



2016

ANNUAL REPORT 年報



Extrawell Pharmaceutical Holdings Limited
精優藥業控股有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock code 股份代號 : 858



CONTENTS 目錄

2	Corporate Information 公司資料
4	Chairman's Statement 主席報告
8	Management Discussion and Analysis 管理層討論及分析
15	Directors and Senior Management Profile 董事及高層管理人員簡介
20	Corporate Governance Report 企業管治報告
33	Report of the Directors 董事會報告
42	Independent Auditors' Report 獨立核數師報告
45	Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表
47	Consolidated Statement of Financial Position 綜合財務狀況表
49	Consolidated Statement of Changes in Equity 綜合權益變動表
50	Consolidated Statement of Cash Flows 綜合現金流量表
52	Notes to the Consolidated Financial Statements 綜合財務報表附註
164	Five Years' Financial Summary 五年財務概要

CORPORATE INFORMATION

公司資料

Board of Directors

Executive Directors

Dr. XIE Yi (*Chairman and Chief Executive Officer*)

Dr. LOU Yi

Mr. CHENG Yong

Ms. WONG Sau Kuen

Mr. LIU Kwok Wah

Independent Non-executive Directors

Mr. FANG Lin Hu

Mr. XUE Jing Lun

Ms. JIN Song

Audit Committee

Mr. FANG Lin Hu (*Chairman*)

Mr. XUE Jing Lun

Ms. JIN Song

Remuneration Committee

Mr. FANG Lin Hu (*Chairman*)

Mr. XUE Jing Lun

Ms. JIN Song

Dr. XIE Yi

Nomination Committee

Dr. XIE Yi (*Chairman*)

Mr. FANG Lin Hu

Mr. XUE Jing Lun

Ms. JIN Song

Joint Company Secretaries

Mr. LIU Kwok Wah

Ms. WONG Sau Kuen

Hong Kong Legal Advisers

Chiu & Partners Solicitors

Independent Auditors

East Asia Sentinel Limited

Certified Public Accountants

董事會

執行董事

謝毅博士 (*主席及行政總裁*)

樓屹博士

程勇先生

王秀娟女士

廖國華先生

獨立非執行董事

方林虎先生

薛京倫先生

金松女士

審核委員會

方林虎先生 (*主席*)

薛京倫先生

金松女士

薪酬委員會

方林虎先生 (*主席*)

薛京倫先生

金松女士

謝毅博士

提名委員會

謝毅博士 (*主席*)

方林虎先生

薛京倫先生

金松女士

聯席公司秘書

廖國華先生

王秀娟女士

香港法律顧問

趙不渝 • 馬國強律師事務所

獨立核數師

衛亞會計師事務所有限公司

執業會計師



Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business in Hong Kong

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Devon House, Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

Principal Bankers

Industrial and Commercial Bank of China (Asia) Limited
Malayan Banking Berhad
The Bank of East Asia, Limited

Principal Share Registrar and Transfer Office

Codan Services Limited
Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

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Website

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Stock Code

The Stock Exchange of Hong Kong Limited: 00858

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Bermuda

總辦事處及香港主要營業地點

香港
鰂魚涌
英皇道979號
太古坊德宏大廈
22樓2206–08室

主要往來銀行

中國工商銀行(亞洲)有限公司
馬來亞銀行
東亞銀行有限公司

股份過戶登記處總處

Codan Services Limited
Clarendon House, 2 Church Street
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股份過戶登記處香港分處

卓佳登捷時有限公司
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合和中心22樓

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股份代號

香港聯合交易所有限公司：00858

CHAIRMAN'S STATEMENT

主席報告

DEAR SHAREHOLDERS

ON BEHALF OF THE BOARD OF DIRECTORS (THE "BOARD") OF EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED (THE "COMPANY"), TOGETHER WITH ITS SUBSIDIARIES (THE "GROUP"), I AM PLEASED TO PRESENT THE ANNUAL REPORT OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2016.

致各位股東：

本人謹代表精優藥業控股有限公司（「本公司」）連同其附屬公司（「本集團」）董事會（「董事會」）欣然提呈本集團截至二零一六年三月三十一日止年度之年報。



The global economy remains vulnerable to uncertainties and destabilising forces, whereas China's economy and society have entered a re-alignment through structural economic transformation in the new normal state, shifting towards a growth model primarily driven by consumption and services in pursuit of delivering more sustainable growth in the long run. While China is in the process of rebalancing its economy, its economic growth slowed to 6.9% for last year, its slowest pace in a quarter century and 6.7% in the first quarter of this year and the central government continues to implement growth stabilising measures and economic reform policies to meet its target for medium-to-high growth under the new normal state. The operating environment has become more complicated and challenging to various industries in China.

China's pharmaceutical industry is facing uncertainties and its growth tends to moderate with the short-term economic re-alignment accompanied by stricter regulatory requirements and measures implemented in the comprehensively deepening of the healthcare reforms, which increase operating costs and intensify market competition to pharmaceutical enterprises. Nevertheless, the Thirteenth Five-Year Plan (2016-2020) which guides China's economic and social development through 2020 and contains the principles of underpinning policy for China's future growth reflects that the central government will prioritise structural adjustment to economy and place emphasis on improving people's health, education and livelihood, and target to realise China's goal of becoming a moderately prosperous society by 2020. With the favorable influence of drive of demand arising from the central government's policies to promote universal healthcare, demographic trends, continuing urbanisation and people's

全球經濟仍然容易受到不確定性及不穩定因素影響，而中國的經濟及社會於新常態下已透過結構性經濟轉型步入重整階段，向著主要由消費及服務推動的增長模式發展，以在長遠而言帶來更持續的增長。儘管中國正在重新平衡其經濟，但去年的經濟增長放緩至6.9%，為二十五年來最緩慢的增長速度，而今年第一季之增長為6.7%；中央政府繼續實施穩定增長措施及經濟改革政策，以達至其於新常態下實現中高速增长之目標。中國各種行業的營商環境變得更為複雜及更具挑戰性。

中國的醫藥行業正面對不明朗因素，而在全面深化醫療改革下實施之更嚴格監管要求及措施亦令醫藥企業營運成本上升並加劇市場競爭，從而令此行業的增長因伴隨而來的短期經濟重整而趨於放緩。儘管如此，第十三個五年規劃(二零一六年至二零二零年)指導截至二零二零年之中國經濟及社會發展，並包含中國未來增長的基礎政策原則，其反映中央政府將優先結構性地調整經濟並重視改善人民的健康、教育及生計，及致力達成於二零二零年前實現中國成為小康社會之目標。在來自中央政府推廣全民醫療保健的政策、人口趨勢、持續的城市化及人民的健康意識提高及對優質醫藥產品需求上升之有利影響下，醫藥行



increasing health awareness and consumption of quality pharmaceutical products, the pharmaceutical industry is anticipated to maintain a sustainable growth momentum, whereas the central government's focus on green development and encouragement on innovation and technological advancement facilitate development of a more advanced and regulated pharmaceutical sector.

The Group's profit for the year attributable to owners of the Company amounted to about HK\$32.8 million as compared to a loss of about HK\$44.2 million from the continuing operations of last financial year. The Group's continuing operations had delivered improved performance in the year under review.

Against the backdrop of highly challenging operating environment brought by complexity of macroeconomic condition and the ongoing healthcare reforms, the Group has been making persistent efforts to consolidate its internal resources and streamline its business operations, strengthen internal management and control, and adopt flexibly marketing strategies, in order to strive for improving operational efficiency as well as operating performance. Despite the Group's core operating businesses have exhibited signs of improvement, the Group will continue to exercise measures in reinforcing cost control and extending market share to cope with market changes and challenges. Leveraging on the Group's enhanced production capacity and capability of the Group's GMP factory in Changchun, the Group will continue to exert efforts in optimising its product quality and enriching its product portfolio by developing its new products through research and development to cater for market demand, with a view to strengthening its core competitiveness in the context of highly competitive landscape.

業預期將維持持續增長的勢頭，且中央政府集中綠色發展及鼓勵創新和科技進步有助發展一個更先進和更受規範的醫藥行業。

對比上個財政年度持續經營業務之約44,200,000港元虧損，本公司擁有人應佔本集團之年度溢利為約32,800,000港元。於回顧年度，本集團之持續經營業務之表現有所改善。

由於宏觀經濟情況的複雜性及持續的醫療改革造成極具挑戰性的經營環境，本集團堅持不懈地整合其內部資源及優化其業務營運，加強內部管理及監控，以及採用靈活的市場策略，以求提高營運效率及經營業績。儘管本集團的核心經營業務有所改善，但本集團將繼續執行加強成本控制及擴大市場佔有率之措施，以應對市場變化及挑戰。藉著本集團位於長春的GMP工廠提升本集團的生產力及產能，本集團將繼續致力優化其產品質量並透過研發以開發其新產品，豐富其產品組合，以迎合市場需求，藉此在競爭激烈的格局下增強其核心競爭力。

CHAIRMAN'S STATEMENT (CONTINUED) 主席報告(續)

While global economic volatility poses uncertainties ahead, the Group will continue to maintain its prudent approach in managing its businesses, and in addition to the Group's investment in the oral insulin project, the Group will continue to seek investment opportunities with growth potentials which shall complement the Group's long-term development strategy, with a view to further strengthening the foundation for its future development and growth, thereby enhancing its corporate value.

On behalf of the Board, I would like to express its appreciation to all those in the Group for their dedicated efforts and contribution to the Group during the past year, and to the shareholders and business partners for their continuous support.

Dr. Xie Yi
Chairman

Hong Kong, 29 June 2016

雖然全球經濟波動帶來不確定性，但本集團將繼續以審慎原則管理其業務，另外，除本集團於口服胰島素項目的投資外，本集團將繼續尋求有增長潛力的投資機會來配合本集團之長期發展策略，以進一步鞏固其未來發展及增長的基礎，從而提升其企業價值。

本人謹代表董事會衷心感謝全體員工於過去一年不懈的努力及對本集團所作的貢獻，及股東與業務夥伴一如既往的支持。

謝毅博士
主席

香港，二零一六年六月二十九日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business Review

Extrawell Pharmaceutical Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the marketing and distribution of pharmaceutical products to customers in the People’s Republic of China (the “PRC” or “China”), the development, manufacture and sales of pharmaceutical products in the PRC and the business of commercial exploitation and development of genome related technology.

The Group is also engaged in the development and commercialisation of oral insulin products through its investment in the 49% equity interest in an associate Smart Ascent Limited (“Smart Ascent”).

Principal risks and uncertainties

The Group is operating in a highly regulated and competitive pharmaceutical industry in the PRC and regards any change in the government policies and industry environment as the principal risks and uncertainties which may materially affect the Group’s business, its operating results, financial condition and prospects. Save as aforesaid, other risk matters are set out in notes 5 and 6 to the consolidated financial statements.

Environmental policies and performance

The Group recognises the importance of environmental sustainability and is committed to regularly reviewing, implementing and monitoring its environmental practices and measures from time to time with an aim to operating effectively and responsibly to protect the environment.

The Group’s major lines of business are trading and manufacturing segments. The trading segment engages in the marketing and distribution of imported pharmaceutical products, which does not have material impact on the environment. As to the manufacturing segment, the Group has strictly observed and complied with environmental requirements under the GMP standards and other applicable environmental rules and regulations for polluted water or pollutants generated in the production process. During the year under review, no violation of environmental laws or regulations has been found on the Group’s plants in Changchun, China.

Compliance with laws and regulations

During the year, as far as the directors are aware, there was no material breach of or non-compliance with applicable laws, rules and regulations by the Group that would have a material impact on the Group.

業務回顧

精優藥業控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要於中華人民共和國(「中國」)從事向客戶推廣及分銷醫藥產品、於中國開發、製造及銷售醫藥產品以及基因相關技術的商業開發及研發之業務。

本集團亦透過其於一間聯營公司進生有限公司(「進生」)的49%股權之投資，從事口服胰島素產品之開發及商品化。

主要風險及不確定性

本集團正在受嚴密監管且競爭激烈的中國醫藥行業經營，並視政府政策及行業環境的任何變動為主要風險及不確定性，從而可能對本集團的業務、其經營業績、財務狀況及前景造成重大影響。除上述者外，其他風險事宜載於綜合財務報表附註5及6。

環境政策及表現

本集團深知環境可持續發展的重要性，並致力於不時定期審查、實施及監控其環境常規及措施，旨在有效及負責任地經營，藉以保護環境。

本集團的主要業務線為貿易及製造分類。貿易分類從事推廣及分銷進口醫藥產品，對環境並無重大影響。對於製造分類，本集團已嚴格遵從及遵守GMP標準及其他適用環境規則及法規項下就生產過程產生之污水或污染物之環境規定。於回顧年度內，並無發現本集團於中國長春的廠房有違反環境法例或法規。

遵守法律及法規

於本年度，就董事所知，本集團並無嚴重違反或不遵守適用法律、規則及法規，從而對本集團有重大影響。



Overall Performance Review

2015 was another difficult year for the global economy with overall growth rate falling from 3.4% in 2014 to 3.1%, and China also recorded its slowest economic growth at 6.9% in a quarter century. Despite the slowdown, the China's pharmaceutical industry continued to show positive trends of development as driven by growing market demands and deepened healthcare reform policies. The Group recognised the opportunities and challenges brought along by these changes, and in the year under review, its core business segments recorded an increase in revenue and improved performance under the escalating competition after the heightened drug bidding policies and rising operating costs on more stringent environmental protection supervision to manufacturing sector.

Continuing operations

In the year under review, revenue and gross profit were about HK\$142.2 million (2015: HK\$128.8 million) and HK\$69.3 million (2015: HK\$51.1 million) respectively, representing an increase of about 10.4% and 35.8% as compared with that of last financial year. This was achieved through increase in sales volume and gross margin of both manufacturing and trading segments.

Operating profit before taxation was about HK\$27.5 million (2015: loss HK\$52.1 million), representing an improvement of about HK\$79.6 million. This was mainly resulted from the increase in gross profit of about HK\$18.3 million and effective interest income from investments in convertible bonds of about HK\$25.5 million, and decrease in loss of fair value changes on investments in convertible bonds of about HK\$34.3 million and allowance for bad and doubtful debts, net of about HK\$3.9 million.

Discontinued operation

In last year, the Group recorded a profit of about HK\$607.5 million from the discontinued operation resulting from the one-off gain on disposal of its 51% equity interest in Smart Ascent, the holding company of the Group's oral insulin operation, whereas, no such profit was recorded during the year.

整體表現回顧

全球經濟在二零一五年經歷另一個艱困的年度，整體增長率由二零一四年的3.4%下跌至3.1%，而中國的經濟增長率為6.9%，為近四分之一個世紀最緩慢的增長。儘管經濟放緩，在市場需求持續增長及深化醫療改革政策的推動下，中國醫藥行業繼續展現正面發展趨勢。本集團深知該等變化隨之帶來的機遇及挑戰，而於回顧年度內，在面對藥品投標政策收緊後競爭愈趨激烈，加上製造行業因更為嚴謹的環保監管致使經營成本上漲的情況下，本集團的核心業務分類錄得收益增加及表現有所改善。

持續經營業務

回顧年度內，收益及毛利分別為約142,200,000港元(二零一五年：128,800,000港元)及69,300,000港元(二零一五年：51,100,000港元)，較上一個財政年度增加約10.4%及35.8%。此乃因製造及貿易分類的銷售量及毛利率有所增加所致。

除稅前經營溢利為約27,500,000港元(二零一五年：虧損52,100,000港元)，相當於改善約79,600,000港元，主要由於毛利及可換股債券投資之實際利息收入分別增加約18,300,000港元及約25,500,000港元，且可換股債券投資公平值變動虧損及呆壞賬撥備淨額分別減少約34,300,000港元及約3,900,000港元所致。

已終止經營業務

去年，本集團從已終止經營業務錄得溢利約607,500,000港元，此乃源於出售其於進生(為本集團口服胰島素業務之控股公司)的51%股權之一次性收益，惟於本年度並無錄得該溢利。

Overall Performance Review (Continued)

Discontinued operation (Continued)

The Group's profit for the year attributable to owners of the Company was about HK\$32.8 million, representing a significant decrease of about HK\$532.7 million when compared to profit of about HK\$565.5 million of last financial year. Such decrease was primarily attributable to, among other things, the one-off gain on disposal of the Group's 51% equity interest in Smart Ascent, effective interest income and fair value changes in the Group's investments in convertible bonds as mentioned above.

Revenue and Operating Results

Imported Pharmaceutical Sector

Benefiting from the established high quality networks with medical professionals and institutions, and the favorable currency impact on cost of sales resulting from depreciation of the Euro against the Group's reporting currency Hong Kong dollar, the segment reported improved performance in terms of revenue and segment profit in the year under review. Revenue increased to about HK\$99.3 million (2015: HK\$91.5 million), representing an increase of HK\$7.8 million or 8.5%, which was primarily due to sales mix, and segment results rose to about HK\$16.8 million (2015: HK\$12.7 million), representing an increase of HK\$4.1 million or 32.7%.

In light of challenging environment of intensifying competition from the local manufacturers in China, management has been deploying resources to explore potential products at competitive price to meet the ever-changing market landscape in China and would continue to seek collaboration in product development with international pharmaceutical corporations.

Manufactured Pharmaceutical Sector

The Group's decision to consolidate manufacturing facilities in Changchun is a critical step to ensure operating efficiency to maintain competitiveness in a challenging environment. In the year under review, the segment continued to keep picking up pace upon obtaining GMP certification to all its product lines last year and reported a rise in revenue and improved segment results. Notwithstanding the closure of JECP's plants, revenue increased by about HK\$5.6 million or 15.0% to HK\$42.9 million (2015: HK\$37.3 million) which increased the gross margin by about 7% when compared to last year.

整體表現回顧(續)

已終止經營業務(續)

本公司擁有人應佔本集團之年度溢利為約32,800,000港元，較上一個財政年度之溢利約565,500,000港元大幅減少約532,700,000港元。該減幅乃主要由於(其中包括)出售本集團於進生的51%股權之一次性收益、實際利息收入及本集團上述可換股債券投資公平值變動所致。

收益及經營業績

進口藥品業務

受惠於連繫醫療專業人士及機構的完善高質網絡，以及歐元兌本集團呈報貨幣港元貶值為銷售成本帶來的有利貨幣影響，就回顧年度的收益及分類溢利而言，此分類的表現有所改進。收益增加至約99,300,000港元(二零一五年：91,500,000港元)，相當於增加7,800,000港元或8.5%，主要由於銷售組合及分類業績升至約16,800,000港元(二零一五年：12,700,000港元)，相當於增加4,100,000港元或32.7%。

鑒於中國本地製造商的競爭日益激烈令經營環境充滿挑戰，管理層一直調配資源以發掘具有價格競爭力的潛在產品，以應付中國不斷變化的市場環境，並將繼續尋求與國際醫藥公司合作進行產品開發。

自產藥品業務

本集團整合長春製造設施的決定，為確保營運效率以在充滿挑戰性的環境中維持競爭力的關鍵一步。於回顧年度內，於去年為其全部生產線取得GMP認證後，此分類繼續向前邁進，並錄得收益增加及分類業績有所改善。儘管吉林精優的廠房關閉，收益增加約5,600,000港元或15.0%至42,900,000港元(二零一五年：37,300,000港元)，令毛利率較去年上升約7%。



Overall Performance Review (Continued)

Revenue and Operating Results (Continued)

Manufactured Pharmaceutical Sector (Continued)

Segment results recorded loss of about HK\$20.2 million (2015: HK\$33.2 million), a reduction in loss by about HK\$13.0 million. Such improvement shows that the intense efforts of management last year to rectify the situation by adjusting its marketing strategy and implementing stringent cost controls were paying off. Along with the increase in sales contribution of about HK\$4.8 million, the reduction in allowance for bad and doubtful debts, net of about HK\$3.9 million and sales-related expenses of about HK\$4.3 million also contributed to the positive impact on the segment results.

Management has remained cautious about the challenging business environment and has been continuously taking firmly focused on reducing operating expenses, enhancing productivity and products quality for sustainable growth, and striving for delivering better results.

Gene Development Sector

During the year, gene development remained inactive and no revenue was recorded.

Other income and gains and losses, net

Other income and gains and losses, net were in total a gain of about HK\$34.2 million (2015: loss HK\$30.6 million), which was primarily attributable to effective interest income of HK\$62.7 million (2015: HK\$37.2 million), loss on change in fair value of derivative component from investments in convertible bonds of HK\$24.0 million (2015: HK\$58.2 million) and allowance for bad and doubtful debts, net of about HK\$9.0 million (2015: HK\$12.9 million).

Selling and Distribution Expenses

Selling and distribution expenses of the Group increased to about HK\$42.4 million (2015: HK\$36.2 million), representing an increase of HK\$6.2 million or 17.0%. The increase was primarily due to increase in sales of products from trading and manufacturing segments.

整體表現回顧(續)

收益及經營業績(續)

自產藥品業務(續)

分類業績錄得虧損約20,200,000港元(二零一五年: 33,200,000港元), 虧損減少約13,000,000港元。有關改善顯示, 去年管理層透過調整其市場推廣策略及實施嚴謹的成本控制, 為整頓情況付出的巨大努力已帶來回報。隨著銷售貢獻增加約4,800,000港元, 呆壞賬撥備淨額及銷售相關開支分別減少約3,900,000港元及約4,300,000港元, 亦為分類業績帶來正面影響。

管理層已對充滿挑戰性的營商環境保持警惕, 並一直堅穩地努力於減少經營開支, 為可持續增長提升生產力及產品質素, 並爭取帶來更佳業績。

基因開發業務

於本年度, 基因開發業務仍未開展, 故並無錄得任何收益。

其他收入及收益及虧損淨額

其他收入及收益及虧損淨額錄得收益總額約34,200,000港元(二零一五年: 虧損30,600,000港元), 主要來自實際利息收入62,700,000港元(二零一五年: 37,200,000港元)、可換股債券投資的衍生工具部分公平值變動虧損24,000,000港元(二零一五年: 58,200,000港元)及呆壞賬撥備淨額約9,000,000港元(二零一五年: 12,900,000港元)。

銷售及分銷費用

本集團的銷售及分銷費用增加至約42,400,000港元(二零一五年: 36,200,000港元), 相當於增加6,200,000港元或17.0%。此增加主要由於貿易及製造分類的產品銷售增加所致。

Overall Performance Review (Continued)

Administrative Expenses

Total administrative expenses were about HK\$27.4 million (2015: HK\$29.3 million), representing a decrease of about HK\$1.9 million or 6.6%. However, when excluding those one-time expenses as included in the relevant periods, the adjusted administrative expenses were maintained at similar level of about HK\$26.5 million (2015: HK\$26.1 million). The one-time expenses included in the year under review related to closure costs of about HK\$0.9 million for JECF's manufacturing operation and those included in the corresponding year comprised of miscellaneous start-up expenses of about HK\$1.5 million for the new GMP plants in Changchun, amortisation and depreciation charges of about HK\$0.9 million classified as administrative expenses prior to its obtaining GMP certification and stamp duty of about HK\$0.8 million paid for disposal of the Group's 51% interest in Smart Ascent.

Outlook

Although the next five years under the China's 13th Five-Year Plan (2016–2020) will exhibit a slower economic growth in the country, the pharmaceutical market will continue to transform and grow under the healthcare reforms which now stands halfway in the central government's plan to provide quality and affordable healthcare services to its entire population by 2020.

Alongside the opportunities under the reforms, pharmaceutical corporations are faced with escalating market competitions and pricing pressures by the lifting of price caps on drug bidding, rising operating costs to comply with regulatory requirements and narrowing quality gap between home-grown brands and imported products.

Against this backdrop, the Group is cautious about 2016. Leveraging on the advanced facilities of the Group's GMP factory in Changchun, the Group will continue to focus on enhancing its core competitiveness through lean operations and exploring new sales channels to increase revenue and market share. Meanwhile, in response to the challenges ahead, the Group will step up its efforts in product research and development and exploit new products through collaborative relations with international enterprises to sustain long-term development and growth of the Group.

整體表現回顧(續)

行政費用

行政費用總額為約27,400,000港元(二零一五年: 29,300,000港元), 相當於減少約1,900,000港元或6.6%。然而, 倘不包括於相關期間入賬的該等一次性費用, 則經調整行政費用維持於相若水平約26,500,000港元(二零一五年: 26,100,000港元)。於回顧年度內入賬的一次性費用與吉林精優之製造業務的關閉成本約900,000港元相關, 而於相應年度入賬者包括長春新GMP廠房的雜項開辦費用約1,500,000港元、於其取得GMP認證前分類為行政費用的攤銷及折舊費用約900,000港元以及就出售本集團於進生的51%權益而支付的印花稅約800,000港元。

前景

雖然在中國的第十三個五年規劃(二零一六年至二零二零年)下, 未來五年國內經濟增長將會放緩, 惟中央政府計劃於二零二零年前為其全部人口提供優質及可負擔的醫療服務, 並為實現此計劃推進醫療改革, 在此情況下, 醫藥市場將繼續轉型及增長。

改革帶來機遇, 但醫藥公司亦同時面對愈來愈激烈的市場競爭, 取消藥品投標價格上限所帶來的定價壓力, 為遵守監管規定而上漲的經營成本, 以及本土品牌及進口產品之間的品質差距收窄所帶來的挑戰。

在此背景下, 本集團對二零一六年抱持審慎態度。透過善用本集團於長春的GMP工廠的先進設施, 本集團將通過精實營運繼續集中於加強其核心競爭力, 並發掘新銷售渠道以增加收益及市場份額。同時, 針對未來的挑戰, 本集團將透過與國際企業的合作關係, 加緊努力進行產品研發及開發新產品, 以維持本集團的長遠發展及增長。



Outlook (Continued)

In light of the central government's growth stabilising measures amid the faltering global economy, the Group believes that the pharmaceutical industry in China will be prosperous in the long run with sustainable growth under the support of state policies, and the Group will continue to adopt a steady development strategy to preserve financial flexibility and seek potential business development opportunities for its future development and growth.

Financial Review

Liquidity and Financial Resources

It is the Group's strategy to manage its financial resources conservatively by maintaining a healthy level of cash flows to meet all its financial commitments when they fall due. The Group generally finances its operations with internally generated cash flow and banking facilities.

As at 31 March 2016, the Group had total cash and bank balances (including pledged bank deposits) of about HK\$201.1 million (2015: HK\$172.2 million), representing an increase by approximately 16.8%.

The Group did not have bank borrowings during the year but had banking facilities on trade finance, which were supported by the pledge of the Group's fixed deposits of about HK\$20.1 million (2015: HK\$20.0 million) and corporate guarantees from the Company and certain subsidiaries of the Company. In general, there is no significant seasonality fluctuation on trade finance requirement of the Group.

The Group's total borrowing over total assets ratio as at 31 March 2016 was 0.043 (2015: 0.039), calculated based on the Group's total assets of about HK\$1,160.9 million (2015: HK\$1,138.6 million) and total debts of about HK\$49.5 million (2015: HK\$44.8 million), comprising convertible bonds of about HK\$29.7 million (2015: HK\$25.0 million) and amount due to an associate of HK\$19.8 million (2015: HK\$19.8 million).

前景(續)

鑒於中央政府在步履蹣跚的全球經濟中實施的穩增長措施，本集團相信，在國家政策的支援下，中國醫藥行業將可藉此持續增長並得以長期蓬勃發展，而本集團將繼續採用穩定發展策略，以為其未來發展及增長保持財務靈活性及尋求潛在業務發展機會。

財務回顧

流動資金及財務資源

本集團之策略為透過將現金流量維持於穩健水平審慎地管理其財務資源，以確保所有財務承擔可如期償還。本集團一般以內部產生之現金流量及銀行信貸為其營運提供資金。

於二零一六年三月三十一日，本集團有現金及銀行結餘總額(包括已抵押銀行存款)約201,100,000港元(二零一五年：172,200,000港元)，相當於增加約16.8%。

本集團於年內並無任何銀行借款，惟貿易融資之銀行信貸乃以本集團之定期存款約20,100,000港元(二零一五年：20,000,000港元)及由本公司與本公司若干附屬公司提供之公司擔保作抵押。一般而言，本集團之貿易融資需求並無重大季節性波動。

於二零一六年三月三十一日，本集團之總借款與總資產之比率為0.043(二零一五年：0.039)，乃按本集團之總資產約1,160,900,000港元(二零一五年：1,138,600,000港元)及總債項約49,500,000港元(二零一五年：44,800,000港元)，包括可換股債券約29,700,000港元(二零一五年：25,000,000港元)及應付一間聯營公司款項19,800,000港元(二零一五年：19,800,000港元)計算。

Financial Review (Continued)

Foreign Exchange Exposure

Save for certain purchases are denominated in Euros, the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars, United States dollars and Renminbi. The Group manages the foreign currency exposure by closely monitoring the foreign currency movements and may purchase foreign currencies at spot rate, when and where appropriate for meeting its payment obligation. No hedge on foreign currencies was made during the year but the Group will use financial instruments for hedging purpose when considered appropriate.

Employment and Remuneration Policy

As at 31 March 2016, the Group had 220 employees (2015: 290). Staff costs (including directors' emoluments) for the year ended 31 March 2016 amounted to approximately HK\$22.6 million (2015: approximately HK\$24.1 million), which was mainly due to consolidation of manufacturing plants in Changchun, the PRC.

The Group remunerates its employees based on industry practices. Its staff benefits, welfare and statutory contributions, if any, are made in accordance with prevailing labour laws of its operating entities.

On 24 August 2012, shareholders of the Company had approved the adoption of a share option scheme (the "Scheme"), which became effective on 29 August 2012 after obtaining approval from the Listing Committee of the Stock Exchange and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The Scheme will enable the Group to reward the employees, the directors and other selected participants for their contribution to the Group and will also assist the Group in its recruitment and retention of high caliber professionals, executives and employees who are instrumental to the growth of the Group.

From the effective date of the Scheme to 31 March 2016, no share option has been granted under the Scheme.

財務回顧(續)

外匯風險

除部分採購是以歐元計價外，本集團之業務交易、資產及負債主要以港元、美元及人民幣列值。本集團以密切監察外幣波動及可適時購買即期外匯以履行付款責任等措施進行外匯風險管理。本集團於年內並無進行外幣對沖活動，然而，本集團在認為合適時，將會以金融工具作風險對沖用途。

僱傭和薪酬政策

於二零一六年三月三十一日，本集團共聘用220名僱員(二零一五年：290名)。截至二零一六年三月三十一日止年度的員工成本(包括董事薪酬)為約22,600,000港元(二零一五年：約24,100,000港元)，主要由於整合中國長春的製造廠房所致。

本集團乃根據行業慣例向僱員支付薪酬。其員工利益、福利和法定供款(如有)乃按照其營運實體所適用之現行勞動法實行。

於二零一二年八月二十四日，本公司股東已批准採納一項購股權計劃(「該計劃」)，於獲得聯交所上市委員會批准後，該計劃已於二零一二年八月二十九日生效，除非以其他方式取消或修訂，否則將自該日起十年內維持有效。

該計劃將讓本集團可獎勵為本集團作出貢獻的僱員、董事及其他經挑選之參與者，亦有助本集團招聘及挽留有利本集團增長的優秀專才、主管及僱員。

自該計劃的生效日期至二零一六年三月三十一日止，概無根據該計劃授出購股權。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高層管理人員簡介



Biographical Details of Directors and Senior Management

Executive Directors

Dr. Xie Yi Ph.D. (aged 53)

Chairman, Chief Executive Officer and Executive Director

Dr. Xie Yi is a professor of School of Life Sciences in Fudan University and is one of the founders of United Gene group of companies in the PRC. Being a scientist with significant breakthroughs in human genome research, Dr. Xie is responsible for research and development and management of United Gene group and is the vice chairman and chief executive officer of United Gene Holdings Limited in the PRC.

Dr. Xie is currently the chairman and chief executive officer of the Company responsible for the strategic planning and development and the overall management of the Group. He is also an executive director and chairman of Changchun Extrawell Pharmaceutical Co., Ltd., a 73% owned subsidiary of the Company established in the PRC, and an executive director of certain members of the Group. Dr. Xie has discloseable interests in the Company under the provisions of the SFO.

Dr. Lou Yi Ph.D. (aged 58)

Executive Director

Dr. Lou Yi obtained a doctoral degree in medicine and conducted his postdoctoral research in clinical study at Shanghai Second Medical University (now renamed as School of Medicine, Shanghai Jiaotong University) and industrial economy at Fudan University. Dr. Lou had been a director and general manager of Shanghai Biochip Co. Ltd. and as a director and deputy general manager of General Technology Group Pharmaceutical Holdings, Ltd. in the PRC. Dr. Lou was also a non-executive director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd., a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), from June 2004 to June 2006. Dr. Lou is currently a director and general manager of various companies owned by Dr. Xie Yi and Dr. Mao Yumin, former chairman and executive director.

董事及高層管理人員簡介

執行董事

謝毅博士(五十三歲)

主席、行政總裁兼執行董事

謝毅博士，為復旦大學生命科學學院教授，並為中國聯合基因集團公司創始人之一。作為在人類基因研究中作出突破性進展的科學家，謝博士負責聯合基因集團的研發工作及管理事務，並擔任中國聯合基因控股有限公司之副董事長及行政總裁。

謝博士現為本公司之主席兼行政總裁，負責本集團業務之策略規劃及發展以及整體管理。謝博士現時擔任長春精優藥業股份有限公司(於中國成立並由本公司擁有73%權益之附屬公司)之執行董事及董事長，同時亦擔任本集團旗下若干成員公司之執行董事。根據證券及期貨條例的規定，謝博士於本公司擁有須予披露權益。

樓屹博士(五十八歲)

執行董事

樓屹博士持有醫學博士學位，曾經在上海第二醫科大學(現為上海交通大學醫學院)從事臨床醫學博士後研究，亦曾在復旦大學從事產業經濟學博士後研究。樓博士曾擔任上海生物晶片有限公司之董事兼總經理，亦曾在中國擔任通用技術集團醫藥控股有限公司之董事兼副總經理。於二零零四年六月至二零零六年六月期間，樓博士曾在上海復旦張江生物醫藥股份有限公司(一間於香港聯合交易所有限公司(「聯交所」)創業板上市之公司)擔任非執行董事。樓博士目前於由謝毅博士及毛裕民博士(前任主席兼執行董事)所擁有之多間公司兼任董事和總經理職務。

DIRECTORS AND SENIOR MANAGEMENT PROFILE (CONTINUED) 董事及高層管理人員簡介(續)

Biographical Details of Directors and Senior Management (Continued)

Executive Directors (Continued)

Mr. Cheng Yong (aged 53)

Executive Director

Mr. Cheng Yong is a practicing pharmacist in the PRC. Mr. Cheng obtained his Master of Pharmacology from Second Military Medical University in the PRC. He has been engaged in pharmacology and research study for over ten years and has extensive experience in the aspects of research and drug development. Since 2001, he has been working in the capacity of director and general manager for various companies owned by Dr. Xie Yi and Dr. Mao Yumin, former chairman and executive director. Mr. Cheng is currently a director of two PRC subsidiaries of Innovative Pharmaceutical Biotech Limited (formerly known as United Gene High-Tech Group Limited), a company listed on the Stock Exchange.

Ms. Wong Sau Kuen (aged 53)

Executive Director

Ms. Wong Sau Kuen joined the Group in May 2008 as assistant to the Board and was appointed as director in October 2008. Ms. Wong has more than 20 years of experience in both the commercial and industrial sectors including the PRC pharmaceutical market. Ms. Wong has extensive experience in areas of business administration and internal control. She is currently the Authorised Representative of the Company.

Ms. Wong has been appointed as the joint company secretary of the Company with effect from 8 January 2014.

