧損亦將對銷。附屬公司的會計政策已作必要改動，以確保與本集團所採納政策貫徹一致。

附屬公司業績及股本中的非控股權益分別於綜合損益表、全面損益表、權益變動表及資產負債表內單獨呈列。

#### (b) 業務合併

本集團採用收購會計法將所有業務合併入賬，而不論是否已收購權益工具或其他資產。就收購一間附屬公司轉讓的代價包括：

- 所轉讓資產的公平值；
- 所收購業務的前擁有人產生的負債；
- 本集團已發行的股權；

# 綜合財務報表附註

二零二零年三月三十一日

## 2 主要會計政策概要(續)

### 2.3 綜合(續)

#### (b) 業務合併(續)

- 因或然代價安排而產生的任何資產或負債的公平值；及
- 附屬公司任何先前存在的股權公平值。

於業務合併中收購的可識別資產以及承擔的負債及或然負債初步按於收購日期的公平值計量(少數例外情況除外)。本集團以公平值或非控股權益所佔被收購實體的可識別淨資產的適當比例按逐項收購基準確認於被收購實體的任何非控股權益。

收購相關成本於產生時支銷。

以下各項：

- 所轉讓代價；
- 被收購實體的任何非控股權益金額；及
- 被收購實體的任何先前股權於收購日期的公平值

超過所收購可識別淨資產的公平值入賬列作商譽。倘該等金額低於所收購企業的可識別淨資產的公平值，則差額將直接於損益中確認為議價購買。

倘現金代價的任何部分的結算被延期，則未來的應付金額將按交換日的現值貼現。所用貼現率為實體的增量借款利率，即在可比較條款及條件下，可於獨立融資人獲得的類似借貸利率。或然代價分類為權益或金融負債。分類為金融負債的款項隨後按公平值重新計量，公平值的變動在損益中確認。

## 2 主要會計政策概要 (續)

### 2.3 綜合 (續)

#### (b) 業務合併 (續)

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任何盈虧於損益確認。

#### (c) 擁有權權益變動

本集團將不導致喪失控制權的非控股權益交易視作與本集團權益擁有人的交易。擁有權權益變動導致控股與非控股權益賬面值的調整，以反映其於附屬公司的相關權益。非控股權益調整數額與任何已付或已收代價之間的任何差額於本公司擁有人應佔權益中的獨立儲備內確認。

當本集團因喪失控制權、共同控制權或重大影響力而停止綜合入賬或按權益入賬一項投資時，於實體的任何保留權益重新按公平值計量，而賬面值變動於損益確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益而言，該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的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。這意味著先前於其他全面收入確認的金額重新分類至損益或轉撥至適用《香港財務報告準則》所指明／許可的另一權益類別內。

#### (d) 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及應收股息基準入賬。

倘股息超過宣派股息期間內附屬公司之全面收入總額，或獨立財務報表中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

二零二零年三月三十一日

## 2 主要會計政策概要(續)

### 2.4 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。

### 2.5 外幣換算

#### (a) 功能及呈列貨幣

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（「港元」）（即本公司之功能貨幣及本集團之呈列貨幣）呈列。

#### (b) 交易及結餘

外幣交易均按交易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，均於損益內確認。

有關借貸之匯兌盈虧在綜合損益表的財務成本內呈列。

#### (c) 集團公司

海外業務之功能貨幣如與呈列貨幣不同（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列貨幣：

- (i) 各資產負債表所列之資產及負債均按照該結算日之收市匯率換算：

## 2 主要會計政策概要(續)

### 2.5 外幣換算(續)

#### (c) 集團公司(續)

- (ii) 各損益表及全面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。

#### (d) 出售海外業務及出售部分權益

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損益。

倘出售部分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。就所有其他部分權益出售(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損益。

### 2.6 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。

# 綜合財務報表附註

二零二零年三月三十一日

## 2 主要會計政策概要 (續)

### 2.7 物業、廠房及設備

物業、廠房及設備按歷史成本減累計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）。入賬列作一項獨立資產的任何部分的賬面值於更換時終止確認。所有其他維修及保養費用，均於產生之報告期間內於損益內扣除。

租賃物業裝修、樓宇及模具之折舊採用直線法計算，以於估計可使用年內分攤成本，或如為租賃物業裝修，則以較短的租期為準。其他物業、廠房及設備以餘額遞減法，按於資產估計可使用年內足於撇銷成本減累計減值虧損的比率予以折舊。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%
模具	25%
土地及樓宇	2.5%
租賃物業裝修模具	6.67%

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2.10）。

出售盈虧乃透過比較所得款項與賬面值釐定。有關金額在損益內確認。

## 2 主要會計政策概要(續)

### 2.8 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,而非由本集團佔用。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。其後,彼等按公平值列賬。公平值變動乃於損益內入賬列為「其他收入淨額」之一部分。出售盈虧乃透過比較所得款項與賬面值釐定,並在損益內確認。

就轉撥自用物業至投資物業而言,產生自重估土地及樓宇之賬面值增加計入其他全面收益,並呈列為股東權益重估儲備。抵銷相同資產之先前增加之減少於其他全面收益扣除及直接於權益中自重估儲備扣除;所有其他減少扣除自綜合損益表。

### 2.9 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及減值虧損列賬。已購置特許權之經濟可使用年期於購置時估計(附註4(c))。

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。

#### (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;

# 綜合財務報表附註

二零二零年三月三十一日

## 2 主要會計政策概要(續)

### 2.9 無形資產(續)

#### (b) 遞延開發成本(續)

- (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。

### 2.10 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，一旦有事件出現或情況變動顯示彼等可能減值，則會更頻密地進行測試。每當有事件出現或情況變動顯示賬面值不能收回時，其他資產就會進行減值測試。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（大部分獨立於其他資產或資產組別所得現金流入）（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），於各報告日期末均就撥回減值之可能性進行檢討。

## 2 主要會計政策概要(續)

### 2.11 金融資產

#### (a) 分類

本集團將其金融資產類別分類為按攤銷成本計量之金融資產。

分類視乎實體管理金融資產之業務模式及現金流量之合約條款。

本集團於(及僅於)其管理金融資產之業務模式變更時重新分類債務投資。

#### (b) 確認及終止確認

常規購入及出售的金融資產在交易日(即本集團承諾購入或出售該資產當日)確認。當從金融資產收取現金流量的權利經已到期或經已轉讓,而本集團已將絕大部分擁有權的風險和回報轉讓時,金融資產即終止確認。

#### (c) 計量

初始計量時,本集團按金融資產之公平值加(倘並非按公平值計入損益(「按公平值計入損益」)之金融資產)直接歸屬於金融資產收購之交易成本計量。按公平值計入損益之金融資產之交易成本於損益列作開支。

#### 債務工具

債務工具之後續計量取決於本集團管理資產之業務模式及該等資產之現金流量特徵。本集團將其債務工具分類為按攤銷成本計量。

# 綜合財務報表附註

二零二零年三月三十一日

## 2 主要會計政策概要(續)

### 2.11 金融資產(續)

#### (c) 計量(續)

##### 債務工具(續)

持作收回合約現金流量之資產，倘該等現金流量僅指支付之本金及利息，則按攤銷成本計量。該等金融資產的利息收入採用實際利率法計入財務收入。終止確認產生的任何收益或虧損直接計入損益，並於「其他收入淨額」內列報。減值虧損於綜合收益表內作為單獨項目列示。

#### (d) 減值

本集團按前瞻性原則，對按攤銷成本列賬的債務工具相關的預期信貸虧損進行評估。所採用的減值方法取決於信貸風險是否大幅增加。

就應收貿易賬款而言，本集團採用《香港財務報告準則》第9號允許的簡化方法，其中要求全期預計虧損須自首次確認應收款項時確認，進一步詳情請參閱附註3(b)。

### 2.12 抵銷金融工具

當本集團目前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。本集團亦已訂立不符合抵銷條件惟仍可在若干情況(例如破產或終止合約)下抵銷相關金額之安排。

### 2.13 存貨

存貨乃按成本與可變現淨值兩者之較低者呈列。成本包括直接材料、直接勞工以及適當比例之可變及固定經常開支，後者按一般營運能力基準分配。成本乃按加權平均成本基準撥至個別存貨項目。購入存貨的成本乃於扣除退款及折扣後釐定。可變現淨值為於日常業務過程中的估計售價減完成估計成本及作出銷售所需的估計成本。

