

# H/S

## 衍生集團 (國際) 控股有限公司

Hin Sang Group (International) Holding Co. Ltd.

(於開曼群島註冊成立之有限公司)  
(Incorporated in the Cayman Islands with limited liability)

股份代號 : 6893  
Stock Code : 6893



# 2015 / 2016 年報

Annual Report

# CONTENTS

## 目錄

Highlights	摘要	2
Definitions	釋義	3
Corporate Information	公司資料	7
Corporate Structure	公司架構	9
The Group	本集團	10
Major Events of Hin Sang Group in 2015/16	衍生集團2015/16年度大事記	12
Chairman's Statement	主席報告	14
Management Discussion and Analysis	管理層討論及分析	17
Directors and Senior Management	董事及高級管理層	25
Corporate Governance Report	企業管治報告	30
Report of the Directors	董事會報告	40
Independent Auditors' Report	獨立核數師報告	62
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	64
Consolidated Statement of Financial Position	綜合財務狀況表	65
Consolidated Statement of Changes in Equity	綜合權益變動表	67
Consolidated Statement of Cash Flows	綜合現金流量表	68
Notes to the Consolidated Financial Statements	綜合財務報表附註	70
Five Years Financial Summary	五年財務概要	156

# HIGHLIGHTS

## 摘要

		2015/2016 2015/2016年	2014/2015 2014/2015年	Increase/(Decrease) 增加/(減少)	
				%	
<b>Operating results (HK\$'000)</b>	<b>經營業績 (港幣千元)</b>				
Revenue	收入	<b>227,460</b>	214,959	12,501	5.8
Gross profit	毛利	<b>138,369</b>	122,663	15,706	12.8
Profit for the year	年內溢利	<b>21,215</b>	11,051	10,164	92.0
<b>Profitability (%)</b>	<b>盈利能力(%)</b>				
Gross profit margin	毛利率	<b>60.8</b>	57.1	3.7	6.5
Net profit margin	純利率	<b>9.3</b>	5.1	4.2	82.3
Return on equity	股本回報率	<b>6.1</b>	3.3	2.8	84.8
Return on total assets	總資產回報率	<b>5.7</b>	3.1	2.6	83.9
<b>Liquidity</b>	<b>流動資金</b>				
Current ratio (time)	流動比率(倍)	<b>10.6</b>	11.4	(0.8)	(7.0)
Quick ratio (time)	速動比率(倍)	<b>10.1</b>	10.7	(0.6)	(5.6)
Inventory turnover (days)	存貨周轉(天數)	<b>66.6</b>	63.1	3.5	5.5
Trade receivables turnover (days)	貿易應收款項周轉(天數)	<b>37.6</b>	45.7	(8.1)	(17.7)
Trade payables turnover (days)	貿易應付款項周轉(天數)	<b>36.7</b>	52.1	(15.4)	(29.6)
<b>Per share data</b>	<b>每股數據</b>				
Earnings per share	每股盈利				
– Basic (HK cents)	– 基本(港仙)	<b>2.65</b>	1.60	1.05	65.6
– Diluted (HK cents)	– 攤薄(港仙)	<b>2.64</b>	1.60	1.04	65.0
Dividend per share	每股股息				
– Interim (HK cents)	– 中期(港仙)	<b>1.00</b>	N/A 不適用	N/A 不適用	N/A 不適用
– Final (HK cents)	– 末期(港仙)	<b>1.00</b>	1.00	–	–



## DEFINITIONS 釋義

In this annual report, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below.

於本年報中，除文義另有所指外，下列詞彙及詞語具以下的涵義。

“Acquisition”	the acquisition of Tai Wo Tong Pharmaceutical and Tai Wo Tong Company Limited on 1 June 2015	「收購事項」	指	於2015年6月1日收購太和堂製藥及太和堂有限公司
“Audit Committee”	the audit committee of the Company	「審核委員會」	指	本公司審核委員會
“Board”	the board of Directors	「董事會」	指	董事會
“Brand Development and Management Segment”	the business segment in which the Group purchases primarily personal care products from the brand proprietors and manages and develops the brand of such products	「品牌開發及管理分部」	指	本集團主要自品牌擁有人採購個人護理產品以及管理及開發該等產品之品牌的業務分部
“BVI”	the British Virgin Islands	「英屬處女群島」	指	英屬處女群島
“Company”	Hin Sang Group (International) Holding Co. Ltd. 衍生集團(國際)控股有限公司, an exempted company incorporated with limited liability in the Cayman Islands on 28 October 2010	「本公司」	指	衍生集團(國際)控股有限公司，一間於2010年10月28日在開曼群島註冊成立之獲豁免有限公司
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, in the context of the Company, means each of Mr. Pang, Mrs. Pang and Genwealth	「控股股東」	指	具上市規則所賦予之涵義，就本公司而言，分別指彭先生、彭太太及衍富
“Director(s)”	the director(s) of the Company	「董事」	指	本公司董事
“Fullshare Group”	Fullshare Holdings Limited (豐盛控股有限公司), a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Stock Exchange (stock code: 607) and its subsidiaries	「豐盛集團」	指	豐盛控股有限公司(一間於開曼群島註冊成立之有限公司，其已發行股份於聯交所上市，股份代號：607)及其附屬公司