Mr. Liu Kwok Wah (aged 54)

Executive Director

Mr. Liu Kwok Wah joined the Company in November 2008 as the company secretary and financial controller and was appointed as executive director in December 2013. Mr. Liu has become the joint company secretary with effect from 8 January 2014. Mr. Liu is a fellow member of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Liu holds a Master's degree in Business Administration from The Open University of Hong Kong and has more than 20 years of experience in accounting and financial management. Prior to joining the Company, he had worked for international accounting firms and several listed companies in Hong Kong.

董事及高層管理人員簡介(續)

執行董事(續)

程勇先生(五十三歲)

執行董事

程勇先生為一名中國執業藥劑師。程先生自中國第二軍醫大學取得藥理學碩士學位。彼從事藥理學及研究逾十年，並於研究及藥物開發方面擁有豐富經驗。自二零零一年起，彼於由謝毅博士及毛裕民博士(前任主席兼執行董事)所擁有之多間公司擔任董事及總經理職務。程先生目前為聯交所上市公司領航醫藥及生物科技有限公司(前稱為聯合基因科技集團有限公司)之兩間中國附屬公司之董事。

王秀娟女士(五十三歲)

執行董事

王秀娟女士自二零零八年五月起加盟本集團擔任董事會助理，自二零零八年十月起獲委任為董事。王女士於工商業領域擁有逾二十年經驗，當中包括中國醫藥市場。王女士具有豐富的商業管理及內部監控經驗。彼目前為本公司之授權代表。

自二零一四年一月八日起，王女士獲委任為本公司聯席公司秘書。

廖國華先生(五十四歲)

執行董事

廖國華先生於二零零八年十一月加入本公司，擔任公司秘書及財務總監，並於二零一三年十二月獲委任為執行董事。廖先生已為聯席公司秘書，自二零一四年一月八日起生效。廖先生為英國特許公認會計師公會之資深會員及香港會計師公會之會員。廖先生持有香港公開大學工商管理碩士學位及擁有逾20年會計及財務管理經驗。於加入本公司前，彼曾於國際會計師事務所及多間香港上市公司就職。



Biographical Details of Directors and Senior Management (Continued)

Independent Non-executive Directors

Mr. Fang Lin Hu (aged 78)

Independent Non-executive Director

Mr. Fang Lin Hu was a professor in Fudan University, ex-vice chancellor of the Fudan University (overseeing technology industrialisation and utilisation matters), a member of National Information Technology Education and Electronic Education Advisory Committee and vice faculty head of the Physics Faculty of Fudan University, dean of the Electronic Engineering Faculty, and the director of Micro-electronic Research Institute. Mr. Fang retired in 2000. Currently, he is the vice chairman of the Shanghai Senior Professor Association and a vice president of Shanghai Retired Education Workers Association. Mr. Fang has performed research in the area of microwave theory and technology. He is a well-recognised scientist who has extensive experience in scientific research and management. Mr. Fang was appointed as an independent non-executive director in 2001.

Mr. Xue Jing Lun (aged 82)

Independent Non-executive Director

Mr. Xue Jing Lun was the chief professor of Fudan University, a guest professor of the Second Military Medical University of China, Tongji Medical University and Shantou University, chairman of Chinese Environmental Mutagen Association, a director of International Environmental Mutagen Association, and a committee member of the China Genetic Engineering Society. Mr. Xue retired in April 2007. The research team led by Mr. Xue gained international recognition in the area of gene therapy and transgenic animal research. Mr. Xue has been granted a number of national awards for merits in scientific research and is an internationally recognised genetic scientist. Mr. Xue was appointed as an independent non-executive director in 2001.

董事及高層管理人員簡介(續)

獨立非執行董事

方林虎先生(七十八歲)

獨立非執行董事

方林虎先生曾任復旦大學教授、復旦大學前副校長(主管科技工業化及應用事宜)，彼曾兼任國家教委信息與電子學科教學指導委員會委員，並曾任復旦大學物理系副主任、電子工程系主任及微電子學研究所所長職務。方先生在二零零零年退休，現任上海市老教授協會副會長及上海市退休教育工作者協會副理事長。方先生在電子與資訊技術領域進行深入研究，具有豐富的科學研究與管理經驗，為卓有聲望之科學家。方先生於二零零一年獲委任為獨立非執行董事。

薛京倫先生(八十二歲)

獨立非執行董事

薛京倫先生曾任復旦大學首席教授，兼任國內第二軍醫大學、同濟醫科大學及汕頭大學等校客座教授、中國環境誘變劑學會理事長、國際環境誘變劑學會理事及中國遺傳工程學學會理事等職務。薛先生已於二零零七年四月退休。薛先生領導的研究小組在基因治療、轉基因動物研究等領域獲得國際矚目的成就。薛先生多次獲得國家的重大科研獎項，是一位具有國際聲望的遺傳學家。薛先生於二零零一年獲委任為獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT PROFILE (CONTINUED) 董事及高層管理人員簡介(續)

Biographical Details of Directors and Senior Management (Continued)

Independent Non-executive Directors (Continued)

Ms. Jin Song (aged 45)

Independent Non-executive Director

Ms. Jin Song holds a diploma in engineering from Broadcasting University in Shandong Province and a diploma in business from Fudan University. She is a member of the Chinese Institute of Certified Public Accountants (“CICPA”) and passed all the professional examinations held by CICPA in 2001. Ms. Jin has 20 years’ experience in accounting in different industries. Ms. Jin was appointed as an independent non-executive director in 2004.

Senior Management

Dr. Wen Ming (aged 55)

Head of Research and Development

Dr. Wen Ming joined the Group in 1992. He is responsible for overseeing the regulatory affairs, research & development, and the registration of the Group’s products, and the marketing and promotion aspects of the Group’s imported pharmaceutical business. Dr. Wen graduated with a bachelor’s degree in medical science from the Guangzhou Medical College and obtained a master’s degree in medical science from Sun Yat Sen University of Medical Sciences (now renamed as the Sun Yat Sen University). Prior to joining the Group, Dr. Wen worked in a hospital of Sun Yat Sen University as the chief physician for ten years.

Mr. Gong Youlu (aged 47)

General Manager of Changchun Extrawell Pharmaceutical Co., Ltd. (“CEP”) and Jilin Extrawell Changbaishan Pharmaceutical Co., Ltd. (“JECP”)

Mr. Gong Youlu joined the Group in 2011. Mr. Gong is responsible for the overall management and operations of CEP and JECP. He has over 20 years’ experience in the pharmaceutical manufacturing sector. Mr. Gong holds a Bachelor of Engineering degree from Taiyuan Mechanical College (now known as North University of China) and a Master’s degree in Business Administration from Jilin University, China. Prior to joining the Group, he had held the position of general manager for pharmaceutical manufacturing enterprises in the PRC for over 10 years.

董事及高層管理人員簡介(續)

獨立非執行董事(續)

金松女士(四十五歲)

獨立非執行董事

金松女士持有山東廣播電視大學工程學專科文憑和復旦大學國際貿易專科文憑，彼亦為中國註冊會計師協會(「中國註冊會計師協會」)會員，並且於二零零一年取得中國註冊會計師協會考試全科合格證。金女士於多個行業財務方面擁有二十年之經驗。金女士於二零零四年獲委任為獨立非執行董事。

高層管理人員

溫明醫生(五十五歲)

研究及發展總監

溫明醫生於一九九二年加盟本集團。其主要職務為負責本集團產品之規管事宜、研究及開發以及註冊事務，並負責本集團進口藥品業務之市場及推廣事務。溫醫生畢業於廣州醫學院，並取得醫科學士學位及於中山醫科大學(現稱為中山大學)取得醫學碩士學位。溫醫生在加入本集團前曾任中山大學附屬醫院之主治醫生達十年。

龔有祿先生(四十七歲)

長春精優藥業股份有限公司(「長春精優」)及吉林精優長白山藥業有限公司(「吉林精優」)總經理

龔有祿先生於二零一一年加入本集團。龔先生負責長春精優及吉林精優之整體管理及營運。彼於製藥行業領域擁有逾二十年經驗。龔先生畢業於太原機械學院(現稱中北大學)，取得工學學士學位，並於吉林大學取得工商管理碩士學位。在加入本集團前，彼已在國內製藥企業擔任總經理職務逾十年。



Biographical Details of Directors and Senior Management (Continued)

Senior Management (Continued)

Ms. Wu Hong (aged 44)

Group Senior Finance Manager

Ms. Wu Hong, a qualified accountant in the PRC, joined the Group in 1995 and is responsible for all the Group's financial matters in the PRC. She graduated from Jiangsu Television Broadcast University, majoring in Foreign Trading Accounting. Before joining the Group, she worked with a joint venture company in the PRC.

Mr. Huang Wenda (aged 39)

Financial Controller of CEP and JECF

Mr. Huang Wenda joined the Group in 2004. Mr. Huang is responsible for financial control and financial management of the operations of CEP and JECF and currently also serves as secretary to the board handling corporate secretarial matters of CEP and JECF. He has accumulated experience of over 10 years in financial management of pharmaceutical manufacturing enterprises. Prior to joining the Group, he worked with manufacturing enterprises in the PRC.

董事及高層管理人員簡介(續)

高層管理人員(續)

吳紅女士(四十四歲)

集團高級財務經理

吳紅女士，中國合資格會計師，於一九九五年加入本集團，負責本集團在中國之所有財務事宜。吳女士畢業於江蘇省廣播電視大學，主修外貿會計。在加入本集團前，吳女士曾於一家中外合資公司工作。

黃文達先生(三十九歲)

長春精優及吉林精優財務總監

黃文達先生於二零零四年加入本集團。黃先生負責長春精優及吉林精優營運的財務控制及財務管理工作，現時並兼擔任董事會秘書處理公司秘書事務。彼在製藥企業財務管理方面累積了逾十年經驗。在加入本集團前，彼曾於國內的製造企業工作。

CORPORATE GOVERNANCE REPORT

企業管治報告

A. Corporate Governance Practices

Corporate Governance

The Group recognises the importance of achieving and monitoring the high standard of corporate governance consistent with the need and requirements of its business and the best interest of all of its shareholders. The Group is fully committed to doing so.

In the opinion of the directors, the Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (“Code Provisions”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). During the year ended 31 March 2016, the Company had adopted and applied the Code Provisions, except for certain deviations as set out below.

Code Provisions A.1.3 and A.7.1 stipulate that 14-day notice should be given for each regular board meeting and that in respect of regular meetings, and as far as practicable in all other cases, an agenda and accompanying board papers should be sent in full to all directors in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or other agreed period). The Company agrees that sufficient time should be given to the directors in order to make a proper decision. In these respects, the Company adopts a more flexible approach (and yet sufficient time has been given) in convening board meetings to ensure efficient and prompt management decisions could be made.

Code Provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same person. Dr. Xie Yi has served as the Chairman and Chief Executive Officer of the Company. However, the Company believes that there is adequate balance of power and authority in place though vesting the roles of both chairman and chief executive officer in the same person as all major decisions of the Company are made in consultation with members of the Board.

A. 企業管治常規

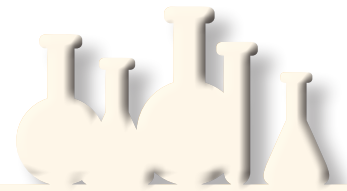
企業管治

本集團認同達致及監控高水平企業管治之重要性，務求符合商業需要及規定以及其全體股東之最佳利益。本集團承諾竭盡所能達致高水平之企業管治。

董事認為，本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治守則及企業管治報告內之守則條文（「守則條文」）。截至二零一六年三月三十一日止年度，本公司已採納及應用守則條文，惟以下若干偏離者除外。

守則條文第A.1.3及A.7.1條規定須就每次董事會例會發出14日通知，且須就例會（及只要所有其他情況切實可行時）適時向全體董事寄發全部議程及相關會議文件，並至少在計劃舉行董事會或其轄下委員會會議日期的三日前（或協定的其他時間內）送出。本公司同意須給予董事充足時間以作出適當決策。就此而言，本公司採用一個更靈活之方法（亦會給予充足時間）召開董事會會議，以確保作出更具效率及快速明智之管理層決策。

守則條文第A.2.1條規定主席及行政總裁之角色應分開，且不應由同一人兼任。謝毅博士擔任本公司之主席兼行政總裁。然而，本公司相信，由於所有本公司主要決策均於諮詢董事會成員後作出，故即使由同一人兼任主席及行政總裁，亦足以維持權力與權限之平衡。



A. Corporate Governance Practices (Continued)

Corporate Governance (Continued)

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The Company deviates from this Code Provision as the independent non-executive directors (“INEDs”) are not appointed for specific terms. According to the bye-laws of the Company, however, the INEDs are subject to retirement and re-election. The reason for the deviation is that the Company believes that the directors ought to be committed to representing the long-term interest of the Company’s shareholders.

Code Provision A.4.2 stipulates that every director should be subject to retirement by rotation at least once every three years. According to the bye-laws of the Company, one-third of the directors shall retire from office by rotation provided that the Chairman, Deputy Chairman or Managing Director shall not be subject to retirement by rotation. The Company’s bye-laws deviate from the Code Provision. The Company considers that the continuity of the Chairman/Deputy Chairman/Managing Director and their leadership are essential for the stability of the business and key management. The rotation methodology ensures a reasonable continuity of directorship which is to the best interest of the Company’s shareholders.

Code Provision A.4.2 also stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. According to the bye-laws of the Company, any director so appointed shall hold office only until the next annual general meeting. The Company’s bye-laws deviate from the Code Provision. However, the Company believes that it is in the best interest of the Company’s shareholders to transact this ordinary course of business in the annual general meeting.

Code Provision A.6.7 stipulates that INEDs and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Two of the INEDs, Mr. Fang Lin Hu and Ms. Jin Song could not attend the annual general meeting of the Company held on 28 August 2015 due to other business commitments.

The Company will continue to review and monitor the situation as stated above, and to improve the practices as and when the circumstances demand.

A. 企業管治常規(續)

企業管治(續)

守則條文第A.4.1條規定非執行董事應按特定任期委任，並重選連任。本公司偏離此守則條文，因獨立非執行董事（「獨立非執董」）並非按特定任期委任。然而，根據本公司之公司細則，獨立非執董須退任及重選。此項偏離之原因為本公司相信董事應為本公司股東之長遠利益而作出承擔。

守則條文第A.4.2條規定每名董事應最少每三年輪值退任一次。根據本公司之公司細則，三分之一在任董事須輪值退任，惟主席、副主席或董事總經理毋須輪值退任。本公司之公司細則偏離守則條文。本公司認為主席／副主席／董事總經理之連任及彼等之領導對業務及主要管理層之穩定性非常重要。輪值方法可確保董事的合理連續性，從而符合本公司股東之最佳利益。

守則條文第A.4.2條亦規定所有獲委任填補臨時空缺之董事須於獲委任後的首屆股東大會上由股東選舉。根據本公司之公司細則，任何獲委任之董事任期僅直至下次股東週年大會為止。本公司之公司細則偏離守則條文。然而，本公司相信於股東週年大會處理此日常事務符合本公司股東之最佳利益。

守則條文第A.6.7條規定獨立非執董及其他非執行董事須出席股東大會，並持平理解股東觀點。由於須處理其他業務，其中兩名獨立非執董方林虎先生及金松女士未能出席本公司於二零一五年八月二十八日舉行之股東週年大會。

本公司將繼續審閱及監控上述情況，如情況需要，將會對有關常規作出改善。

B. Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the directors, the directors have complied with the required standard set out in the Model Code throughout the accounting period covered by the annual report.

C. Board of Directors

As at the date of this annual report, the board of directors (the "Board") comprises five executive directors and three INEDs as follows:

Executive Directors

Dr. Xie Yi (*Chairman and Chief Executive Officer*)
Dr. Lou Yi
Mr. Cheng Yong
Ms. Wong Sau Kuen
Mr. Liu Kwok Wah

Independent Non-executive Directors

Mr. Fang Lin Hu
Mr. Xue Jing Lun
Ms. Jin Song

Save as disclosed, there is no other relationship (including financial, business, family or other material/relevant relationship) among the members of the Board.

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances. The management is delegated with the authority and responsibility by the Board for the day-to-day management of the Group. Major corporate matters that are specifically delegated by the Board to the management include the preparation of interim and annual reports and announcements for the Board's approval before publishing, execution of business strategies and initiatives adopted by the Board, implementation of adequate internal control systems and risk management procedures, and compliance with relevant statutory and regulatory requirements and rules and regulations.

B. 董事進行之證券交易

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」)作為本公司董事買賣本公司證券之操守守則。經向董事作出特定查詢後，董事於本年報所涵蓋之會計期間內均一直遵照標準守則所載之規定準則。

C. 董事會

於本年報刊發日期，董事會(「董事會」)由五名執行董事及三名獨立非執董組成，成員如下：

執行董事

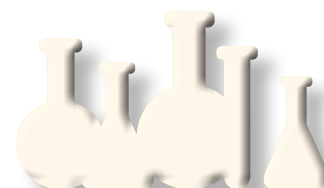
謝毅博士(主席及行政總裁)
樓屹博士
程勇先生
王秀娟女士
廖國華先生

獨立非執行董事

方林虎先生
薛京倫先生
金松女士

除披露者外，董事會成員之間並無任何其他關係(包括財務、業務、家族或其他重大／相關關係)。

董事會負責領導及監控本公司，並監督本集團之業務、策略決策及表現。董事會授予管理層權力及責任以監管本集團之日常管理。董事會特別授予管理層權力處理之主要企業事宜包括編製中期及年度報告及公告，以於刊發前提交董事會批准、實施董事會所採納之業務策略及措施、推行充足之內部監控制度及風險管理程序，並遵守有關法定和監管規定、規則與法規。



C. Board of Directors (Continued)

Each of the INEDs has complied with the provisions set out in Rule 3.13 of the Listing Rules and the Company also considers that they are independent under the Listing Rules. Of the three INEDs, Ms. Jin Song has appropriate accounting or related financial management experience as required under Rule 3.10(2) of the Listing Rules.

During the year ended 31 March 2016, four Board meetings and an annual general meeting of the Company were held, and the attendance records of each director at the respective meetings are set out in the table below:

Name of Director	董事姓名	Number of attendance 出席次數	
		Board Meeting 董事會	General Meeting 股東大會
Dr. Xie Yi	謝毅博士	4/4	1/1
Dr. Lou Yi	樓屹博士	3/4	1/1
Mr. Cheng Yong	程勇先生	4/4	1/1
Ms. Wong Sau Kuen	王秀娟女士	4/4	1/1
Mr. Liu Kwok Wah	廖國華先生	4/4	1/1
Mr. Fang Lin Hu	方林虎先生	4/4	0/1
Mr. Xue Jing Lun	薛京倫先生	4/4	1/1
Ms. Jin Song	金松女士	3/4	0/1

In addition, a meeting was held between the Chairman and all INEDs without the presence of executive directors during the financial year.

The Company has arranged appropriate directors' and officers' liability insurance for members of the Board and officers in order to protect legal claims against their lawful discharge of duties in relation to the Group's business.

C. 董事會(續)

各獨立非執董已遵守上市規則第3.13條所載之條文，而本公司亦認為根據上市規則，彼等均屬獨立。三名獨立非執董當中，金松女士具備上市規則第3.10(2)條所規定之適當會計或相關財務管理經驗。

截至二零一六年三月三十一日止年度，本公司曾舉行四次董事會會議及一次股東週年大會，而各董事於相關會議之出席率載列於下表：

Name of Director	董事姓名	Number of attendance 出席次數	
		Board Meeting 董事會	General Meeting 股東大會
Dr. Xie Yi	謝毅博士	4/4	1/1
Dr. Lou Yi	樓屹博士	3/4	1/1
Mr. Cheng Yong	程勇先生	4/4	1/1
Ms. Wong Sau Kuen	王秀娟女士	4/4	1/1
Mr. Liu Kwok Wah	廖國華先生	4/4	1/1
Mr. Fang Lin Hu	方林虎先生	4/4	0/1
Mr. Xue Jing Lun	薛京倫先生	4/4	1/1
Ms. Jin Song	金松女士	3/4	0/1

此外，主席亦曾於財政年度內在執行董事不在場的情況下與全體獨立非執董舉行一次會議。

本公司已為董事會成員及高級職員安排合適之董事及高級職員責任保險，以為彼等就本集團業務依法履職過程中產生的法律申訴提供保障。

D. Chairman and Chief Executive Officer

Dr. Xie Yi serves as the Chairman and Chief Executive Officer of the Company. This is a deviation from Code Provision A.2.1, which requires the roles of chairman and chief executive officer should be separate and should not be performed by the same person. As all major decisions of the Company are made in consultation with members of the Board, the Company believes that there is adequate balance of power and authority in place though vesting the roles of both chairman and chief executive officer in the same person.

E. Non-Executive Directors

Pursuant to Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election and, pursuant to Code Provision A.4.2, every director shall retire by rotation at least once every three years. None of the INEDs of the Company is appointed for a specific term and according to the bye-laws of the Company, one-third of the directors (except for the Chairman) shall retire from office by rotation and become eligible for re-election. The reason for the deviation is that the Company believes that the directors ought to be committed to representing the long-term interest of the Company's shareholders and the rotation methodology ensures a reasonable proportion of directors in continuity which is to the best interest of the Company's shareholders.

The function of the INEDs includes but not limited to participating in Board meetings and meetings of committees to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct, and the written terms of reference for their functions in the respective committees; namely Nomination Committee, Remuneration Committee and Audit Committee are available on the websites of the Stock Exchange and the Company.

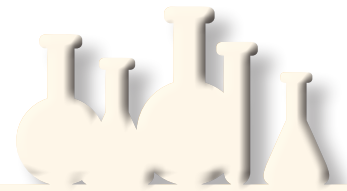
D. 主席及行政總裁

謝毅博士擔任本公司主席及行政總裁。此不符合守則條文第A.2.1條要求主席及行政總裁之角色應該分開，且不應由同一人士出任之規定。由於本公司所有主要決策均經董事會成員磋商後作出，故本公司相信，即使由同一人兼任主席及行政總裁，亦足以維持權力與權限之平衡。

E. 非執行董事

根據守則條文第A.4.1條，非執行董事應按特定任期委任，並重選連任，而根據守則條文第A.4.2條，每名董事應最少每三年輪值退任一次。本公司之獨立非執董並非按特定任期委任，而根據本公司之公司細則，三分之一的董事(主席除外)須輪值退任，並符合資格重選連任。此項偏離之原因為本公司相信董事應為本公司股東之長遠利益而作出承擔，而輪值方法可確保董事按合理比例連任，從而符合本公司股東之最佳利益。

獨立非執董之職責包括但不限於參加董事會會議及委員會會議，以就有關策略、政策、表現、問責性、資源、主要委任及操守準則等事宜作出獨立判斷，而其於各委員會之書面職權範圍，包括提名委員會，薪酬委員會和審核委員會，均載於聯交所及本公司網站。



F. Nomination Committee

The Nomination Committee consists of four members including, Dr. Xie Yi (Chairman), Chief Executive Officer and Chairman of the Board, and all INEDs, namely Mr. Fang Lin Hu, Mr. Xue Jing Lun and Ms. Jin Song.

The major role and function of the Nomination Committee are to formulate and implement the policy for nominating candidates for election by shareholders, and to assess the independence of non-executive directors.

The Board has adopted a Board Diversity Policy and the Nomination Committee will help implement and monitor the policy. To enhance the effectiveness of the Board, selection of candidates will be based on a range of perspectives, including but not limited to, gender, age, cultural and educational background, professional experience, skills and length of service. The Nomination Committee will review and discuss the measurable objectives for Board diversity on an annual basis and will make recommendation to the Board for its consideration and approval.

The Nomination Committee held a meeting during the year ended 31 March 2016, and all members had attended the meeting to review the structure, size and composition of the Board and assess the independence of INEDs.

F. 提名委員會

提名委員會由四名成員組成，包括行政總裁兼董事會主席謝毅博士(主席)以及全體獨立非執董(分別為方林虎先生、薛京倫先生及金松女士)。

提名委員會的主要角色及功能是制定及實施有關提名董事人選供股東選任之政策，及評核非執行董事之獨立性。

董事會已採納一套董事會成員多元化政策，提名委員會將協助實施並監督該政策。為提高董事會的效率，挑選人選將基於多項因素，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及服務年期。提名委員會將每年審閱及討論董事會多元化之可計量目標，並將提出建議以供董事會考慮及批准。

提名委員會於截至二零一六年三月三十一日止年度曾舉行一次會議，全體成員均已出席該會議以檢討董事會之架構、人數及組成，並評核獨立非執董之獨立性。

G. Remuneration Committee

The Company has established a Remuneration Committee with specific terms of reference, which state clearly its authority and duties. It advises the Board on the remuneration of the directors and senior management of the Company.

In line with good and fair practice, members of the Remuneration Committee consist of the three INEDs, namely Mr. Fang Lin Hu (Chairman), Mr. Xue Jing Lun, Ms. Jin Song, and Dr. Xie Yi.

During the year ended 31 March 2016, two meetings were held and attendance of each director is set out as follows:

Name of Director	董事姓名	Number of attendance 出席次數
Mr. Fang Lin Hu	方林虎先生	2/2
Mr. Xue Jing Lun	薛京倫先生	2/2
Ms. Jin Song	金松女士	2/2
Dr. Xie Yi	謝毅博士	2/2

The emoluments of the directors are reviewed and recommended by the Remuneration Committee and/or decided by the Board as authorised by the shareholders at the annual general meeting according to the directors' respective responsibilities, individual performance and prevailing market conditions. The Company has also adopted a share option scheme as an incentive to the directors and the senior management. The Board conducts regular review of the remuneration policy and structure of the directors and senior management which will take into account the prevailing market condition and the responsibility of individual members. During the year ended 31 March 2016, the Remuneration Committee reviewed and approved the remuneration packages (including directors' fees) of the directors and made recommendation to the Board for considerations and approval.

G. 薪酬委員會

本公司已成立薪酬委員會，並制定其特定職權範圍，清楚列明其權力及職責。薪酬委員會負責就本公司董事及高層管理人員之薪酬向董事會提供意見。

為配合良好及公平之慣例，薪酬委員會之成員包括三名獨立非執董(分別為方林虎先生(主席)、薛京倫先生、金松女士)及謝毅博士。

截至二零一六年三月三十一日止年度，曾舉行兩次會議，各董事之出席率載列如下：

根據董事各自的責任、個別表現及當時市況，董事薪酬由薪酬委員會檢討及建議及/或由董事會經股東於股東週年大會上之授權而作出決定。本公司亦已採納購股權計劃作為對董事及高層管理人員之鼓勵。董事會會定期因應當時市況及個別成員之職責，對董事及高層管理人員之薪酬政策以及架構作出檢討。截至二零一六年三月三十一日止年度，薪酬委員會已審閱及批准董事薪酬待遇(包括董事袍金)，並向董事會提供建議以供考慮及批准。



G. Remuneration Committee (Continued)

Directors' emoluments and the five highest paid individuals for the year ended 31 March 2016 are disclosed in notes 12 and 13 respectively to the consolidated financial statements. None of emoluments of senior management whose profiles are disclosed in the section "Directors and Senior Management Profile" is included in the note as the five highest paid individuals, and their emoluments fell within the following band:

	酬金範圍	Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
Emolument band HK\$ Nil to HK\$1,000,000	零港元至1,000,000港元	4	4

H. Audit Committee

The Company has established an Audit Committee with specific terms of reference that have included the duties which are set out in Code Provision C.3.3 with appropriate modification when necessary.

The major role and function of the Audit Committee are to ensure the maintenance of proper relationship with the Company's auditors, the establishment of proper review and control arrangements relating to internal control systems, financial reporting and the compliance to applicable reporting requirements.

The current members of the Audit Committee are Mr. Fang Lin Hu (Chairman), Mr. Xue Jing Lun and Ms. Jin Song. During the year ended 31 March 2016, four meetings were held and attendance of each director is set out as follows:

Name of Director	董事姓名	Number of attendance 出席次數
Mr. Fang Lin Hu	方林虎先生	4/4
Mr. Xue Jing Lun	薛京倫先生	4/4
Ms. Jin Song	金松女士	4/4

G. 薪酬委員會(續)

截至二零一六年三月三十一日止年度之董事酬金及五位最高薪酬人士分別於綜合財務報表附註12及13內披露。高層管理人員(其履歷披露於「董事及高層管理人員簡介」一節)當中並無任何人士之酬金包括於該附註內作為五位最高薪酬人士，而其酬金屬於下列範圍：

H. 審核委員會

本公司已成立審核委員會，並列出其特定職權範圍，有關職權範圍已包括守則條文第C.3.3條所載(於必要時作出適當修訂)之職責。

審核委員會之主要職責及功能是確保與本公司之核數師維持良好關係，及就內部監控制度、財務報告及遵守適用報告規定作出適當審閱及監管安排。

審核委員會之現有成員為方林虎先生(主席)、薛京倫先生及金松女士。截至二零一六年三月三十一日止年度，曾舉行四次會議，各董事之出席率載列如下：

H. Audit Committee (Continued)

The Audit Committee reviewed the half yearly and full year consolidated financial statements, including the Group's adopted accounting principles and practices, internal control systems and financial reporting matters (in conjunction with the external auditors for the annual results). The Audit Committee endorsed the accounting treatments adopted by the Company and, to the best of its ability assured itself that the disclosures of the financial information in this report comply with the applicable accounting standards and Appendix 16 of the Listing Rules.

I. Auditors' Remuneration

An analysis of remuneration in respect of audit and non-audit services provided by East Asia Sentinel Limited for the year ended 31 March 2016 is as follows:

		HK\$'000 千港元
Audit services	審核服務	728
Non-audit services	非審核服務	20

J. Financial Reporting

The directors of the Company acknowledged their responsibility for preparing the consolidated financial statements of the Group in accordance with the requirements of the Listing Rules and applicable statutory requirements and accounting standards. The Group had adopted the going concern basis in preparing its financial statements.

A statement by the auditors of the Company about their reporting responsibilities is set out in the "Independent Auditors' Report" on pages 42 to 44 of this annual report.

H. 審核委員會(續)

審核委員會已審閱半年度及全年綜合財務報表，包括本集團所採納之會計原則及慣例、內部監控制度及財務報告事宜，並就年度業績聯同外聘核數師一同審閱。審核委員會贊同本公司所採取之會計處理方法，並已盡力確保本報告披露之財務資料符合適用之會計準則及上市規則附錄十六。

I. 核數師酬金

截至二零一六年三月三十一日止年度，就衛亞會計師事務所有限公司提供審核及非審核服務之酬金分析如下：

		HK\$'000 千港元
Audit services	審核服務	728
Non-audit services	非審核服務	20

J. 財務報告

本公司董事確認彼等按照上市規則規定及根據適用法定要求及會計準則編製本集團綜合財務報表之責任。本集團已採納持續經營基準編製其財務報表。

本公司核數師就其報告責任所作出聲明載於本年報第42至44頁之「獨立核數師報告」。



K. Internal Control

The Board is responsible for overseeing and ensuring that a sound and effective internal control system is maintained within the Group in order to safeguard the Group's assets and the interests of the Company's shareholders.

The Audit Committee is delegated with authorities to assist the Board to fulfill its oversight role over the Group's internal control system by reviewing and evaluating on a regular basis the effectiveness and adequacy of the Company's financial controls, internal control and risk management systems. During the year ended 31 March 2016, the Audit Committee, after taking into consideration the size of the Group's activities and operations, had adopted a risk-based approach in identifying the scope for review. The Audit Committee and the Board satisfied the result of the review and concluded that the key areas of the Group's internal control systems are reasonably and adequately implemented to their satisfaction.

L. Directors' Continuous Training and Development

Directors are encouraged to participate in continuous professional development in order to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

K. 內部監控

董事會負責監督及確保於本集團內維持一個健全且有效之內部監控制度，以保障本集團之資產及本公司股東之利益。

審核委員會獲授權力透過定期審閱及評估本公司之財務監控、內部監控及風險管理制度是否有效及足夠以協助董事會履行其對本集團內部監控制度之監管角色。截至二零一六年三月三十一日止年度，經考慮本集團業務及營運之規模後，審核委員會已採納風險為本法以確定審閱範疇。審核委員會及董事信納審閱結果，並總結本集團內部監控制度的主要領域獲合理及充分執行。

L. 董事的持續培訓及發展

本公司鼓勵董事進行持續的專業進修，以發展及更新彼等的知識及技能。此舉能確保彼等繼續在掌握全面資訊及切合所需的情況下向董事會作出貢獻。

L. Directors' Continuous Training and Development (Continued)

During the year ended 31 March 2016, the directors were briefed and updated with written materials on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. In addition, the Company had organised an in-house training seminar for the directors, which was conducted by qualified professional covering topics of regulatory development and changes in the Listing Rules with training materials provided. Directors are also encouraged to attend outside seminars and talks organised by professional bodies to enrich their knowledge in discharging their duties as a director. All directors have participated in continuous professional development by attending training courses and/or referring materials on the topics related to corporate governance and regulations:

Executive Directors

Dr. Xie Yi	Attending in-house training course and self-study
Dr. Lou Yi	Attending in-house training course and self-study
Mr. Cheng Yong	Attending in-house training course and self-study
Ms. Wong Sau Kuen	Attending in-house training course and outside seminars/talks conducted by professional bodies and self-study
Mr. Liu Kwok Wah	Attending in-house training course and outside seminars/talks conducted by professional bodies and self-study

Independent Non-executive Directors

Mr. Fang Lin Hu	Attending in-house training course and self-study
Mr. Xue Jing Lun	Attending in-house training course and self-study
Ms. Jin Song	Attending in-house training course and self-study

M. Joint Company Secretaries

Mr. Liu Kwok Wah and Ms. Wong Sau Kuen are joint company secretaries of the Company and each has taken no less than 15 hours of relevant professional training during the year ended 31 March 2016.

L. 董事的持續培訓及發展(續)

截至二零一六年三月三十一日止年度，董事獲得有關上市規則及其他不時適用的法律及監管規定最新發展的簡報及最新書面資料，以確保彼等遵守及更為注意到良好的企業管治常規。此外，本公司亦為董事舉辦內部培訓研討會，該研討會由合資格專業人士進行，涵蓋法規發展及上市規則變更，並向參加者提供培訓材料。本公司亦鼓勵董事參加由專業組織舉辦的外界研討會及講座，以增加彼等在履行董事職務方面的知識。所有董事已透過參加培訓課程及／或參考有關企業管治及法規的資料進行持續的專業進修：

執行董事

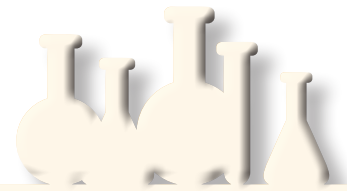
謝毅博士	參加內部培訓課程及自修
樓屹博士	參加內部培訓課程及自修
程勇先生	參加內部培訓課程及自修
王秀娟女士	參加內部培訓課程及由專業組織舉辦的外界研討會／講座及自修
廖國華先生	參加內部培訓課程及由專業組織舉辦的外界研討會／講座及自修

獨立非執行董事

方林虎先生	參加內部培訓課程及自修
薛京倫先生	參加內部培訓課程及自修
金松女士	參加內部培訓課程及自修

M. 聯席公司秘書

廖國華先生及王秀娟女士為本公司聯席公司秘書，並各自確認於截至二零一六年三月三十一日止年度已參與不少於15小時的相關專業培訓。



N. Communication with Shareholders

The Company believes the value of maintaining open communication with and providing current and relevant information to its shareholders, and uses a number of channels to disseminate information to shareholders through:

- (1) the Stock Exchange's website (www.hkexnews.hk)
- (2) the Company's website (www.extrawell.com.hk)
- (3) corporate information in printed forms such as annual and interim reports, circulars and explanatory materials
- (4) annual general meeting
- (5) the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited in respect of share registration and related matters

The annual general meeting of the Company provides a useful forum for shareholders to exchange views with the Board. The Chairman of the Board as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee (or their delegates) will make themselves available at the annual general meetings to meet shareholders and answer their enquiries.