## 2 主要會計政策概要(續)

### 2.14 應收貿易賬款

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。

應收貿易賬款初步按無條件代價金額確認,除非其包含重大融資成分,才按公平值確認。本集團持有應收貿易賬款,目的為收取合約現金流量,因此其後以實際利息法按攤銷成本計量該等款項。本集團之減值政策闡述請參閱附註3.1(b)。

### 2.15 現金及現金等值

就呈列綜合現金流量表而言,現金及現金等值包括手頭現金、金融機構通知存款、可隨時轉換為已知數額現金且價值變動風險較少,而原到期為三個月或以下的其他短期高流動性投資以及銀行透支。銀行透支於綜合資產負債表流動負債中的借貸內列示。

### 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)。

### 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

二零二零年三月三十一日

## 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損益內確認。

於貸款融資將很有可能部分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分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

年內所得稅開支或抵免為基於各司法權區的適用所得稅率計算的即期應課稅收入(由暫時差額及未動用稅項虧損導致的遞延稅項資產及負債變動調整)的應付稅項。

#### (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全數計提撥備。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（及稅法）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。

倘本公司能控制撥回暫時差額的時間及差額很可能不會於可見未來撥回，則遞延稅項負債及資產不會就海外業務投資的賬面值與稅基的暫時差額予以確認。

當有合法可執行權利抵銷即期稅項資產及負債及當遞延稅項結餘與同一稅務機關有關時，遞延稅項資產及負債可予抵銷。倘實體擁有合法可執行權利抵銷及擬按淨額基準結付或同時變現資產及結付負債時，則即期稅項資產及負債可予抵銷。

# 綜合財務報表附註

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## 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。

僱員應享病假及分娩假期權利，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。根據界定供款計劃，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。本集團於以下較早日期確認終止僱傭福利：(a)本集團不得取消提供有關福利時；及(b)當實體確認屬《香港會計準則》第37號範圍內並涉及支付終止僱傭福利之重組成本時。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償付債務，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）根據預期須償付債務之開支的現值計量。撥備因時間流逝而增加之部分確認為利息開支。

### 2.23 營業額確認

#### 貨品銷售

貨品銷售於產品控制權已轉移（即集團實體已向客戶交付產品）、客戶已接受產品及可合理保證有關應收賬款之可收回性時確認。所示營業額已扣除增值稅、退貨、回扣及折扣及對銷本集團內之銷售。本集團之政策為向客戶出售其產品時附帶退貨權利。因此，就預期將會退貨之產品確認退款負債（計入應付貿易及其他賬款）及已退回貨品之權利（計入其他流動資產）。估計有關退貨時會使用累計經驗。本集團根據標準保養條款維修或替換缺陷產品之責任確認為撥備。

應收賬款於交付貨品時確認，原因為付款到期前僅須待時間過去，故其為代價成為無條件之時間點。

# 綜合財務報表附註

二零二零年三月三十一日

## 2 主要會計政策概要 (續)

### 2.24 利息收入

按攤銷成本列賬的金融資產使用實際利率法計算之利息收入作為其他收入之一部分於損益確認。

持作現金管理用途的金融資產賺取利息收入時，利息收入會呈列為財務收入，請參閱下文附註10。任何其他利息收入則計入其他收入。

利息收入按實際利率乘以金融資產賬面總額計算，之後會變成信貸減值的金融資產除外。對於信貸減值的金融資產，實際利率會應用於扣除虧損撥備後的金融資產賬面淨值。

### 2.25 租賃

如上文附註2.2所述，本集團已更改其作為承租人的租賃會計政策。下文對新政策及附註2.2所述變化的影響進行了說明。

直至二零一九年三月三十一日，倘若租賃擁有權之重大部分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。

擁有權的大部分風險及回報並無轉讓予本集團（作為承租人）的租賃分類為經營租賃（附註33）。經營租賃付款（扣除出租人給予的任何獎勵）於租期內按直線基準於損益扣除。

自二零一九年四月一日起，租賃於本集團可供租賃的資產使用當日確認為使用權資產及相應的負債。

合約可能包含租賃及非租賃組成部分。本集團按照租賃及非租賃組成部分相應的獨立價格，將合約代價分配至租賃及非租賃組成部分。

## 2 主要會計政策概要 (續)

### 2.25 租賃 (續)

租賃產生的資產及負債初步以現值進行計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款 (包括實質固定付款) 減任何應收租賃獎勵
- 基於指數或利率的可變租賃付款
- 剩餘價值擔保下的承租人預期應付款項
- 購買權的行使價格 (倘承租人合理地確定行使該選擇權)，及
- 支付終止租賃的罰款 (倘租賃期反映承租人行使該選擇權)。

根據合理確定續租選擇權支付的租賃付款亦計入負債計量之內。

承租人應在發生下列重大事項或重大情況變動時重新評估是否合理確定會行使續租選擇權或不行使終止選擇權：(a) 可由承租人控制；及(b) 影響承租人是否合理確定會行使之前確定租賃期時未考慮在內的選擇權，或不會行使之前確定租賃期時已考慮在內的選擇權。

租賃付款使用租賃中隱含的利率進行貼現。倘無法輕易確定該利率 (為本集團租賃的一般情況)，則使用承租人的增量借款利率，即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產具有類似價值的資產所需資金而必須支付的利率。

為釐定增量借款利率，本集團：

- 在可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整，以反映自獲得第三方融資以來融資條件的變動

# 綜合財務報表附註

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## 2 主要會計政策概要(續)

### 2.25 租賃(續)

- 使用累加法，首先就本集團持有租賃的信貸風險(最近並無第三方融資)調整無風險利率，及
- 進行特定於租約的調整，例如期限、國家、貨幣及抵押。

租賃付款於本金及財務成本之間作出分配。財務成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初始計量金額
- 在開始日期或之前支付的任何租賃付款減去已收任何租賃優惠
- 任何初始直接成本，及
- 修復費用。

使用權資產一般按直線法以資產可使用年期與租期(以較短者為準)計算折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年期内予以折舊。

與短期租賃設備及汽車以及所有低價值資產租賃相關的付款以直線法於損益確認為開支。短期租賃為租賃期12個月或以下的租賃。低價值資產包括辦公傢俬的小型用品。

本集團作為出租人的經營租賃的租賃收入按直線法於租賃期內確認為收入。獲取經營租賃產生的初始直接成本計入相關資產的賬面值，並於租賃期內以確認租賃收入的相同基準確認為開支。個別租賃資產按其性質計入資產負債表。採納新租賃準則後，本集團無需對作為出租人持有資產的會計處理作任何調整。

## 2 主要會計政策概要 (續)

### 2.26 股息分派

就於報告期末或之前已宣派但於報告期末並未分派之任何股息金額 (已經適當授權及再不由實體酌情決定) 作出撥備。

## 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 (「美元」)、人民幣 (「人民幣」) 及新台幣 (「新台幣」) 計值。大部分資產及負債以港元、美元、人民幣、新台幣及英鎊 (「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。

於二零二零年三月三十一日，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將增加／減少約1,649,000港元 (二零一九年：減少／增加8,154,000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。

# 綜合財務報表附註

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## 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)

於二零二零年三月三十一日，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將減少／增加約644,000港元(二零一九年：減少／增加549,000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。

於二零二零年三月三十一日，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將減少／增加約244,000港元(二零一九年：減少／增加342,000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及股東貸款。本集團之銀行借貸及股東貸款乃以浮動利率計息，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。

於二零二零年三月三十一日，本集團之浮動利率銀行借貸及股東貸款以港元及美元計值。

於二零二零年三月三十一日，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將增加／減少約2,660,000港元(二零一九年：增加／減少1,536,000港元)，主要是由於浮動利率借貸之利息開支增加／減少所致。

於二零二零年三月三十一日，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(二零一九年：虧損)將減少／增加約862,000港元(二零一九年：減少／增加2,311,000港元)，乃由於市場利率賺取之利息收入所致。