## DEFINITIONS

### 釋義

“Genwealth”	Genwealth Group Holding Company Limited (衍富集團控股有限公司), a company incorporated with limited liability on 5 October 2010 in the BVI, the issued shares of which are owned as to 90% by Mr. Pang and 10% by Mrs. Pang, a controlling shareholder of the Company under the Listing Rules	「衍富」	指	衍富集團控股有限公司，一間於2010年10月5日在英屬處女群島註冊成立之有限公司，其已發行股份由彭先生及彭太太分別擁有90%及10%，根據上市規則為本公司的控股股東
“GMP”	“Good Manufacturing Practice” is a quality assurance approach used by drug manufacturing industry worldwide to ensure that products are consistently produced and controlled according to appropriate quality standards. Hong Kong, like most other countries, has adopted the GMP guidelines promulgated by the World Health Organisation (WHO)	「GMP」	指	「良好生產規範」乃全球藥品生產行業使用之質量保證方法，以確保產品根據適當質量標準貫徹生產及監控；香港與大部分其他國家一樣，已採納世界衛生組織（世衛）頒佈之GMP指引
“Group” or “Hin Sang Group”	the Company and its subsidiaries	「本集團」或 「衍生集團」	指	本公司及其附屬公司
“Hin Sang Holding”	Hin Sang Group Holding Limited (衍生集團控股有限公司), a company incorporated with limited liability on 11 September 2006 in the BVI and directly wholly owned by the Company	「衍生控股」	指	衍生集團控股有限公司，一間於2006年9月11日在英屬處女群島註冊成立之有限公司及由本公司直接全資擁有
“Hin Sang Hong (HK)”	Hin Sang Hong Company Limited (衍生行有限公司), a company incorporated with limited liability on 13 June 1996 in Hong Kong and wholly owned by Hin Sang Holding and an indirect subsidiary of the Company	「衍生行 (香港)」	指	衍生行有限公司，一間於1996年6月13日在香港註冊成立之有限公司及由衍生控股全資擁有，並為本公司的間接附屬公司

## DEFINITIONS

### 釋義

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC	「香港」	指	中國香港特別行政區
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong	「港元」	指	香港法定貨幣港元
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange	「上市」	指	股份於聯交所主板上市
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange	「上市規則」	指	聯交所證券上市規則
“Macau”	the Macau Special Administrative Region of the PRC	「澳門」	指	中國澳門特別行政區
“Mr. Pang”	Pang Siu Hin (彭少衍), an executive Director and a Controlling Shareholder	「彭先生」	指	彭少衍, 為執行董事及控股股東
“Mrs. Pang”	Kwan Lai Man (關麗雯), the spouse of Mr. Pang, an executive Director and a Controlling Shareholder	「彭太太」	指	關麗雯, 彭先生之配偶, 為執行董事及控股股東
“pCm”	proprietary Chinese medicine, as defined in the Chinese Medicine Ordinance (Chapter 549, the Laws of Hong Kong)	「中成藥」	指	中成藥, 定義見香港法例第549章中醫藥條例
“Period”	the year ended 31 March 2016	「本期間」	指	截至2016年3月31日止年度
“PRC” or “China”	the People’s Republic of China which, for the purposes of this report, excludes Hong Kong, Macau and Taiwan	「中國」	指	中華人民共和國, 就本報告而言, 不包括香港、澳門及台灣
“Pre-IPO Share Option Scheme”	the Pre-IPO share option scheme adopted by the Company on 25 September 2014	「首次公開發售前購股權計劃」	指	本公司於2014年9月25日採納之首次公開發售前購股權計劃