O. Shareholders' Rights

Convening a Special General Meeting

Section 74 of the Companies Act 1981 of Bermuda stipulates that the directors shall, on the requisition of shareholders holding not less than one-tenth of such of the paid-up capital of the Company, forthwith proceed duly to convene a special general meeting of the Company. The requisition must state the purposes of the meeting, and must be signed by the relevant requisitionists and deposited at the registered office of the Company. If the directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

N. 與股東之溝通

本公司相信保持與其股東公開溝通以及向彼等提供現有及相關資料的價值，並透過利用以下多個溝通渠道以向股東傳達資料：

- (1) 聯交所網站(www.hkexnews.hk)
- (2) 本公司網站(www.extrawell.com.hk)
- (3) 公司資料印刷本(例如年度及中期報告、通函及說明資料)
- (4) 股東週年大會
- (5) 本公司之股份登記處香港分處卓佳登捷時有限公司，處理股份登記及相關事宜

本公司之股東週年大會為股東提供一個與董事會交流意見之有效平台。董事會主席以及提名委員會、薪酬委員會和審核委員會的主席(或其代表)將出席股東週年大會，與股東見面並回答彼等的詢問。

O. 股東權利

召開股東特別大會

百慕達《一九八一年公司法》第74條規定董事應按持有不少於本公司已繳足股本十分之一的股東請求書的請求，立刻安排召開本公司股東特別大會。請求書須列明會議目的，並須由相關呈請人簽署及遞交至本公司註冊辦事處。倘董事在請求書遞呈日期起計二十一日內，未有妥為安排召開大會，則該等呈請人或任何佔全體呈請人總投票權一半以上之呈請人，則可自行召開大會，惟任何如此召開之大會均不能於上述日期起計三個月屆滿後舉行。

O. Shareholders' Rights (Continued)

Putting forward Proposals at General Meetings

Section 79 of the Companies Act 1981 of Bermuda stipulates that the Company shall, on the requisition in writing by either any number of shareholders representing not less than one-twentieth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company or not less than 100 shareholders, (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting, and (b) circulate to these shareholders a written statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Section 80 of the Companies Act 1981 of Bermuda stipulates that the written requisition as signed by the requisitionists must be deposited at the registered office of the Company with a sum reasonably sufficient to meet the Company's expenses in giving effect thereto not less than six weeks before the meeting in case of a requisition requiring notice of a resolution and not less than one week before the meeting in case of any other requisition.

Enquiries to the Board

Shareholders may send their enquiries and suggestions to the Board by mail to the Company's principal place of business at Suites 2206-08, 22/F, Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

P. Constitutional Documents

There were no changes in the Company's constitutional documents during the year ended 31 March 2016.

O. 股東權利(續)

於股東大會上提呈決議案

百慕達《一九八一年公司法》第79條規定本公司應按持有有權於本公司股東大會投票之本公司繳足股本不少於二十分之一之任何數目股東，或不少於100名股東的書面要求：(a)向有權接收下一屆股東週年大會通告之股東發出通知，以告知任何可能於該大會上正式動議及擬於會上動議之決議案，及(b)向該等股東傳閱不超過1,000字之書面陳述書，以告知於該大會上提呈之決議案所述事宜或將處理之事項。

百慕達《一九八一年公司法》第80條規定由呈請人簽署之書面呈請須送交本公司註冊辦事處，且呈請須在不少於(倘為須發送決議案通知之呈請)大會舉行前至少六星期或(倘為任何其他呈請)大會舉行前至少一星期遞交，並須支付足以合理彌補本公司開支之款項。

向董事會提交查詢

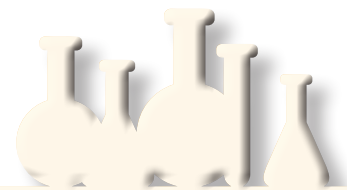
股東如有任何查詢及建議，可致函本公司主要營業地點予董事會，地址為香港鰂魚涌英皇道979號太古坊德宏大廈22樓2206-08室。

P. 組織章程文件

截至二零一六年三月三十一日止年度，本公司之組織章程文件概無任何變動。

REPORT OF THE DIRECTORS

董事會報告



The directors present their annual report and the audited consolidated financial statements of Extrawell Pharmaceutical Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2016.

董事會謹此提呈精優藥業控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一六年三月三十一日止年度之年報及經審核綜合財務報表。

Principal Activities and Business Review

The principal activity of the Company is investment holding and the activities of its principal subsidiaries and an associate are set out in notes 42 and 23 to the consolidated financial statements respectively.

主要業務及業務回顧

本公司之主要業務為投資控股，其主要附屬公司和一間聯營公司之業務分別載於綜合財務報表附註42及23。

The business review of the Group and the discussion and analysis of the Group’s performance for the year ended 31 March 2016 are set out in the sections “Chairman’s Statement” and “Management Discussion and Analysis” on pages 4 to 7 and pages 8 to 14 of this annual report respectively, which form part of this report.

本集團截至二零一六年三月三十一日止年度之業務回顧及本集團表現之討論及分析分別載於本年報第4至7頁及第8至14頁之「主席報告」及「管理層討論及分析」各節，該等內容組成本報告之一部分。

Results and Dividend

The results of the Group for the year ended 31 March 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 45 to 46.

業績及股息

本集團截至二零一六年三月三十一日止年度之業績載於第45至46頁之綜合損益及其他全面收益表。

The directors do not recommend the payment of dividend in respect of the year.

董事不建議就本年度派發任何股息。

Five Years’ Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 164.

五年財務概要

本集團過去五個財政年度之業績、資產、負債及非控股權益概要載於第164頁。

Investment Properties

Details of movements in the investment properties of the Group during the year are set out in note 17 to the consolidated financial statements.

投資物業

本集團之投資物業於年內之變動詳情載於綜合財務報表附註17。

Property, Plant and Equipment

Details of movements in property, plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

物業、廠房及設備

本集團之物業、廠房及設備於年內之變動詳情載於綜合財務報表附註18。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

Share Capital

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

Equity-Linked Arrangement

No equity-linked agreement which may result in the Company issuing shares was entered into during the financial year.

Details of the convertible bonds of the Company with principal amount of HK\$577,170,000 outstanding are disclosed in note 34 to the consolidated financial statements.

Share Options

On 24 August 2012, the shareholders of the Company approved the adoption of a new share option scheme (the "Scheme"), as the share option scheme adopted by the Company on 8 August 2002 expired on 14 August 2012. The Scheme became effective on 29 August 2012 after obtaining approval from the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Information about share options and the Scheme is set out in note 38 to the consolidated financial statements.

Distributable Reserves

As at 31 March 2016, the reserves of the Company available for cash distribution and/or distribution in specie amounted to HK\$135,775,000 which was computed in accordance with the Bermuda Companies Act. In addition, the Company's share premium account with a balance of HK\$191,738,000 as at 31 March 2016 may be distributed in the form of fully paid bonus shares.

Relationship with Employees

During the year, the Group had not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor had it experienced any difficulties in the recruitment. The directors consider that the Group has maintained good working relationship with its employees.

股本

有關本公司股本於年內之變動詳情載於綜合財務報表附註35。

股票掛鈎安排

於財政年度內並無訂立可能導致本公司發行股份的股票掛鈎安排。

有關本公司未償還本金額為577,170,000港元之可換股債券之詳情於綜合財務報表附註34內披露。

購股權

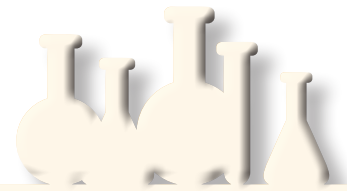
由於本公司於二零零二年八月八日採納之購股權計劃於二零一二年八月十四日屆滿，於二零一二年八月二十四日，本公司股東批准採納新購股權計劃(「該計劃」)。於獲得香港聯合交易所有限公司(「聯交所」)上市委員會批准後，該計劃已於二零一二年八月二十九日生效，除非以其他方式取消或修訂，否則將自該日起計十年內一直有效。有關購股權及該計劃之資料載於綜合財務報表附註38。

可供分派儲備

於二零一六年三月三十一日，依據百慕達公司法計算，本公司可供作現金分派及/或實物分派之儲備金額為135,775,000港元。此外，於二零一六年三月三十一日，本公司可供以繳足股本之紅股方式作分派之股份溢價賬餘額為191,738,000港元。

與僱員之關係

於年內，本集團並無與其僱員出現任何重大問題或因勞工糾紛而令其業務中斷，且其在招聘員工方面並無面臨任何困難。董事認為本集團與其僱員維持良好的工作關係。



Major Customers and Suppliers

The Group understands the importance of maintaining good relationships with its customers and suppliers to the overall development of its business. During the year, there were no disputes between the Group and its customers and/or suppliers which would have caused significant adverse impact to the Group's business.

For the year ended 31 March 2016, revenue attributable to the Group's five largest customers accounted for approximately 77% of the Group's revenue, and revenue attributable to the Group's largest customer accounted for approximately 50% of the Group's revenue.

For the year ended 31 March 2016, purchases attributable to the Group's five largest suppliers accounted for approximately 91% of the Group's purchases and purchases attributable to the Group's largest supplier accounted for approximately 42% of the Group's purchases.

None of the directors, their close associates or any shareholders (which to the knowledge of the directors owned more than 5% of the Company's issued share capital) had any interests in the Group's five largest customers and the suppliers.

Directors

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

Executive directors:

Xie Yi
Lou Yi
Cheng Yong
Wong Sau Kuen
Liu Kwok Wah

Dr. Xie Yi, Dr. Lou Yi, Ms. Wong Sau Kuen and Mr. Liu Kwok Wah are also directors in certain subsidiaries of the Company.

Independent non-executive directors:

Fang Lin Hu
Xue Jing Lun
Jin Song

主要客戶及供應商

本集團深明與其客戶及供應商維持良好關係對其業務的整體發展十分重要。年內，本集團與其客戶及／或供應商並無會對本集團業務造成重大不利影響的糾紛。

截至二零一六年三月三十一日止年度，本集團五大客戶應佔之收益額佔本集團收益額約77%，而本集團最大客戶應佔之收益額佔本集團收益額約50%。

截至二零一六年三月三十一日止年度，本集團五大供應商應佔之採購額佔本集團採購額約91%，而本集團最大供應商應佔之採購額佔本集團採購額約42%。

各董事、彼等之緊密聯繫人或任何股東(就董事所知擁有本公司已發行股本5%以上者)概無於本集團五大客戶及供應商中擁有任何權益。

董事

本年度內及截至本報告日期在任之本公司董事如下：

執行董事：

謝毅
樓屹
程勇
王秀娟
廖國華

謝毅博士、樓屹博士、王秀娟女士及廖國華先生亦為本公司若干附屬公司之董事。

獨立非執行董事：

方林虎
薛京倫
金松

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

Directors (Continued)

In accordance with the Company's bye-law 111, other than the Chairman, the directors of the Company, including the independent non-executive directors ("INEDs"), are subject to retirement by rotation and re-election at the annual general meeting of the Company, and in accordance with the provisions of the Company's bye-laws, Dr. Lou Yi and Mr. Fang Lin Hu will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

The Company has received annual confirmations of independence from Messrs. Fang Lin Hu, Xue Jing Lun and Jin Song pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and still considers them to be independent.

Directors' Service Contracts

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory obligation.

Directors' Remuneration

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

Directors' Interests in Contracts

Save as disclosed in the consolidated financial statements, no director had material interests, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

Directors' Interests in Competing Business

During the year, no directors or their close associates are considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

董事(續)

根據本公司之公司細則第111條之規定，除主席外，本公司董事(包括獨立非執行董事(「獨立非執董」))須輪值退任，並於本公司之股東週年大會上重選連任。根據本公司之公司細則條文，樓屹博士及方林虎先生將於應屆本公司股東週年大會上輪值退任，惟彼等符合資格並將膺選連任。

本公司已收到方林虎先生、薛京倫先生及金松女士根據聯交所證券上市規則(「上市規則」)第3.13條就彼等之獨立性發出之年度確認，並認為彼等仍為獨立。

董事之服務合約

擬於應屆股東週年大會上重選連任之董事概無與本公司訂立不可由本公司於一年內免付賠償(法定責任除外)而終止之服務合約。

董事薪酬

董事袍金須於股東大會上獲得股東批准。其他酬金乃由本公司董事會參考董事之職務、職責及表現以及本集團之業績而釐定。

董事之合約利益

除綜合財務報表所披露者外，概無董事於本公司或其任何附屬公司於年內所訂立對本集團業務具重大影響之任何合約中，直接或間接擁有重大利益。

董事於競爭業務之權益

年內，概無董事或彼等之緊密聯繫人被視為於與本集團業務構成或可能構成直接或間接競爭之業務中擁有權益。



Permitted Indemnity

Pursuant to the Company's bye-laws, every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. In addition, the Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

At 31 March 2016, the interests and short positions of the directors in the shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Future Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long positions in the ordinary shares of the Company

Name of director	Notes	Capacity and nature of interest	Number of ordinary shares of HK\$0.01 each held 所持每股 面值0.01港元 之普通股數目	Approximate percentage of interests held 所持之權益 概約百分比
董事姓名	附註	身份及權益性質		
Xie Yi 謝毅	(a)	Through controlled corporations 透過受控制公司	80,000,000	3.35%
Cheng Yong 程勇		Directly beneficially owned 直接實益擁有	830,000	0.03%
	(b)	Through a controlled corporation 透過一間受控制公司	1,060,000	0.05%
		Held by spouse 由配偶持有	5,090,000	0.21%
			6,980,000	0.29%

獲准許彌償

根據本公司之公司細則，本公司各董事或其他高級人員有權就履行其職務或在其他有關方面可能蒙受或產生或相關之所有虧損或負債自本公司之資產中獲得彌償。此外，本公司已為本集團董事及高級人員安排適當的責任保險保障。

董事於股份、相關股份及債權證之權益及淡倉

於二零一六年三月三十一日，董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債權證中，擁有須登記入本公司根據證券及期貨條例第352條所存置之登記冊之權益及淡倉，或根據上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

於本公司普通股之好倉

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (Continued)

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

Notes:

- (a) The entire issued share capital of JNJ Investments Ltd is owned by Biowindow Gene Development (Hong Kong) Limited ("HK Biowindow"), and the entire issued share capital of HK Biowindow is owned by United Gene Group Ltd (a company incorporated in the British Virgin Islands). The issued share capital of United Gene Group Ltd is owned as to 33% by Ease Gold Investments Limited, which is wholly owned by Dr. Xie Yi.
- (b) The shares are held by Merchandise Holdings Limited (a company incorporated in the British Virgin Islands) which is wholly owned by Mr. Cheng Yong.

Save as disclosed above, as at 31 March 2016, none of the directors had registered an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Rights to Acquire Shares and Debentures

At no time during the year were rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate granted to any directors or their respective spouse or minor children, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the directors, their respective spouse or minor children to acquire such rights in any other body corporate.

董事於股份、相關股份及債權證之權益及淡倉(續)

於本公司普通股之好倉(續)

附註：

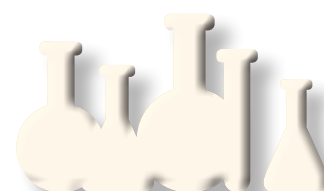
- (a) JNJ Investments Ltd之全部已發行股本由香港博德基因開發有限公司(「香港博德」)擁有，而香港博德之全部已發行股本由United Gene Group Ltd(一家於英屬處女群島註冊成立之公司)擁有。United Gene Group Ltd之已發行股本由謝毅博士全資擁有之Ease Gold Investments Limited擁有33%。
- (b) 該等股份由Merchandise Holdings Limited(一家於英屬處女群島註冊成立之公司)持有，該公司由程勇先生全資擁有。

除上文所披露者外，於二零一六年三月三十一日，概無任何董事於本公司或其任何相聯法團之股份、相關股份及債權證中，登記擁有根據證券及期貨條例第352條須予記錄之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事購入股份及債權證之權利

於年內任何時間，任何董事或彼等各自之配偶或未成年子女概無獲授可藉購入本公司或任何其他法團股份或債權證而獲益之權利，或彼等並無行使任何該等權利；本公司或其任何附屬公司亦無訂立任何安排，致使董事、彼等各自之配偶或未成年子女可於任何其他法團獲得該等權利。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)



Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

At 31 March 2016, the following interests and short positions of 5% or more of the shares and underlying shares of the Company were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

主要股東及其他人士於股份、相關股份及債權證之權益及淡倉

於二零一六年三月三十一日，根據本公司按照證券及期貨條例第336條須予保存之登記冊所記錄，登記擁有本公司股份及相關股份5%或以上權益及淡倉之人士如下。

Name of substantial shareholder	Capacity and nature of interest	Number of ordinary shares held/entitled 所持/有權持有之普通股數目	Long (L) or Short (S) position 好倉(L)或淡倉(S)	Approximate percentage of interest held 所持權益概約百分比
主要股東姓名	身份及權益性質			
Innovative Pharmaceutical Biotech Limited ("Innovative Pharm") (formerly known as United Gene High-Tech Group Limited) 領航醫藥及生物科技有限公司 (「領航醫藥」)(前稱聯合基因科技集團有限公司)	Directly beneficially owned (Note) 直接實益擁有 (附註)	1,357,510,000	L	56.80%

Note: Innovative Pharm is a listed company on the Main Board of the Stock Exchange and its interest in 1,357,510,000 shares of the Company represents (i) 457,510,000 shares or 19.14% of the Company's shares in issue and (ii) 900,000,000 conversion shares to be allotted and issued to Innovative Pharm upon exercise in full by Innovative Pharm of the conversion rights at conversion price of HK\$0.6413 per share under the Company's 20-year zero coupon convertible bonds issued on 16 July 2013 with principal amount of HK\$577,170,000 outstanding. At 31 March 2016, there was a total of 2,390,000,000 shares issued by the Company, and assuming the exercise in full of the conversion rights attaching to the Company's convertible bonds, Innovative Pharm will hold approximately 41.26% of the enlarged share capital of the Company.

附註：領航醫藥為一家於聯交所主板上市的公司，而其於本公司1,357,510,000股股份之權益相當於(i)457,510,000股或19.14%之本公司已發行股份及(ii)根據本公司於二零一三年七月十六日發行之20年零息可換股債券(尚未償還之本金額為577,170,000港元)，於領航醫藥按換股價每股股份0.6413港元悉數行使換股權後，將向領航醫藥配發及發行之900,000,000股換股股份。於二零一六年三月三十一日，本公司已發行股份合共為2,390,000,000股。假設悉數行使附於本公司之可換股債券之換股權，領航醫藥將持有本公司經擴大股本約41.26%。

Save as disclosed above, as at 31 March 2016, no person, other than certain directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

除上文所披露者外，於二零一六年三月三十一日，並無任何人士(不包括本公司若干董事，彼等之權益載於上文「董事於股份、相關股份及債權證之權益及淡倉」一節)於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須予登記之權益或淡倉。

Connected and Related Party Transactions

Details of the material related party transactions entered into by the Group which do not constitute connected transactions under the Listing Rules for the year are set out in note 40 to the consolidated financial statements.

關連及關聯方交易

有關本集團於本年度訂立而根據上市規則並不構成關連交易之重大關聯方交易，詳情載於綜合財務報表附註40。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

Contracts of Significance

Save as disclosed in “Connected and Related Party Transactions” above, no contracts of significance 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.

Subsequent Events

There is no material subsequent event occurred after 31 March 2016 and up to the date of this report.

Sufficiency of Public Float

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

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the directors, the directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2016.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

重大合約

除上文「關連及關聯方交易」所披露者外，於本年度完結時或本年度內任何時間並無存在本公司或其任何附屬公司參與訂立而本公司董事於當中直接或間接擁有重大利益之任何重大合約。

期後事項

於二零一六年三月三十一日後及直至本報告日期，本集團並無任何重大期後事項。

充足公眾持股量

根據本公司於公開可得之資料及就董事所知，於本報告刊發日期前之最後實際可行日期，公眾人士持有本公司已發行股本總數最少25%。

董事之證券交易標準守則

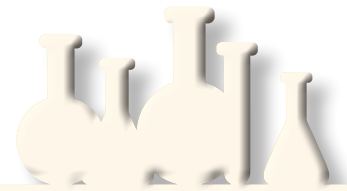
本公司已採納上市規則附錄十所載之標準守則作為本公司董事買賣本公司證券之操守守則。經向董事作出特定查詢後，董事於截至二零一六年三月三十一日止年度一直遵照標準守則所載之規定準則。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

優先購股權

本公司之公司細則或百慕達(即本公司註冊成立所在之司法權區)法例概無規定本公司須按比例向現有股東發售新股份之優先購股權之條文。



Audit Committee

The Company has established an Audit Committee (the “Committee”), with written terms of reference, in compliance with Rule 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The Committee comprises three INEDs. The Group’s financial statements for the year ended 31 March 2016 have been reviewed by the Committee. The Committee is of the opinion that such financial statements comply with the applicable accounting standards, and Stock Exchange’s and legal requirements, and that adequate disclosures have been made.

Auditors

East Asia Sentinel Limited was appointed as the auditors of the Company in succession to Deloitte Touche Tohmatsu who resigned as auditors with effect from 22 March 2016.

The financial statements for the year were audited by East Asia Sentinel Limited, who will retire and, being eligible, offer themselves for re-appointment as auditors of the Company at the forthcoming annual general meeting.

On behalf of the Board

Dr. Xie Yi
Chairman

Hong Kong, 29 June 2016

審核委員會

為檢討及監察本集團之財務匯報程序及內部監控，本公司已遵照上市規則第3.21條成立審核委員會(「委員會」)，並以書面列出其職權範圍。委員會由三名獨立非執董組成。本集團截至二零一六年三月三十一日止年度之財務報表已由委員會審閱。委員會認為該等財務報表符合適用之會計準則及聯交所及法例規定，並已提供足夠披露。

核數師

衛亞會計師事務所有限公司自二零一六年三月二十二日起，於德勤•關黃陳方會計師行辭任核數師後獲委任為本公司之核數師。

本年度之財務報表已由衛亞會計師事務所有限公司審核，該行將退任，並符合資格及願意於應屆股東週年大會上接受續聘為本公司之核數師。

代表董事會

主席
謝毅博士

香港，二零一六年六月二十九日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



East Asia Sentinel Limited 衛亞會計師事務所有限公司

Certified Public Accountants

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TO THE MEMBERS OF EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED

致精優藥業控股有限公司全體股東

(incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

We have audited the consolidated financial statements of Extrawell Pharmaceutical Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 45 to 163, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

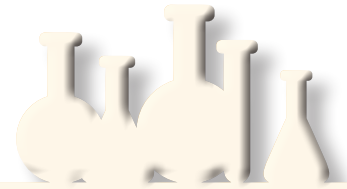
本行已審核第45至163頁所載精優藥業控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，其內容包括於二零一六年三月三十一日之綜合財務狀況表；截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表；以及重大會計政策概要及其他說明資料。

Directors' Responsibility for the Consolidated Financial Statements

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

董事就綜合財務報表須承擔之 責任

貴公司之董事有責任根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，編撰並真實公平地呈列綜合財務報表，以及作出董事認為就編撰綜合財務報表而言屬必需之內部監控，致使綜合財務報表之編撰並無重大錯誤陳述(不論由欺詐或錯誤引致)。



Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

核數師之責任

根據百慕達公司法第90條，本行有責任按本行之審核就此等綜合財務報表發表意見，並僅向全體股東作出報告，除此以外別無其他目的。本行不會就本報告內容向任何其他人士負責或承擔任何責任。本行乃按香港會計師公會頒佈之香港核數準則進行核數工作。該等準則要求本行遵守道德規範，並規劃及執行核數工作，以合理確定綜合財務報表是否存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該實體編撰及真實公平地呈列綜合財務報表相關之內部監控，以設計切合當時情況之適當審核程序，而並非就實體之內部監控成效發表意見。審核亦包括評價董事所採用之會計政策是否合適及所作出之會計估計是否合理，以及評價綜合財務報表之整體呈列方式。

本行相信，本行所獲得之審核憑證充分，並就本行之審核意見提供合理依據。

意見

本行認為，綜合財務報表已根據香港財務報告準則真實公平地反映貴集團於二零一六年三月三十一日之財務狀況，以及其截至該日止年度之財務業績及現金流量，並已遵照香港公司條例之披露規定妥為編製。

INDEPENDENT AUDITORS' REPORT (CONTINUED) 獨立核數師報告(續)

Emphasis of Matter

As explained in note 23 to the consolidated financial statements, the carrying amount of interest in an associate, representing interest in Smart Ascent Limited and its subsidiaries (the "Smart Ascent Group"), is HK\$333,866,000 as at 31 March 2016. The major asset held by the Smart Ascent Group is the intangible asset in relation to an in-process research and development project (the "In-process R&D") involving an oral insulin product (the "Product"). The carrying amount of interest in the associate is highly dependent upon further research and development work required to be carried out, results of the clinical trials, the successful launching of the Product and key assumptions to be applied in preparing cash flow projection from the Product. Should the outcome of the clinical trials and the launching of the Product be unsuccessful, or the key assumptions applied in preparing the cash flow projection from the Product turn out to be unrealised, material adjustments may be required and consequently have an adverse effect on the net assets and the results of the Group.

Other Matter

The consolidated financial statements of the Company for the year ended 31 March 2015 were audited by another auditor who expressed an unqualified opinion on those statements on 29 June 2015 with an emphasis of matter paragraph in relation to the uncertainty of the successful launching of the Product which may materially affect the carrying amount of the In-process R&D.

East Asia Sentinel Limited

Yim Wing Yee

Director

Practising Certificate No. P05906

Hong Kong

29 June 2016

強調事項

誠如綜合財務報表附註23所闡述，於二零一六年三月三十一日，於一間聯營公司之權益（即於進生有限公司及其附屬公司（「進生集團」）之權益）之賬面值為333,866,000港元。進生集團持有之主要資產為有關涉及口服胰島素產品（「產品」）之進行中之研發項目（「進行中之研發」）之無形資產。於一間聯營公司之權益之賬面值高度視乎須進行之進一步研發工作、產品之臨床測試結果、能否成功推出及編製產品之現金流量預測時將應用之主要假設。倘產品之臨床測試結果及推出不成功，或編製產品之現金流量預測時應用之主要假設並無實現，可能須作出重大調整並因此對 貴集團之資產淨值及業績構成不利影響。

其他事項

貴公司截至二零一五年三月三十一日止年度之綜合財務報表已由另一名核數師審核，該核數師於二零一五年六月二十九日對該等報表發表無保留意見，惟當中載有一段有關成功推出產品之不確定性可能對進行中之研發的賬面值構成重大影響之強調事項。

衛亞會計師事務所有限公司

董事

嚴詠怡

執業證書號碼P05906

香港

二零一六年六月二十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Continuing operations	持續經營業務			
Revenue	收益	7	142,201	128,833
Cost of sales	銷售成本		(72,888)	(77,776)
Gross profit	毛利		69,313	51,057
Other income	其他收入	8	67,798	40,542
Other gains and losses, net	其他收益及虧損淨額	9	(33,606)	(71,138)
Selling and distribution expenses	銷售及分銷費用		(42,359)	(36,207)
Administrative expenses	行政費用		(27,368)	(29,315)
Research and development expenses	研發費用		—	(1,613)
Share of results of an associate	應佔一間聯營公司業績	23	(1,600)	(1,534)
Effective interest expense on convertible bonds	可換股債券之實際利息開支	34	(4,688)	(3,938)
Profit (loss) before taxation	除稅前溢利(虧損)	10	27,490	(52,146)
Taxation	稅項	11	(90)	(92)
Profit (loss) for the year from continuing operations	持續經營業務本年度溢利(虧損)		27,400	(52,238)
Discontinued operation	已終止經營業務			
Profit for the year from discontinued operation	已終止經營業務本年度溢利	14	—	607,543
Profit for the year	本年度溢利		27,400	555,305
Other comprehensive (expense) income	其他全面(開支)收入			
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>其後可能重新分類至損益的項目</i>			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額		(7,880)	4,521
Total comprehensive income for the year	本年度全面收入總額		19,520	559,826

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

綜合損益及其他全面收益表(續)

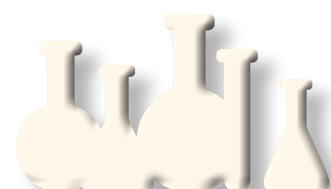
For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total comprehensive income (expense) attributable to:	以下人士應佔全面收入(開支)總額：			
Owners of the Company	本公司擁有人		25,359	568,594
Non-controlling interests	非控股權益		(5,839)	(8,768)
			19,520	559,826
Profit (loss) for the year attributable to owners of the Company:	本公司擁有人應佔本年度溢利(虧損)：			
— from continuing operations	— 來自持續經營業務		32,781	(44,188)
— from discontinued operation	— 來自已終止經營業務		—	609,645
			32,781	565,457
(Loss) for the year attributable to non-controlling interests	非控股權益應佔本年度(虧損)			
— from continuing operations	— 來自持續經營業務		(5,381)	(8,050)
— from discontinued operation	— 來自已終止經營業務		—	(2,102)
			(5,381)	(10,152)
Earnings (loss) per share	每股盈利(虧損)	15	HK cents 港仙	HK cents 港仙
From continuing and discontinued operations	來自持續及已終止經營業務			
— Basic	— 基本		1.37	23.66
— Diluted	— 攤薄		1.14	23.66
From continuing operations	來自持續經營業務			
— Basic	— 基本		1.37	(1.85)
— Diluted	— 攤薄		1.14	(1.85)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 March 2016 於二零一六年三月三十一日



			2016 二零一六年	2015 二零一五年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Investment properties	投資物業	17	1,556	1,615
Property, plant and equipment	物業、廠房及設備	18	161,911	175,930
Prepaid lease payments	預付租賃付款	19	10,155	10,879
Intangible assets	無形資產	20	1,807	1,807
Investments in convertible bonds	可換股債券投資	21	362,960	349,220
Available-for-sale investments	可供出售投資	22	—	—
Interest in an associate	於一間聯營公司之權益	23	333,866	335,466
Amount due from an associate	應收一間聯營公司款項	24	13,199	10,108
			885,454	885,025
CURRENT ASSETS	流動資產			
Inventories	存貨	25	5,924	17,050
Trade receivables	貿易應收賬款	26	57,019	57,568
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	27	8,393	6,802
Available-for-sale investments	可供出售投資	22	3,012	—
Pledged bank deposits	已抵押銀行存款	28	20,053	19,971
Bank balances and cash	銀行結餘及現金	29	180,998	152,227
			275,399	253,618
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易應付賬款及應付票據	30	11,093	12,676
Accruals and other payables	預提費用及其他應付款項	31	68,614	66,134
Amount due to an associate	應付一間聯營公司款項	32	19,780	19,780
Tax payable	應付稅項		15,695	18,590
			115,182	117,180
NET CURRENT ASSETS	流動資產淨值		160,217	136,438
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,045,671	1,021,463

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

At 31 March 2016 於二零一六年三月三十一日

			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		Notes 附註		
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	33	102	102
Convertible bonds	可換股債券	34	29,670	24,982
			29,772	25,084
NET ASSETS	資產淨值		1,015,899	996,379
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	35	23,900	23,900
Reserves	儲備		993,349	967,990
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,017,249	991,890
Non-controlling interests	非控股權益		(1,350)	4,489
TOTAL EQUITY	權益總額		1,015,899	996,379

The consolidated financial statements on pages 45 to 163 were approved by the Board of Directors on 29 June 2016 and were signed on its behalf by:

第45至163頁之綜合財務報表已於二零一六年六月二十九日經董事會批准並由以下人士代表簽署：

Xie Yi
謝毅
DIRECTOR
董事

Wong Sau Kuen
王秀娟
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Capital reserve	Contributed surplus	Foreign currency translation reserve	Other reserve	Convertible bonds equity reserve	Accumulated profits	Total	Non-controlling interests	Total
		股本	股份溢價	資本儲備	繳入盈餘	匯兌儲備	其他儲備	可換股債券權益儲備	累計溢利	合計	非控股權益	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note a) (附註a)	(Note b) (附註b)		(Note c) (附註c)					
At 1 April 2014	於二零一四年四月一日	23,900	191,738	6,542	4,839	35,657	(545,728)	512,359	193,989	423,296	135,499	558,795
Profit (loss) for the year	本年度溢利(虧損)	—	—	—	—	—	—	—	565,457	565,457	(10,152)	555,305
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	3,137	—	—	—	3,137	1,384	4,521
Total comprehensive income (expense)	全面收入(開支)總額	—	—	—	—	3,137	—	—	565,457	568,594	(8,768)	559,826
Derecognition/transfer upon disposal of subsidiaries (note 37)	出售附屬公司時終止確認/轉撥(附註37)	—	—	—	—	—	545,728	—	(545,728)	—	(122,242)	(122,242)
At 31 March 2015	於二零一五年三月三十一日	23,900	191,738	6,542	4,839	38,794	—	512,359	213,718	991,890	4,489	996,379
Profit(loss) for the year	本年度溢利(虧損)	—	—	—	—	—	—	—	32,781	32,781	(5,381)	27,400
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	(7,422)	—	—	—	(7,422)	(458)	(7,880)
Total comprehensive income (expense)	全面收入(開支)總額	—	—	—	—	(7,422)	—	—	32,781	25,359	(5,839)	19,520
At 31 March 2016	於二零一六年三月三十一日	23,900	191,738	6,542	4,839	31,372	—	512,359	246,499	1,017,249	(1,350)	1,015,899

Notes:

- (a) In accordance with the relevant regulations in the People's Republic of China (the "PRC"), all of the Company's subsidiaries registered in the PRC are required to transfer part of their profit after tax to the capital reserve. Subject to certain restrictions set out in the relevant PRC regulations and the articles of association of these PRC subsidiaries, the capital reserve may be used to offset losses or for capitalisation as paid-up capital.
- (b) The contributed surplus of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation in 1999, over the nominal value of the share capital of the Company issued in exchange thereof.
- (c) Other reserve represented the excess of the consideration paid for acquisition of additional interest in a subsidiary over the carrying amount of the net assets attributable to the additional interest acquired at the date of the acquisition. This excess of the fair value of the consideration over the carrying amount of the net assets acquired has been debited directly to equity at the date of acquisition and transferred to accumulated profits of the Group upon the disposal of the subsidiary during the year ended 31 March 2015. Details are disclosed in note 37 to the consolidated financial statements.