## 3 金融風險管理 (續)

### 3.1 金融風險因素 (續)

#### (a) 市場風險 (續)

##### (ii) 現金流量及公平值利率風險 (續)

於二零二零年及二零一九年三月三十一日，本集團持有之銀行借貸及股東貸款總額全為浮動利率。

#### (b) 信貸風險

##### (i) 風險管理

信貸風險來自現金及現金等值、應收貿易及其他賬款以及按金。管理層設有信貸政策，此等信貸風險持續受到監察。

本集團之現金及現金等值存放於信譽良好之銀行及金融機構。本集團定期檢討按金及其他應收款項之可收回金額，確保為不可收回金額作出足夠減值虧損。就應收客戶貿易賬款而言，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。

##### (ii) 金融資產減值

本集團主要有兩類型金融資產需應用新預期信貸虧損模式：

- 應收貿易賬款
- 按攤銷成本列值之其他金融資產。

儘管現金及現金等值亦須遵守《香港財務報告準則》第9號之減值規定，然而管理層認為有關減值虧損並不重大。

# 綜合財務報表附註

二零二零年三月三十一日

## 3 金融風險管理(續)

### 3.1 金融風險因素(續)

#### (b) 信貸風險(續)

##### (ii) 金融資產減值(續)

##### (i) 應收貿易賬款

本集團已應用簡化方法以就《香港財務報告準則》第9號所述的預期信貸虧損作出撥備，該方法對所有應收貿易賬款採用全期預期虧損撥備。

為計量預期信貸虧損，應收貿易賬款已根據共同信貸風險特徵及逾期日數分組。各組別之應收賬款的未來現金流量乃根據歷史虧損經驗估計並經調整，以反映現時狀況及有關影響客戶償付應收賬款能力之宏觀經濟因素之前瞻性資料的影響。具爭議之應收貿易賬款會進行個別減值撥備評估，並釐定是否須作出特定撥備。應收貿易賬款於合理預期不可收回時撇銷。

於二零二零年三月三十一日有關個別評估之應收貿易賬款全期預期信貸虧損為零(二零一九年：零)。

應收貿易賬款之預期信貸虧損率評估為約1.5%至22.6%(二零一九年：0.1%至26.3%)，於二零二零年三月三十一日，該等集體評估之應收貿易賬款之預期信貸虧損評估為約7,770,000港元(二零一九年：1,300,000港元)。

##### (ii) 按攤銷成本計量之其他金融資產

本集團對按攤銷成本計量之其他金融資產應用12個月預期信貸虧損。管理層考慮(其中包括)過往模式之分析等因素，結論為於二零二零年三月三十一日按攤銷成本計量之其他金融資產之預期信貸虧損約為3,115,000港元(二零一九年：零)。

## 3 金融風險管理 (續)

### 3.1 金融風險因素 (續)

#### (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以及股東貸款，維持其流動資金。

本集團已取得銀行融資以應付或然情況。於二零二零年三月三十一日，本集團之備用銀行融資總額約為553,750,000港元（二零一九年：898,400,000港元），其中已動用之數額約為157,370,000港元（二零一九年：183,913,000港元）。

按結算日至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。

	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
於二零二零年三月三十一日							
銀行借貸	159,803	-	-	-	-	159,803	157,370
股東貸款	-	-	168,671	-	-	168,671	161,200
租賃負債	-	34,126	43,990	3,775	567	82,458	78,228
應付貿易及其他賬款	-	128,679	-	-	-	128,679	128,679
於二零一九年三月三十一日							
銀行借貸	142,990	2,969	2,969	8,908	40,580	198,416	183,913
應付貿易及其他賬款	-	205,340	-	-	-	205,340	205,340

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。因此，該等金額大於下文所載之到期日分析內「按要求」時間範圍下所披露的金額。

# 綜合財務報表附註

二零二零年三月三十一日

## 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)

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	五年以上 千港元	總額 千港元	賬面值 千港元
二零二零年三月三十一日	109,394	9,857	13,876	39,016	172,143	157,370
二零一九年三月三十一日	124,639	6,797	11,554	-	142,990	141,692

### 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，本集團可能調整派予股東之股息金額、股東資本回報、籌集或償還股東貸款及銀行借貸、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。

# 綜合財務報表附註

二零二零年三月三十一日

## 3 金融風險管理(續)

### 3.2 資本風險管理(續)

於二零二零年及二零一九年三月三十一日，資產負債比率如下：

	二零二零年 千港元	二零一九年 千港元
現金及現金等值(附註23)	104,481	277,474
減：銀行借貸(附註26)	(157,370)	(183,913)
股東貸款(附註27)	(161,200)	—
租賃負債(附註17)	(78,228)	—
(債務)／現金盈餘淨額	(292,317)	93,561
總權益	680,920	1,329,470
資產負債比率	42.9%	不適用

於二零二零年三月三十一日，資產負債比率增至42.9%，主要是由於股東貸款增加及採納《香港財務報告準則》第16號。

## 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，包括相信在有相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。

### (a) 滯銷及陳舊存貨撥備

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，就滯銷及陳舊存貨計提撥備。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。

# 綜合財務報表附註

二零二零年三月三十一日

## 4 關鍵會計估計及判斷(續)

### (b) 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。

### (c) 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。

### (d) 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
- 使用權資產
- 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。

## 4 關鍵會計估計及判斷(續)

### (e) 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。

### (f) 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。產生自本集團之生產及其他業務活動之估計重大撥備以及相關或然變動之性質及程度披露於綜合財務報表，惟有關披露可能嚴重損害本集團於與賣方或其他對手方之待決爭議或可能來自賣方或其他對手方之索償中之狀況則除外。

### (g) 釐定租賃期

在釐定租賃期時，管理層考慮創造經濟獎勵的所有事實及情況，以行使續租選擇權或不行使終止選擇權。僅於租賃可合理確定將予延續（或不予終止）時，續租選擇權（或終止選擇權後的期間）方會計入租賃期。

對於辦公室及廠房租賃，下列因素一般最具關連性：

- 倘終止（或不續租）涉及巨額罰款，本集團通常會合理確定續租（或不終止）。
- 倘預期任何租賃物業裝修具有重大剩餘價值，本集團通常會合理確定續租（或不終止）。

# 綜合財務報表附註

二零二零年三月三十一日

## 4 關鍵會計估計及判斷(續)

### (g) 釐定租賃期(續)

- 否則，本集團考慮其他因素(包括歷史租期及取代已租賃資產所需成本及涉及的業務中斷)。

由於本集團可在不產生重大成本或業務中斷的情況下更換資產，辦公室的大部分續租選擇權並未計入租賃負債內。

倘實際行使(或不行使)或本集團有責任行使(或不行使)選擇權，則對租賃期進行重新評估。僅發生重大事件或情況發生重大變化而影響是項評估，且在承租人的控制範圍內，方會對評估合理確定性進行修訂。

## 5 營業額及分類資料

年內確認之營業額如下：

	二零二零年 千港元	二零一九年 千港元
影音產品	786,251	1,387,713
筆記型電腦產品	174,995	157,499
	<b>961,246</b>	1,545,212

	二零二零年 千港元	二零一九年 千港元
營業額確認時間 — 於某一時間點	<b>961,246</b>	1,545,212

## 5 營業額及分類資料(續)

### (a) 按產品分析之分類

主要經營決策者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。概無定期向主要經營決策者提供分類資產或分類負債分析。營運分類報告已使用管理層之方針。

本集團主要於中國、台灣及香港營運，主要從事設計、製造及銷售消費電子產品，包括影音產品及筆記型電腦產品。

年內，主要營運決策者從產品及地理角度審視本集團的表現，並已識別其業務的兩個可報告分類：

- |         |   |                               |
|---------|---|-------------------------------|
| 影音產品    | — | 設計、製造及銷售消費電子產品，包括音響、影像及平板電腦產品 |
| 筆記型電腦產品 | — | 設計、製造及銷售商業筆記型電腦及個人電腦產品        |