附註：

- (a) 根據中華人民共和國(「中國」)有關法例，本公司旗下所有於中國註冊之附屬公司須將其部分除稅後溢利轉撥至資本儲備。資本儲備可用作抵銷虧損或用作資本化為繳足股本，惟須受中國有關法例所載若干限制及該等中國附屬公司章程細則之規限。
- (b) 本集團之繳入盈餘為根據本集團於一九九九年進行重組而收購附屬公司股本之面值超過本公司作交換用途之已發行股本面值之差額。
- (c) 其他儲備指就收購一間附屬公司的額外權益而支付之代價超出所收購額外權益應佔資產淨值於收購日期之賬面值之部分。代價公平值超過所收購資產淨值之賬面值之部分已於收購日期於權益中直接扣除並於截至二零一五年三月三十一日止年度於出售附屬公司時轉撥至本集團之累計溢利。詳情於綜合財務報表附註37披露。

CONSOLIDATED STATEMENT OF CASH FLOWS

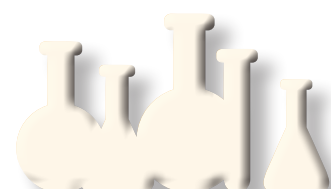
綜合現金流量表

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動之現金流量		
Profit (loss) before taxation	除稅前溢利(虧損)		
— continuing operations	— 持續經營業務	27,490	(52,146)
— discontinued operation	— 已終止經營業務	—	607,543
Adjustments for:	調整以下項目：		
Depreciation of investment properties	投資物業之折舊	59	59
Amortisation of prepaid lease payments	預付租賃付款之攤銷	243	249
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	6,235	5,970
Gain on disposal of property, plant and equipment, net	出售物業、廠房及設備之收益淨額	(68)	—
Allowance for bad and doubtful debts, net	呆壞賬撥備淨額	9,004	12,920
Impairment on other receivables	其他應收款項減值	717	—
Allowance for inventories	存貨撥備	713	1,149
Gain on disposal of subsidiaries	出售附屬公司之收益	—	(611,867)
Share of results of an associate	應佔一間聯營公司業績	1,600	1,534
Change in fair value of derivative component of investments in convertible bonds	可換股債券投資衍生工具部分之公平值變動	23,953	58,218
Effective interest income on investments in convertible bonds	可換股債券投資之實際利息收入	(62,718)	(37,245)
Effective interest expense on convertible bonds	可換股債券之實際利息開支	4,688	3,938
Imputed interest income on amount due from an associate	應收一間聯營公司款項之估算利息收入	(3,091)	(1,647)
Interest income	利息收入	(831)	(1,012)
Operating cash flows before movement in working capital	營運資金變動前之經營現金流量	7,994	(12,337)
Decrease (increase) in inventories	存貨減少(增加)	10,413	(9,202)
Increase in trade receivables	貿易應收賬款增加	(8,455)	(2,651)
Increase in deposits, prepayments and other receivables	按金、預付款項及其他應收款項增加	(2,308)	(129)
Decrease in trade and bills payables	貿易應付賬款及應付票據減少	(1,583)	(38)
Increase in accruals and other payables	預提費用及其他應付款項增加	2,530	3,123
Cash generated from (used in) operations	營運產生(使用)之現金	8,591	(21,234)
Income tax paid	已付所得稅	(2,317)	(2,253)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	經營活動產生(使用)之現金淨額	6,274	(23,487)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) 綜合現金流量表(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生之現金流量		
Interest income received from convertible bonds	可換股債券之已收利息收入	25,025	—
Interest income received	已收利息收入	831	1,012
Purchases of available-for-sale financial assets	購買可供出售金融資產	(3,012)	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	71	10,632
Purchases of property, plant and equipment	購置物業、廠房及設備	(481)	(4,596)
Advance to an associate	向一間聯營公司墊款	—	(6)
Net cash inflows upon disposal of subsidiaries (note 37)	出售附屬公司之現金流入淨額(附註37)	—	64,647
Increase in pledged bank deposits	已抵押銀行存款增加	(82)	(152)
NET CASH GENERATED FROM INVESTING ACTIVITIES	投資活動產生之現金淨額	22,352	71,537
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加淨額	28,626	48,050
EFFECT ON FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動之影響	145	481
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初之現金及現金等值項目	152,227	103,696
CASH AND CASH EQUIVALENTS AT END OF YEAR — represented by bank balances and cash	年終之現金及現金等值項目 — 以銀行結餘及現金列示	180,998	152,227

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

1. General Information

The Company is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Suites 2206-08, 22/F, Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries and an associate are set out in notes 42 and 23 respectively to the consolidated financial statements.

The functional currency of the Company is Hong Kong dollar ("HK\$"), which is the same as the presentation currency of the consolidated financial statements.

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of assets".

1. 一般資料

本公司乃於百慕達註冊成立之有限公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。其註冊辦事處地址位於Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。其主要營業地點位於香港鰂魚涌英皇道979號太古坊德宏大廈22樓2206-08室。

本公司為一間投資控股公司。其附屬公司及一間聯營公司之主要業務分別載於綜合財務報表附註42及23。

本公司之功能貨幣為港元（「港元」），與綜合財務報表之呈列貨幣相同。

此等綜合財務報表乃遵照香港會計師公會（「香港會計師公會」）頒佈之所有適用香港財務報告準則（「香港財務報告準則」）（有關統稱包括所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例之適用披露規定而編製。此等綜合財務報表亦符合聯交所證券上市規則之適用披露規定。此等綜合財務報表乃按歷史成本價例編製，惟按公平值計量之若干金融工具除外，如載列於下述會計政策之解釋。

公平值是於計量日期市場參與者間於有秩序交易中出售資產所收取或轉讓負債須支付之價格，而不論該價格為可直接觀察取得或可使用其他估值方法估計。於估計資產或負債之公平值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮之資產或負債之特點。於該等綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟以下各項除外：屬於香港財務報告準則第2號「以股份為付款基礎」範圍內以股份為付款基礎之交易、屬於香港會計準則第17號「租賃」範圍內之租賃交易，以及其計量與公平值存在某些相似之處但並非公平值，例如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



1. General Information (Continued)

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The significant 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.

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

1. 一般資料(續)

此外，就財務報告而言，公平值計量乃根據公平值計量之輸入數據之可觀察程度及輸入數據對公平值計量整體之重要性而分為第一、二或三級，詳情如下：

- 第一級輸入數據是於計量日期實體可獲得之活躍市場上相同資產或負債之報價(不作調整)；
- 第二級輸入數據是第一級所包括報價以外，就資產或負債可直接或間接觀察之輸入數據；及
- 第三級輸入數據是就資產或負債之不可觀察輸入數據。

編製此等綜合財務報表時應用之主要會計政策載於下文。除另有說明外，該等政策在所呈報之所有年度內貫徹應用。

編製符合香港財務報告準則之綜合財務報表須使用若干重大會計估計，亦需要管理層於應用本集團會計政策之過程中作出判斷。涉及高度判斷或複雜性的範疇，或對綜合財務報表屬重大的假設和估算之範疇於附註4披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(a) New and amended standards adopted by the Group

The Group has adopted the following amendments to standards effective 1 January 2015 for the first time for the Group’s financial year beginning on or after 1 April 2015:

Amendment to HKAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

Amendments from annual improvements to HKFRSs 2010–2012 Cycle, on HKFRS 8 “Operating segments”, HKAS 16 “Property, plant and equipment” and HKAS 38 “Intangible assets” and HKAS 24 “Related party disclosures”.

Amendments from annual improvements to HKFRSs 2011–2013 Cycle, on HKFRS 3 “Business combination”, HKFRS 13 “Fair value measurement” and HKAS 40 “Investment property”.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(a) 本集團已採納之新訂及經修訂準則

本集團已於二零一五年四月一日或之後開始的本集團財政年度首次採納以下自二零一五年一月一日生效的準則修訂:

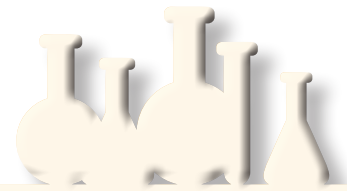
香港會計準則第19號有關由僱員或第三方向定額福利計劃供款之修訂本。此項修訂區分了僅與即期服務相關的供款以及與超過一段期間服務相關的供款。該項修訂允許與服務相關但是並不根據僱員服務期限的長短而變動的供款，可自該項服務提供期間所得利益的相關成本中抵扣。與服務相關並且根據僱員服務期限的長短而變動的供款，必須在服務期間內，按照與適用於相關利益的相同分配方法進行分攤。

香港財務報告準則二零一零年至二零一二年週期之年度改進中有關香港財務報告準則第8號「經營分類」修訂本、香港會計準則第16號「物業、廠房及設備」修訂本、香港會計準則第38號「無形資產」修訂本及香港會計準則第24號「關聯方披露」修訂本。

香港財務報告準則二零一一年至二零一三年週期之年度改進中有關香港財務報告準則第3號「業務合併」修訂本、香港財務報告準則第13號「公平值計量」修訂本及香港會計準則第40號「投資物業」修訂本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

(a) New and amended standards adopted by the Group (Continued)

The adoption of the improvements made in the 2010–2012 Cycle has required additional disclosures in the segment note. Other than that, the application of these amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Other standards, amendments and interpretations which are effective for the financial year beginning on or after 1 January 2015 are not material to the Group.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(a) 本集團已採納之新訂及經修訂準則(續)

採納二零一零年至二零一二年週期之年度改進須在分部附註中作額外披露。除此之外，於本年度應用該等香港財務報告準則之修訂本對本集團於本年度及過往年度之財務表現及狀況及／或該等綜合財務報表所載之披露資料並無重大影響。

於二零一五年一月一日或之後開始之財政年度生效之其他準則、修訂及詮釋對本集團並不重要。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2016, and have not been applied in preparing these consolidated financial statements. These include the following new standards which may be relevant to the Group:

	Effective for annual periods beginning on or after
Amendments to HKAS 1 “Disclosure Initiative”	1 January 2016
Amendments to HKAS 16 and HKAS 38 “Clarification of Acceptable Methods of Depreciation and Amortisation”	1 January 2016
Annual Improvements 2012–2014 Cycle “Amendments to a number of HKFRSs”	1 January 2016
Amendments to HKAS 27 “Equity Method in Separate Financial Statements”	1 January 2016
HKFRS 15 “Revenue from contracts with customers”	1 January 2018
HKFRS 9 “Financial instruments”	1 January 2018
HKFRS 16 “Leases”	1 January 2019

Amendments to HKAS 1 “Disclosure Initiative”

The amendments to HKAS 1 “Presentation of Financial Statements” give some guidance on how to apply the concept of materiality in practice.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 尚未採納之新訂準則及詮釋

多項於二零一六年一月一日或之後開始之年度期間生效惟尚未於編製該等綜合財務報表時應用之新訂準則以及準則之修訂本及詮釋。該等或與本集團有關之新訂準則包括以下各項：

	於下列 日期或其後 開始之年度 期間生效
香港會計準則第1號「披露動議」修訂本	二零一六年 一月一日
香港會計準則第16號及香港會計準則第38號「折舊及攤銷之可接受方法之澄清」修訂本	二零一六年 一月一日
二零一二年至二零一四年週期之年度改進「多項香港財務報告準則修訂本」	二零一六年 一月一日
香港會計準則第27號「個別財務報表之權益法」修訂本	二零一六年 一月一日
香港財務報告準則第15號「合約客戶收益」	二零一八年 一月一日
香港財務報告準則第9號「金融工具」	二零一八年 一月一日
香港財務報告準則第16號「租賃」	二零一九年 一月一日

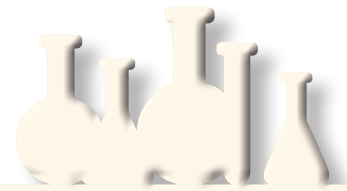
香港會計準則第1號「披露動議」修訂本

香港會計準則第1號「財務報表之呈列」修訂本就如何實踐應用重要性概念提供一些指引。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

(b) New standards and interpretations not yet adopted (Continued)

Amendments to HKAS 1 “Disclosure Initiative” (Continued)

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKAS 1 will have a material impact on the amounts recognised in the Group’s consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 “Clarification of Acceptable Methods of Depreciation and Amortisation”

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 April 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

Annual Improvements to HKFRSs 2012–2014 Cycle

The Annual Improvements to HKFRSs 2012–2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港會計準則第1號「披露動議」修訂本(續)

香港會計準則第1號修訂本於二零一六年一月一日或其後開始之年度期間生效。本公司董事預期，應用該等香港會計準則第1號修訂本對本集團綜合財務報表之已確認金額並無重大影響。

香港會計準則第16號及香港會計準則第38號「折舊及攤銷之可接受方法之澄清」修訂本

香港會計準則第16號及香港會計準則第38號修訂本原則上澄清收益反映自經營一項業務(當中該資產組成其一部分)所產生的經濟利益模式，而非通過使用有關資產所耗用的經濟利益。因此，以收益為基礎的方法不可用作物業、廠房及設備之折舊，且僅可在極為有限的情況下攤銷無形資產。該等修訂將於日後應用。由於本集團並非使用以收益為基礎的方法計算其非流動資產折舊，預期該等修訂將不會對本集團於二零一六年四月一日採納後之財務狀況或表現造成任何影響。

二零一二年至二零一四年週期之年度改進

二零一二年至二零一四年週期香港財務報告準則之年度改進包括對不同香港財務報告準則之多項修訂，概述如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

(b) New standards and interpretations not yet adopted (Continued)

Annual Improvements to HKFRSs 2012–2014 Cycle (Continued)

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or a disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale plan do not apply.

The amendments also clarify the guidance for when held for distribution accounting is discontinued.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the amounts recognised in the consolidated financial statements of the Group.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 尚未採納之新訂準則及詮釋(續)

二零一二年至二零一四年週期之年度改進(續)

香港財務報告準則第5號修訂本為香港財務報告準則第5號引入了對實體將資產(或出售組別)從持作銷售重新分類為持作向擁有人分派(反之亦然)的具體指引。有關修訂澄清,上述轉變應視為原來出售計劃之延續,因此香港財務報告準則第5號所載有關出售計劃轉變之規定並不適用。

有關修訂亦澄清終止使用持作分派會計方法之指引。

香港財務報告準則第7號修訂本提供額外指引,以澄清服務合約於資產轉移中是否屬持續牽涉(就有關資產轉移所要求的披露而言)。

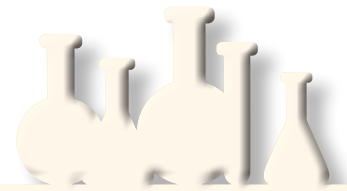
香港會計準則第19號修訂本澄清用於將離職後福利責任貼現之比率應參考優質公司債券於報告期末之市場收益而釐定。優質公司債券之市場深度應於貨幣層面(即用於支付福利之同一貨幣)進行評估。若相關貨幣並無有關優質公司債券之深度市場,則應轉而使用以該貨幣計值之政府債券於報告期末之市場收益。

本公司董事預計,應用該等修訂將不會對本集團綜合財務報表內之已確認金額造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

(b) New standards and interpretations not yet adopted (Continued)

Amendments to HKAS 27 “Equity Method in Separate Financial Statements”

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港會計準則第27號「個別財務報表之權益法」修訂本

該等修訂容許實體在其個別財務報表就其附屬公司、合營企業及聯營公司的投資入賬時應用權益法。

香港財務報告準則第15號「合約客戶收益」

香港財務報告準則第15號制定單一全面模式，供實體用作將自客戶合約所產生的收益入賬。香港財務報告準則第15號生效後，將取代香港會計準則第18號「收益」、香港會計準則第11號「建造合約」及相關詮釋等現行的收益確認指引。

香港財務報告準則第15號的核心原則為實體就描述向客戶轉讓承諾貨品或服務所確認的收益金額，應能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收益的五個步驟：

- 第一步：識別與客戶訂立的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中的履約責任
- 第五步：於(或當)實體完成履約責任時確認收益

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

(b) New standards and interpretations not yet adopted (Continued)

HKFRS 15 “Revenue from Contracts with Customers” (Continued)

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15. The directors are in process of assessing the impact on the application of HKFRS 15. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

HKFRS 9 “Financial Instruments”

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (FVTOCI) measurement category for certain simple debt instruments.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則第15號「合約客戶收益」(續)

根據香港財務報告準則第15號，一間實體於(或當)完成履約責任時(即於與特定履約責任相關的商品或服務的「控制權」轉讓予客戶時)確認收益。香港財務報告準則15號已就特別情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號要求更詳盡的披露。董事正評估應用香港財務報告準則第15號的影響。然而，於本集團完成詳盡審閱前，難以就香港財務報告準則第15號的影響作合理估計。

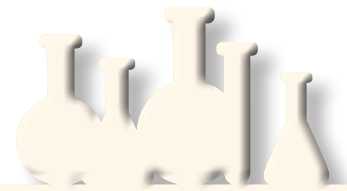
香港財務報告準則第9號「金融工具」

於二零零九年頒佈之香港財務報告準則第9號引入分類及計量金融資產之新規定。香港財務報告準則第9號其後於二零一零年修訂，載入分類及計量金融負債以及終止確認之規定，並於二零一三年載入一般對沖會計之新規定。於二零一四年頒佈之香港財務報告準則第9號另一個經修訂版本主要加入(a)有關金融資產之減值規定及(b)藉為若干簡單債務工具引入「按公平值計入其他全面收入」(「按公平值計入其他全面收入」)計量類別，對分類及計量規定作出有限修訂。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

(b) New standards and interpretations not yet adopted (Continued)

HKFRS 9 “Financial Instruments” (Continued)

Key requirements of HKFRS 9:

- all recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則第9號「金融工具」(續)

香港財務報告準則第9號之主要規定：

- 於香港會計準則第39號「金融工具：確認及計量」範圍內所有確認之金融資產均須於其後按攤銷成本或公平值計量。具體而言，於目的為收取合約現金流量之業務模式中持有及合約現金流量僅為支付本金及未償還本金利息之債務投資一般在其後會計期間末按攤銷成本計量。於目的為同時收取合約現金流量及出售金融資產之業務模式中持有，及合約條款令於特定日期產生之現金流量純粹為支付本金及未償還本金之利息之債務工具，一般按公平值計入其他全面收入之方式計量。所有其他債務投資及股本投資在其後會計期間末按其公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回之選擇，於其他全面收入內以股本投資(並非持有作買賣)之公平值呈列其後變動，而僅股息收入通常於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

(b) New standards and interpretations not yet adopted (Continued)

HKFRS 9 “Financial Instruments” (Continued)

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

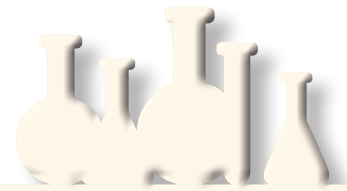
(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則第9號「金融工具」(續)

- 對於計量指定為按公平值計入損益之金融負債，香港財務報告準則第9號規定，因金融負債信貸風險變動引致之該負債公平值變動之數額於其他全面收入內呈列，除非負債之信貸風險變動影響於其他全面收入內確認可能於損益內造成或擴大會計錯配。
- 金融負債信貸風險所引起之公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定按公平值計入損益之金融負債之公平值變動總額於損益呈列。
- 就金融資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

(b) New standards and interpretations not yet adopted (Continued)

HKFRS 9 “Financial Instruments” (Continued)

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

The Group expects to adopt HKFRS 9 from 1 April 2018. The Group is currently assessing the potential impact of application of HKFRS 9 and considers that it is not practicable to provide a reasonable estimate of the effect of the adoption of HKFRS 9 until the Group performs a detailed review.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則第9號「金融工具」(續)

- 一般對沖會計之新規定保留根據香港會計準則第39號目前可運用之三類對沖會計機制。根據香港財務報告準則第9號，已為合資格作對沖會計處理之各類交易提供更大的靈活性，特別是擴闊合資格作為對沖工具之工具類別以及合資格作對沖會計處理的非金融項目之風險成分類別。此外，追溯性定量成效測試已經剔除。新規定同時引入增加披露有關實體風險管理活動之規定。

本集團預期自二零一八年四月一日採納香港財務報告準則第9號。本集團現時正在評估應用香港財務報告準則第9號的潛在影響，並認為在本集團進行詳盡審閱前提供採納香港財務報告準則第9號影響的合理估計並不可行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

(b) New standards and interpretations not yet adopted (Continued)

HKFRS 16 “Leases”

HKFRS 16 supersedes HKAS 17 “Leases”, HK(IFRIC)-Int 4 “Determining whether an Arrangement contain a Lease”, HK(SIC)-Int 15 “Operating Lease — Incentives” and HK(SIC)-Int 27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”. HKFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with HKAS 17 “Leases”. Under HKFRS 16, leases are recorded on the statement of financial position by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities. There are some exemptions.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

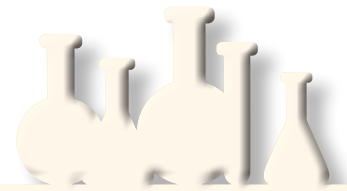
(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號已取代香港會計準則第17號「租賃」、香港(國際財務報告詮釋委員會)－詮釋第4號「釐定安排是否包括租賃」、香港(常設詮釋委員會)－詮釋第15號「經營租賃－優惠」及香港(常設詮釋委員會)－詮釋第27號「評估牽涉租賃的法律形式的交易的內容」。香港財務報告準則第16號消除承租人將租賃分類為經營或融資之規定。取而代之，所有租賃均根據香港會計準則第17號「租賃」以與融資租賃類似的方式處理。根據香港財務報告準則第16號，租賃乃透過按其以於財務狀況表獨立披露(計入使用權資產)或與物業、廠房及設備共同披露的資產(包括租賃負債款項加若干其他金額)支付未來租賃款項的責任之現值確認債項之方式於財務狀況表入賬。該等新規定的最大影響為已確認租賃資產及金融負債將會增加。當中亦有若干例外情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

(b) New standards and interpretations not yet adopted (Continued)

HKFRS 16 “Leases” (Continued)

HKFRS 16 contains options which do not require a lessee to recognise assets and liabilities for (a) short term leases (i.e. lease of 12 months or less, including the effect of any extension options) and (b) leases of low value assets (for example, a lease of a personal computer). HKFRS 16 substantially carries forward the lessor’s accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. In classifying a sub-lease, an intermediate lessor shall classify the sub-lease as a finance lease or an operating lease as follows: (a) if the head lease is a short-term lease that the entity, as a lessee, the sub-lease shall be reclassified as an operating lease; (b) otherwise, the sub-lease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. HKFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components. The Group is in the process of making an assessment of the potential impact of application of HKFRS 16, the directors consider that it is not practicable to provide a reasonable estimate of the effect of the adoption of HKFRS 16 until the Group performs a detailed review.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements of the Group.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 尚未採納之新訂準則及詮釋(續)

香港財務報告準則第16號「租賃」(續)

香港財務報告準則第16號載有選項，承租人毋須就(a)短期租賃(即12個月或以下的租賃，包括任何續期選擇的影響)及(b)低價值資產租賃(例如租賃個人電腦)確認資產及負債。香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計要求。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並將該兩種租賃分別入賬。就分租的分類而言，中介出租人應按下列條件將分租分類為融資租賃或經營租賃：(a)倘主租賃乃短期租賃而該實體為承租人，則分租應重新分類為經營租賃；(b)否則，分租應參照因主租賃產生的使用權資產而分類，而非參照相關資產分類。香港財務報告準則第16號明確說明承租人須區分合約的租賃部分及服務部分，並僅就租賃部分應用租賃會計要求。本集團現正就應用香港財務報告準則第16號的潛在影響進行評估，董事認為，在本集團進行詳盡審閱前提供採用香港財務報告準則第16號影響的合理估計並不可行。

本公司董事預計，應用其他新訂及經修訂香港財務報告準則將不會對本集團之綜合財務報表有任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies

The significant 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.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries and an associate made up to 31 March.

(i) Subsidiaries

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

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Acquisition-related costs are expensed as incurred.

3. 主要會計政策

編製此等綜合財務報表時應用之主要會計政策載於下文。除另有說明外，該等政策在所呈報之所有年度內貫徹應用。

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司及一間聯營公司截至三月三十一日止之財務報表。

(i) 附屬公司

附屬公司指本集團有控制權之所有實體(包括一個結構實體)。當本集團承受或享有參與實體所得之可變回報，且有能力透過其對實體之權力影響該等回報時，則本集團控制該實體。附屬公司自控制權轉移至本集團之日起綜合入賬。附屬公司自控制權終止之日起終止綜合入賬。

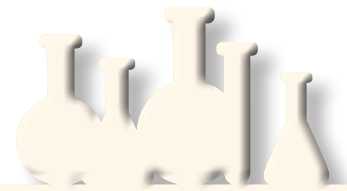
本集團採用收購會計法為業務合併列賬。收購附屬公司之轉讓代價為所轉讓資產、所產生負債及本集團所發行股本權益之公平值。轉讓代價包括或然代價安排產生之任何資產或負債之公平值。收購相關成本於產生時列為開支。在業務合併中所收購之可識別資產以及所承擔之負債及或然負債，初步按其於收購當日之公平值計量。本集團按公平值或非控股權益應佔被收購方資產淨值之比例逐項收購確認被收購方之非控股權益。

收購相關成本於產生時列為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(a) Consolidation (Continued)

(i) Subsidiaries (Continued)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

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

Inter-company transactions, balances, and unrealised gains or losses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less provision for impairment losses. 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.

3. 主要會計政策(續)

(a) 綜合賬目(續)

(i) 附屬公司(續)

若業務合併分階段進行，則收購方先前所持被收購方權益於收購日期的公平值按收購日期公平值透過損益重新計量。

本集團所轉讓的任何或然代價於收購日期按公平值確認。或然代價(視作一項資產或負債)公平值的其後變動根據香港會計準則第39號於損益確認，或計作其他全面收入變動。倘或然代價歸類為權益，則毋須重新計量，而其後結算在權益中入賬。

公司間的交易、集團公司間的交易結餘及未變現收益或虧損均作對銷。已於資產確認的公司間交易所產生的損益亦作對銷。附屬公司的會計政策已在有需要時作出改變，以確保與本集團採納的政策一致。

於本公司的財務狀況表內，於附屬公司之投資乃按成本扣除減值虧損撥備列賬。成本包括投資的直接歸屬成本。本公司將附屬公司之業績按已收及應收股息入賬。

倘自附屬公司收取之股息超出宣派股息期間該附屬公司之全面收入總額，或倘獨立財務報表之投資賬面值超出綜合財務報表所示被投資公司之資產淨值(包括商譽)之賬面值，則須對該等附屬公司之投資進行減值測試。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(a) Consolidation (Continued)

(ii) *Changes in ownership interests in subsidiaries without change of control*

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

(iii) *Disposal of subsidiaries*

When the Group ceases to have 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. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3. 主要會計政策(續)

(a) 綜合賬目(續)

(ii) *控制權無變動下附屬公司擁有權益變動*

不導致失去控制權的非控股權益交易入賬列作權益交易 — 即以彼等為擁有人的身分與擁有人進行交易。已付任何代價的公平值與相關應佔所收購附屬公司淨資產賬面值的差額記錄為權益。向非控股權益的出售的盈虧亦記錄在權益中。

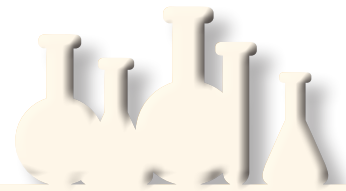
(iii) *出售附屬公司*

當本集團不再擁有控制權或重大影響力，在實體的任何保留權益重新計量至其公平值，賬面值的變動在損益中確認。公平值為就保留權益的後續入賬而言的初始賬面值，作為聯營公司、合營企業或金融資產。此外，之前在其他綜合收益中確認的任何數額猶如本集團已直接出售相關資產或負債。這可能表示之前在其他綜合收益中確認的數額重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(b) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in an associate are accounted for in the consolidated financial statements by the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in an associate includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The Group's share of an associate's post-acquisition profits or losses is recognised in the consolidated statement of profit or loss and other comprehensive income, and its share of the post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of results of an associate" in the consolidated statement of profit or loss and other comprehensive income.

3. 主要會計政策(續)

(b) 聯營公司

聯營公司乃指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20%至50%投票權的股權。於一間聯營公司之投資乃以權益會計法計入綜合財務報表。根據權益法，投資最初以成本確認，而賬面值則增加或減少以確認投資者於收購日期後於投資方所佔之損益。本集團於一間聯營公司之投資包括收購時已識別的商譽。

倘在一間聯營公司之持有者權益減少，但仍保留重大影響力，在適當情況下，只有以往在其他全面收益中確認的金額的比例份額被重新分類至損益。

本集團應佔一間聯營公司收購後的盈虧於綜合損益及其他全面收益表內確認，而應佔收購後其他全面收益的變動則於其他全面收益中確認，相對地調整投資之賬面值。如本集團應佔一家聯營公司之虧損等同或超過其在該聯營公司之權益，包括任何其他未抵押應收款項，除非本集團已代該聯營公司承擔法律上或推定的責任或作出付款，本集團不會確認進一步虧損。

本集團於每個報告日期釐定是否有客觀證據證明於聯營公司的投資已減值。如投資已減值，本集團計算減值的數額乃聯營公司可收回數額與其賬面值的差額，並在綜合損益及其他全面收益表內確認及列示於「應佔一間聯營公司之業績」旁。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(b) Associates (Continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains and losses on dilution of equity interest in an associate are recognised in the consolidated statement of profit or loss and other comprehensive income.

(c) 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-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the operating committee (comprising the CEO and the CEO office) that makes strategic decisions.

(d) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the consolidated 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, which is the Company's functional and the Group's presentation currency.

3. 主要會計政策(續)

(b) 聯營公司(續)

本集團與其聯營公司之間的上游和下游交易的溢利和虧損乃於本集團的財務報表確認，但僅限於無關連投資者在聯營公司權益的數額。除非交易提供證據顯示所轉讓之資產已減值，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策貫徹一致。

於一間聯營公司之股權攤薄的盈餘及虧損於綜合損益及其他全面收益表確認。

(c) 分類報告

營運分類按照向首席營運決策者提供之內部報告貫徹一致之方式報告。負責分配資源及評估營運分類表現的首席營運決策者已被識別為作出戰略決策的營運委員會(包括行政總裁及行政總裁辦公室)。

(d) 外幣換算

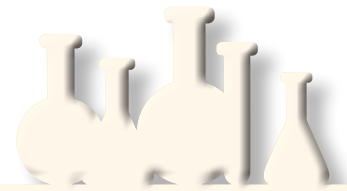
(i) *功能和呈列貨幣*

本集團每個實體之綜合財務報表所列項目均以實體經營所在之主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以本公司之功能及本集團之呈列貨幣港元呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(d) Foreign currency translation (Continued)

(ii) Transactions and balances

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

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

(iii) Group entities

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

- assets and liabilities for each reporting period presented are translated at the closing rate at the date of that reporting period;

3. 主要會計政策(續)

(d) 外幣換算(續)

(ii) 交易及結餘

外幣交易採用交易當日通行匯率換算為功能貨幣。結算此等交易產生之匯兌收益和虧損以及將外幣計值之貨幣資產和負債以年終匯率折算產生之匯兌收益和虧損於綜合損益及其他全面收益表確認。

以外幣計值且分類為可供出售證券之貨幣證券之公平值變動在證券已攤銷成本轉變產生之匯兌差額與證券賬面值之其他變動間進行分析。與攤銷成本變動相關之匯兌差額於損益確認，而賬面值之其他變動則於權益確認。

(iii) 集團實體

其功能貨幣與呈列貨幣不同之所有集團內之實體(當中並無惡性通脹經濟之貨幣)之業績和財務狀況按如下方法換算為呈列貨幣：

- 於各申報期間呈列之資產和負債按該申報期間日期之收市匯率換算；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(d) Foreign currency translation (Continued)

(iii) Group entities (Continued)

- income and expenses for each consolidated statement of profit or loss and other comprehensive income presented 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 dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

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.

(iv) 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.

3. 主要會計政策(續)

(d) 外幣換算(續)

(iii) 集團實體(續)

- 於各綜合損益及其他全面收益表內呈列之收入和開支按平均匯率換算(除非此平均匯率並非交易當日通行匯率之累計影響之合理約數;在此情況下,收支項目按交易當日之匯率換算);及
- 所有由此產生之匯兌差額確認為權益之單獨組成部分。

購買境外實體產生之商譽及公平值調整視為該境外實體之資產和負債,並按收市匯率換算。

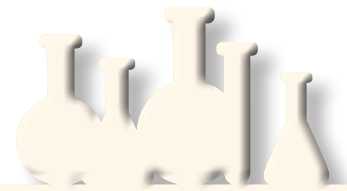
(iv) 出售海外業務及部分出售

於出售海外業務(即出售本集團於海外業務之全部權益或導致喪失對某一包含海外業務附屬公司控制權之出售、導致喪失對某一包含海外業務合營公司共同控制權之出售,或導致喪失對某一包含海外業務聯營公司重大影響力之出售)時,與該業務相關並歸屬於本公司擁有人之所有於權益中累計貨幣換算差額均重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(e) Property, plant and equipment

Property, plant and equipment are 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 the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged in the consolidated statement of profit or loss and other comprehensive income during the period in which they are incurred.

Leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis at the following rates per annum.

Buildings	Over the lease terms of the relevant leasehold land and 50 years if shorter
Plant and machinery	6.67%–20%
Furniture, fixtures and equipment	10%–30%
Motor vehicles	20%

3. 主要會計政策(續)

(e) 物業、廠房及設備

物業、廠房及設備乃以歷史成本減累計折舊及減值虧損列賬。歷史成本包括收購該等項目直接產生之開支。僅在與項目相關之日後經濟收益有可能流入本集團及能可靠計算項目成本之情況下，其後成本方會計入資產賬面值或確認為獨立資產(如適用)。所有其他維修及保養於其產生期間在綜合損益及其他全面收益表扣除。

持作生產、供應貨物或服務或者行政用途的租賃土地及樓宇乃以重估金額列入綜合財務狀況表。重估金額即重估日期的公平值減任何其後累計折舊及任何累計減損。重估乃以足夠的規律性定期進行，以確保於報告期間結算日其賬面值與採用公平值釐定的面值不致出現重大差異。

折舊乃就物業、廠房及設備之估計可使用年期，使用直線法按足以撇銷其成本或重新估值之金額減其殘餘價值之比率計算，主要折舊年率如下。

樓宇	有關租賃土地之租期及50年(以較短者為準)
廠房及機器	6.67%至20%
傢俬、固定裝置及設備	10%至30%
汽車	20%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(e) Property, plant and equipment (Continued)

During the reporting period, the Group reviewed the estimated useful lives of certain plant and machinery and considered it is appropriate to adjust the annual depreciation rate of plant and machinery from a range of 10% to 20% to a range of 6.67% to 20%. Such adjustment in depreciation rate which is effective from 1 April 2015 and to be applied prospectively, constitutes a change in accounting estimates. The effect of such change on the depreciation expenses for the year amounted to HK\$800,000.

Construction in progress represents buildings, plant and machinery under construction or pending installation and is stated at cost. Cost includes the costs of construction of buildings and costs of plant and machinery. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

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.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within other income and gains in the consolidated statement of profit or loss and other comprehensive income.

3. 主要會計政策(續)

(e) 物業、廠房及設備(續)

於報告期內，本集團審閱若干廠房及機器之估計可使用年期，並認為將廠房及機器之年折舊率由介乎10%至20%調整至介乎6.67%至20%乃屬恰當。有關折舊率調整自二零一五年四月一日起生效，並於日後應用，構成會計估計的變動。有關年內折舊開支變動的影響為800,000港元。

在建工程指在建或有待安裝的樓宇、廠房及機器，並按成本列示。成本包括樓宇建築成本以及廠房及機器成本。在建工程並不作出折舊撥備，直至有關資產完成並可作擬定用途為止。當有關資產投入使用後，成本將轉撥至物業、廠房及設備，並且根據上述政策折舊。

於各報告期末就資產的剩餘價值和可使用年期檢討，並作出適當的調整。

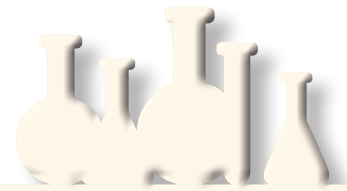
倘資產的賬面值高於其估計可收回金額，則即時將資產的賬面值撇減至其可收回金額。

出售之收益及虧損乃按所得款項與賬面值的差額釐定，並於綜合損益及其他全面收益表內之其他收入及收益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(f) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

(g) Intangible assets

Intangible assets acquired separately

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

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

3. 主要會計政策(續)

(f) 投資物業

投資物業指持有作賺取租金收入及/或資本增值之物業。

投資物業於初始按成本(包括任何直接應佔開支)計量。於首次確認後,投資物業以成本減其後累計折舊及任何累計減值虧損列賬。折舊予以確認以於投資物業估計可使用年期內,經考慮其估計剩餘價值後,用直線法撇銷其成本。

(g) 無形資產

個別收購的無形資產

個別收購且具有限可使用年期的無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有限可使用年期的無形資產之攤銷乃按直線法於其估計可使用年期內確認。估計可使用年期及攤銷方法於各報告期末檢討,而估計之任何變動影響按預期基準入賬。

個別收購的具無限可使用年期的無形資產乃按成本減任何其後累計減值虧損列賬(見下文有關有形及無形資產減值虧損之會計政策)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(g) Intangible assets (Continued)

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

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

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

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

3. 主要會計政策(續)

(g) 無形資產(續)

內部產生無形資產 — 研發開支

研究活動開支於產生期間確認為開支。僅於以下各項獲達成時，方可確認因開發活動(或內部項目的開發階段)產生的內部產生無形資產：

- 完成無形資產至可供使用或出售具技術可行性；
- 具完成無形資產的意向以作使用或出售；
- 能使用或出售無形資產；
- 無形資產於日後可能產生經濟利益的方式；
- 具備完成開發並使用或出售無形資產的充足技術、財務及其他資源；及
- 能可靠地計量無形資產於開發期間應佔的開支。

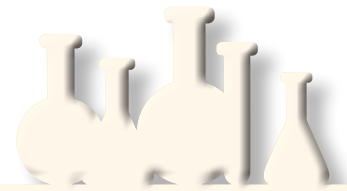
就內部產生無形資產初始確認的金額為自無形資產首次符合上述確認標準當日起產生的開支總額。倘未能確認任何內部產生無形資產，則開發支出於其產生期間內在損益中確認。

於初始確認後，內部產生無形資產按與單獨收購的無形資產相同的基準，以成本減累計攤銷及累計減值虧損(如有)呈報。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(g) Intangible assets (Continued)

Internally-generated intangible assets — research and development expenditure (Continued)

Intangible assets, which comprise the in-process research and development (“In-process R&D”), rights to technological know-how and rights to commercially exploit certain gene inventions and goodwill, are stated at cost less accumulated amortisation and impairment losses. The categories of intangible assets are summarised as follows:

(i) *In-process R&D*

In-process R&D represents an in-process research and development project involving an oral insulin product (the “Product”). The In-process R&D is not amortised as it is not yet available for use.

(ii) *Technological know-how*

This category consists of rights to technological know-how for the development and production of general pharmaceutical products which are amortised on a straight-line basis over the estimated economic lives from seven to fourteen years commencing in the year when the rights are available for use.

(iii) *Gene invention rights*

The cost of gene invention rights is amortised over the lives of the rights granted for the invention of a period up to a maximum of twenty years.

3. 主要會計政策(續)

(g) 無形資產(續)

內部產生無形資產 — 研發開支(續)

無形資產包括進行中之研究及開發(「進行中之研發」)、技術專業知識之權利及以商業形式利用若干基因發明之權利及商譽，乃按成本減累計攤銷及減值虧損列賬。無形資產之類別概述如下：

(i) *進行中之研發*

進行中之研發指涉及口服胰島素產品(「產品」)的進行中之研究及開發項目。由於尚未可供使用，進行中之研發不會予以攤銷。

(ii) *技術專業知識*

該類別包括用於開發及生產一般藥品之技術專業知識權利，乃以直線基準自該權利可供使用之年計起，按其估計經濟年期以七至十四年攤銷。

(iii) *基因發明權*

開發基因發明權之成本，乃自授出基因發明權起，最長分二十年攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(g) Intangible assets (Continued)

Internally-generated intangible assets — research and development expenditure (Continued)

(iv) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any, and is recognised in the consolidated statement of financial position as “intangible assets”.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

3. 主要會計政策(續)

(g) 無形資產(續)

內部產生無形資產 — 研發開支(續)

(iv) 商譽

收購業務所產生商譽，乃按收購業務當日(見上文會計政策)確定之成本減累計減值虧損(如有)列賬，並於綜合財務狀況表內確認為「無形資產」。

為進行減值檢測，商譽會被分配至預期因合併之協同效應而得益之本集團各個現金產生單位(或現金產生單位組別)。

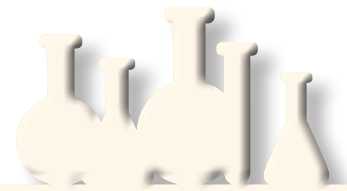
獲分配商譽之現金產生單位會每年或於出現可能減值之跡象時更頻密地進行減值檢測。就於報告期內因收購產生之商譽而言，獲分配商譽之現金產生單位於該報告期末前進行減值檢測。倘現金產生單位之可收回金額少於其賬面值，則減值虧損會先分配以扣減獲分配至該單位任何商譽之賬面值，其後按單位內各資產之賬面值之比例扣減該單位之其他資產。商譽之任何減值虧損直接於損益確認。已就商譽確認之減值虧損不會於往後期間撥回。

出售有關現金產生單位時，商譽之應佔金額於釐定出售盈虧時計算在內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(h) Impairment on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)

(h) 有形及無形資產(商譽除外)之減值(見上文有關商譽之會計政策)

於報告期末，本集團審閱其具有有限可使用年期的有形及無形資產之賬面值，以釐定是否有跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則估計該資產之可收回金額，以釐定減值虧損程度(如有)。倘無法估計個別資產之可收回金額，本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理及貫徹之分配基準，則企業資產亦會分配至個別現金產生單位，否則或會分配至可識別合理及貫徹分配基準之最小現金產生單位組別。

具無限可使用年期之無形資產及尚未可供使用之無形資產至少每年及於有跡象顯示資產可能出現減值時進行減值檢測。

可收回金額指公平值減出售成本與使用價值兩者中之較高者。評估使用價值時，採用除稅前貼現率將估計未來現金流量折現至其現值，該貼現率反映目前市場對貨幣時間值及資產特定風險之評估，而當中並未對估計未來現金流量作出調整。

倘估計資產(或現金產生單位)之可收回金額低於其賬面值，則將資產(或現金產生單位)之賬面值下調至可收回金額。減值虧損即時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(h) Impairment on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

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

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(j) Financial instruments

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

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

3. 主要會計政策(續)

(h) 有形及無形資產(商譽除外)之減值(見上文有關商譽之會計政策)(續)

倘其後撥回減值虧損，則將資產(或現金產生單位)之賬面值上調至其經修訂之估計可收回金額，惟經上調後之賬面值不得超過假設該資產(或現金產生單位)於過往年度並無確認減值虧損而釐定之賬面值。撥回之減值虧損可即時於損益中確認。

(i) 存貨

存貨按成本與可變現淨值兩者中之較低者列賬。成本按加權平均法釐定。製成品及在製品成本包括原材料、直接勞工、其他直接成本及相關生產費用(基於一般經營能力)。可變現淨值指存貨之估計售價減完成之全部估計成本及進行銷售之必需成本。

(j) 金融工具

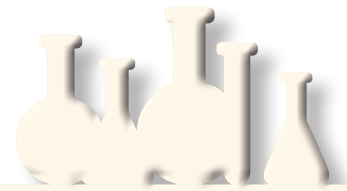
當集團實體成為工具合約條文之訂約方時，則確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益之金融資產或金融負債除外)直接應佔之交易成本，於初始確認時計入金融資產或金融負債之公平值或從中扣減(如適用)。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本即時於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(j) Financial instruments (Continued)

(i) Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (“FVTPL”), held-to-maturity investments, available-for-sale (“AFS”) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

3. 主要會計政策(續)

(j) 金融工具(續)

(i) 金融資產

金融資產乃分為以下具體類別：按公平值計入損益(「按公平值計入損益」)的金融資產、持有至到期投資、可供出售(「可供出售」)金融資產以及貸款及應收款項。分類取決於金融資產之性質及目的，並於初始確認時釐定。

實際利率法

實際利率法為計算債務工具之攤銷成本以及在有關期間內分配利息收入之方法。實際利率為於債務工具預計年期或(倘適用)較短期間內將估計未來現金收入(包括所有構成實際利率整體部分之已付或已收費用及基點、交易成本及其他溢價或折讓)準確折現至初始確認之賬面淨值之利率。

除分類為按公平值計入損益的金融資產的利息收入計入淨收益或虧損外，債務工具之利息收入按實際利率基準確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(j) Financial instruments (Continued)

(i) Financial assets (Continued) *Financial assets at FVTPL*

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

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

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 6.

3. 主要會計政策(續)

(j) 金融工具(續)

(i) 金融資產(續) *按公平值計入損益的金融資產*

倘金融資產為持作買賣或指定為按公平值計入損益，該等金融資產被分類為按公平值計入損益。

倘屬以下情況，金融資產被分類為持作買賣：

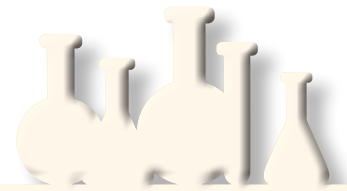
- 其主要為於不久將來出售而購買；或
- 在初始確認時，其為本集團所集中管理，並擁有短期獲利之近期實際模式之已識別金融工具組合的一部分；或
- 其為並非指定及有效作對沖工具的衍生工具。

按公平值計入損益的金融資產乃按公平值列賬，而重新計量產生之收益或虧損於損益中確認。於損益確認的淨收益或虧損包括金融資產所賺取的任何股息或利息及計入「其他收益及虧損」項目中。公平值按附註6所述之方式釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(j) Financial instruments (Continued)

(i) Financial assets (Continued)

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Investments in convertible bonds

The component parts of the convertible bonds are classified separately as debt component and conversion option derivative.

At the date of acquisition of the convertible bonds, the debt and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible bonds is carried at amortised cost using the effective interest method. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the acquisition of the convertible bonds are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative components are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the tenor of the convertible bonds using the effective interest method.

3. 主要會計政策(續)

(j) 金融工具(續)

(i) 金融資產(續)

嵌入式衍生工具

非衍生主合約中包含之衍生工具，倘其符合衍生工具之定義、其風險與特性並非與主合約之風險與特性緊密關連，且主合約並非以按公平值計入損益之方式計量，則有關衍生工具會被當作獨立的衍生工具處理。

可換股債券投資

可換股債券的組成部分單獨分類為債務部分及換股權衍生工具。

於獲取可換股債券的日期，債務及衍生工具部分均按公平值確認。於隨後期間，可換股債券的債務部分乃以實際利率法按攤銷成本列賬。換股權衍生工具乃按公平值計量，而公平值的變動乃於損益內確認。

有關收購可換股債券的交易成本按其公平值相關比例分配到債務及衍生工具部分。有關衍生工具部分的交易成本即時於損益扣除。有關債務部分的交易成本計入債務部分的賬面值，並採用實際利率法於可換股債券的年期內攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(j) Financial instruments (Continued)

(i) Financial assets (Continued)

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL. The Group designated unlisted investments in 龍脈(上海)健康管理服務有限公司 (“Shanghai Longmark”) as AFS financial assets on initial recognition of those items.

Dividends on AFS equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

3. 主要會計政策(續)

(j) 金融工具(續)

(i) 金融資產(續)

可供出售金融資產

可供出售金融資產乃指定為可供出售或未有劃分為(a)貸款及應收款項、(b)持有至到期投資或(c)按公平值計入損益的金融資產之非衍生工具。本集團將於龍脈(上海)健康管理服務有限公司(「上海龍脈」)之非上市投資於初始確認該等項目時指定為可供出售金融資產。

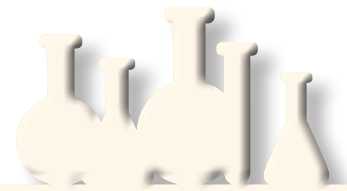
當本集團收取股息的權利確立時，可供出售股本工具的股息於損益確認。

並無活躍市場之市價報價及其公平值未能可靠地計量之可供出售股本投資及與該等無報價的股本投資連結及必須以交收該等無報價的股本工具作結算之衍生工具，於各報告期末以成本減任何已識別減值虧損計算(見下文有關金融資產減值虧損之會計政策)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(j) Financial instruments (Continued)

(i) Financial assets (Continued)

Loans and receivables

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

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. 主要會計政策(續)

(j) 金融工具(續)

(i) 金融資產(續)

貸款及應收款項

貸款及應收款項乃並無於活躍市場報價之固定或可釐定付款之非衍生金融資產。於初始確認後，貸款及應收款項(包括貿易應收賬款、其他應收款項、已抵押銀行存款、銀行結餘及應收一間聯營公司款項)採用實際利率法計算之已攤銷成本扣除任何已識別之減值虧損計量(見下文有關金融資產減值之會計政策)。

利息收入透過使用實際利率確認，惟利息確認並不重大的短期應收款項除外。

金融資產之減值

金融資產(除按公平值計入損益的金融資產)於各報告期末評定是否有減值跡象。金融資產於有客觀證據顯示該金融資產因於首次確認後出現的一項或多項事件而導致其估計未來現金流量受到影響時，被認為出現減值。

就所有其他金融資產而言，減值之客觀證據可包括：

- 發行人或交易對方出現重大財政困難；或
- 違反合約，如無法或拖欠支付利息或本金；或
- 借款人有可能陷於破產或進行財政重組。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(j) Financial instruments (Continued)

(i) Financial assets (Continued)

Impairment of financial assets (Continued)

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 120 to 180 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

3. 主要會計政策(續)

(j) 金融工具(續)

(i) 金融資產(續)

金融資產之減值(續)

貿易應收賬款及資產等被評估為非個別減值之若干金融資產類別，額外按整體基準進行減值評估。

應收款項組合之客觀減值證據可包括本集團之過往收款經驗、組合內延遲還款至超逾平均信貸期120至180日之次數增加，以及與應收款項逾期有關之全國或地方經濟狀況明顯改變。

就按攤銷成本列賬之金融資產而言，減值虧損金額按該資產之賬面值與按金融資產之原實際利率折現之估計未來現金流量之現值之間的差額確認。

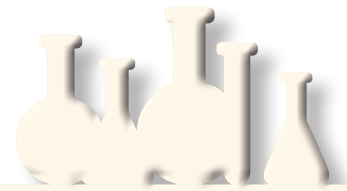
所有金融資產之減值虧損會直接於金融資產之賬面值中作出扣減，惟貿易應收賬款除外，其賬面值乃透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。倘貿易應收賬款被視為不可收回，則於撥備賬內撇銷。其後收回先前已撇銷之金額將計入損益。

就按成本列賬之金融資產而言，減值虧損金額乃按資產賬面值與估計未來現金流量以類似金融資產現時市場回報率貼現之現值之間的差額計量。有關減值虧損不會於隨後期間撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(j) Financial instruments (Continued)

(i) Financial assets (Continued)

Impairment of financial assets (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Financial liabilities and equity instruments

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

Equity instruments

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

Other financial liabilities

Other financial liabilities including trade and bills payables, accruals and other payables and amount due to an associate are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策(續)

(j) 金融工具(續)

(i) 金融資產(續)

金融資產之減值(續)

就按攤銷成本計量之金融資產而言，倘減值虧損之金額於往後期間有所減少，而有關減少在客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該投資於減值被撥回當日之賬面值不得超過未確認減值時之已攤銷成本。

(ii) 金融負債及股本工具

集團實體發行之債務及股本工具乃根據合約安排之內容與金融負債及股本工具之定義分類為金融負債或股本。

股本工具

股本工具乃證明在實體於扣減所有負債後之資產中擁有剩餘權益之任何合同。本公司發行之股本工具按收取之所得款項扣除直接發行成本確認。

其他金融負債

其他金融負債(包括貿易應付賬款及應付票據、預提費用及其他應付款項以及應付一間聯營公司款項)其後使用實際利率法按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(j) Financial instruments (Continued)

(ii) Financial liabilities and equity instruments (Continued)

Effective interest method

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

Convertible bonds containing liability and equity components

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

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

3. 主要會計政策(續)

(j) 金融工具(續)

(ii) 金融負債及股本工具(續)

實際利率法

實際利率法乃計算金融負債之攤銷成本及在有關期間內攤分利息支出之方法。實際利率乃於金融負債之預計年限或(倘適用)較短期間內將估計日後現金付款(包括所有構成實際利率整體部分之已付或已收費用及基點、交易成本及其他溢價或折讓)準確折現至初始確認之賬面淨值之利率。利息開支乃按實際利率基準確認。

包含負債及權益部分之可換股債券

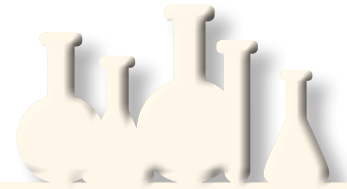
本集團所發行包含負債及換股權部分的可換股債券，乃於初始確認時根據合約安排內容以及金融負債及股本工具的定義，獨立分類為相關項目。將以固定金額現金或另一項金融資產交換本公司本身固定數目的股本工具方式結清的可換股權乃股本工具。

初始確認本公司發行之可換股債券時，負債部分的公平值乃按類似不可轉換債務的現行市場利率釐定。發行可換股債券的所得款項總額與撥往負債部分的公平值的差額(指讓持有人將可換股債券轉換為權益的可換股權)列入權益(可換股債券權益儲備)內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(j) Financial instruments (Continued)

(ii) Financial liabilities and equity instruments (Continued)

Convertible bonds containing liability and equity components (Continued)

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible bonds equity reserve will be released to the accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

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

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

3. 主要會計政策(續)

(j) 金融工具(續)

(ii) 金融負債及股本工具(續)

包含負債及權益部分之可換股債券(續)

於隨後期間，可換股債券的負債部分乃以實際利率法按攤銷成本列賬。權益部分(指可將負債部分轉換為本公司普通股的換股權)將保留於可換股債券權益儲備內，直至該嵌入式換股權獲行使為止(於此情況下，可換股債券權益儲備的結餘將轉撥至股份溢價)。倘換股權於到期日尚未行使，可換股債券權益儲備的結餘將解除至累計虧損。換股權獲轉換或到期後不會於損益中確認任何收益或虧損。

發行可換股債券的交易成本，按所得款項總額分配比例撥往負債及權益部分。權益部分的交易成本於權益中直接扣除。與負債部分有關的交易成本計入負債部分的賬面值，並以實際利率法於可換股債券期限內攤銷。

終止確認

僅在獲取金融資產所產生現金流量的合約權利到期，或在將金融資產及該資產擁有權的幾乎所有風險和回報轉移予另一個實體的情況下，本集團才終止確認一項金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(j) Financial instruments (Continued)

(ii) Financial liabilities and equity instruments (Continued)

Derecognition (Continued)

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

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

(k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(l) Provisions

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

3. 主要會計政策(續)

(j) 金融工具(續)

(ii) 金融負債及股本工具(續)

終止確認(續)

於終止確認整項金融資產時，資產賬面值與已收及應收代價金額之間的差額以及已於其他全面收入確認並於權益累計的累計收益或虧損於損益中確認。

僅在本集團的義務已經履行、解除或到期時，本集團才終止確認金融負債。終止確認的金融負債的賬面值與已付及應付代價之間的差額於損益中確認。

(k) 現金及現金等值項目

現金及現金等值項目包括手頭現金、銀行活期存款以及原到期日為三個月或以下之其他短期高度流動投資。

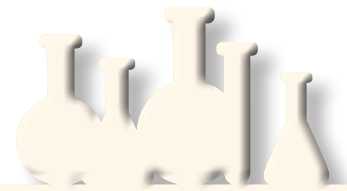
(l) 撥備

當本集團因過往事件而導致現時的責任(法律或推定)，而本集團可能將須結清該責任，並可對該責任的金額作出可靠估計，則確認撥備。撥備按於報告期末結清該現時責任所需的代價的最佳估計，並考慮有關責任的風險及不確定性進行計量。當撥備按履行現時責任估計所需之現金流量計量時，其賬面值為有關現金流量之現值(如貨幣時間價值之影響重大)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(m) Borrowings

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

Fee 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 drawdown occurs. To the extent there is capitalised as a prepayment 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 reporting period.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

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

3. 主要會計政策(續)

(m) 借款

借款初步按公平值扣除所產生交易成本確認。借款其後按攤銷成本列示；所得款項(扣除交易成本)與贖回價值兩者間之任何差額，乃以實際利率法於借貸期間在綜合損益及其他全面收益表予以確認。

在貸款融資很有可能部分或全部提取的情況下，就設立貸款融資支付的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。倘有撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團具有無條件權利將負債的結算遞延至報告期末後最少12個月，否則借貸歸類為流動負債。

(n) 借貸成本

收購、建造或生產合資格資產(需大量時間方能達致可供擬定使用或出售用途的資產)直接應佔的借貸成本，乃加入該等資產的成本，直至該等資產大致可供擬定使用或出售用途為止。

所有其他借貸成本乃於其產生期間於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(o) Taxation

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策(續)

(o) 稅項

所得稅支出指即期應付稅項及遞延稅項總額。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中的「除稅前溢利」不同，乃由於其不包括在其他年度應課稅或可扣稅收入或開支，亦不包括不用課稅或不可扣稅之項目。本集團之即期稅項負債乃按報告期末已實行或實際上已實行之稅率計算。

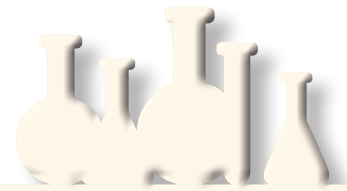
遞延稅項乃根據綜合財務報表內資產及負債賬面值與計算應課稅溢利相應稅基之暫時差額而確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產一般則於很可能有應課稅溢利可使用可扣減暫時差額作抵銷時就全部可扣減暫時差額予以確認。倘若交易中由商譽或初始確認(業務合併除外)其他資產及負債而引致之暫時差額，並不影響應課稅溢利或會計溢利，該等資產及負債不予確認。

遞延稅項負債乃就於附屬公司及聯營公司投資所產生應課稅暫時差額予以確認，除本集團能夠控制暫時差額的撥回及此暫時差額在可預見的將來很可能不會撥回則作別論。與上述投資及權益相關的可扣減暫時差額產生之遞延稅項資產僅於很有可能足有足夠應課稅溢利以使用暫時差額利益作抵銷及預期於可預見將來撥回情況下予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(o) Taxation (Continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

(p) Retirement benefit costs and termination benefits

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

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

3. 主要會計政策(續)

(o) 稅項(續)

遞延稅項資產之賬面值乃於各報告期末進行檢討，並於不再可能有足夠應課稅溢利可供收回全部或部分資產時作調減。

遞延稅項資產及負債根據於報告期末已頒佈或實質已頒佈之稅率(及稅法)按預期適用於清償負債或變現資產期間之稅率計算。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或清償其資產及負債賬面值之方式會產生之稅務後果。

即期及遞延稅項於損益確認，惟與於其他全面收益內或直接於權益中確認的項目有關者除外，在此情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益內確認。就因對業務合併進行初始會計處理而產生的即期稅項或遞延稅項而言，稅務影響乃計入業務合併的會計處理內。

(p) 退休福利費用及終止福利

國家管理的退休福利計劃及強制性公積金計劃的供款於僱員提供服務而有權獲得供款時確認為開支。

終止福利(及僅在)本集團可充分證明其終止僱用或因有周詳正式計劃(該計劃並不可能撤銷)自願裁員時予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(q) Revenue recognition

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

Revenue from the sale of pharmaceutical products manufactured by the Group and trading of pharmaceutical products is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. 主要會計政策(續)

(q) 收益確認

收益以已收或應收代價的公平值計量。收益經扣除估計客戶退貨、回扣及其他類似補貼。

銷售本集團所生產藥品及藥品貿易之收益於貨品付運及所有權移交而下列所有條件達成時予以確認：

- 本集團已將貨品擁有權之重大風險及回報轉移予買方；
- 本集團對已出售之貨品不再保留擁有權一般附帶之持續管理參與權，也不再具有有效的控制；
- 收益金額能可靠地計量；
- 交易附帶之經濟利益很可能流入本集團；及
- 交易已產生或將產生之成本能可靠地計量。

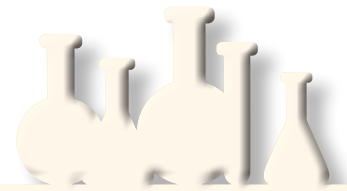
當經濟利益很可能將流向本集團及收入金額能夠可靠地計量時，金融資產利息收入予以確認。利息收入按時間基準並參考未償還本金及以適用實際利率累計，而實際利率為於金融資產預計年內將估計日後現金收入準確貼現至該資產於初始確認時之賬面淨值之利率。

本集團確認經營租約產生之收益的會計政策，於下文有關租賃之會計政策載述。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(r) Leasing

(i) Operating leases (As a lessee)

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

(ii) Operating leases (As a lessor)

The Group leases investment properties under operating leases, the assets are included in the consolidated statement of financial position according to their nature and where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in note 3(f) above. Revenue arising from assets leased out under operating leases is recognised when the assets are leased in accordance with the substance of the relevant lease agreements.

(iii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease term.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets over the shorter of the lease term and their estimated useful lives.

3. 主要會計政策(續)

(r) 租賃

(i) 經營租約(作為承租人)

擁有權之絕大部分風險及回報由出租方保留之租約乃分類為經營租約。根據經營租約所支付之款項(扣除出租方所給予之任何優惠後)於租期內以直線法自綜合損益及其他全面收益表扣除。

(ii) 經營租約(作為出租人)

本集團根據經營租約出租投資物業，資產按照其性質於綜合財務狀況表入賬，及(如適用)按照上文附註3(f)所載之本集團折舊政策進行折舊。當資產乃按照相關租賃協議的實質內容租賃時，則根據經營租約出租之資產所產生的收益會予以確認。

(iii) 融資租賃

融資租賃是指將擁有資產之風險及回報絕大部分轉讓予本集團之租賃。當租約開始時，融資租賃以租賃資產之公平值及最低租金現值(各自從租期開始起計)之較低者撥充資本。

出租人的相應負債於財務狀況表列作應付融資租賃。租賃付款於融資費用及尚未償還負債扣減之間作出分配。融資費用於租期內各期間分配，從而使負債尚未償還餘額利息的息率固定。

融資租賃項下之資產與自置資產同樣按租期及其估計可使用年期(以較短者為準)計算折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(r) Leasing (Continued)

(iv) Lease of land and building

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

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment. Unless it is clear that both elements are operating lease, in which case the entire lease is classified as an operating lease.

(s) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

3. 主要會計政策(續)

(r) 租賃(續)

(iv) 租賃土地及樓宇

當租賃包括土地及樓宇部分，本集團根據對附於各部分之擁有權之絕大部分風險及回報是否已轉移至本集團之評估，分別將各部分之分類評定為融資或經營租賃。具體而言，最低租賃付款(包括任何一整筆預付款項)於租賃初次訂立時按租賃土地部分及樓宇部分中的租賃權益相對公平值比例於土地與樓宇部分間分配。

倘租賃付款能夠可靠地分配，則入賬列作經營租約之租賃土地權益於綜合財務狀況表中列作「預付租賃付款」，初步按成本列賬，其後於租期內以直線法確認。倘租賃付款未能可靠地於土地及樓宇部分之間作出分配，則全部租賃付款計入土地及樓宇成本，作為物業、廠房及設備之融資租賃。除非兩個部分均明顯屬於經營租約，於該情況下，整項租賃會被分類為經營租約。

(s) 股息分派

向本公司股東之股息分派於本集團及本公司之年內財務報表中被確認為負債，其中股息由本公司股東批准。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



3. Significant Accounting Policies (Continued)

(t) Related parties

A related party is a person or entity that is related to the Group if:

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the parent of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

3. 主要會計政策(續)

(t) 關聯方

以下與本集團有關之個人或實體屬關聯方：

- (a) 倘屬以下人士，則該人士或該人士之近親與本集團有關：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員。
- (b) 倘符合下列任何條件，則該實體與本集團有關：
 - (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關)。
 - (ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為集團旗下成員公司之聯營公司或合營企業之成員公司)。
 - (iii) 兩間實體均為同一第三方之合營企業。
 - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

(t) Related parties (Continued)

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

4. Key Sources of Estimation Uncertainty

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

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

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

3. 主要會計政策(續)

(t) 關聯方(續)

- (b) 倘符合下列任何條件，則該實體與本集團有關：(續)
- (v) 實體為報告實體或與報告實體有關之實體就僱員利益設立之離職福利計劃。倘報告實體本身屬有關計劃，提供資助之僱主亦與報告實體有關。
- (vi) 實體受(a)內所識別人士控制或共同控制。
- (vii) (a)(i)內所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員。

4. 估計不確定因素的主要來源

在應用載述於附註3的本集團會計政策時，本公司董事須對未能輕易地從其他來源確定的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設是根據過往經驗及被認為相關的其他因素而作出。實際結果或會與該等估計有所不同。

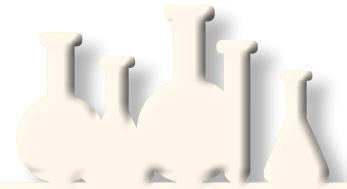
該等估計及相關假設會持續地檢討。若估計修訂只影響該期間，會計估計的修訂會於該期內確認；或如該估計修訂影響本期及未來期間，則會計估計的修訂會於修訂期內及未來期間確認。

下文載列於報告期末所作出有關未來之主要假設及估計不確定因素之其他主要來源，該等假設及來源有相當風險導致須於下個財政年度之內就資產及負債之賬面值作出重大調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



4. Key Sources of Estimation Uncertainty (Continued)

Impairment of interest in an associate

The interest in an associate represents interest in Smart Ascent Limited and its subsidiaries (the "Smart Ascent Group"). The major asset held by the Smart Ascent Group is the intangible asset in relation to an in-process research and development project (the "In-process R&D") involving an oral insulin project (the "Product"). The carrying amount of interest in an associate is HK\$333,866,000 as at 31 March 2016, which is highly dependent upon further research and development work required to be carried out, results of the clinical trials, the successful launching of the Product and the appropriate key assumptions to be applied in preparing cash flow projections. In addition, the recoverable amount of the In-process R&D which is not yet available for use is determined based on fair value calculation. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the fair value calculations.

Should the actual outcome of the clinical trials and the launching of the Product be unsuccessful, or the key assumptions applied in preparing the cash flow projection from the Product in assessing impairment, including the discount rates or growth rate assumptions applied in the cash flow projections on the In-process R&D, could materially affect the net present value in the impairment test and as a result affect the Group's interest in the associate. It will consequently have an adverse effect on the net assets and the results of the Group.

Allowance for bad and doubtful debts

The allowance for bad and doubtful debts of the Group is estimated based on the evaluation of collectability and aging analysis of individual trade debts performed by the management. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

4. 估計不確定因素的主要來源 (續)

於一間聯營公司之權益減值

於一間聯營公司之權益指於進生有限公司及其附屬公司(「進生集團」)之權益。進生集團所持之主要資產為有關進行中之研究及開發項目(「進行中之研發」)的無形資產，當中涉及口服胰島素項目(「產品」)。於二零一六年三月三十一日，於一間聯營公司之權益賬面值為333,866,000港元高度視乎須進行之進一步研發工作、產品之臨床測試結果、能否成功推出產品及就編製現金流量預測應用合適主要假設而定。此外，尚未可供使用的進行中之研發的可收回金額乃基於公平值計算而釐定。該等計算須使用管理層就日後業務營運所作之估計及假設、除稅前貼現率以及其他計算公平值時所作出之相關假設。

倘產品之臨床測試實際結果及推出不成功，或於評估減值時就編製產品之現金流量預測所應用之主要假設(包括進行中之研發之現金流量預測所應用的貼現率或增長率假設)，可能對減值測試之現值淨額造成重大影響，因而影響本集團於聯營公司之權益，而此將對本集團之資產淨值及業績造成不利影響。

呆壞賬撥備

本集團的呆壞賬撥備乃基於管理層作出的個別貿易債務的可收回性評估及賬齡分析而估計。於評估該等應收款項最終變現價值時，須作出大量判斷，包括各客戶現時的信譽及過往還款記錄。倘本集團客戶的財務狀況惡化，導致其還款能力下降，則或須作出額外撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

4. Key Sources of Estimation Uncertainty (Continued)

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amounts have been determined based on value-in-use calculations or market valuations. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset value may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions applied in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated statement of profit or loss and other comprehensive income.

No impairment loss is recognised for property, plant and equipment based on the impairment assessment performed by the management as at 31 March 2016 (2015: nil). As at 31 March 2016, the carrying amounts of property, plant and equipment are approximately HK\$161,911,000 (2015: HK\$175,930,000).

4. 估計不確定因素的主要來源 (續)

物業、廠房及設備之減值

物業、廠房及設備於發生事件或環境出現改變，顯示該等資產之賬面值超過其可收回金額時，檢討是否有減值。可收回金額乃按使用價值計算或市場估值釐定。該等計算須使用判斷及估計。

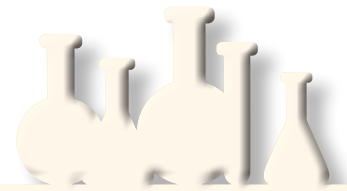
管理層須於評估資產減值時作出判斷，尤其是評估：(i)是否已出現任何事件顯示有關資產值可能無法收回；(ii)可收回金額(即公平值減出售成本或估計繼續在業務中使用資產所帶來的未來現金流量現值淨額兩者中的較高者)是否足以支持資產賬面值；及(iii)編製現金流量預測所用主要假設是否恰當，包括該等現金流量預測是否以適當利率折現。管理層用作評估減值的假設(包括現金流量預測所用的貼現率或增長率假設)若有所變化，或會對減值測試所使用的現值淨額造成重大影響，從而影響本集團財務狀況及經營業績。倘預測表現及相應的未來現金流量預測有重大不利變動，則或須於綜合損益及其他全面收益表中列出減值費用。

於二零一六年三月三十一日，根據管理層作出之減值評估，並無就物業、廠房及設備確認減值虧損(二零一五年：無)。於二零一六年三月三十一日，物業、廠房及設備之賬面值約為161,911,000港元(二零一五年：175,930,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



4. Key Sources of Estimation Uncertainty (Continued)

Allowance for slow-moving and obsolete inventories

Allowance for slow-moving and obsolete inventories is made based on the aging and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in market condition. The Group will reassess the estimates by the end of each reporting period.

Fair value of investments in convertible bonds

The fair value of embedded conversion option of convertible bonds invested by the Group is calculated using valuation techniques. Valuation techniques are certified by independent and recognised international business valuers before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by valuers make the maximum use of market inputs and rely as little as possible on the Group's specific data. The model involves estimates on time to expiration, risk free rate, share price volatility and others. As at 31 March 2016, the carrying amount of the embedded conversion option of convertible bonds invested by the Group is HK\$54,475,000 (2015: HK\$78,428,000).

Should any of the estimates be revised, it may lead to a material change to the fair value of the investments in convertible bonds.

4. 估計不確定因素的主要來源 (續)

滯銷及過期存貨撥備

滯銷及過期存貨乃根據存貨之賬齡及估計可變現淨值作出撥備。評估撥備數額涉及判斷及估計。倘日後實際結果與原先估計不同，則有關差額將會對有關估計作出變動之期間內之存貨賬面值及撥備列支/撥回產生影響。

可變現淨值乃存貨之估計售價減估計完成成本及進行出售所需成本。該等估計乃按照現行市況以及製造及銷售類似性質之產品的過往經驗作出。可變現淨值可因市況轉變而大幅變動。本集團將於各報告期末重新評估有關估計。

可換股債券投資之公平值

本集團投資之可換股債券之嵌入式換股權之公平值乃採用估值法計算。估值法經獨立及獲認可國際商業估值師於估值前核實並予以調整，以確保得出的數據反映市況。估值師確定之估值模式會充分利用市場輸入數據而盡量少依賴本集團之特定數據。該模式涉及對到期時間、無風險利率、股價波動及其他因素之估計。於二零一六年三月三十一日，本集團投資之可換股債券之嵌入式換股權之賬面值為54,475,000港元(二零一五年：78,428,000港元)。

倘估計出現任何修訂，則可能導致可換股債券投資之公平值出現重大變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

4. Key Sources of Estimation Uncertainty (Continued)

Income taxes

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

Impairment for available-for-sale financial assets

The Group follows the guidance of HKAS 39 to determine when available-for-sale financial assets are impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

5. Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders through optimisation of capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior year.