# 綜合財務報表附註

二零二零年三月三十一日

## 5 營業額及分類資料(續)

### (a) 按產品分析之分類(續)

本集團的分類間交易主要包括附屬公司間的配件銷售。該等交易乃按一般商業條款及條件訂立，有關條款及條件亦適用於概無關聯的第三方。

	二零二零年				二零一九年			
	影音產品 千港元	筆記型 電腦產品 千港元	抵銷 千港元	總計 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	總計 千港元
<b>分類營業額</b>								
外部銷售	786,251	174,995	-	961,246	1,387,713	157,499	-	1,545,212
內部分類銷售	6,919	30,916	(37,835)	-	5,620	34,557	(40,177)	-
	<b>793,170</b>	<b>205,911</b>	<b>(37,835)</b>	<b>961,246</b>	<b>1,393,333</b>	<b>192,056</b>	<b>(40,177)</b>	<b>1,545,212</b>
<b>分類業績<sup>(1)</sup></b>	<b>(205,064)</b>	<b>(237,762)</b>	<b>-</b>	<b>(442,826)</b>	<b>(205,570)</b>	<b>(314,347)</b>	<b>-</b>	<b>(519,917)</b>
就使用權資產減值撥備				(30,342)				-
就物業、廠房及設備減值撥備				(95,758)				(20,000)
財務收入				1,109				4,867
財務成本				(26,169)				(16,165)
除所得稅前虧損				(593,986)				(551,215)
所得稅開支				(5,444)				(11,948)
本年度虧損				(599,430)				(563,163)
以下應佔本年度虧損								
— 本公司股東				(599,374)				(563,134)
— 非控股權益				(56)				(29)
				<b>(599,430)</b>				<b>(563,163)</b>

<sup>(1)</sup> 管理層根據經營溢利的計量評估營運分類表現。提供的其他資料按照與綜合財務報表一致的方式計量。

# 綜合財務報表附註

二零二零年三月三十一日

## 5 營業額及分類資料(續)

### (b) 按地區分析之分類

截至二零二零年及二零一九年三月三十一日止年度之分類營業額如下：

	二零二零年 千港元	二零一九年 千港元
北美洲	786,250	1,379,523
亞洲	142,989	132,909
歐洲	27,513	29,042
其他	4,494	3,738
	<b>961,246</b>	<b>1,545,212</b>

本公司於百慕達註冊。按地區分類作出之營業額分析乃根據付運目的地釐定。於年末，本集團絕大部分非流動資產均位於亞洲。

佔營業額總額10%或以上的客戶詳情如下：

	二零二零年 千港元	二零一九年 千港元
客戶甲	725,788	1,282,549

# 綜合財務報表附註

二零二零年三月三十一日

## 6 其他(虧損)/收入淨額

	二零二零年 千港元	二零一九年 千港元
投資物業之租金收入(附註15)	2,436	4,724
投資物業之公平值虧損(附註15)	(18,209)	(2,726)
出售投資物業之收益淨額	-	2,650
租金減免	3,554	-
退還特許權費	914	6,256
加工收入	2,095	-
提早終止租賃之虧損	(53)	-
來自供應商的推廣撥備	516	-
其他	295	124
	(8,452)	11,028

## 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：

	二零二零年 千港元	二零一九年 千港元
無形資產攤銷(附註18)	1,785	13,932
租賃土地及土地使用權攤銷(附註16)	-	47
核數師酬金	2,380	2,280
存貨成本(附註21)	815,614	1,342,403
就存貨減值撥備	23,622	34,413
物業、廠房及設備折舊(附註14)	42,731	48,249
使用權資產折舊(附註17)	24,876	-
僱員福利開支(包括董事酬金)(附註8)	183,098	215,455
遣散費用(附註8)	10,495	2,707
出售廠房及設備之虧損(附註31)	323	433
土地及樓宇之經營租賃租金(附註17)	2,232	29,584
研究及發展成本	40,452	84,578
維修及檢查費用	9,849	20,303
推廣及展覽會開支	57,518	74,710

# 綜合財務報表附註

二零二零年三月三十一日

## 8 僱員福利開支（包括董事酬金）

	二零二零年 千港元	二零一九年 千港元
工資及薪金	162,434	188,705
其他員工福利及退休金成本	20,664	26,750
	183,098	215,455
遣散費用	10,495	2,707

附註：

### (a) 退休金成本—界定供款退休計劃

於二零二零年十二月一日前，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%。

自二零二零年十二月一日起，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各自須按僱員月薪淨額之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3,539,000港元（二零一九年：4,199,000港元）。年內沒有動用界定供款退休計劃之沒收供款（二零一九年：相同）。於二零二零年三月三十一日，沒有可供扣減未來供款之沒收供款（二零一九年：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545,000港元（二零一九年：531,000港元）供款，已計入其他應付賬款及應計費用內。

本公司於中國之附屬公司為中國政府營辦下國家管理退休福利計劃項下成員。該退休福利計劃供款5,122,000港元（二零一九年：6,611,000港元）即該等附屬公司須向該計劃支付之供款額，乃根據附屬公司僱員薪金之若干百分比計算，並於作出供款之期間自綜合損益表扣除。

就兩個退休福利計劃而言，倘基金所持資產不足以就本期或過往期間僱員服務向所有僱員支付福利，則本集團並無法律或推定責任作進一步供款。

# 綜合財務報表附註

二零二零年三月三十一日

## 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三位(二零一九年：四位)董事，其酬金於附註9呈列之分析內反映。年內應付其餘兩位(二零一九年：一位)人士之酬金如下：

	二零二零年 千港元	二零一九年 千港元
基本薪金、房屋津貼、其他津貼及實物福利	3,758	2,600
退休金計劃供款	173	120
	3,931	2,720

酬金屬於以下範圍：

酬金範圍	人數	
	二零二零年	二零一九年
1,000,001港元－2,000,000港元	1	—
2,000,001港元－3,000,000港元	1	1
	2	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兩位(二零一九年：一位)人士之酬金。

年內，餘下一位(二零一九年：三位)高級管理層之酬金如下：

酬金範圍	人數	
	二零二零年	二零一九年
1港元－1,000,000港元	1	—
1,000,001港元－2,000,000港元	—	3
	1	3

# 綜合財務報表附註

二零二零年三月三十一日

## 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161條披露如下：

截至二零二零年三月三十一日止年度：

姓名	退休福利計劃			總計 千港元
	袍金 千港元	薪金 千港元	僱主供款 千港元	
<b>執行董事：</b>				
梁偉成先生	-	4,843	207	5,050
梁錦輝先生(i)	-	520	43	563
廖開強先生(ii)	-	500	-	500
梁偉明先生(iii)	-	2,698	96	2,794
廖立民先生(iv)	-	2,770	118	2,888
<b>獨立非執行董事：</b>				
張富紳先生	300	-	15	315
李德志先生	300	-	-	300
張嘉榮先生(v)	269	-	11	280
李華明先生(vi)	100	-	5	105
	969	11,331	495	12,795

# 綜合財務報表附註

二零二零年三月三十一日

## 9 董事福利及權益 (續)

### (a) 董事及最高行政人員之酬金 (續)

截至二零一九年三月三十一日止年度：

姓名	退休福利計劃			總計 千港元
	袍金 千港元	薪金 千港元	僱主供款 千港元	
<b>執行董事：</b>				
梁劍文先生(vii)	-	1,620	39	1,659
梁偉成先生	-	4,843	207	5,050
郭冠文先生(viii)	-	3,600	141	3,741
梁偉明先生(iii)	-	2,202	94	2,296
廖立民先生(iv)	-	2,180	93	2,273
<b>獨立非執行董事：</b>				
李華明先生(vi)	300	-	15	315
張富紳先生	300	-	15	315
李德志先生	300	-	-	300
	900	14,445	604	15,949

附註：

- (i) 於二零一九年九月二十四日獲委任
- (ii) 於二零二零年二月一日獲委任
- (iii) 於二零一九年十二月十三日辭任
- (iv) 於二零二零年二月一日辭任
- (v) 於二零一九年五月九日獲委任
- (vi) 於二零一九年六月三十日辭任
- (vii) 於二零一八年六月十五日退任
- (viii) 於二零一九年四月一日退任