The Group regularly reviews and manages its capital structure, and makes adjustments to it taking into account the changes in economic conditions, risk characteristics of the underlying assets, the Group's investment strategy and opportunities, projected operating cash flows and capital expenditures. To maintain or adjust the capital structure, the Group may adjust the level of borrowings, dividend payment to shareholders, issue new shares, or buy back its own shares.

The Group monitors its capital structure using debt to equity ratio; whereby debt comprises convertible bonds whilst equity means the total equity of the Group. During the year, the Group's strategy to maintain a healthy debt to equity ratio has remained unchanged, and the debt to equity ratio is 0.049 as at 31 March 2016 (2015: 0.112).

4. 估計不確定因素的主要來源(續)

所得稅

本集團須繳納數個司法權區的所得稅。在釐定所得稅撥備時，需要作出重大估計。多項交易及計算之最終稅項釐定於日常業務過程中均屬不明確。本集團按照額外稅項是否將會到期的估計確認有關預計稅項審計事宜的責任。倘該等事宜的最終稅務結果有別於最初記賬的金額，有關差異將會影響作出有關釐定期間的所得稅及遞延稅項撥備。

可供出售金融資產減值

本集團遵循香港會計準則第39號的指引釐定可供出售金融資產減值的時間。該項釐定需要重大判斷。在作出該判斷時，本集團會評核(其中包括)投資之公平值低於其成本的時間及幅度，以及被投資方的財務穩健性及短期業務前景，當中包括行業及界別表現、科技變動以及營運及融資現金流量等因素。

5. 資本風險管理

本集團管理資本之目標為保證本集團能夠持續經營，以便透過優化資本結構以減少資本成本，繼續為股東提供回報和為其他持份者帶來利益。本集團之整體策略與上年度維持不變。

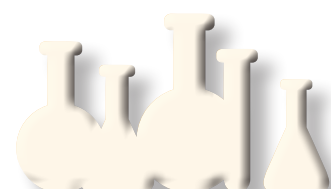
本集團定期審閱及管理其資本結構，並於綜合考慮經濟狀況之變動、有關資產之風險特徵、本集團之投資策略及機遇、預測經營現金流以及資本開支後作出調整。為維持或調整資本結構，本集團可能調整借貸水平、支付予股東之股息、發行新股或購回自身股份。

本集團使用負債權益比率監控其資本結構；其中負債包括可換股債券，而權益則指本集團之權益總額。於本年度，本集團維持穩健之負債權益比率之策略仍然不變，於二零一六年三月三十一日之負債權益比率為0.049(二零一五年：0.112)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



6. Financial Instruments

Categories of financial instruments

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at FVTPL	按公平值計入損益的金融資產	54,475	78,428
Available-for-sale investments	可供出售投資	3,012	—
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	587,533	515,772
Financial liabilities	金融負債		
Amortised costs	攤銷成本	119,612	115,928

6. 金融工具

金融工具類別

Financial risk management objectives and policies

The Group's major financial instruments include investments in convertible bonds, trade receivables, deposits and other receivables, pledged bank deposits, bank balances, trade and bills payables, accruals and other payables, amount due from/to an associate and convertible bonds. Details of these financial instruments are disclosed in respective notes.

The Group's activities expose it to a variety of financial risks such as foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The management monitors and manages the financial risks through internal risk assessment which analyses exposures by degree and magnitude of risks.

財務風險管理目標及政策

本集團之主要金融工具包括可換股債券投資、貿易應收賬款、按金及其他應收款項、已抵押銀行存款、銀行結餘、貿易應付賬款及應付票據、預提費用及其他應付款項、應收/應付一間聯營公司款項及可換股債券。該等金融工具之詳情於相關附註披露。

本集團之經營活動令本集團面臨多種金融風險，如外幣風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃集中在金融市場之不可預測性，並尋求盡量減低對本集團財務表現之潛在不利影響。管理層通過內部風險評估，分析風險程度及廣度，監控及管理金融風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Market risk

Foreign currency risk

Foreign exchange risk arises when commercial transactions, assets or liabilities are denominated in a currency that is not the functional currency of the group entities. The Group operates mainly in the PRC and Malaysia and is exposed to foreign currency exchange rate risk arising from various foreign currency exposures. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As at end of the reporting period, the carrying amounts of the Group's monetary assets and liabilities that are denominated in currency other than functional currencies of the respective group entities are as follows:

		Euro 歐元		RMB 人民幣		United States Dollars ("US\$") 美元(「美元」)	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Bank balances and cash	銀行結餘及現金	3,235	2,669	1,585	1,710	66,990	66,758
Trade and bills payables	貿易應付賬款及 應付票據	3,783	3,665	—	—	—	—

Sensitivity analysis

The bank balances and cash denominated in US\$ belongs to the group entities in which the functional currency is HK\$. The directors are of the opinion that the HK\$ are reasonably stable with the US\$ under the Linked Exchange Rate System, and accordingly, no sensitivity analysis of US\$ with respect to HK\$ is performed.

6. 金融工具(續)

市場風險

外幣風險

外匯風險於非集團實體功能貨幣之貨幣列值之商業交易、資產或負債產生。本集團之業務主要於中國及馬來西亞經營，並面臨多種外幣產生之外幣匯率風險。本集團現時並無外幣對沖政策。然而，管理層會監察外匯風險，並將於必要時考慮對沖重大外匯風險。

於報告期末，按各集團實體的功能貨幣以外的貨幣計值的本集團貨幣資產及負債的賬面值如下：

敏感度分析

以美元計值之銀行結餘及現金屬於功能貨幣為港元之集團實體。董事認為，由於在聯繫匯率制度下，港元與美元相當穩定，因此，並無進行美元對港元之敏感度分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



6. Financial Instruments (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

Sensitivity analysis (Continued)

The following table details the Group's sensitivity to a 5% (2015: 5%) increase and decrease in the functional currency of the respective group entities against the relevant foreign currencies and all other variables were held constant as at 31 March 2016 and 2015. 5% (2015: 5%) is the sensitivity rate used which represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2015: 5%) change in foreign currency rates. The negative numbers below indicate decrease in post-tax profit for the year ended 31 March 2016 where the functional currency of the respective group entities strengthens 5% against the relevant foreign currencies. For a 5% (2015: 5%) weakening of the functional currency of the respective group entities against the relevant foreign currencies, there would be an equal and opposite impact on the result for the year.

6. 金融工具(續)

市場風險(續)

外幣風險(續)

敏感度分析(續)

下表詳細載列於二零一六年及二零一五年三月三十一日本集團就各集團實體的功能貨幣兌相關外幣上升及下降5%(二零一五年:5%)(而所有其他可變因素維持不變)的敏感度。管理層對外幣匯率可能合理變動進行評估時採用的敏感度比率為5%(二零一五年:5%)。敏感度分析僅包括以外幣計值的尚未償還的貨幣項目,於年終以外幣匯率5%(二零一五年:5%)的變動進行換算調整。下文所示負數即表示各集團實體的功能貨幣兌有關外幣升值5%時,截至二零一六年三月三十一日止年度除稅後溢利的減少。至於各集團實體的功能貨幣兌有關外幣貶值5%(二零一五年:5%)時,則可能對年度業績產生相等及相反影響。

		Euro 歐元		RMB 人民幣	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Profit or (loss)	溢利或(虧損)	23	42	(66)	(71)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Market risk (Continued)

Interest rate risk

The Group's fair value interest rate risk primarily relate to debt component of convertible bonds held by the Group and the liability component of convertible bonds issued by the Company as set out in notes 21 and 34 respectively.

The Group's cash flow interest rate risk primarily relates to variable-rate pledged bank deposits and bank balances (see notes 28 and 29 respectively for details). The Group currently does not have interest rate hedging policy. However, the management of the Group will consider hedging significant interest rate exposure should the need arise. The management considers the Group's exposure to future cash flow interest rate risk is minimal taking into account the minimal fluctuation on market interest rate. Accordingly, no sensitivity analysis is presented.

Price risk on conversion option embedded in convertible bonds held by the Group

The Group is required to estimate the fair value of the conversion option embedded in the convertible bonds held by the Group at the end of the reporting period with changes in fair value to be recognised in profit or loss as long as the convertible bonds are outstanding. The fair value adjustment will be affected either positively or negatively, amongst others, by the changes in share price and its volatility of the convertible bonds issuer.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to the change of share price and its volatility of the convertible bonds issuer at the reporting date.

If the share prices of the convertible bonds issuer had been 5% higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2016 would increase/decrease by HK\$14,907,000 (2015: HK\$4,101,000)/HK\$4,550,000 (2015: HK\$4,101,000) as a result of changes in fair value of conversion option embedded in the convertible bonds held by the Group.

6. 金融工具(續)

市場風險(續)

利率風險

本集團之公平值利率風險主要與本集團持有之可換股債券之債務部分及本公司已發行之可換股債券之負債部分有關，分別載於附註21及34。

本集團之現金流量利率風險主要與以浮動利率計息之已抵押銀行存款及銀行結餘(詳情分別見附註28及29)有關。本集團現時並無利率對沖政策。然而，本集團管理層將於必要時考慮對沖重大利率風險。鑒於市場利率的波動甚微，管理層認為本集團承受未來現金流量利率之風險甚微。因此，概無呈列敏感度分析。

本集團持有之可換股債券有關嵌入之換股權之價格風險

本集團須於報告期末估計本集團持有之可換股債券有關嵌入之換股權的公平值，只要可換股債券尚未兌換，公平值變動將於損益內確認。公平值調整將受(其中包括)可換股債券發行人之股價變動及其波幅的正面或負面影響。

敏感度分析

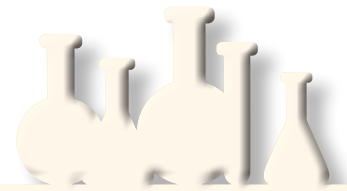
下述敏感度分析乃根據可換股債券發行人於報告日期所面臨的股價變動及其波幅釐定。

倘可換股債券發行人之股價上升/下降5%，而所有其他變量保持不變，本集團截至二零一六年三月三十一日止年度之稅後溢利將增加/減少14,907,000港元(二零一五年：4,101,000港元)/4,550,000港元(二零一五年：4,101,000港元)，乃由於本集團持有的可換股債券有關嵌入之換股權之公平值變動所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



6. Financial Instruments (Continued)

Price risk on conversion option embedded in convertible bonds held by the Group (Continued)

Sensitivity analysis (Continued)

If the volatility of share prices of the convertible bonds issuer had been 5% higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2016 would increase/decrease by HK\$17,022,000 (2015: HK\$5,520,000)/HK\$7,269,000 (2015: HK\$5,520,000), as a result of changes in fair value of conversion option embedded in the convertible bonds held by the Group.

In management's opinion, the sensitivity analyses are unrepresentative of the inherent market risk as the pricing model used in the fair value valuation of the conversion options embedded in the convertible bonds involves multiple variables and certain variables are interdependent.

Credit risk

The Group's credit risk is primarily attributable to investments in convertible bonds, trade and other receivables, amount due from an associate, pledged bank deposits and bank balances.

As at 31 March 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, management reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, management considers that the Group's credit risk is significantly reduced.

6. 金融工具(續)

本集團持有之可換股債券有關嵌入之換股權之價格風險(續)

敏感度分析(續)

倘可換股債券發行人的股價波幅上升/下降5%，而所有其他變量保持不變，本集團截至二零一六年三月三十一日止年度之稅後溢利將增加/減少17,022,000港元(二零一五年：5,520,000港元)/7,269,000港元(二零一五年：5,520,000港元)，乃由於本集團持有的可換股債券有關嵌入之換股權之公平值變動所致。

管理層認為，由於可換股債券有關嵌入之換股權的公平值估值所用的定價模式涉及多項變數而若干變數相互依賴，因此，敏感度分析不能反映固有市場風險。

信貸風險

本集團之信貸風險主要來自可換股債券投資、貿易應收賬款及其他應收款項、應收一間聯營公司款項、已抵押銀行存款及銀行結餘。

於二零一六年三月三十一日，本集團所面對之最大信貸風險(會因交易對方未能履行責任而令本集團承擔財政損失)為綜合財務狀況表列載之各項已確認之金融資產之賬面值。

為盡量減低信貸風險，本集團管理層已委任專責釐定信貸限額、信貸批核及其他監察程序之團隊。此外，管理層會定期審閱各個別貿易債務之可收回金額，以確保就無法收回債務確認足夠減值虧損。有鑒於此，管理層認為本集團之信貸風險已大為減低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Credit risk (Continued)

The investments in convertible bonds as at 31 March 2016 expose the Group to concentration of credit risk. At the end of the reporting period, the Group assessed the financial position and performance of the issuer of the convertible bonds of carrying amount HK\$362,960,000 (2015: HK\$349,220,000) and in view of sufficient net asset and significant bank balance and cash of the issuer, the management considers the default risk on the investments in convertible bonds is not significant.

The Group also has concentration of credit risk as 60% (2015: 60%) of the total trade receivables were due from the Group's major customers, which are privately owned PRC and Macau companies engaged in trading of pharmaceutical products. The directors of the Company considered that the credit risk of trade receivables is insignificant after considering the credit quality and financial ability of these customers. In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. These credit evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group will make specific provision for those balances which cannot be recovered. Normally, the Group does not obtain collateral from customers. In the opinion of the directors, the default risk of the Group is considered to be low.

With respect to credit risk arising from other receivables and amount due from an associate, in the opinion of the directors, no significant credit risk is expected as there is no default repayment history.

6. 金融工具(續)

信貸風險(續)

於二零一六年三月三十一日之可換股債券投資令本集團信貸風險集中。於報告期末，本集團評估賬面值為362,960,000港元(二零一五年：349,220,000港元)的可換股債券發行人之財務狀況及表現，鑒於發行人擁有充足淨資產及大量銀行結餘及現金，管理層認為可換股債券投資之違約風險並不重大。

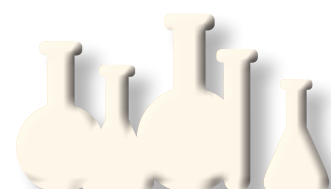
本集團信貸風險集中，因為貿易應收賬款總額中60%(二零一五年：60%)乃應收本集團之主要客戶，該等客戶為從事藥品貿易的中國及澳門私人公司。經考慮該等客戶的信貸質素及財政能力，本公司董事認為貿易應收賬款的信貸風險並不重大。就貿易應收賬款而言，對所有要求超過若干金額信貸之客戶進行獨立信貸評估。本集團訂有適當政策可確保所作銷售乃予信貸記錄良好之客戶。該等信貸評估著重評核客戶支付到期款項之過往記錄，以及目前之支付能力，並考慮客戶特定資料及有關客戶經營所在經濟環境之資料。本集團將會為該等不能收回之結餘作出特定撥備。一般而言，本集團並無向客戶收取抵押品。董事認為，本集團面對之違約風險為低。

就因其他應收款項及應收一間聯營公司款項而產生之信貸風險，董事認為由於並無拖欠還款紀錄，因而預期並無重大信貸風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



6. Financial Instruments (Continued)

Credit risk (Continued)

The credit risk on the Group's pledged bank deposits and bank balances is limited because the counterparties are reputable and creditworthy banks with high credit ratings assigned by international credit-rating agencies.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the end of the reporting period.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's contractual maturity for its non-derivative financial liabilities based on the agreed repayment dates. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Between			Total undiscounted cash flows	Carrying amount at 31 March 2016
		Less than 1 year	1 to 5 years	Over 5 years		
	加權平均 實際利率	1年以內	1至5年	超過5年	未貼現現金 流量總計	於二零一六年 三月三十一日 之賬面值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 31 March 2016 於二零一六年 三月三十一日						
Trade and bills payables 貿易應付賬款及 應付票據	—	11,093	—	—	11,093	11,093
Accruals and other payables 預提費用及其他 應付款項	—	59,069	—	—	59,069	59,069
Amount due to an associate 應付一間聯營公司 款項	—	19,780	—	—	19,780	19,780
Convertible bonds 可換股債券	18.72	—	—	577,170	577,170	29,670
		89,942	—	577,170	667,112	119,612

6. 金融工具(續)

信貸風險(續)

由於交易對手為國際評級機構給予高信用評級的聲譽及信譽良好之銀行，故於本集團已抵押銀行存款及銀行結餘之信貸風險有限。

最大信貸風險為於報告期末每項金融資產之賬面值。

流動資金風險

本集團之政策為定期監察當期及預期之流動資金需求，並確保維持足夠現金及現金等值項目，為本集團之營運撥資及降低現金流量波動之影響。

下表詳列本集團之非衍生金融負債根據協定還款日期之合約到期日。下表包括利息及本金現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Liquidity risk (Continued)

	Weighted Average effective interest rate	Less than 1 year	Between 1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31 March 2015
	加權平均 實際利率	1年以內	1至5年	超過5年	未貼現現金 流量總計	於二零一五年 三月三十一日 之賬面值
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 March 2015						
Trade and bills payables		12,676	—	—	12,676	12,676
Accruals and other payables		58,490	—	—	58,490	58,490
Amount due to an associate		19,780	—	—	19,780	19,780
Convertible bonds	18.72	—	—	577,170	577,170	24,982
		90,946	—	577,170	668,116	115,928

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

6. 金融工具(續)

流動資金風險(續)

根據經常性基準按公平值計量之本集團金融資產之公平值

本集團之若干金融資產乃於報告期末按公平值計量。下表列載有關釐定該等金融資產公平值之方法(尤其是所使用之估值技巧及輸入數據),以及根據公平值計量輸入數據之可觀察程度將公平值計量分類之公平值架構級別(第1至第3級)之資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



6. Financial Instruments (Continued)

6. 金融工具(續)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

根據經常性基準按公平值計量之本集團金融資產之公平值(續)

Financial assets	Fair value as at 31 March 2016 於二零一六年三月三十一日之公平值	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
金融資產	之公平值	公平值架構	估值技巧及主要輸入數據	重大不可觀察輸入數據	不可觀察輸入數據與公平值之關係
Available-for-sale financial assets	Assets — HK\$3,012,000 (2015: Nil)	Level 2	Note 22(b)	N/A	N/A
可供出售金融資產	資產— 3,012,000港元 (二零一五年：零)	第2級	附註22(b)	不適用	不適用
Conversion options embedded in investments in convertible bonds classified as financial asset at FVTPL in the consolidated statement of financial position.	Assets — HK\$54,475,000 (2015: HK\$78,428,000)	Level 3	Binominal model	Expected volatility of the share price of Innovative Pharm, determined by reference to the historical share price of Innovative Pharm.	The higher the volatility of the share price of Innovative Pharm, the higher the fair value. (Note)
於綜合財務狀況表內分類為按公平值計入損益的金融資產之可換股債券投資有關嵌入之換股權。	資產— 54,475,000港元 (二零一五年：78,428,000港元)	第3級	二項式模式 公平值乃基於期權年期之無風險利率及股價(來自可觀察市場數據)、領航醫藥及生物科技有限公司(「領航醫藥」)股價預期波幅、股份預期股息收益率及行使價估計。	領航醫藥之股價預期波幅乃經參考領航醫藥過往股價釐定。	領航醫藥股價波幅越大，公平值越高。(附註)

Note: A slight increase/decrease in the expected volatility of the share price of Innovative Pharm used in valuation would result in significant increase/decrease in the fair value measurement of the conversion options embedded in investments in convertible bonds. A 5% increase/decrease in the expected volatility of the share price of Innovative Pharm holding all other variables constant would increase/decrease the carrying amount of the conversion options embedded in the convertible bonds by HK\$17,022,000 (2015: HK\$5,520,000)/HK\$7,269,000 (2015: HK\$5,520,000).

附註：估值中所採用之領航醫藥股價預期波幅輕微上升/下跌，將導致於可換股債券投資有關嵌入之換股權公平值計量大增加/減少。領航醫藥股價預期波幅上升/下跌5%，而所有其他可變因素保持不變，可換股債券有關嵌入之換股權賬面值將增加/減少17,022,000港元(二零一五年：5,520,000港元)/7,269,000港元(二零一五年：5,520,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

There is no transfer between different levels of the fair value hierarchy for the years ended 31 March 2016 and 2015. The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Reconciliation of Level 3 fair value measurements of derivative financial instruments included in investments in convertible bonds

		HK\$'000 千港元
As at 1 April 2015	於二零一五年四月一日	78,428
Change in fair value loss in profit or loss	損益中之公平值變動虧損	(23,953)
As at 31 March 2016	於二零一六年三月三十一日	54,475

Loss from change in fair value recognised in profit or loss relates to the conversion option embedded in Innovative Pharm Bonds as defined in note 21 and is included "Other gains and losses, net".

Fair value measurements and valuation processes

The management of the Company is ultimately responsible for the determination of the appropriate valuation techniques and inputs for fair value measurements that the Company uses as its basis of valuations.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified valuers to perform the valuation. The Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model and reports the findings to the board of directors of the Company every half year to explain the cause of fluctuations in the fair value of the financial instruments.

Information about the valuation techniques and inputs used in determining the fair value of the financial instruments are disclosed above.

6. 金融工具(續)

截至二零一六年及二零一五年三月三十一日止年度，不同公平值架構級別之間概無任何轉移。董事認為，按攤銷成本於綜合財務報表入賬之金融資產及金融負債之賬面值與其公平值相若。

計入可換股債券投資之衍生金融工具之第三級公平值計量之對賬表

		HK\$'000 千港元
As at 1 April 2015	於二零一五年四月一日	78,428
Change in fair value loss in profit or loss	損益中之公平值變動虧損	(23,953)
As at 31 March 2016	於二零一六年三月三十一日	54,475

於損益中確認之公平值變動虧損乃與領航醫藥債券有關嵌入之換股權(定義見附註21)相關，並計入「其他收益及虧損淨額」。

公平值計量及估值流程

本公司管理層對決定本公司用作估值基準的公平值計量之適當估值技巧及輸入數據負最終責任。

於估計資產或負債之公平值時，本集團盡可能使用可觀察市場數據。在並無第1級輸入數據的情況下，本集團委聘獨立合資格估值師進行估值。本公司與合資格外聘估值師緊密合作，以設立模式適用之估值技巧及輸入數據，並每半年向本公司董事會匯報結果以解釋導致金融工具公平值波動的原因。

有關釐定金融工具之公平值所用估值技巧及輸入數據的資料於上文披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



7. Revenue and Segment Information

Revenue for the year represents the fair value of amounts received and receivable for goods sold to outside customers, less discounts and sales-related taxes for the year, and is analysed as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Manufacturing of pharmaceutical products	製造藥品	42,893	37,288
Trading of pharmaceutical products	藥品貿易	99,308	91,545
		142,201	128,833

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they provide. Each of the Group's operating segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summarised details of the reportable and operating segments are as follows:

- (a) the manufacturing segment engages in the development, manufacture and sales of pharmaceutical products;
- (b) the trading segment engages in the marketing and distribution of imported pharmaceutical products; and
- (c) the gene development segment engages in the commercial exploitation and development of genome-related technology.

An operating segment regarding oral insulin development and commercialisation was discontinued in the year ended 31 March 2015 upon the disposal of Smart Ascent Limited ("Smart Ascent") and its subsidiaries ("Smart Ascent Group"). The segment information reported below does not include any amounts for the discontinued operation, which are described in more details in note 14.

7. 收益及分類資料

年內收益指向外界客戶出售貨品而已收及應收款項之公平值扣除年內之折扣及銷售相關稅項，分析如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
製造藥品	42,893	37,288
藥品貿易	99,308	91,545
	142,201	128,833

本集團之經營業務乃按照其業務性質及所提供之產品獨立分類及管理。本集團各經營分類乃提供產品之策略性業務單位，各經營分類之風險及回報不盡相同。可呈報經營分類之概要詳情如下：

- (a) 製造分類從事開發、製造及銷售醫藥產品；
- (b) 貿易分類從事推廣及經銷進口醫藥產品；及
- (c) 基因開發分類從事基因相關技術之商業開發及研發。

於截至二零一五年三月三十一日止年度，有關口服胰島素開發及商品化之經營分類已於出售進生有限公司(「進生」)及其附屬公司(「進生集團」)後終止。下文所呈報之分類資料不包括已終止經營業務之任何金額，有關金額乃於附註14詳述。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

7. Revenue and Segment Information (Continued) 7. 收益及分類資料(續)

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment.

Continuing operations

分類收益及業績

以下為按可呈報經營分類劃分之本集團持續經營業務收益及業績分析。

持續經營業務

		Manufacturing		Trading		Gene development		Total	
		製造		貿易		基因開發		總計	
		2016	2015	2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue	收益								
Sales to external customers	向外間客戶銷售	42,893	37,288	99,308	91,545	—	—	142,201	128,833
Segment results	分類業績	(20,218)	(33,182)	16,829	12,682	(81)	(81)	(3,470)	(20,581)
Unallocated other income	未分配之其他收入							67,798	40,542
Unallocated other gains and losses, net	未分配之其他收益及虧損淨額							(23,953)	(58,218)
Corporate expenses	企業開支							(6,597)	(8,417)
Effective interest expense on convertible bonds	可換股債券之實際利息開支							(4,688)	(3,938)
Share of results of an associate	應佔一間聯營公司業績							(1,600)	(1,534)
Profit (loss) before taxation	除稅前溢利(虧損)							27,490	(52,146)
Taxation	稅項							(90)	(92)
Profit (loss) for the year	本年度溢利(虧損)							27,400	(52,238)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



7. Revenue and Segment Information (Continued) 7. 收益及分類資料(續)

Segment revenues and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of interest income, effective interest income from investments in convertible bonds, other gains and losses, net, corporate expenses, share of results of an associate and effective interest expense on convertible bonds. This is the measure reported to the chief operating decision makers, being the executive and non-executive directors of the Company, for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment.

分類收益及業績(續)

經營分類之會計政策與附註3所述本集團之會計政策相同。分類溢利(虧損)指在並無分配利息收入、可換股債券投資之實際利息收入、其他收益及虧損淨額、企業開支、應佔一間聯營公司業績及可換股債券之實際利息開支之情況下，各分類賺取之溢利(產生之虧損)。此計量為向主要經營決策者(即本公司執行及非執行董事)呈報以用作資源分配及表現評估。

分類資產及負債

以下為按可呈報經營分類劃分之本集團資產及負債分析。

	Manufacturing 製造		Trading 貿易		Gene development 基因開發		Total 總計	
	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Segment assets	分類資產							
Continuing operations	持續經營業務							
Segment assets	212,943	237,204	128,759	105,192	6	6	341,708	342,402
Investments in convertible bonds							362,960	349,220
Interest in an associate							333,866	335,466
Corporate and other assets							122,319	111,555
Total assets							1,160,853	1,138,643
Segment liabilities	分類負債							
Continuing operations	持續經營業務							
Segment liabilities	83,260	75,620	11,845	15,134	64	64	95,169	90,818
Convertible bonds							29,670	24,982
Corporate and other liabilities							20,115	26,464
Total liabilities							144,954	142,264

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

7. Revenue and Segment Information (Continued) 7. 收益及分類資料(續)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than investments in convertible bonds, interest in an associate and corporate and other assets; and
- all liabilities are allocated to operating segments other than convertible bonds and corporate and other liabilities.

Other segment information

Continuing operations

分類資產及負債(續)

就監察分類表現及於分類間分配資源而言：

- 除可換股債券投資、於一間聯營公司之權益及企業及其他資產外，所有資產均分配至經營分類；及
- 除可換股債券及企業及其他負債外，所有負債均分配至經營分類。

其他分類資料

持續經營業務

	Manufacturing 製造		Trading 貿易		Gene development 基因開發		Total 總計	
	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Amounts included in the measure of segment profit or loss:								
Depreciation and amortisation	6,323	5,822	103	104	—	—	6,426	5,926
Allowance for bad and doubtful debts, net	9,004	12,920	—	—	—	—	9,004	12,920
Impairment on other receivables	717	—	—	—	—	—	717	—
Gain on disposal of property, plant and equipment, net	(71)	—	3	—	—	—	(68)	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



7. Revenue and Segment Information (Continued) 7. 收益及分類資料(續)

Geographical information

The Group's operations are located in the PRC and Malaysia.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the customers and distributors. Information about the Group's non-current assets is presented based on the geographical location of the assets.

地理資料

本集團之業務位於中國及馬來西亞。

有關來自外間客戶之本集團持續經營業務收益之資料乃按客戶及經銷商所在地呈列。有關本集團非流動資產之資料乃按資產所在地理位置呈列。

		Revenue from external customers 來自外間客戶之收益		Non-current assets 非流動資產	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Note) (附註)	2015 二零一五年 HK\$'000 千港元 (Note) (附註)
Hong Kong	香港	—	—	658	718
The PRC	中國	114,030	85,352	172,964	187,706
Macau	澳門	28,171	43,481	—	—
		142,201	128,833	173,622	188,424

Note: Non-current assets excluded financial instruments, intangible assets and interest in an associate.

附註：非流動資產不包括金融工具、無形資產及於一間聯營公司之權益。

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue are as follows:

主要客戶資料

相關年度貢獻超過總收益10%客戶之收益如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Customer A	客戶甲	71,137	48,064
Customer B	客戶乙	28,171	43,481

Note: Revenue from customers A and B are generated from trading of pharmaceutical products.

附註：來自客戶甲及客戶乙之收益均由藥品貿易所產生。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

8. Other Income

8. 其他收入

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Continuing operations	持續經營業務		
Interest income	利息收入	831	1,012
Rental income	租金收入	228	222
Sundry income	雜項收入	930	416
Effective interest income from investments in convertible bonds (note 21)	可換股債券投資之實際利息收入(附註21)	62,718	37,245
Imputed interest income from amount due from an associate (note 24)	應收一間聯營公司款項之估算利息收入(附註24)	3,091	1,647
		67,798	40,542

9. Other Gains and Losses, Net

9. 其他收益及虧損淨額

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Continuing operations	持續經營業務		
Gain on disposal of property, plant and equipment, net	出售物業、廠房及設備之收益淨額	68	—
Change in fair value of derivative component of investments in convertible bonds (note 21)	可換股債券投資之衍生部分之公平值變動(附註21)	(23,953)	(58,218)
Allowance for bad and doubtful debts, net (note 26)	呆壞賬撥備淨額(附註26)	(9,004)	(12,920)
Impairment on other receivables	其他應收款項減值	(717)	—
		(33,606)	(71,138)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



10. Profit (Loss) Before Taxation

The Group's profit (loss) before taxation from continuing operations has been arrived at after charging:

10. 除稅前溢利(虧損)

本集團持續經營業務之除稅前溢利(虧損)已扣除以下各項：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Amortisation of prepaid lease payments 預付租賃付款攤銷	243	249
Depreciation of investment properties 投資物業折舊	59	59
Depreciation of property, plant and equipment 物業、廠房及設備折舊	6,235	5,970
Auditors' remuneration 核數師酬金	728	768
Cost of inventories recognised as expenses 確認為費用之存貨成本	72,888	77,776
Including: Allowance for inventories (Note) 包括：存貨撥備(附註)	713	1,149
Operating lease charges in respect of land and buildings 有關土地及樓宇之經營租賃費用	1,925	1,859
Staff cost (including directors' emoluments) 員工成本(包括董事薪酬)		
Salaries, bonus and allowances 薪金、花紅及津貼	19,428	21,189
Retirement benefits scheme contributions 退休福利計劃供款	3,203	2,941

Note: Allowance for inventories is reversed when the relevant inventory is utilised/sold.

附註：存貨撥備於有關存貨被動用/出售時撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

11. Taxation

11. 稅項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Continuing operations	持續經營業務		
Current tax:	即期稅項：		
Hong Kong	香港	70	69
Other jurisdictions	其他司法權區	50	50
		120	119
(Over) provision in prior years	以往年度(超額)撥備		
Hong Kong	香港	(20)	(20)
Other jurisdictions	其他司法權區	(10)	(7)
		(30)	(27)
Taxation	稅項	90	92

Hong Kong Profits Tax has been provided at the rate of 16.5% (2015: 16.5%) of the estimated assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

於該兩個年度，香港利得稅乃按估計應課稅溢利以稅率16.5%（二零一五年：16.5%）作出撥備。

根據中國企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，由二零零八年一月一日起中國附屬公司之稅率為25%。

於其他司法權區產生之稅項乃按有關司法權區現行稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



11. Taxation (Continued)

The tax charge for the year can be reconciled to the profit (loss) before taxation from continuing operations per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 稅項(續)

本年度稅項開支與綜合損益及其他全面收益表所列之持續經營業務除稅前溢利(虧損)對賬如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit (loss) before taxation from continuing operations	持續經營業務之除稅前溢利(虧損)	27,490	(52,146)
Tax at the domestic income tax rates	按本地所得稅稅率計算之稅項	2,965	(13,037)
Tax effect of expenses not deductible	不可扣稅之開支之稅務影響	3,524	18,230
Tax effect of income not taxable	不應課稅之收入之稅務影響	(11,932)	(10,032)
Tax effect of temporary differences not recognised	未確認暫時差額之稅務影響	1,198	5,129
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	4,365	2,485
Tax effect of share of results of an associate	應佔一間聯營公司業績之稅務影響	—	384
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司不同稅率之影響	—	(3,040)
Over provision in prior years	過往年度超額撥備	(30)	(27)
Taxation	稅項	90	92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

12. Directors' and Chief Executive's Emoluments

12. 董事及最高行政人員酬金

Name of director 董事姓名	Fee 袍金		Salaries and other benefits 薪金及其他福利		Retirement benefit scheme contributions 退休福利計劃供款		Total 總計	
	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Xie Yi 謝毅	60	60	1,316	1,316	—	—	1,376	1,376
Lou Yi 樓屹	60	60	487	487	—	—	547	547
Cheng Yong 程勇	60	20	487	487	—	—	547	507
Wong Sau Kuen 王秀娟	60	60	787	715	18	18	865	793
Liu Kwok Wah 廖國華	60	20	995	975	18	18	1,073	1,013
Fang Lin Hu 方林虎	60	60	—	—	—	—	60	60
Xue Jing Lun 薛京倫	60	60	—	—	—	—	60	60
Jin Song 金松	60	60	—	—	—	—	60	60
	480	400	4,072	3,980	36	36	4,588	4,416

Xie Yi is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

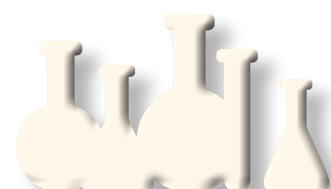
No emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office for both years. None of the directors has waived or agreed to waive any emoluments for both years.

謝毅亦為本公司最高行政人員，其上述披露酬金包括其作為最高行政人員所提供服務的酬金。

於該兩個年度內，本集團並無向任何董事支付酬金，作為加入本集團或入職時之誘勵或離職補償。於該兩個年度內，概無任何董事放棄或同意放棄收取任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



13. Employees' Emoluments

The five individuals whose emoluments were the highest in the Group for the year include four (2015: four) directors whose emoluments are shown in note 12. The emoluments paid to the remaining individual (2015: one) for the year ended 31 March 2016 were as follows:

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and allowance 薪金及津貼	583	563
Retirement benefit scheme contributions 退休福利計劃供款	18	18
	601	581

13. 僱員酬金

本集團本年度之五位最高薪酬人士包括四名(二零一五年:四名)董事, 彼等之酬金載於附註12。截至二零一六年三月三十一日止年度向其餘一名(二零一五年:一名)人士支付之酬金如下:

	Number of individuals 人數	
	2016 二零一六年	2015 二零一五年
Their emoluments were within the following bands: nil to HK\$1,000,000 彼等之酬金介乎下列範圍內: 零至1,000,000港元	1	1

During both years, no emoluments were paid by the Group to the five highest paid individuals and directors as an inducement to join or upon joining the Group.