### (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(二零一九年：無)。

### (c) 董事離職福利

年內，概無就提前終止委聘而向董事支付任何款項作為補償(二零一九年：無)。

# 綜合財務報表附註

二零二零年三月三十一日

## 9 董事福利及權益 (續)

### (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(二零一九年:無)。

### (e) 有關以董事、董事之受控制法人團體及關連實體為受益人之貸款、準貸款及其他交易之資料

有關公司或其附屬公司事務(如適用)訂立以董事為受益人之貸款、準貸款及其他交易之資料載列於附註27。

### (f) 董事於交易、安排或合約之重大權益

除附註27所披露者外,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(二零一九年:無)。

## 10 財務收入及財務成本

	二零二零年 千港元	二零一九年 千港元
財務收入:		
— 銀行利息收入	1,109	4,867
財務成本:		
— 銀行借貸之利息支出	7,750	15,445
— 股東貸款之利息支出(附註34)	2,377	720
— 租賃負債之利息支出(附註17)	11,076	—
— 其他應收賬款之估算利息支出	4,966	—
	26,169	16,165

# 綜合財務報表附註

二零二零年三月三十一日

## 11 所得稅開支

香港利得稅已就本年度估計應課稅溢利按16.5%稅率計提撥備。企業所得稅乃向中國營運之附屬公司產生之利潤徵稅，根據中國相關稅務法律法規以25%之稅率計算。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。

	二零二零年 千港元	二零一九年 千港元
即期所得稅開支		
— 香港利得稅	—	8
— 中國企業所得稅	1,549	3,631
— 海外企業所得稅	—	35
— 以往年度(超額撥備)/撥備不足	(4)	17
遞延所得稅支出(附註30)	3,899	8,257
所得稅開支	5,444	11,948

本集團除所得稅前虧損之稅項與採用香港稅率所計算之理論稅款差異如下：

	二零二零年 千港元	二零一九年 千港元
除所得稅前虧損	(593,986)	(551,215)
按稅率16.5%(二零一九年:16.5%)計算之稅項	(98,008)	(90,951)
其他國家不同稅率之影響	(3,094)	(1,400)
毋須課稅之收入	(992)	(1,280)
不可扣稅之支出	56,802	42,470
以往年度(超額撥備)/撥備不足	(4)	17
撥回以往確認之稅項虧損	—	7,927
未確認之稅項虧損	50,740	55,199
使用以往確認之稅項虧損	—	(34)
所得稅開支	5,444	11,948

# 綜合財務報表附註

二零二零年三月三十一日

## 12 每股虧損

### 基本

每股基本虧損乃按照本公司股東應佔本年度虧損除以本年度已發行普通股之加權平均數計算。

	二零二零年	二零一九年
本公司股東應佔虧損(千港元)	(599,374)	(563,134)
已發行普通股之加權平均數	723,244,650	594,051,359
每股基本虧損(港仙)	(82.9)	(94.8)

### 攤薄

每股攤薄虧損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。於截至二零二零年及二零一九年三月三十一日止年度內並無潛在攤薄普通股。因此，每股攤薄虧損與每股基本虧損相同。

## 13 股息

董事不建議派發有關截至二零二零年三月三十一日止年度之末期股息(二零一九年：無)。

# 綜合財務報表附註

二零二零年三月三十一日

## 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
於二零一八年四月一日							
成本	129,211	300,616	126,074	175,041	79,407	10,141	820,490
累計折舊及減值	(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
截至二零一九年三月三十一日止年度							
年初賬面淨值	125,360	29,469	89,279	59,923	40,871	5,105	350,007
增添	-	14,992	13,727	15,023	2,307	727	46,776
出售	-	-	(181)	(1,676)	(314)	(178)	(2,349)
折舊	(4,169)	(14,181)	(9,866)	(12,289)	(6,688)	(1,056)	(48,249)
減值虧損	-	(6,312)	(13,688)	-	-	-	(20,000)
轉撥至投資物業	(4,485)	-	-	-	-	-	(4,485)
匯兌差額	(16)	-	(3,397)	(1,092)	(346)	(52)	(4,903)
年末賬面淨值	116,690	23,968	75,874	59,889	35,830	4,546	316,797
於二零一九年三月三十一日							
成本	121,709	304,498	135,959	179,419	79,088	9,981	830,654
累計折舊及減值	(5,019)	(280,530)	(60,085)	(119,530)	(43,258)	(5,435)	(513,857)
賬面淨值	116,690	23,968	75,874	59,889	35,830	4,546	316,797

# 綜合財務報表附註

二零二零年三月三十一日

## 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）

	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
截至二零二零年三月三十一日止年度							
年初賬面淨值	116,690	23,968	75,874	59,889	35,830	4,546	316,797
會計政策變動調整（附註2.2）	(68,070)	-	-	-	-	-	(68,070)
經重列年初賬面淨值	48,620	23,968	75,874	59,889	35,830	4,546	248,727
增添	-	19,902	2,565	13,193	3,323	-	38,983
出售	-	-	(584)	(1,185)	(1,189)	(460)	(3,418)
折舊	(1,726)	(11,929)	(10,160)	(12,378)	(5,652)	(886)	(42,731)
減值虧損（附註(c)）	-	(31,941)	(63,817)	-	-	-	(95,758)
匯兌差額	-	-	(3,878)	(1,314)	(335)	(53)	(5,580)
年末賬面淨值	46,894	-	-	58,205	31,977	3,147	140,223
於二零二零年三月三十一日							
成本	50,762	324,351	130,796	184,810	79,799	8,227	778,745
累計折舊及減值	(3,868)	(324,351)	(130,796)	(126,605)	(47,822)	(5,080)	(638,522)
賬面淨值	46,894	-	-	58,205	31,977	3,147	140,223

(b) 折舊開支已計入：

	二零二零年 千港元	二零一九年 千港元
銷貨成本	32,869	37,179
行政開支	9,862	11,070
	42,731	48,249

(c) 就減值評估而言，本集團參考資產的公平值減出售成本與使用價值中的較高者評估物業、廠房及設備的可收回金額。本集團就資產的賬面值超出其可收回金額的部分確認減值虧損。因此，截至二零二零年三月三十一日止年度，本集團作出額外減值撥備約95,758,000港元。

(d) 於二零二零年三月三十一日，本集團若干銀行借貸以賬面值為112,065,000港元（二零一九年：116,177,000港元）之土地及樓宇以及使用權資產作為抵押（附註26）。

# 綜合財務報表附註

二零二零年三月三十一日

## 15 投資物業

	二零二零年 千港元	二零一九年 千港元
年初	78,238	93,988
重估後轉撥自物業、廠房及設備以及租賃土地及土地使用權	-	75,767
出售	-	(85,700)
公平值虧損(附註6)	(18,209)	(2,726)
匯兌差額	(4,229)	(3,091)
年末	55,800	78,238

年內，投資物業取得之租金收入約為2,436,000港元(二零一九年：4,724,000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。本集團投資物業於二零二零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(二零一九年：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(「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進行之估值。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。

### 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。

# 綜合財務報表附註

二零二零年三月三十一日

## 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(續)

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並無變動。

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。於二零二零年三月三十一日，本集團投資物業年期收益率分析採用介乎4.7%至7.0%(二零一九年：2.0%至6.2%)之收益率。

就本集團之投資物業而言，當前市價乃根據鄰近物業之近期銷售交易估計。價格越低，則公平值越低。於二零二零年三月三十一日，本集團位於香港及中國之投資物業之年期及復歸分析分別採用介乎土地面積每平方呎718港元至768港元(二零一九年：442港元至1,742港元)及介乎可銷售面積每平方米人民幣19,608元至人民幣23,533元(二零一九年：人民幣25,512元至人民幣38,850元)之當前市價。

## 16 租賃土地及土地使用權

	二零二零年 千港元	二零一九年 千港元
年初	—	5,926
攤銷(附註7)	—	(47)
轉撥至投資物業	—	(5,859)
匯兌差額	—	(20)
年末	—	—

租賃土地及土地使用權之攤銷開支已計入行政開支內。

# 綜合財務報表附註

二零二零年三月三十一日

## 17 租賃

本附註提供有關本集團作為承租人的租賃的資料。

### (i) 於綜合資產負債表確認的金額

綜合資產負債表顯示下列與租賃有關的金額：

#### (a) 使用權資產

	租賃土地 千港元	辦公室 及樓宇 千港元	總計 千港元
於二零一九年四月一日	68,070	226,989	295,059
增添	–	3,356	3,356
終止	–	(677)	(677)
折舊	(2,409)	(22,467)	(24,876)
重新計量	–	(166,360)	(166,360)
減值虧損	–	(30,342)	(30,342)
匯兌差額	–	(10,499)	(10,499)
於二零二零年三月三十一日	<b>65,661</b>	<b>–</b>	<b>65,661</b>

附註：就減值評估而言，本集團參考資產的公平值減出售成本與使用價值中的較高者評估使用權資產的可收回金額。因此，截至二零二零年三月三十一日止年度，本集團作出減值撥備約30,342,000港元。

# 綜合財務報表附註

二零二零年三月三十一日

## 17 租賃(續)

### (i) 於綜合資產負債表確認的金額(續)

#### (b) 租賃負債

	千港元
於二零一九年四月一日	279,343
增添	3,314
終止	(616)
付款	(23,426)
重新計量	(166,360)
匯兌差額	(14,027)
於二零二零年三月三十一日	78,228
分析為：	
流動	31,050
非流動	47,178
	78,228

### (ii) 於綜合損益表確認的金額

綜合損益表顯示下列與租賃有關的金額：

	二零二零年 千港元
使用權資產折舊支出	
租賃土地	2,409
辦公室及樓宇	22,467
	24,876
就使用權資產減值撥備	30,342
租賃負債利息開支(附註10)	11,076
與短期租賃有關的開支(附註7)	2,232

本年度之租賃現金流出總額為36,734,000港元。

# 綜合財務報表附註

二零二零年三月三十一日

## 18 無形資產

	特許權 千港元	遞延開發成本 千港元	總計 千港元
於二零一八年四月一日			
成本	78,000	40,766	118,766
累計攤銷	(78,000)	(4,114)	(82,114)
賬面淨值	-	36,652	36,652
截至二零一九年三月三十一日止年度			
於二零一八年四月一日	-	36,652	36,652
增添	-	1,186	1,186
攤銷	-	(13,932)	(13,932)
減值虧損	-	(21,761)	(21,761)
匯兌差額	-	(141)	(141)
賬面淨值	-	2,004	2,004
於二零一九年三月三十一日			
成本	78,000	41,683	119,683
累計攤銷及減值	(78,000)	(39,679)	(117,679)
賬面淨值	-	2,004	2,004
截至二零二零年三月三十一日止年度			
於二零一九年四月一日	-	2,004	2,004
增添	-	657	657
攤銷	-	(1,785)	(1,785)
減值虧損	-	(810)	(810)
匯兌差額	-	(66)	(66)
賬面淨值	-	-	-
於二零二零年三月三十一日			
成本	78,000	42,112	120,112
累計攤銷及減值	(78,000)	(42,112)	(120,112)
賬面淨值	-	-	-

- (a) 特許權及遞延開發成本之攤銷開支已計入銷貨成本內。
- (b) 就減值評估而言，本集團參考資產的公平值減出售成本與使用價值中的較高者評估無形資產的可收回金額。因此，截至二零二零年三月三十一日止年度，本集團就遞延開發成本作出額外減值撥備約810,000港元。

# 綜合財務報表附註

二零二零年三月三十一日

## 19 附屬公司

於二零二零年三月三十一日，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				主要業務
			二零二零年		二零一九年		
			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 <sup>1</sup>	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 <sup>1</sup>	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	-	100	物業持有

附註：

<sup>1</sup> 屬外商獨資企業。

上表載列於二零二零年及二零一九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分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

二零二零年三月三十一日

## 20 按類別劃分之金融工具

	二零二零年 千港元	二零一九年 千港元
按攤銷成本計量之金融資產		
應收貿易及其他賬款	474,755	529,903
現金及現金等值	104,481	277,474
總計	579,236	807,377
	二零二零年 千港元	二零一九年 千港元
按攤銷成本計量之金融負債		
應付貿易及其他賬款	107,160	197,683
銀行借貸	157,370	183,913
股東貸款	161,200	–
租賃負債	78,228	–
總計	503,958	381,596

## 21 存貨

	二零二零年 千港元	二零一九年 千港元
原料	293,215	330,808
在製品	11,684	23,152
製成品	208,140	279,750
	513,039	633,710
減：減值撥備	(176,467)	(153,462)
	336,572	480,248

確認為開支並計入銷貨成本之存貨成本約為815,614,000港元（二零一九年：1,342,403,000港元）。

# 綜合財務報表附註

二零二零年三月三十一日

## 22 應收貿易賬款、預付款項、按金及其他應收賬款

	二零二零年 千港元	二零一九年 千港元
非流動		
預付款項、按金及其他應收賬款	59,932	11,560
減：虧損撥備	(3,115)	-
	56,817	11,560
流動		
應收貿易賬款	394,822	512,054
減：虧損撥備	(7,770)	(1,300)
應收貿易賬款淨額	387,052	510,754
預付款項、按金及其他應收賬款	55,103	20,550
	442,155	531,304
	498,972	542,864

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。

於二零二零年及二零一九年三月三十一日，按照付運條款計算之應收貿易賬款賬齡分析如下：

	二零二零年 千港元	二零一九年 千港元
0-30日	40,999	41,899
31-60日	124,568	62,159
61-90日	94,733	69,602
超過90日	126,752	337,094
	387,052	510,754

# 綜合財務報表附註

二零二零年三月三十一日

## 22 應收貿易賬款、預付款項、按金及其他應收賬款(續)

應收貿易賬款之虧損撥備變動如下：

	二零二零年 千港元	二零一九年 千港元
於四月一日	1,300	4,808
本年度撇銷為不可收回之應收賬款	-	(2,908)
減值虧損撥備／(撥回)	6,470	(600)
於三月三十一日	7,770	1,300

當不存在合理可收回預期時，則撇銷應收賬款。不存在可收回的合理預期跡象包括(其中包括)債務人無法與本集團達成還款計劃。

應收貿易賬款之減值虧損呈列為經營虧損中之減值虧損淨額。其後收回過往撇銷之款項乃計入相同項目。

該等應收貿易賬款之賬面值以下列貨幣計值：

	二零二零年 千港元	二零一九年 千港元
美元	348,200	494,842
加幣	18,315	247
港元	10,634	5,475
新台幣	5,191	6,710
英鎊	2,556	664
歐元	18	23
新加坡元	-	1,685
其他	2,138	1,108
	387,052	510,754

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。

# 綜合財務報表附註

二零二零年三月三十一日

## 23 現金及現金等值

	二零二零年 千港元	二零一九年 千港元
銀行及手頭現金	104,481	191,015
短期銀行存款	-	86,459
	<b>104,481</b>	<b>277,474</b>
須承受之最高信貸風險	<b>103,198</b>	<b>276,726</b>

於二零二零年三月三十一日，本集團以人民幣計值之現金及現金等值約8,269,000港元（二零一九年：24,402,000港元）存放於中國之銀行。將該等以人民幣計值之結餘兌換為外幣並將資金匯出中國須遵守中國政府頒佈之外匯管制規則及規例。

現金及現金等值以下列貨幣計值：

	二零二零年 千港元	二零一九年 千港元
港元	64,171	78,716
美元	25,049	87,677
人民幣	9,367	101,311
新台幣	4,121	3,644
丹麥克朗	1,179	985
英鎊	368	3,822
歐元	105	167
馬來西亞令吉	95	574
新加坡元	25	577
其他	1	1
	<b>104,481</b>	<b>277,474</b>

# 綜合財務報表附註

二零二零年三月三十一日

## 24 其他流動資產

	二零二零年 千港元	二零一九年 千港元
退還貨品之權利	459	7,986

## 25 應付貿易及其他賬款

	二零二零年 千港元	二零一九年 千港元
非流動		
其他應付賬款	4,666	4,720
流動		
應付貿易賬款	39,637	94,128
其他應付賬款及應計費用	87,342	95,979
退還負債(附註i)	1,700	15,233
	128,679	205,340
	133,345	210,060