於該兩個年度內, 本集團並無向五名最高薪人士及董事支付酬金, 作為加入本集團或入職時支付之誘勵。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

14. Discontinued Operation

On 17 March 2014, Extrawell (BVI) Limited (“Extrawell (BVI)”), a wholly-owned subsidiary of the Company and Clear Rich International Limited (“Clear Rich”), a wholly-owned subsidiary of United Gene High-Tech Group Limited (“United Gene”), a limited liability company incorporated in the Cayman Islands and continued in Bermuda and its shares are listed on the Main Board of the Stock Exchange. United Gene changed its name to Innovative Pharmaceutical Biotech Limited (“Innovative Pharm”) with effect from 8 October 2015. Innovative Pharm held 19.14% (2015: 19.14%) equity interest in the Company as at 31 March 2016 and accounted for the Company as its associate, entered into a sale and purchase agreement pursuant to which Extrawell (BVI) would dispose of 51% equity interest of Smart Ascent to Clear Rich for a total consideration of HK\$780,000,000, which would be satisfied by the issuance of convertible bonds by Innovative Pharm in the principal amount of HK\$715,000,000 and cash consideration of HK\$65,000,000 (the “Disposal”). Smart Ascent Group was engaged in the research and development of oral insulin product. The Disposal was completed on 28 July 2014. The Group lost control in the Smart Ascent Group upon the completion of the Disposal and Smart Ascent became an associate of the Group. The Group’s oral insulin development and commercialisation operation was classified as discontinued operation for the year ended 31 March 2015.

14. 已終止經營業務

於二零一四年三月十七日，本公司之全資附屬公司Extrawell (BVI) Limited (「Extrawell (BVI)」) 與聯合基因科技集團有限公司(「聯合基因」，一間於開曼群島註冊成立及於百慕達存續之有限公司，其股份於聯交所主板上市。聯合基因將其名稱更改為領航醫藥及生物科技有限公司(「領航醫藥」)，自二零一五年十月八日起生效。於二零一六年三月三十一日，領航醫藥持有本公司之19.14%(二零一五年：19.14%) 股權並將本公司入賬為其聯營公司) 之全資附屬公司Clear Rich International Limited (「Clear Rich」) 訂立買賣協議，據此，Extrawell (BVI) 將向Clear Rich出售進生之51% 股權，總代價為780,000,000港元，將由領航醫藥發行本金額715,000,000港元之可換股債券及現金代價65,000,000港元支付(「出售事項」)。進生集團從事口服胰島素產品的研發。出售事項已於二零一四年七月二十八日完成。於出售事項完成時，本集團失去對進生集團之控制權，而進生成為本集團之聯營公司。截至二零一五年三月三十一日止年度，本集團之口服胰島素開發及商品化業務分類為已終止經營業務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



14. Discontinued Operation (Continued)

The results from the discontinued operation for the year ended 31 March 2015 are analysed as follows.

14. 已終止經營業務(續)

已終止經營業務截至二零一五年三月三十一日止年度之業績於下文分析。

		2015 二零一五年 HK\$'000 千港元
Other income	其他收入	—
Administrative expenses	行政費用	(719)
Research and development expenses	研發費用	(3,605)
Loss before taxation	除稅前虧損	(4,324)
Taxation	稅項	—
Loss for the year from discontinued operation	已終止經營業務之年內虧損	(4,324)
Gain on disposal of subsidiaries (note 37)	出售附屬公司之收益(附註37)	611,867
		607,543
Profit (loss) for the year attributable to:	以下人士應佔本年度溢利(虧損):	
Owners of the Company	本公司擁有人	609,645
Non-controlling interests	非控股權益	(2,102)
		607,543

During the year ended 31 March 2015, the oral insulin operations paid HK\$4,324,000 in respect of the Group's net operating cash flows. There are no cash flows from investing and financing activities.

於截至二零一五年三月三十一日止年度，就本集團之經營現金流量淨額而言，口服胰島素業務導致支出4,324,000港元。投資及融資活動概無產生任何現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

15. Earnings (Loss) Per Share

For continuing and discontinued operations

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

Earnings

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	用於計算每股基本盈利之盈利 (本公司擁有人應佔本年度溢利)	32,781	565,457
Effect of dilutive potential ordinary shares:	具攤薄效應之潛在普通股之影響:		
Interest on convertible bonds (Note)	可換股債券利息(附註)	4,688	—
Earnings for the purpose of diluted earnings per share	用於計算每股攤薄盈利之盈利	37,469	565,457

Number of shares

		2016 二零一六年	2015 二零一五年
Weighted average number of ordinary shares for the purpose of basic earnings per share	用於計算每股基本盈利之普通股加權平均數	2,390,000,000	2,390,000,000
Effect of dilutive potential ordinary shares:	具攤薄效應之潛在普通股之影響:		
Convertible bonds (Note)	可換股債券(附註)	900,000,000	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用於計算每股攤薄盈利之普通股加權平均數	3,290,000,000	2,390,000,000

Note: The computation of diluted earnings per share for the year ended 31 March 2015 does not assume the conversion of the Company's outstanding convertible bonds as their assumed conversion would decrease the loss per share from continuing operations for the year then ended.

15. 每股盈利(虧損)

持續及已終止經營業務

本公司擁有人應佔每股基本及攤薄盈利乃按下列數據計算:

盈利

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	用於計算每股基本盈利之盈利 (本公司擁有人應佔本年度溢利)	32,781	565,457
Effect of dilutive potential ordinary shares:	具攤薄效應之潛在普通股之影響:		
Interest on convertible bonds (Note)	可換股債券利息(附註)	4,688	—
Earnings for the purpose of diluted earnings per share	用於計算每股攤薄盈利之盈利	37,469	565,457

股份數目

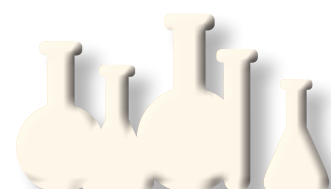
		2016 二零一六年	2015 二零一五年
Weighted average number of ordinary shares for the purpose of basic earnings per share	用於計算每股基本盈利之普通股加權平均數	2,390,000,000	2,390,000,000
Effect of dilutive potential ordinary shares:	具攤薄效應之潛在普通股之影響:		
Convertible bonds (Note)	可換股債券(附註)	900,000,000	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用於計算每股攤薄盈利之普通股加權平均數	3,290,000,000	2,390,000,000

附註: 計算截至二零一五年三月三十一日止年度每股攤薄盈利時並無假設本公司未轉換可換股債券被轉換, 因為假如該等可換股債券被轉換則會導致截至該日止年度來自持續經營業務之每股虧損減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



15. Earnings (Loss) Per Share (Continued)

From continuing operations

The calculation of the basic and diluted earnings (loss) per share from continuing operations attributable to owners of the Company is based on the following data:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Earnings (loss) figures are calculated as follows:	盈利(虧損)數字乃按下列各項計算:		
Profit for the year attributable to owners of the Company from continuing and discontinued operations	本公司擁有人應佔持續及已終止經營業務之本年度溢利	32,781	565,457
Less: profit for the year from discontinued operation attributable to owners of the Company (note 14)	減: 本公司擁有人應佔已終止經營業務本年度溢利(附註14)	—	(609,645)
Earnings (loss) for the purpose of basic earnings (loss) per share from continuing operations	用於計算持續經營業務之每股基本盈利(虧損)之盈利(虧損)	32,781	(44,188)
Effect of dilutive potential ordinary shares:	具攤薄效應之潛在普通股之影響:		
Interest on convertible bonds	可換股債券利息	4,688	—
Earnings (loss) for the purpose of diluted earnings (loss) per share	用於計算每股攤薄盈利(虧損)之盈利(虧損)	37,469	(44,188)

The denominators used are the same as those detailed above for basic and diluted earnings per share from continuing and discontinued operations.

From discontinued operation

Basic and diluted earnings per share for the discontinued operation is HK\$ nil cents per share (2015: basic and diluted earnings of HK25.51 cent per share), based on the earnings for the last year from discontinued operation of HK\$ nil (2015: profit of HK\$609,645,000) and the denominators detailed above for both basic and diluted earnings (loss) per share from continuing and discontinued operations.

15. 每股盈利(虧損)(續)

來自持續經營業務

本公司擁有人應佔持續經營業務之每股基本及攤薄盈利(虧損)乃按下列數據計算:

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
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Earnings (loss) figures are calculated as follows:	盈利(虧損)數字乃按下列各項計算:		
Profit for the year attributable to owners of the Company from continuing and discontinued operations	本公司擁有人應佔持續及已終止經營業務之本年度溢利	32,781	565,457
Less: profit for the year from discontinued operation attributable to owners of the Company (note 14)	減: 本公司擁有人應佔已終止經營業務本年度溢利(附註14)	—	(609,645)
Earnings (loss) for the purpose of basic earnings (loss) per share from continuing operations	用於計算持續經營業務之每股基本盈利(虧損)之盈利(虧損)	32,781	(44,188)
Effect of dilutive potential ordinary shares:	具攤薄效應之潛在普通股之影響:		
Interest on convertible bonds	可換股債券利息	4,688	—
Earnings (loss) for the purpose of diluted earnings (loss) per share	用於計算每股攤薄盈利(虧損)之盈利(虧損)	37,469	(44,188)

所採用之分母與上文詳述之計算來自持續及已終止經營業務之每股基本及攤薄盈利時所採用者一致。

來自已終止經營業務

根據來自已終止經營業務之上一年度盈利零港元(二零一五年: 溢利609,645,000港元)及上文詳述之用作計算來自持續及已終止經營業務之每股基本及攤薄盈利(虧損)之分母, 來自已終止經營業務之每股基本及攤薄盈利為每股零港仙(二零一五年: 每股基本及攤薄盈利25.51港仙)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

16. Dividends

The directors do not recommend the payment of dividend for the year ended 31 March 2016 (2015: nil).

16. 股息

董事不建議就截至二零一六年三月三十一日止年度派發股息(二零一五年：無)。

17. Investment Properties

17. 投資物業

		HK\$'000 千港元
COST	成本	
At 1 April 2014, 31 March 2015 and 31 March 2016	於二零一四年四月一日、二零一五年三月三十一日及二零一六年三月三十一日	8,057
DEPRECIATION AND IMPAIRMENT	折舊及減值	
At 1 April 2014	於二零一四年四月一日	6,383
Charge for the year	本年度列支	59
At 31 March 2015	於二零一五年三月三十一日	6,442
Charge for the year	本年度列支	59
At 31 March 2016	於二零一六年三月三十一日	6,501
CARRYING VALUES	賬面值	
At 31 March 2016	於二零一六年三月三十一日	1,556
At 31 March 2015	於二零一五年三月三十一日	1,615

The above investment properties are depreciated using the straight line method, after taking into account their estimated residual value, over the lease terms of the leasehold land.

上述投資物業經考慮其估計剩餘價值後，於租賃土地之租期內以直線法折舊。

The Group's investment properties are held outside Hong Kong under medium-term lease.

本集團之投資物業以中期租約於香港境外持有。

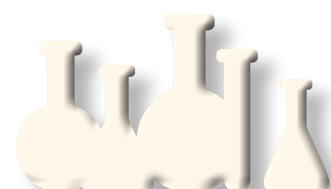
The fair values of the Group's investment properties at 31 March 2016 amounting to RMB3,000,000 (2015: RMB2,800,000) have been arrived at on the basis of valuations carried out on that date by Roma Appraisals Limited, an independent qualified valuer not connected with the Group. The valuations were arrived at by direct comparison approach with reference to market evidence of comparable transaction prices for similar properties as available in the relevant market.

於二零一六年三月三十一日，本集團之投資物業公平值為人民幣3,000,000元(二零一五年：人民幣2,800,000元)，金額乃按與本集團並無關連之獨立合資格估值師羅馬國際評估有限公司於該日進行之估值基準達致。估值乃經參考相關市場中可得的類似物業可資比較交易價格的市場憑證後按直接比較法達致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



18. Property, Plant and Equipment

18. 物業、廠房及設備

		Buildings	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
		樓宇	廠房及機器	傢俬、固定裝置及設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
COST	成本					
At 1 April 2014	於二零一四年四月一日	142,432	33,567	6,772	5,359	188,130
Additions	添置	—	4,205	8	383	4,596
Exchange realignment	匯兌調整	3,454	850	60	126	4,490
At 31 March 2015	於二零一五年三月三十一日	145,886	38,622	6,840	5,868	197,216
Additions	添置	—	278	203	—	481
Disposals	出售	—	—	(31)	(1,121)	(1,152)
Exchange realignment	匯兌調整	(6,742)	(1,869)	(119)	(229)	(8,959)
At 31 March 2016	於二零一六年三月三十一日	139,144	37,031	6,893	4,518	187,586
DEPRECIATION AND IMPAIRMENT	折舊及減值					
At 31 March 2014	於二零一四年三月三十一日	5,455	205	4,677	4,815	15,152
Charge for the year	本年度列支	3,009	2,401	409	151	5,970
Exchange realignment	匯兌調整	18	5	27	114	164
At 31 March 2015	於二零一五年三月三十一日	8,482	2,611	5,113	5,080	21,286
Charge for the year	本年度列支	2,933	2,680	388	234	6,235
Disposals	出售	—	—	(28)	(1,121)	(1,149)
Exchange realignment	匯兌調整	(236)	(191)	(74)	(196)	(697)
At 31 March 2016	於二零一六年三月三十一日	11,179	5,100	5,399	3,997	25,675
CARRYING VALUES	賬面值					
At 31 March 2016	於二零一六年三月三十一日	127,965	31,931	1,494	521	161,911
At 31 March 2015	於二零一五年三月三十一日	137,404	36,011	1,727	788	175,930

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

18. Property, Plant and Equipment (Continued)

The carrying value of buildings comprises properties located on:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Land outside Hong Kong: Medium-term leases	香港境外土地： 中期租約	127,965	137,404

During the reporting period, the Group reviewed the estimated useful lives of certain plant and machinery and considered it is appropriate to adjust the annual depreciation rate of plant and machinery from a range of 10% to 20% to a range of 6.67% to 20%. Such adjustment in depreciation rate which is effective from 1 April 2015 and to be applied prospectively, constitutes a change in accounting estimates. The effect of such change on the depreciation expenses for the year amounted to HK\$800,000.

18. 物業、廠房及設備(續)

樓宇之賬面值包括位於以下地區之物業：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
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於報告期內，本集團審閱若干廠房及機器之估計可使用年期，並認為將廠房及機器之年折舊率由介乎10%至20%調整至介乎6.67%至20%乃屬恰當。有關折舊率調整自二零一五年四月一日起生效，並於日後應用，構成會計估計的變動。有關年內折舊開支變動的影響為800,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



19. Prepaid Lease Payments

19. 預付租賃付款

		HK\$'000 千港元
COST	成本	
At 1 April 2014	於二零一四年四月一日	14,664
Exchange realignment	匯兌調整	271
At 31 March 2015	於二零一五年三月三十一日	14,935
Exchange realignment	匯兌調整	(528)
At 31 March 2016	於二零一六年三月三十一日	14,407
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值	
A 1 April 2014	於二零一四年四月一日	3,792
Charge for the year	本年度列支	249
Exchange realignment	匯兌調整	15
At 31 March 2015	於二零一五年三月三十一日	4,056
Charge for the year	本年度列支	243
Exchange realignment	匯兌調整	(47)
At 31 March 2016	於二零一六年三月三十一日	4,252
CARRYING VALUES	賬面值	
At 31 March 2016	於二零一六年三月三十一日	10,155
At 31 March 2015	於二零一五年三月三十一日	10,879

Note: Jilin Extrawell Changbaishan Pharmaceutical Co., Ltd. ("JECPC"), a subsidiary of the Company, disposed its land in Changchun in 2014. JECPC is still in the process of transferring the legal title of the land to the purchaser.

附註：本公司附屬公司吉林精優長白山藥業有限公司(「吉林精優」)於二零一四年出售其位於長春的土地。吉林精優仍正在向買方轉移該土地的法定業權。

The Group's interests in prepaid lease payments are analysed as follows:

本集團之預付租賃付款權益分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Land outside Hong Kong: Medium-term leases	香港境外土地： 中期租約	10,155	10,879

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

20. Intangible Assets

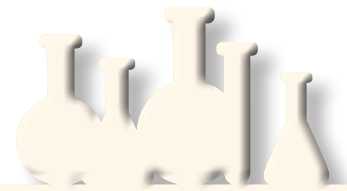
20. 無形資產

		In-process R&D 進行中 之研發 HK\$'000 千港元	Technological know-how 技術專業 知識 HK\$'000 千港元	Gene invention rights 基因 發明權 HK\$'000 千港元	Goodwill 商譽 HK\$'000 千港元 (Note) (附註)	Total 總計 HK\$'000 千港元
COST	成本					
At 1 April 2014	於二零一四年 四月一日	284,260	11,444	95,000	1,807	392,511
Disposal of subsidiaries (Note 37)	出售附屬公司 (附註37)	(284,260)	—	—	—	(284,260)
At 31 March 2015 and 2016	於二零一五年及 二零一六年 三月三十一日	—	11,444	95,000	1,807	108,251
AMORTISATION AND IMPAIRMENT	攤銷及減值					
At 1 April 2014, 31 March 2015 and 2016	於二零一四年 四月一日、 二零一五年及 二零一六年 三月三十一日	—	11,444	95,000	—	106,444
CARRYING VALUES	賬面值					
At 31 March 2016	於二零一六年 三月三十一日	—	—	—	1,807	1,807
At 31 March 2015	於二零一五年 三月三十一日	—	—	—	1,807	1,807

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



20. Intangible Assets (Continued)

Note:

Goodwill represents the excess of the cost of acquisition over the net fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities arising from an acquisition of additional 5.49% equity interest of Changchun Extrawell Pharmaceutical Co., Ltd. ("CEP") from a non-controlling interest in 2009. The carrying amount of goodwill was allocated to the cash-generating units ("CGU") of the Group's operations related to manufacturing of pharmaceutical products.

Management had conducted an impairment assessment of the non-current assets in the segment. For the purpose of impairment testing, goodwill of HK\$1,807,000 (2015: HK\$1,807,000) and property, plant and equipment and prepaid lease payment of HK\$159,828,000 (2015: HK\$173,570,000) and HK\$9,387,000 (2015: HK\$10,082,000) respectively related to manufacturing of pharmaceutical products were allocated to the CGU. A CGU is considered to be impaired when its recoverable amount declines below its carrying amount. The recoverable amount is the higher of value in use and fair value less costs of disposal.

The recoverable amount of the relevant CGU has been determined on the basis of value in use calculations. The recoverable amount was based on certain similar key assumptions. The value in use calculation used cash flow projections based on financial budgets approved by management covering a five-year period and at a discount rate of 14.71% (2015: 15.08%). The cash flows beyond the five-year period are extrapolated using no more than 2.5% (2015: 2.5%) growth rate. The growth rate is based on the relevant industry growth forecasts and average long-term growth rate for the relevant industry. The key assumptions for the value in use calculation are those regarding the discount rate, growth rate and budgeted gross margin and revenue during the budget period which had been determined based on past performance and management's expectations for the market development. The directors are of the opinion that no impairment provision is required on goodwill, property, plant and equipment and prepaid lease payments for the current or prior year.

20. 無形資產(續)

附註：

商譽指於二零零九年另外收購非控股權益於長春精優藥業股份有限公司(「長春精優」)之5.49%股本權益產生之收購成本超出本集團應佔可識別資產、負債及或有負債公平淨值之金額。商譽之賬面值已分配至本集團有關製造藥品之營運之現金產生單位(「現金產生單位」)。

管理層已進行分類中非流動資產的減值評估。就減值測試而言，與生產藥品有關的商譽1,807,000港元(二零一五年：1,807,000港元)及物業、廠房及設備以及預付租賃付款分別159,828,000港元(二零一五年：173,570,000港元)及9,387,000港元(二零一五年：10,082,000港元)已分配至現金產生單位。倘現金產生單位之可收回金額下跌至低於其賬面值，則現金產生單位被視為減值。可收回金額為使用價值與公平值減出售成本兩者中之較高值。

相關現金產生單位之可收回金額已按使用價值計算釐定。可收回金額乃基於若干類似主要假設。使用價值計算利用基於管理層核准之財政預算(涵蓋五年期間)之現金流量預測及14.71%(二零一五年：15.08%)之貼現率。五年期以外之現金流量使用不超過2.5%(二零一五年：2.5%)的增長率推算。增長率之基礎為有關行業之增長預測及有關行業之平均長期增長率。使用價值計算之主要假設為基於過往業績表現及管理層對市場發展的預期而釐定之有關於預算期間之貼現率、增長率及預算毛利率及收入。董事認為本年度或上一年度毋須為商譽、物業、廠房及設備以及預付租賃付款作出減值撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

21. Investments in Convertible Bonds

On 28 July 2014, the Group completed the Disposal with details as set out in note 14 and received consideration with fair value of HK\$435,193,000 comprising (i) cash payment of HK\$65,000,000; and (ii) convertible bonds issued by Innovative Pharm on 28 July 2014 with principal amount of HK\$715,000,000 (the "Innovative Pharm Bonds") and fair value of HK\$370,193,000.

The Innovative Pharm Bonds bear interest at 3.5% per annum payable in arrears annually with maturity on the 7th anniversary of the date of issue of the Innovative Pharm Bonds (the "Maturity Date"). The Group has the right to convert the Innovative Pharm Bonds into shares of Innovative Pharm at any time from the date of issue to the Maturity Date at an initial conversion price of HK\$2.5 per share.

The fair values of the Innovative Pharm Bonds and its components on initial recognition and of the derivative component as at 31 March 2016 are determined based on the valuation conducted by an independent qualified valuer. The methods and assumptions applied for the valuation of the Innovative Pharm Bonds and its components are set out as below:

21. 可換股債券投資

於二零一四年七月二十八日，本集團完成出售事項(詳情載於附註14)，並收取公平值為435,193,000港元之代價，當中包括(i)現金付款65,000,000港元；及(ii)於二零一四年七月二十八日由領航醫藥發行本金額為715,000,000港元之可換股債券(「領航醫藥債券」)而公平值為370,193,000港元。

領航醫藥債券附帶年利率3.5%每年支付之利息，到期日為領航醫藥債券發行日期後第7週年(「到期日」)。本集團擁有於發行日期至到期日之任何時候將領航醫藥債券按初步換股價每股2.5港元轉換為領航醫藥股份之權利。

領航醫藥債券及其於初始確認時之組成部分以及衍生工具部分於二零一六年三月三十一日之公平值乃基於獨立合資格估值師進行之估值而釐定。對領航醫藥債券及其組成部分進行估值所應用之方法及假設載列如下：

		Debt component	Derivative component	Total
		債務部分	衍生 工具部分	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At acquisition date — 28 July 2014	於獲取日期—二零一四年七月二十八日	233,547	136,646	370,193
Effective interest income	實際利息收入	37,245	—	37,245
Change in fair value (note 9)	公平值變動(附註9)	—	(58,218)	(58,218)
At 31 March 2015	於二零一五年三月三十一日	270,792	78,428	349,220
Effective interest income	實際利息收入	62,718	—	62,718
Interest income received	已收利息收入	(25,025)	—	(25,025)
Change in fair value (note 9)	公平值變動(附註9)	—	(23,953)	(23,953)
At 31 March 2016	於二零一六年三月三十一日	308,485	54,475	362,960

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



21. Investments in Convertible Bonds (Continued)

The fair value of debt component of the Innovative Pharm Bonds on initial recognition is determined using the prevailing market interest rate of similar non-convertible debts and is carried at amortised cost subsequently. The effective interest rate is 24.67%. The fair value of the derivative component, which is the embedded conversion option in the Innovative Pharm Bonds is calculated using the Binomial Model. The inputs into the model at the respective dates are as follows:

21. 可換股債券投資(續)

領航醫藥債券債務部分於初始確認時之公平值乃按類似不可轉換債務的現行市場利率釐定並隨後按攤銷成本列賬。實際利率為24.67%。衍生工具部分(領航醫藥債券的嵌入換股權)之公平值以二項式模式計算。該模式於各日期所用輸入數據如下：

		31 March 2016 二零一六年 三月三十一日	31 March 2015 二零一五年 三月三十一日
Stock price (HK\$)	股份價格(港元)	1.10	1.00
Conversion price (HK\$)	轉換價(港元)	2.50	2.50
Discount rate	貼現率	25.11%	24.08%
Risk free rate (Note a)	無風險利率(附註a)	0.942%	1.215%
Expected volatility (Note b)	預期波幅(附註b)	65.913%	76.494%
Expected dividend yield (Note c)	預期股息率(附註c)	0%	0%
Option life (Years)	期權期限(年期)	5.3	6.3

Notes:

- (a) The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation.
- (b) Based on the historical price volatility of Innovative Pharm for the period from 18 July 2008 up to the date of issuance of Innovative Pharm Bonds or up to the end of the reporting date.
- (c) Estimated with reference to the historical dividend payout of Innovative Pharm.

附註：

- (a) 該利率乃參考香港政府債券及庫券於估值日期的孳息率釐定。
- (b) 基於領航醫藥於二零零八年七月十八日至領航醫藥債券發行日期或直至報告期末止期間的過往價格波幅得出。
- (c) 參考領航醫藥的過往股息派付估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

22. Available-For-Sale Investments

22. 可供出售投資

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 April	於四月一日	—	—
Additions	添置	3,012	—
At 31 March	於三月三十一日	3,012	—
Analysed as:	分析為：		
Non-current assets (Note a)	非流動資產(附註a)	—	—
Current assets (Note b)	流動資產(附註b)	3,012	—
		3,012	—

Available-for-sale financial assets were denominated in Renminbi.

The maximum exposure to credit risk at the reporting period end is the carrying value of the debt securities classified as available-for-sale.

None of these financial assets is either past due or impaired.

Notes:

- (a) On 13 January 2012, JECF, a wholly-owned subsidiary of the Company subscribed for Renminbi (“RMB”) 2,500,000 of the registered capital of Shanghai Longmark by way of capital injection. Shanghai Longmark is a company incorporated in China and engaged in provision of health care management services. The subscription was completed in April 2012, and the enlarged registered capital of RMB12,500,000 of Shanghai Longmark was owned as to 20% by JECF and 80% by United Gene HealthCare Limited, Shanghai (“Shanghai United Gene”), which subsequently transferred its 80% interest in Shanghai Longmark to 東龍脈(上海)健康管理服務有限公司 (“東龍脈”) in December 2012. Both Shanghai United Gene and 東龍脈 are indirect wholly-owned subsidiaries of Innovative Pharm. Shanghai Longmark was accounted for as an associate of the Group upon the completion of subscription.

可供出售金融資產以人民幣計值。

於報告期末所面對之最大信貸風險乃分類為可供出售之債務證券之賬面值。

概無該等金融資產為已逾期或減值。

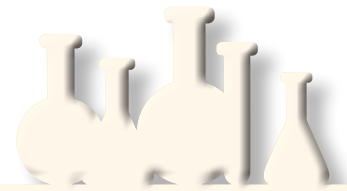
附註：

- (a) 於二零一二年一月十三日，本公司之全資附屬公司吉林精優以注資方式認購人民幣(「人民幣」)2,500,000元之上海龍脈的註冊資本。上海龍脈為一家於中國註冊成立並從事提供健康管理服務的公司。認購事項於二零一二年四月完成，而上海龍脈之經擴大註冊資本人民幣12,500,000元分別由吉林精優擁有20%及聯合基因(上海)健康管理服務有限公司(「上海聯合基因」)擁有80%，上海聯合基因其後於二零一二年十二月轉讓其於上海龍脈的80%權益至東龍脈(上海)健康管理服務有限公司(「東龍脈」)。上海聯合基因及東龍脈均為領航醫藥的間接全資附屬公司。於認購事項完成後，上海龍脈作為本集團的聯營公司入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



22. Available-For-Sale Investments (Continued)

Notes:

(a) (Continued)

On 25 April 2013, JECF entered into a capital injection and subscription agreement with 東龍脈 and Xie Yi, a shareholder and director of the Company, in which Xie Yi agreed to subscribe for RMB7,490,000 (the "Subscription") of the registered capital of Shanghai Longmark. The Subscription was completed in August 2013, and the registered capital of Shanghai Longmark increased from RMB12,500,000 to RMB19,990,000. Accordingly, the Company's equity interest of Shanghai Longmark was diluted from 20% to 12.51%, and the respective shareholding of 東龍脈 and Xie Yi in Shanghai Longmark was 50.02% and 37.47% respectively. As a result of dilution, the Group considered it was no longer in a position to exercise significant influence over Shanghai Longmark and Shanghai Longmark ceased to be an associate of the Group. Shanghai Longmark is accounted for as unlisted available-for-sale investments as the Group has the intention to hold the investment for a continuing strategic and long-term purpose and is measured at cost less impairment. The investment cost was reduced to zero in prior years by share of loss of Shanghai Longmark.

(b) The amount represents short-term highly liquid investments placed in a PRC state-owned financial institution, which are readily convertible to cash. These investments are all denominated in Renminbi with non-determinable return rate. The fair value of these investments are based on estimated return of 2.6%, and the credit quality of these investments can be assessed by reference to historical information or external credit ratings, if any. As at 31 March 2016, none of these investments is either past due or impaired and the Group's maximum exposure to credit risk as at that date is the carrying value of these investments.

The fair value of these investments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

22. 可供出售投資(續)

附註：

(a) (續)

於二零一三年四月二十五日，吉林精優與東龍脈及本公司股東兼董事謝毅訂立注資及認購協議，據此，謝毅同意認購上海龍脈的註冊資本人民幣7,490,000元（「認購事項」）。認購事項已於二零一三年八月完成，故上海龍脈的註冊資本由人民幣12,500,000元增加至人民幣19,990,000元。因此，本公司於上海龍脈的股權由20%攤薄至12.51%，而東龍脈及謝毅於上海龍脈的各自股權分別為50.02%及37.47%。由於股權攤薄，本集團認為其對上海龍脈不再具有重大影響力，而上海龍脈不再為本集團聯營公司。上海龍脈入賬為非上市可供出售投資，原因是本集團擬以持續策略及長期持有投資，且該投資乃按成本減去減值計算。投資成本因分攤上海龍脈的虧損而於過往年度調減至零。

(b) 該款項指存放於一間中國國有金融機構並可即時轉換為現金之短期高流通量投資。該等投資全部均以人民幣計值，而其回報率乃屬不可釐定。該等投資的公平值乃按2.6%的估計回報得出，而該等投資的信貸質素可經參考過往資料或外部信貸評級（如有）予以評估。於二零一六年三月三十一日，該等投資概未逾期或減值，而本集團於該日所面臨的最高信貸風險為該等投資的賬面值。

該等投資並非在活躍市場買賣，而其公平值乃使用估值技術釐定。於存在可觀察市場數據時，該等估值技術盡量運用有關數據，並盡可能減少依賴實體的特定估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

23. Interest in an Associate

23. 於一間聯營公司之權益

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost of investment in associate, unlisted (Note)	於一間聯營公司之投資成本，非上市(附註)	337,000	337,000
Share of post-acquisition losses and other comprehensive expense	應佔收購後虧損及其他全面開支	(3,134)	(1,534)
		333,866	335,466

Note: This represents the fair value as at 28 July 2014 of the 49% equity interest in Smart Ascent as retained by the Group upon completion of the Disposal.

附註：此乃指完成出售事項時本集團所保留進生之49%股權於二零一四年七月二十八日之公平值。

As at 31 March 2016, in view of the nature of the In-process R&D owned by the Smart Ascent Group, the directors of the Company have performed impairment assessments on the interest in the associate by reference to the valuation conducted by an independent qualified valuer. The recoverable amount of the associate is determined based on share of the estimated fair value of the In-process R&D. Based on the assessment, the recoverable amount of the Group's interest in an associate is estimated to be higher than the carrying amount and no impairment is considered necessary as at 31 March 2016 (2015: nil).

於二零一六年三月三十一日，鑒於進生集團所擁有進行中之研發的性質，本公司董事已經參考獨立合資格估值師進行的估值，就於聯營公司之權益進行減值評估。聯營公司之可收回金額乃根據應佔進行中之研發的估計公平值釐定。根據有關評估，於二零一六年三月三十一日，本集團於一間聯營公司之權益的可收回金額估計高於有關賬面值，並認為毋須作出減值(二零一五年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



23. Interest in an Associate (Continued)

On completion of the Disposal as described in note 37, Smart Ascent ceased to be a subsidiary of the Company and the assets, liabilities and financial results of the Smart Ascent Group were no longer consolidated into the consolidated financial statements. Details of the Smart Ascent Group at the end of the reporting period are as follows:

23. 於一間聯營公司之權益(續)

完成附註37所描述之出售事項時，進生不再為本公司之附屬公司，而進生集團之資產、負債及財務業績不再綜合至綜合財務報表。進生集團於報告期末之詳情如下：

Name of associate	Place of incorporation/ operations	Class of shares held	Proportion of voting power held by the Group/Smart Ascent	Proportion of nominal value of issued capital held by the Group/Smart Ascent	Principal activities
聯營公司名稱	註冊成立/ 營運地點	所持股份類別	本集團/ 進生所持 投票權比例	本集團/ 進生所持已 發行股本 面值比例	主要業務
Smart Ascent 進生	Hong Kong 香港	Ordinary 普通	49%	49%	Investment holding 投資控股
Subsidiaries of Smart Ascent 進生之附屬公司					
Fosse Bio-Engineering Development Limited ("Fosse Bio") 福仕生物工程有限公司 (「福仕」)	Hong Kong/ China 香港/中國	Ordinary 普通	51%	51%	Development and commercialisation of oral insulin products 開發及商品化口 服胰島素產品
Welly Surplus Development Limited 瑞盈發展有限公司	Hong Kong 香港	Ordinary 普通	51%	51%	Inactive 暫無業務
Nation Joy Industries Limited 國悅實業有限公司	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女 群島」)	Ordinary 普通	100%	100%	Inactive 暫無業務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

23. Interest in an Associate (Continued)

The summarised consolidated financial information below represents amounts shown in the Smart Ascent Group's consolidated financial statements prepared in accordance with HKFRSs.

23. 於一間聯營公司之權益(續)

下列綜合財務資料概要為根據香港財務報告準則編製之進生集團綜合財務報表所列之金額。

		31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元	31 March 2015 二零一五年 三月三十一日 HK\$'000 千港元
Current assets	流動資產	2,638	8,599
Non-current assets	非流動資產	299,285	298,195
Current liabilities	流動負債	(65,795)	(69,682)
Non-current liabilities	非流動負債	(8,234)	(3,557)
Non-controlling interests	非控股權益	(116,569)	(118,965)
Non-current assets include the following:	非流動資產包括以下各項：		
Intangible assets — In-process R&D	無形資產—進行中之研發	284,260	284,260
		1 April 2015 to 31 March 2016 二零一五年 四月一日至 二零一六年 三月三十一日 HK\$'000 千港元	28 July 2014 to 31 March 2015 二零一四年 七月二十八日至 二零一五年 三月三十一日 HK\$'000 千港元
Revenue	收益	—	—
Loss and total comprehensive expenses	虧損及全面開支總額	(5,661)	(3,131)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



23. Interest in an Associate (Continued)

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interest in Smart Ascent recognised in the consolidated financial statements:

		31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元	31 March 2015 二零一五年 三月三十一日 HK\$'000 千港元
Net assets of the Smart Ascent Group attributable to owners of Smart Ascent	進生擁有人應佔進生集團資產淨值	111,325	114,590
Proportion of the Group's ownership interest in Smart Ascent	本集團於進生之所有權益比例	49%	49%
Carrying amount of the Group's interest in Smart Ascent as an associate	本集團於進生(作為一間聯營公司)之權益之賬面值	54,549	56,149
Adjustment for remeasurement to fair value of the assets of the Smart Ascent Group	進生集團資產公平值之重估調整	279,317	279,317
		333,866	335,466

23. 於一間聯營公司之權益(續)

上述綜合財務資料概要與綜合財務報表內所確認之於進生之權益的賬面值之對賬：

24. Amount Due from an Associate

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Amount due from an associate Smart Ascent (Note)	應收一間聯營公司款項進生(附註)	13,199	10,108

24. 應收一間聯營公司款項

Note: As at 31 March 2016, amount due from an associate is unsecured and interest-free. Principal amount of HK\$41,941,000 (2015: HK\$41,941,000) is expected to be repaid after 6 years from 28 July 2014. Accordingly, the balance is classified as non-current. Such non-current interest-free amount due from an associate is recognised at its fair value of HK\$8,455,000 upon the disposal of Smart Ascent at an effective interest rate of 26.99% per annum. During the year ended 31 March 2016, imputed interest income of HK\$3,091,000 (2015: HK\$1,647,000) is credited to profit or loss.

附註：於二零一六年三月三十一日，應收一間聯營公司款項為無抵押及免息。本金額41,941,000港元(二零一五年：41,941,000港元)預期將於二零一四年七月二十八日起計六年後償還。因此，有關結餘被分類為非流動。有關應收一間聯營公司之非流動免息款項於出售進生時按其公平值8,455,000港元確認，實際年利率為26.99%。於截至二零一六年三月三十一日止年度，估算利息收入3,091,000港元(二零一五年：1,647,000港元)已計入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

25. Inventories

25. 存貨

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Raw materials	原材料	1,395	2,839
Work in progress	在製品	588	1,847
Finished goods	製成品	3,941	12,364
		5,924	17,050

26. Trade Receivables

26. 貿易應收賬款

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade receivables	貿易應收賬款	89,827	84,313
Less: allowance for bad and doubtful debts	減：呆壞賬撥備	(32,808)	(26,745)
		57,019	57,568

The Group's trading terms with its customers are mainly based on credit, except for new customers, where payment in advance is normally required. The credit period is generally ranging from 120 to 180 days, extending up to one year for some major customers.

本集團客戶之貿易條款主要為賒銷，惟新客戶一般需要預先付款。一般情況下，客戶可獲得為期120至180日之信貸期，而若干主要客戶可延期至最多一年。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



26. Trade Receivables (Continued)

The following is an aged analysis of trade receivables, net of allowance for bad and doubtful debts presented based on the date of delivery of goods which approximated the respective dates on which revenue was recognised.

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-90 days	0-90日	19,467	21,183
91-180 days	91-180日	26,658	19,332
181-365 days	181-365日	10,894	17,023
Over 365 days	365日以上	—	30
		57,019	57,568

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$10,894,000 (2015: HK\$17,053,000) which are past due as at the reporting date for which the Group has not provided for impairment loss.

Ageing of trade receivables which are past due but not impaired

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-180 days	0-180日	10,894	17,023
Over 180 days	180日以上	—	30
		10,894	17,053

26. 貿易應收賬款(續)

以下為貿易應收賬款的賬齡分析，已扣除呆壞賬撥備，並根據貨品交付日期(與收入確認的各個日期相若)呈列。

本集團貿易應收賬款結餘中賬面值合共為10,894,000港元(二零一五年：17,053,000港元)的應收賬款於報告日期已逾期，而本集團尚未就此作出減值虧損撥備。

已逾期但未減值之貿易應收賬款賬齡

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

26. Trade Receivables (Continued)

The movements of allowance for bad and doubtful debts are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 April	於四月一日	26,745	26,860
Exchange realignment	匯兌調整	(1,836)	680
Allowance for bad and doubtful debts, net	呆壞賬撥備淨額	9,004	12,920
Amounts written off as uncollectible	撇銷作不可收回款項	(1,105)	(13,715)
At 31 March	於三月三十一日	32,808	26,745

26. 貿易應收賬款(續)

呆壞賬撥備變動如下：

27. Deposits, Prepayments and Other Receivables

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deposits	按金	688	719
Other receivables	其他應收款項	7,091	4,252
Prepayments	預付款項	614	1,831
		8,393	6,802

27. 按金、預付款項及其他應收款項

28. Pledged Bank Deposits

Pledged bank deposits represent deposits pledged to a bank to secure short-term banking facilities granted to the Group and are therefore classified as current assets. The pledged bank deposits carry variable interest rates ranging from 0.48% to 0.7% (2015: 0.5% to 0.75%) per annum.

28. 已抵押銀行存款

已抵押銀行存款指抵押予銀行以作為本集團獲授之短期銀行授信額度的擔保之存款，故分類為流動資產。已抵押銀行存款按浮動利率介乎每年0.48%至0.7%（二零一五年：0.5%至0.75%）計息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



29. Bank Balances and Cash

Bank balances carry variable interest rates of 0.001% to 3.4% (2015: 0.001% to 2.7%) per annum. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

30. Trade and Bills Payables

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period.

29. 銀行結餘及現金

銀行結餘按浮動利率每年0.001%至3.4% (二零一五年: 0.001%至2.7%)計息。人民幣兌換為外幣須遵守中國之外匯管理條例以及結匯、售匯及付匯管理規定。

30. 貿易應付賬款及應付票據

以下為於報告期末根據發票日期呈列之貿易應付賬款及應付票據賬齡分析。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-90 days	0-90日	8,725	9,130
91-180 days	91-180日	1,363	2,459
181-365 days	181-365日	156	495
1-2 years	1-2年	325	42
Over 2 years	2年以上	524	550
		11,093	12,676

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

31. Accruals and Other Payables

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Accruals and other payables	預提費用及其他應付款項	65,481	66,134
Received in advance (note)	預收款項(附註)	3,133	—
		68,614	66,134

Note: On 21 September 2015, JECF entered into a transfer agreement with 吉林省康賽藥品經銷有限公司 (the "Transfer Agreement") for the transfer of the production technologies of certain pharmaceutical products and trademarks in the PRC at the consideration of RMB2,600,000 (equivalent to HK\$3,133,000) (the "Transfer"). Although the Transfer Agreement has yet to be completed and subjected to certain conditions stated in the agreement, the consideration was fully received and has been included in the other payable as at 31 March 2016.

The Transfer constitutes a discloseable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange, details of which are disclosed in the announcement of the Company dated 21 September 2015.

31. 預提費用及其他應付款項

附註：於二零一五年九月二十一日，吉林精優與吉林省康賽藥品經銷有限公司就轉讓若干醫藥產品的生產技術及中國商標訂立轉讓協議(「轉讓協議」)，代價為人民幣2,600,000元(相等於3,133,000港元)(「轉讓事項」)。雖然轉讓協議尚未完成，並須遵守協議所述之若干條件，於二零一六年三月三十一日，代價已獲悉數收取及於其他應付款項入賬。

根據聯交所證券上市規則第14章，轉讓事項構成本公司的須予披露交易，其詳情於本公司日期為二零一五年九月二十一日之公佈中披露。

32. Amount Due to an Associate

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Amount due to an associate — Smart Ascent	應付一間聯營公司款項 — 進生	19,780	19,780

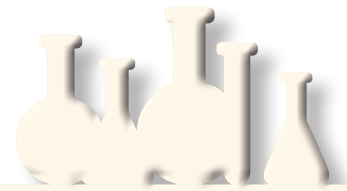
The amount is unsecured, interest-free and repayable on demand.

該款項為無抵押、免息及須按要求償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



33. Deferred Tax Liabilities

The deferred tax liabilities recognised arose from the accelerated tax depreciation.

At the end of the reporting period, the Group has unused tax losses arising in Hong Kong and the PRC of approximately HK\$6,223,000 (2015: HK\$6,223,000) and HK\$10,371,000 (2015: HK\$16,495,000) respectively available to offset against future taxable profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Tax losses arising in Hong Kong may be carried forward indefinitely. Tax losses arising in the PRC will expire in 5 years from the year of origination since 2015.

34. Convertible Bonds

On 16 July 2013, the Company issued zero-coupon convertible bonds (the "Convertible Bonds") with principal amount in aggregate of HK\$641,300,000 at the conversion price of HK\$0.6413 for each new share of the Company, which, if fully converted, is equivalent to 1,000,000,000 new shares of the Company to Mr. Ong Cheng Heang ("Mr. Ong") and Mr. Mao Yumin ("Mr. Mao"), each of principal amount of HK\$320,650,000. Mr. Ong was the non-controlling shareholder and director of Smart Ascent prior to the completion of acquisition of the remaining 49% interest in Smart Ascent by the Group ("Acquisition") and Mr. Mao was a director of the Company until 5 December 2013, and a shareholder of the Company in the current year and the prior year.

The Convertible Bonds are convertible at the option of the bondholders into ordinary shares of the Company at a conversion price of HK\$0.6413 per ordinary share on or before the seventh business day prior to the maturity date of 16 July 2033, subject to anti-dilutive clauses.

33. 遞延稅項負債

已確認遞延稅項負債乃由於加速稅項折舊產生。

於報告期末，本集團於香港及中國產生並可供抵銷未來應課稅溢利之未動用稅務虧損分別為約6,223,000港元(二零一五年：6,223,000港元)及10,371,000港元(二零一五年：16,495,000港元)。由於未來溢利趨勢不可預測，因此並無確認遞延稅項資產。於香港產生之稅務虧損可無限期結轉。自二零一五年起，於中國產生之稅務虧損將自產生之年起計5年內到期。

34. 可換股債券

於二零一三年七月十六日，本公司發行本金總額641,300,000港元之零息可換股債券(「可換股債券」)，換股價為每股本公司新股份0.6413港元，於悉數兌換後相當於1,000,000,000股本公司新股份，可換股債券乃分別發行予Ong Cheng Heang先生(「Ong先生」)及毛裕民先生(「毛先生」)，各人分別獲發行本金額320,650,000港元。於本集團完成收購進生之剩餘49%權益(「收購事項」)前，Ong先生為進生之非控股股東及董事，而毛先生曾擔任本公司董事直至二零一三年十二月五日為止，並於本年度及上年度為本公司股東。

債券持有人可選擇於到期日二零一三年七月十六日前第七個營業日或之前按換股價每股普通股0.6413港元將可換股債券兌換為本公司之普通股，惟須受反攤薄條款規限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

34. Convertible Bonds (Continued)

The Convertible Bonds are issued in HK\$. The fair value of the liability component of the Convertible Bonds was HK\$20,712,000, which has been determined by the discounted cashflow approach using the prevailing market interest rate of similar non-convertible bonds and taking into account the credit risk of the Company. The effective interest rate is 18.72%. The fair value of the conversion option of HK\$569,288,000 classified as equity component for the Convertible Bonds was calculated using the Binomial Model. The inputs into the model were as follows:

		Date of issuance 16 July 2013 發行日期 二零一三年 七月十六日
Stock price (HK\$)	股價(港元)	0.59
Exercise price (HK\$)	行使價(港元)	0.6413
Discount rate	貼現率	18.72%
Risk free rate (Note a)	無風險利率(附註a)	2.63%
Expected volatility (Note b)	預期波幅(附註b)	66.55%
Expected dividend yield (Note c)	預期股息收益率(附註c)	0%
Option life (Years)	期權期限(年期)	20

Notes:

- (a) The rate was determined with reference to the yields of Hong Kong government bonds and treasury bills as at the date of valuation.
- (b) Based on the historical price volatility of the Company for the period from 24 December 2009 up to the date of issuance of the Convertible Bonds.
- (c) Estimated with reference to the historical dividend payout of the Company.

附註：

- (a) 該利率乃參考香港政府債券及庫券於估值日期的孳息率釐定。
- (b) 基於本公司於二零零九年十二月二十四日至可換股債券發行日期期間的過往價格波幅得出。
- (c) 參考本公司的過往股息派付而估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



34. Convertible Bonds (Continued)

Movements of the liability component of the Convertible Bonds are set out below:

		Principal amount (Note) 本金額 (附註) HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 1 April 2014	於二零一四年四月一日	577,170	21,044
Interest charge	利息支出	—	3,938
At 31 March 2015	於二零一五年三月三十一日	577,170	24,982
Interest charge	利息支出	—	4,688
At 31 March 2016	於二零一六年三月三十一日	577,170	29,670

Note: At the date of issuance, the principal amount of the Convertible Bonds was HK\$641,300,000, and thereafter the following events were taken place:

On 5 August 2013, the Convertible Bonds with principal amount of HK\$64,130,000 was converted into 100,000,000 ordinary shares of the Company at the conversion price of HK\$0.6413 per ordinary share.

On 25 October 2013, 24 April 2014, 30 August 2014, 31 December 2014 and 30 April 2015, the Convertible Bonds with principal amount of HK\$320,650,000, HK\$64,130,000, HK\$64,130,000, HK\$64,130,000 and HK\$64,130,000 were acquired by Innovative Pharm from Mr. Mao respectively.

34. 可換股債券(續)

可換股債券負債部分之變動載列如下：

		Principal amount (Note) 本金額 (附註) HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 1 April 2014	於二零一四年四月一日	577,170	21,044
Interest charge	利息支出	—	3,938
At 31 March 2015	於二零一五年三月三十一日	577,170	24,982
Interest charge	利息支出	—	4,688
At 31 March 2016	於二零一六年三月三十一日	577,170	29,670

附註：於發行日期，可換股債券之本金額為641,300,000港元，而其後發生下列事項：

於二零一三年八月五日，本金額為64,130,000港元之可換股債券轉換為100,000,000股本公司普通股，轉換價為每股普通股0.6413港元。

於二零一三年十月二十五日、二零一四年四月二十四日、二零一四年八月三十日、二零一四年十二月三十一日及二零一五年四月三十日，本金額分別為數320,650,000港元、64,130,000港元、64,130,000港元、64,130,000港元及64,130,000港元之可換股債券已由領航醫藥向毛先生購買。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

35. Share Capital

35. 股本

		Number of shares 股份數目		Share capital 股本	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		'000 千股	'000 千股	HK\$'000 千港元	HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股				
Authorised	法定	20,000,000	20,000,000	200,000	200,000
Issued and fully paid At 31 March	已發行及繳足於三月三十一日	2,390,000	2,390,000	23,900	23,900

No shares were issued during the years ended 31 March 2016 and 2015.

於截至二零一六年及二零一五年三月三十一日止年度，概無發行股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



36. Financial Information of the Company

36. 本公司財務資料

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Interests in subsidiaries	於附屬公司之權益	629,927	625,160
Amounts due from subsidiaries	應收附屬公司款項	195,109	172,109
		825,036	797,269
CURRENT ASSETS	流動資產		
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	221	221
Bank balances and cash	銀行結餘及現金	103,201	93,579
		103,422	93,800
CURRENT LIABILITIES	流動負債		
Accruals and other payables	預提費用及其他應付款項	637	562
Amount due to a subsidiary	應付一間附屬公司款項	34,379	30,911
		35,016	31,473
NET CURRENT ASSETS	流動資產淨值	68,406	62,327
NON-CURRENT LIABILITIES	非流動負債		
Convertible bonds	可換股債券	29,670	24,982
NET ASSETS	資產淨值	863,772	834,614
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	23,900	23,900
Reserves (Note)	儲備(附註)	839,872	810,714
TOTAL EQUITY	權益總額	863,772	834,614

The financial statements were approved by the Board of Directors on 29 June 2016 and were signed on its behalf by:

財務報表已於二零一六年六月二十九日經董事會批准並由以下人士代表簽署：

Xie Yi
謝毅
DIRECTOR
董事

Wong Sau Kuen
王秀娟
DIRECTOR
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

36. Financial Information of the Company (Continued)

Note:

Reserves of the Company

		Share premium	Contributed surplus	Foreign currency translation reserve	Convertible bonds equity reserve	Accumulated profits	Total
		股份溢價	繳入盈餘	匯兌儲備	可換股債券 權益儲備	累計溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2014 (restated)	於二零一四年四月一日 (經重列)	191,738	64,636	3,862	512,359	50,406	823,001
Loss for the year	本年度虧損	—	—	—	—	(12,287)	(12,287)
At 31 March 2015	於二零一五年 三月三十一日	191,738	64,636	3,862	512,359	38,119	810,714
Profit for the year	本年度溢利	—	—	—	—	29,158	29,158
At 31 March 2016	於二零一六年 三月三十一日	191,738	64,636	3,862	512,359	67,277	839,872

36. 本公司財務資料(續)

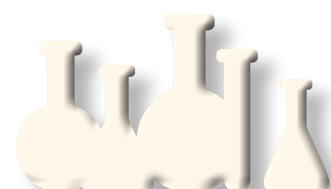
附註：

本公司儲備

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



37. Disposal of Subsidiaries

As referred to in note 14, the Group discontinued its oral insulin research and development activities at the time of disposal of 51% equity interest in Smart Ascent. The net assets of the Smart Ascent Group at the date of disposal were as follows:

37. 出售附屬公司

誠如附註14所述，本集團於出售進生51%股權時終止其口服胰島素研發活動。進生集團於出售日期之資產淨值如下：

		28 July 2014 二零一四年 七月二十八日 HK\$'000 千港元
Consideration received:	已收代價：	
Cash received	已收現金	65,000
Convertible bonds received at fair value	已收可換股債券(按公平值計)	370,193
Total consideration received	已收總代價	435,193

		28 July 2014 二零一四年 七月二十八日 HK\$'000 千港元
Analysis of assets and liabilities over which control was lost:	失去控制權之資產及負債分析：	
Intangible assets	無形資產	284,260
Amounts due from non-controlling interests	應收非控股權益款項	5,268
Amounts due from former non-controlling interests	應收前非控股權益款項	1,691
Amount due from Extrawell (BVI)	應收Extrawell (BVI)款項	19,780
Loan to a non-controlling interest	向非控股權益貸款	10,579
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	13,624
Bank balances and cash	銀行結餘及現金	353
Accruals and other payables	預提費用及其他應付款項	(3,300)
Amounts due to non-controlling interests	應付非控股權益款項	(28,139)
Amount due to Extrawell (BVI)	應付Extrawell (BVI)款項	(8,455)
Amounts due to former non-controlling interests	應付前非控股權益款項	(2,514)
Loan from a non-controlling interest	來自非控股權益之貸款	(10,579)
Non-controlling interests	非控股權益	(122,242)
Net assets disposed of	已出售資產淨值	160,326

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

37. Disposal of Subsidiaries (Continued)

37. 出售附屬公司(續)

		HK\$'000 千港元
Gain on disposal of the Smart Ascent Group:	出售進生集團之收益：	
Total consideration received	已收總代價	435,193
Net assets disposed of, after deducting non-controlling interests	已出售資產淨值(扣除非控股權益)	(160,326)
Fair value of 49% retained equity interest in the Smart Ascent Group (Note)	於進生集團之49%保留股權之公平值(附註)	337,000
Gain on disposal	出售之收益	611,867

Note: The fair value of the 49% equity interest in Smart Ascent retained by the Group has been measured as of the date of disposal at HK\$337,000,000 by an independent qualified valuer not connected with the Group. Such fair value is determined based on the fair value of the net assets of which the major asset is the intangible asset whose fair value is determined using the income approach, after taking into account the discount rate applied to the valuation of the intangible asset of 27.99% then applying a lack of control discount of 37%.

附註：本集團於進生保留之49%股權之公平值於出售日期由與本集團並無關連之獨立合資格估值師計量為337,000,000港元。該公平值乃根據資產淨值之公平值釐定，其中主要資產為無形資產，其公平值使用收益法釐定，並經考慮無形資產估值使用之貼現率27.99%及無控制權折價率37%。

		HK\$'000 千港元
Net cash inflow arising on disposal:	出售事項產生之現金流入淨額：	
Cash consideration	現金代價	65,000
Less: bank balances and cash disposed of	減：已出售銀行結餘及現金	(353)
		64,647

The Smart Ascent Group's results and cash flows in the year ended 31 March 2015 are disclosed in note 14.

進生集團於截至二零一五年三月三十一日止年度之業績及現金流量於附註14披露。

38. Share Option Scheme

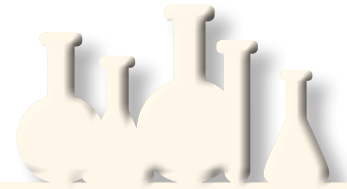
On 24 August 2012, the shareholders of the Company approved the adoption of a new share option scheme (the "Scheme"), as the share option scheme adopted by the Company on 8 August 2002 expired on 14 August 2012. The Scheme became effective on 29 August 2012 after obtaining approval from the Listing Committee of the Stock Exchange and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

38. 購股權計劃

於二零一二年八月二十四日，本公司股東批准採納新購股權計劃(「該計劃」)，原因為本公司於二零零二年八月八日採納之購股權計劃已於二零一二年八月十四日屆滿。該計劃於二零一二年八月二十九日取得聯交所上市委員會批准後生效，除非以其他方式取消或修訂，否則該計劃將自該日起計十年內一直有效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



38. Share Option Scheme (Continued)

The Scheme provides incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors (including independent non-executive directors), other employees of the Group, suppliers of goods or services to the Group, customers of the Group, and any non-controlling interests in the Company's subsidiaries.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted in writing within 21 days from the date of the offer, upon payment of nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted shall be determined by the directors at their absolute discretion, but in any event shall not be more than 10 years from the date of the offer of the share options. The directors of the Company may at their absolute discretion impose any vesting period at the date of grant.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares on the date of grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

From the effective date of the Scheme to 31 March 2016, no share options have been granted, exercised, cancelled or lapsed under the Scheme.

38. 購股權計劃(續)

該計劃旨在為對本集團營運成功作出貢獻之合資格參與者提供獎勵及回報。該計劃之合資格參與者包括本公司董事(包括獨立非執行董事)、本集團之其他僱員、本集團之貨品或服務供應商、本集團客戶及本公司附屬公司之任何非控股權益。

向本公司董事、行政總裁或主要股東或彼等之任何聯繫人授出購股權，須事先取得獨立非執行董事批准。此外，倘於任何12個月期間向本公司主要股東或獨立非執行董事或彼等之任何聯繫人授出之任何購股權，涉及超過本公司於任何時間已發行股份之0.1%，或總值(按照本公司股份於授出日期之價格計算)超過5,000,000港元，則須事先於股東大會上獲股東批准。

承授人可於建議日期起計21日內，於支付合共1港元之象徵式代價後，以書面接納授出購股權之建議。所授出購股權之行使期由董事全權酌情決定，惟無論如何不得遲於購股權建議日期起計10年。本公司董事可於授出日期全權酌情規定任何歸屬期。

購股權之行使價可由董事釐定，但不得低於以下三者中之最高者：(i)本公司股份於授出日期在聯交所日報表所報之收市價；(ii)本公司股份於緊接授出日期前五個營業日在聯交所日報表所報之平均收市價；及(iii)本公司股份於授出日期之面值。

購股權並不賦予持有人獲分派股息或於股東大會投票之權利。

自該計劃生效日期至二零一六年三月三十一日止期間，概無購股權根據該計劃獲授出、行使、註銷或失效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

39. Commitments

Commitment under operating lease

The Group had future aggregate minimum lease payable under non-cancellable operating lease with respect to office premises rental as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	1,564	2,209
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年在內)	—	1,564
		1,564	3,773

Operating lease payments represent rental payable by the Group for its offices. Leases are negotiated for terms ranging from one to three years and rentals are fixed over the lease terms and the above amounts do not include contingent rentals.

40. Material Related Party Transactions

Details of directors and key management compensation are disclosed in notes 12 and 13 in these consolidated financial statements. Save as the related party balances and transactions disclosed elsewhere in the consolidated financial statements, the Group had no other related party transactions during the year.

39. 承擔

經營租賃承擔

本集團於不可撤銷經營租賃下就辦公場地之日後最低應付租金總額如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	1,564	2,209
In the second to fifth years, inclusive	—	1,564
	1,564	3,773

經營租賃付款指本集團就其辦公室應付之租金。所磋商之租約期限介乎一至三年，租金於租約期內固定，且上述款項不包括或然租金。

40. 重大之關聯方交易

董事及主要管理層之報酬之詳情於此等綜合財務報表附註12及13披露。除綜合財務報表其他部分所披露之關聯方結餘及交易外，年內本集團並無其他關聯方交易。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



41. Retirement Benefit Scheme

The Group has joined a mandatory provident fund scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

The retirement benefits cost of the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represents contributions payable to the fund by the Group at rates specified in the rules of the scheme.

The employees of the Group's subsidiaries in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the salaries of its employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

41. 退休福利計劃

本集團已參加為所有香港合資格僱員而設之強制性公積金計劃(「強積金計劃」)。強積金計劃乃根據強制性公積金計劃條例於強制性公積金計劃管理局登記。強積金計劃之資產與本集團之資產分開持有，由獨立受託人控制。根據強積金計劃之規則，僱主及其僱員分別須向計劃作出按規則指定之比率計算之供款。本集團有關強積金計劃之唯一責任為根據計劃作出規定供款。

於綜合損益及其他全面收益表中扣除之強積金計劃退休福利成本指本集團按計劃規則指定比率應付基金之供款。

本集團之中國附屬公司僱員為由中國有關地方政府機關組織之國家管理退休福利計劃成員。附屬公司須按其僱員薪金之若干百分比向退休福利計劃供款，除每年供款外，並無任何實際支付退休金或退休後福利之進一步責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

42. Particulars of Principal Subsidiaries

42. 主要附屬公司詳情

Name of subsidiary 附屬公司名稱	Country/place of incorporation/ registration/ operations 註冊成立/ 登記/經營之 國家/地點	Registered/ issued and fully paid share capital 註冊/已發行 及繳足股本	Proportion of issued share capital/ registered capital held by the Company 本公司所持已發行股本/ 註冊資本比例				Principal activities 主要業務
			2016 二零一六年		2015 二零一五年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Extrawell (BVI)	BVI/Hong Kong 英屬處女群島/ 香港	US\$10,000 ordinary shares 10,000美元 普通股	100%	—	100%	—	Investment holding 投資控股
JECP (Note)	China 中國	RMB33,000,000 registered capital 人民幣33,000,000元 註冊資本	100%	—	60%	40%	Development, manufacture, and sales of pharmaceutical products 開發、製造及銷售藥品
Extrawell Enterprises Limited	Hong Kong 香港	HK\$20 ordinary shares HK\$1,000,000 non-voting deferred shares 20港元 普通股 1,000,000港元 無投票權遞延股份	—	100%	—	100%	Investment holding and property investment 投資控股及物業投資
Extrawell Pharmaceutical (HK) Limited 精優藥業(香港) 有限公司	Hong Kong 香港	HK\$2 ordinary shares 2港元 普通股	—	100%	—	100%	Provision of agency services 提供代理服務
South Asia Pharmaceutical (China) Limited	Malaysia 馬來西亞	US\$1 ordinary share 1美元 普通股	—	100%	—	100%	Marketing and distribution of pharmaceutical products 推廣及經銷藥品
Mega Asia Pharmaceutical Limited 兆盈藥業有限公司	Hong Kong/ China 香港/中國	HK\$10,000 ordinary shares 10,000港元 普通股	—	100%	—	100%	Provision of agency services 提供代理服務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



42. Particulars of Principal Subsidiaries (Continued) 42. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Country/place of incorporation/ registration/ operations 註冊成立/ 登記/經營之 國家/地點	Registered/ issued and fully paid share capital 註冊/已發行 及繳足股本	Proportion of issued share capital/ registered capital held by the Company 本公司所持已發行股本/ 註冊資本比例				Principal activities 主要業務
			2016 二零一六年		2015 二零一五年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Smart Phoenix Holdings Limited	BVI 英屬處女群島	US\$100 ordinary shares 100美元 普通股	—	100%	—	100%	Investment holding 投資控股
CEP 長春精優	China 中國	RMB50,000,000 registered capital 人民幣 50,000,000元 註冊資本	—	73%	—	73%	Development, manufacture and sales of pharmaceutical products 開發、製造及銷售藥品
Best-Bio Developments Limited	BVI/China 英屬處女群島/ 中國	US\$1 ordinary share 1美元 普通股	—	100%	—	100%	Investment holding 投資控股
Right & Rise Limited	BVI/China 英屬處女群島/ 中國	US\$50,000 ordinary shares 50,000美元 普通股	—	100%	—	100%	Holding of gene invention rights and investment holding 持有基因發明權及 投資控股

Note: The Company resolved to further acquired 40% equity interests of JECP from its wholly owned subsidiary, Smart Phoenix Holdings Limited on 31 December 2015 and the Company directly owned 100% equity interest of JECP since that date. As at 31 March 2016, the process of the shares transfer has yet to complete.

附註：於二零一五年十二月三十一日，本公司議決從其全資附屬公司Smart Phoenix Holdings Limited進一步收購吉林精優之40%股權，而本公司自該日起直接擁有吉林精優100%股本權益。於二零一六年三月三十一日，股份轉讓程序尚未完成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

42. Particulars of Principal Subsidiaries (Continued) 42. 主要附屬公司詳情(續)

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affect the financial results of the year or form a substantial portion of the net assets of the Group. Smart Ascent Group ceased to be subsidiaries of the Company upon completion of the Disposal on 28 July 2014, and since then has been accounted for an associate of the Company, and details of which are set out in notes 37 and 23 respectively. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year or any time during the year.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

上表所列之本公司附屬公司為本公司董事認為主要影響本年度財務業績或構成本集團資產淨值重大部分之附屬公司。於二零一四年七月二十八日完成出售事項後，進生集團不再為本公司之附屬公司，並自此入賬列為本公司之一間聯營公司，其詳情分別載於附註37及23。董事認為，提供其他附屬公司之詳情將導致篇幅過於冗長。

於年末或年內任何時間，概無附屬公司有任何發行在外之債務證券。

下表列示本集團擁有重大非控股權益之非全資附屬公司之詳情。

Name of subsidiary 附屬公司名稱	Place/country of registration/ incorporation/ operations 登記/註冊成立 /經營之地點/ 國家	Proportion of ownership interests held by non-controlling interests		Proportion of voting rights held by non-controlling interests		(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		非控股權益所持之所有 權權益比例	非控股權益所持之 權權益比例	非控股權益所持之 投票權比例	非控股權益所持之 投票權比例	分配至非控股權益之 (虧損)		累計非控股權益	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
CEP 長春精優	China 中國	27%	27%	27%	27%	(5,397)	(8,050)	(1,350)	4,505
Fosse Bio (Note) 福仕生物(附註)	Hong Kong/China 香港/中國	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	—	(2,101)	—	—
Individually immaterial subsidiaries with non-controlling interests 持有非控股權益之個別不重大附屬公司						16	(1)	—	(16)
						(5,381)	(10,152)	(1,350)	4,489

Note: Fosse Bio ceased to be a subsidiary of the Group upon the completion of the Disposal on 28 July 2014 (details are set out in notes 14 and 23).

附註：福仕生物於二零一四年七月二十八日完成出售事項後不再為本集團附屬公司(詳情載於附註14及23)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



42. Particulars of Principal Subsidiaries (Continued)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

CEP

42. 主要附屬公司詳情(續)

有關本集團擁有重大非控股權益之各附屬公司之財務資料概要載列如下。下列財務資料概要為集團內公司間對銷前之金額。

長春精優

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Current assets	流動資產	30,740	35,519
Non-current assets	非流動資產	169,215	183,652
Current liabilities	流動負債	(192,975)	(143,063)
Non-current liabilities	非流動負債	(3,614)	(51,899)
Equity attributable to owners of the Company	本公司擁有人應佔權益	4,716	19,704
Non-controlling interests	非控股權益	(1,350)	4,505

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度

42. Particulars of Principal Subsidiaries (Continued) 42. 主要附屬公司詳情(續)

CEP (Continued)

長春精優(續)

		Year ended 31 March 2016 截至 二零一六年 三月三十一 止年度 HK\$'000 千港元	Year ended 31 March 2015 截至 二零一五年 三月三十一 止年度 HK\$'000 千港元
Revenue	收益	28,584	21,315
Expenses	開支	(48,654)	(51,253)
(Loss) for the year	本年度(虧損)	(20,070)	(29,938)
(Loss) attributable to owners of the Company	本公司擁有人應佔(虧損)	(14,673)	(21,888)
(Loss) attributable to the non-controlling interests	非控股權益應佔(虧損)	(5,397)	(8,050)
(Loss) for the year	本年度(虧損)	(20,070)	(29,938)
Other comprehensive (expense) income attributable to owners of the Company	本公司擁有人應佔其他全面(開支)收入	(315)	1,045
Other comprehensive (expense) income attributable to non-controlling interests	非控股權益應佔其他全面(開支)收入	(458)	384
Other comprehensive (expense) income for the year	本年度其他全面(開支)收入	(773)	1,429
Total comprehensive (expense) attributable to owners of the Company	本公司擁有人應佔全面(開支)總額	(14,988)	(20,843)
Total comprehensive (expense) attributable to non-controlling interests	非控股權益應佔全面(開支)總額	(5,855)	(7,666)
Total comprehensive (expense) for the year	本年度全面(開支)總額	(20,843)	(28,509)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 March 2016 截至二零一六年三月三十一日止年度



42. Particulars of Principal Subsidiaries (Continued) 42. 主要附屬公司詳情(續)

CEP (Continued)

長春精優(續)

		Year ended 31 March 2016 截至 二零一六年 三月三十一日 止年度 HK\$'000 千港元	Year ended 31 March 2015 截至 二零一五年 三月三十一日 止年度 HK\$'000 千港元
Net cash (outflow) from operating activities	經營活動產生之現金(流出)淨額	(27,424)	(14,792)
Net cash (outflow) inflow from investing activities	投資活動產生之現金(流出)流入淨額	(395)	6,926
Net cash inflow from financing activities	融資活動產生之現金流入淨額	20,636	6,795

43. Events after the Reporting Period

There are no material subsequent events after the balance sheet date and up to the date of approval for these consolidated financial statements.

43. 期後事項

於結算日後及直至批准此等綜合財務報表日期，本集團並無任何重大期後事項。

44. Comparative Figures

Certain comparative figures have been adjusted to conform to changes in disclosures in the current year.

44. 可資比較數字

若干可資比較數字已經調整，以配合本年度披露之變動。

FIVE YEARS' FINANCIAL SUMMARY

五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, is set out below:

本集團過去五個財政年度之業績，以及資產、負債及非控股權益概要如下：

		For the year ended 31 March 截至三月三十一日止年度				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元 (restated) (經重列)	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
RESULTS	業績					
Revenue	收益	142,201	128,833	150,673	151,068	157,406
Profit before taxation	除稅前溢利	27,490	555,397	34,046	8,886	16,863
Taxation	稅項	(90)	(92)	(20,574)	(706)	(926)
Profit for the year	本年度溢利	27,400	555,305	13,472	8,180	15,937
Attributable to:	以下人士應佔：					
— Owners of the Company	— 本公司擁有人	32,781	565,457	13,816	10,876	20,414
— Non-controlling interests	— 非控股權益	(5,381)	(10,152)	(344)	(2,696)	(4,477)
		27,400	555,305	13,472	8,180	15,937
		As at 31 March 於三月三十一日				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元 (restated) (經重列)	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS	資產、負債及非控股權益					
Total assets	總資產	1,160,853	1,138,643	720,346	717,616	687,804
Total liabilities	總負債	(144,954)	(142,264)	(161,551)	(134,324)	(112,727)
Total equity	總權益	1,015,899	996,379	558,795	583,292	575,077
Non-controlling interests	非控股權益	1,350	(4,489)	(135,499)	(198,945)	(201,641)
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,017,249	991,890	423,296	384,347	373,436



Extrawell Pharmaceutical Holdings Limited 精優藥業控股有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock code 股份代號 : 858