應付貿易及其他賬款之賬面值與其公平值相若。

- (i) 當客戶有權於指定期間內退還貨品，本集團就實體預期無權收取之已收代價金額確認退還負債。本集團亦確認退還貨品之權利(附註24)。

於二零二零年及二零一九年三月三十一日，按照發票日期計算之應付貿易賬款賬齡分析如下：

	二零二零年 千港元	二零一九年 千港元
0-30日	23,897	76,763
31-60日	5,225	8,446
61-90日	4,571	2,008
超過90日	5,944	6,911
	39,637	94,128

# 綜合財務報表附註

二零二零年三月三十一日

## 25 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：

	二零二零年 千港元	二零一九年 千港元
美元	25,888	69,132
港元	12,452	23,331
丹麥克朗	1,148	1,575
人民幣	126	63
新台幣	23	27
	<b>39,637</b>	94,128

## 26 銀行借貸

	二零二零年 千港元	二零一九年 千港元
非流動		
銀行借貸，有抵押 (附註i)	-	40,516
流動		
銀行借貸，有抵押 (附註i)	111,852	1,705
銀行借貸，無抵押 (附註ii)	45,518	141,692
	<b>157,370</b>	143,397
	<b>157,370</b>	183,913

附註：

- (i) 於二零二零年三月三十一日，銀行借貸以本集團賬面值為112,065,000港元 (二零一九年：116,177,000港元) 之土地及樓宇以及使用權資產作為抵押 (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32)。

# 綜合財務報表附註

二零二零年三月三十一日

## 26 銀行借貸 (續)

銀行借貸之到期日如下：

	二零二零年 千港元	二零一九年 千港元
一年以內	157,370	143,397
於第二年	-	1,758
於第三至第五年	-	5,607
超過五年	-	33,151
	<b>157,370</b>	<b>183,913</b>

銀行借貸之賬面值與其公平值相若。

於二零二零年三月三十一日，該等借貸之利息乃按香港銀行同業拆息或放貸人資金成本（二零一九年：香港銀行同業拆息，倫敦銀行同業拆息或放貸人資金成本）加若干息差之利率計算。

銀行借貸之賬面值以下列貨幣計值：

	二零二零年 千港元	二零一九年 千港元
港元	64,703	66,641
美元	92,667	117,272
	<b>157,370</b>	<b>183,913</b>

### 契諾

截至二零二零年三月三十一日止年度，本集團若干銀行融資受到財務及非財務契諾條款之規限，據此，本集團須滿足若干關鍵績效指標及條件，包括但不限於本集團之銷量、流動比率、淨資產負債率、有形資產淨值及利息覆蓋率。

本集團未能遵守有關本集團向三家銀行取得融資的若干財務契諾，所涉總額為437,150,000港元，截至二零二零年三月三十一日，其中88,272,000港元已由本集團用作銀行借貸。根據該等銀行融資函，該違反契諾之行為可能使有關銀行有權取消或暫停提供融資。

於二零二零年六月十八日及二零二零年六月二十三日，本集團分別自上述兩家銀行取得有關於截至二零二零年三月三十一日止年度遵守相關財務契諾之書面豁免。

# 綜合財務報表附註

二零二零年三月三十一日

## 27 股東貸款

	二零二零年 千港元	二零一九年 千港元
梁劍文先生	78,200	—
梁偉成先生	83,000	—
	<b>161,200</b>	—

股東貸款之賬面值與其公平值相若。

於二零二零年三月三十一日，股東貸款按一個月香港銀行同業拆息或倫敦銀行同業拆息上浮1.3%之年利率計息。結餘應於二零二一年十二月三十一日償還。

股東貸款之賬面值以下列貨幣計值：

	二零二零年 千港元	二零一九年 千港元
港元	83,000	—
美元	78,200	—
	<b>161,200</b>	—

- (i) 於年末後，於二零二零年六月十五日，本集團與其主要股東之一、主席兼行政總裁梁先生訂立一項出資承諾契據，以向本集團提供資金。本公司可於自契據日期起計十八個月（即二零二一年十二月十五日）內酌情向梁先生發出出資通知。出資承諾總額不得超過170,000,000港元。
- (ii) 於年末後，於二零二零年六月十六日，本集團根據契據條款向梁先生提取50,000,000港元之貸款。該貸款為無抵押及須於自提取日期起計十八個月後償還，並按一個月香港銀行同業拆息上浮1.3%之年利率計息。於二零二零年六月二十九日，該出資承諾契據項下之可動用資金為120,000,000港元。

# 綜合財務報表附註

二零二零年三月三十一日

## 28 股本

年內，本公司之法定及已發行股本如下：

	二零二零年		二零一九年	
	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	723,244,650	72,324	578,595,720	57,860
發行供股股份（附註a）	-	-	144,648,930	14,464
於年末	723,244,650	72,324	723,244,650	72,324

### (a) 發行供股股份

於二零一九年二月二十一日，按每持有四股普通股獲發一股供股股份的基準以每股供股股份0.87港元之認購價進行之供股已完成。已發行合共144,648,930股股份，本公司產生所得款項淨額約123,865,000港元。新股份與現有股份具有同等地位。

# 綜合財務報表附註

二零二零年三月三十一日

## 29 儲備

	股份溢價 千港元	資本贖回儲備 千港元	重估儲備 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	小計 千港元
於二零一八年四月一日	308,278	1,089	-	(2,382)	11,783	1,353,170	1,671,938
會計政策變動	-	-	-	-	-	(1,900)	(1,900)
於二零一八年四月一日重列	308,278	1,089	-	(2,382)	11,783	1,351,270	1,670,038
<b>全面虧損</b>							
本年度虧損	-	-	-	-	-	(563,134)	(563,134)
<b>其他全面收入／(虧損)</b>							
貨幣匯兌差額	-	-	-	(12,412)	-	-	(12,412)
業主自用物業轉撥至投資物業 之重估收益	-	-	65,423	-	-	-	65,423
<b>全面收入／(虧損)總額</b>	-	-	65,423	(12,412)	-	(563,134)	(510,123)
<b>與擁有人進行之交易</b>							
二零一八年末期股息	-	-	-	-	-	(11,572)	(11,572)
發行供股股份	109,401	-	-	-	-	-	109,401
<b>與擁有人進行之交易總額</b>	109,401	-	-	-	-	(11,572)	97,829
於二零一九年三月三十一日	417,679	1,089	65,423	(14,794)	11,783	776,564	1,257,744
於二零一九年四月一日	417,679	1,089	65,423	(14,794)	11,783	776,564	1,257,744
會計政策變動(附註2.2)	-	-	-	-	-	(42,386)	(42,386)
於二零一九年四月一日重列	417,679	1,089	65,423	(14,794)	11,783	734,178	1,215,358
<b>全面虧損</b>							
本年度虧損	-	-	-	-	-	(599,374)	(599,374)
<b>其他全面虧損</b>							
貨幣匯兌差額	-	-	-	(6,734)	-	-	(6,734)
<b>全面虧損總額</b>	-	-	-	(6,734)	-	(599,374)	(606,108)
於二零二零年三月三十一日	417,679	1,089	65,423	(21,528)	11,783	134,804	609,250

# 綜合財務報表附註

二零二零年三月三十一日

## 30 遞延所得稅

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。

	二零二零年 千港元	二零一九年 千港元
將於十二個月後收回之遞延所得稅資產	-	16,550
將於十二個月後償付之遞延所得稅負債	-	(8,397)
遞延所得稅資產淨值	-	8,153

年內遞延所得稅資產／(負債)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			總計 千港元
		折舊 千港元	遞延開發成本 千港元	其他 千港元	
於二零一八年四月一日	17,814	(3,723)	(2,979)	5,678	16,790
(扣除自)／計入綜合損益表	(10,659)	(308)	2,529	181	(8,257)
匯兌差額	(9)	(186)	9	(194)	(380)
於二零一九年三月三十一日	7,146	(4,217)	(441)	5,665	8,153
採納《香港財務報告準則》第16號之調整	-	-	-	(4,074)	(4,074)
於二零一九年四月一日重列	7,146	(4,217)	(441)	1,591	4,079
於二零一九年四月一日	<b>7,146</b>	<b>(4,217)</b>	<b>(441)</b>	<b>1,591</b>	<b>4,079</b>
(扣除自)／計入綜合損益表	<b>(7,146)</b>	<b>4,397</b>	<b>441</b>	<b>(1,591)</b>	<b>(3,899)</b>
匯兌差額	-	(180)	-	-	(180)
於二零二零年三月三十一日	-	-	-	-	-

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824,734,000港元（二零一九年：538,188,000港元）確認遞延所得稅資產約142,639,000港元（二零一九年：92,798,000港元）。於未確認之稅項虧損當中，約791,085,000港元（二零一九年：528,828,000港元）並無屆滿日期。然而24,009,000港元（二零一九年：3,303,000港元）將於五年內屆滿及9,640,000港元（二零一九年：6,057,000港元）將於五年後屆滿。

# 綜合財務報表附註

二零二零年三月三十一日

## 31 綜合現金流量表附註

(a) 除所得稅前虧損與經營所用之現金之對賬：

	二零二零年 千港元	二零一九年 千港元
除所得稅前虧損	(593,986)	(551,215)
調整		
利息收入	(1,109)	(4,867)
利息開支	26,169	16,165
無形資產攤銷	1,785	13,932
出售廠房及設備之虧損	323	433
物業、廠房及設備折舊	42,731	48,249
使用權資產折舊	24,876	–
存貨減值撥備	23,622	34,413
就金融資產減值虧損撥備／(撥回)	9,585	(600)
出售投資物業收益淨額	–	(2,650)
無形資產減值	810	21,761
物業、廠房及設備減值	95,758	20,000
使用權資產減值	30,342	–
提早終止租賃之虧損	53	–
租賃土地及土地使用權攤銷	–	47
投資物業公平值虧損	18,209	2,726
營運資金變動前之經營虧損	(320,832)	(401,606)
存貨減少／(增加)	127,581	(119,056)
應收貿易及其他賬款減少	35,046	341,509
應付貿易及其他賬款減少	(65,030)	(7,741)
經營所用之現金淨額	(223,235)	(186,894)

(b) 於綜合現金流量表內，出售物業、廠房及設備之所得款項包括：

	二零二零年 千港元	二零一九年 千港元
賬面淨值(附註14)	3,418	2,349
出售物業、廠房及設備之虧損(附註7)	(323)	(433)
出售物業、廠房及設備之所得款項	3,095	1,916

# 綜合財務報表附註

二零二零年三月三十一日

## 31 綜合現金流量表附註(續)

### (c) 融資業務所產生之負債對賬

	融資業務之負債			總計 千港元
	銀行借貸 千港元	股東貸款 千港元	租賃負債 千港元	
於二零一八年四月一日	(133,718)	-	-	(133,718)
現金流量	(50,491)	-	-	(50,491)
匯兌調整	296	-	-	296
於二零一九年三月三十一日	(183,913)	-	-	(183,913)
於二零一九年四月一日	<b>(183,913)</b>	-	-	<b>(183,913)</b>
採納《香港財務報告準則》 第16號時確認(附註2.2)	-	-	(279,343)	(279,343)
於二零一九年四月一日重列	<b>(183,913)</b>	-	(279,343)	<b>(463,256)</b>
現金流量	26,543	(161,200)	23,426	(111,231)
匯兌調整	-	-	14,027	14,027
其他變動(附註)	-	-	163,662	163,662
於二零二零年三月三十一日	<b>(157,370)</b>	<b>(161,200)</b>	<b>(78,228)</b>	<b>(396,798)</b>

附註：

其他變動包括非現金變動，包括增添租賃負債及重新計量租賃。

# 綜合財務報表附註

二零二零年三月三十一日

## 32 銀行信貸

於二零二零年三月三十一日，若干銀行向本集團授出銀行信貸約553,750,000港元（二零一九年：898,400,000港元），其中，本集團已動用約157,370,000港元（二零一九年：183,913,000港元）。所有銀行信貸乃以本公司提供之公司擔保支持，於二零二零年三月三十一日，約112,218,000港元（二零一九年：42,221,000港元）之銀行借貸以本集團賬面值為約112,065,000港元（二零一九年：116,177,000港元）之土地及樓宇以及使用權資產作為抵押。

截至二零二零年三月三十一日止年度，本集團未能遵守其銀行信貸之若干財務契諾，詳情請參閱附註26。

## 33 承擔

### (a) 資本承擔

	二零二零年 千港元	二零一九年 千港元
已訂約但未撥備之模具、廠房及機器	2,914	8,815

### (b) 經營租賃承擔（作為承租人）

自二零一九年四月一日起，本集團已就此等租賃確認使用權資產，惟短期及低價值租賃除外，進一步資料請參閱附註17。

	二零二零年 千港元	二零一九年 千港元
一年內	-	41,680
一年後但於五年內	-	145,636
五年後	-	191,526
	-	378,842

# 綜合財務報表附註

二零二零年三月三十一日

## 33 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：

	二零二零年 千港元	二零一九年 千港元
一年內	2,276	2,280
一年後但於五年內	4,530	6,806
	6,806	9,086

租約期限為期一年至五年。

## 34 關連方交易

### (a) 於本年度，本集團於正常業務過程中有以下關連方交易：

	二零二零年 千港元	二零一九年 千港元
股東貸款之利息開支		
— 梁劍文先生 (已辭世)	1,789	720
— 梁偉成先生	588	—
	2,377	720

	二零二零年 千港元	二零一九年 千港元
租賃開支		
— 力行皮類製品廠有限公司	2,016	2,016

附註：梁劍文先生 (已辭世) 為本公司及力行皮類製品廠有限公司的股東。

### (b) 主要管理人員薪酬

主要管理人員薪酬之詳情載於附註8。

# 綜合財務報表附註

二零二零年三月三十一日

## 35 本公司資產負債表

附註	二零二零年 千港元	二零一九年 千港元
<b>非流動資產</b>		
於附屬公司之投資	680,984	1,275,467
<b>流動資產</b>		
其他應收賬款	105	105
即期所得稅資產	10	21
現金及現金等值	76	1,693
	191	1,819
<b>流動負債</b>		
其他應付賬款	255	1,576
<b>流動(負債)/資產淨值</b>	(64)	243
<b>總資產減流動負債</b>	680,920	1,275,710
<b>本公司股東應佔資本及儲備</b>		
股本	72,324	72,324
儲備	608,596	1,203,386
<b>總權益</b>	680,920	1,275,710

資產負債表已於二零二零年六月二十九日獲董事會批准，並由下列董事代表董事會簽署。

董事  
梁偉成

董事  
廖開強

# 綜合財務報表附註

二零二零年三月三十一日

## 35 本公司資產負債表(續)

(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
於二零一八年四月一日	308,278	1,089	40,586	11,783	713,714	1,075,450
全面收入						
本年度溢利	-	-	-	-	30,107	30,107
與擁有人進行之交易						
二零一八年末期股息	-	-	-	-	(11,572)	(11,572)
發行供股股份	109,401	-	-	-	-	109,401
與擁有人進行之交易總額	109,401	-	-	-	(11,572)	97,829
於二零一九年三月三十一日	417,679	1,089	40,586	11,783	732,249	1,203,386
於二零一九年四月一日	417,679	1,089	40,586	11,783	732,249	1,203,386
全面虧損						
本年度虧損	-	-	-	-	(594,790)	(594,790)
於二零二零年三月三十一日	417,679	1,089	40,586	11,783	137,459	608,596

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)本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)本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。

## 36 比較金額

若干比較金額已經重新分類以符合本年度之呈列方式。

# 主要物業

二零二零年三月三十一日

於二零二零年三月三十一日，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
中國深圳 福田區福田南路7號 皇城廣場 21樓2101及2104室及 23樓2301、2302、2302A、 2303及2304室	不適用	商業出租	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：

	二零二零年 千港元	二零一九年 千港元	二零一八年 千港元	二零一七年 千港元	二零一六年 千港元
營業額	961,246	1,545,212	2,080,707	2,100,142	2,879,104
本公司股東應佔（虧損）／溢利	(599,374)	(563,134)	(85,808)	73,897	506,028
總資產	1,216,024	1,726,839	2,081,398	2,378,157	2,971,460
總負債	(535,104)	(397,369)	(352,169)	(531,666)	(986,462)
總權益	680,920	1,329,470	1,729,229	1,846,491	1,984,998