## DEFINITIONS

### 釋義

“Product Development Segment”	the business segment in which the Group develops own personal care products, health supplements and household products sold under its own brands, including but not limited to “Beautymate (美肌の誌)”, “Hin Sang (衍生)”, “Shuang Long (雙龍)” and “King’s Antiseptic (殺菌王)”	「產品開發分部」指	本集團開發以自家品牌出售之自家個人護理產品、健康補充品及家居產品之業務分部。該等品牌包括但不限於「美肌の誌」、「衍生」、「雙龍」及「殺菌王」
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)	「證券及期貨條例」	香港法例第571章證券及期貨條例
“Shares”	ordinary share(s) with a nominal value of HK\$0.1 each in the share capital of the Company	「股份」	本公司股本中每股面值0.1港元之普通股
“Shareholders”	holders of the Shares	「股東」	股份之持有人
“Share Option Scheme”	the share option scheme adopted by the Company on 25 September 2014	「購股權計劃」	本公司於2014年9月25日採納之購股權計劃
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	香港聯合交易所有限公司
“Tai Wo Tong Pharmaceutical”	Tai Wo Tong Pharmaceutical (Hong Kong) Company Limited (太和堂製藥(香港)有限公司), a company incorporated with limited liability on 6 April 2009 in Hong Kong	「太和堂製藥」	太和堂製藥(香港)有限公司, 一間於2009年4月6日在香港註冊成立之有限公司
“Trading of Goods Segment”	the business segment in which the Group engages in trading and distributing skin care products, personal care products and household products purchased from various authorised dealers and independent traders or directly from suppliers	「貨品買賣分部」指	本集團從事買賣及分銷護膚品、個人護理產品及家居產品的業務分部。該等產品採購自多個授權經銷商及獨立商家或直接採購自供應商

## BOARD OF DIRECTORS

### Executive Directors

Pang Siu Hin (*Chairman*)  
Kwan Lai Man  
Dong Meixian (Appointed on 4 July 2016)

### Non-executive Director

Wong Wai Ling  
Yuen Chi Ping (Appointed on 4 July 2016)

### Independent non-executive Directors

Lee Luk Shiu  
Tang Sing Hing, Kenny  
Tsui Nam Hung

## AUDIT COMMITTEE

Lee Luk Shiu (*Chairman*)  
Tang Sing Hing, Kenny  
Tsui Nam Hung

## REMUNERATION COMMITTEE

Tsui Nam Hung (*Chairman*)  
Kwan Lai Man  
Lee Luk Shiu  
Tang Sing Hing, Kenny

## NOMINATION COMMITTEE

Tang Sing Hing, Kenny (*Chairman*)  
Kwan Lai Man  
Lee Luk Shiu  
Tsui Nam Hung

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat B, 12/F., Hi-Tech Centre  
11 Wang Yip Street West  
Yuen Long  
New Territories  
Hong Kong

## 董事會

### 執行董事

彭少衍 (*主席*)  
關麗雯  
董美仙 (於2016年7月4日獲委任)

### 非執行董事

黃慧玲  
袁志平 (於2016年7月4日獲委任)

### 獨立非執行董事

李祿兆  
鄧聲興  
徐南雄

## 審核委員會

李祿兆 (*主席*)  
鄧聲興  
徐南雄

## 薪酬委員會

徐南雄 (*主席*)  
關麗雯  
李祿兆  
鄧聲興

## 提名委員會

鄧聲興 (*主席*)  
關麗雯  
李祿兆  
徐南雄

## 總辦事處 及香港主要營業地點

香港  
新界  
元朗  
宏業西街11號  
科技中心12樓B室



# CORPORATE INFORMATION

## 公司資料

### COMPANY SECRETARY

Wong Ting Dan

### AUTHORISED REPRESENTATIVES

Pang Siu Hin  
Kwan Lai Man

### LEGAL ADVISERS

Hastings & Co.  
Chak & Associates

### AUDITOR

HLB Hodgson Impey Cheng Limited

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited  
Bank of China (Hong Kong) Limited

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

### COMPANY WEBSITE

[www.hinsanggroup.com](http://www.hinsanggroup.com)

### SECURITIES CODE

Equity: 6893.hk

### ENQUIRES

#### Company:

Email: [contact@hinsanggroup.com](mailto:contact@hinsanggroup.com)

#### Public Relations Consultant:

Strategic Financial Relations Limited  
Email: [HSH\\_enquiry@sprg.com.hk](mailto:HSH_enquiry@sprg.com.hk)

### 公司秘書

王廷丹

### 授權代表

彭少衍  
關麗雯

### 法律顧問

希仕廷律師行  
翟氏律師行

### 核數師

國衛會計師事務所有限公司

### 主要往來銀行

香港上海滙豐銀行有限公司  
中國銀行(香港)有限公司

### 主要股份 過戶登記處

Estera Trust (Cayman) Limited

### 香港股份 過戶登記分處

卓佳證券登記有限公司

### 公司網站

[www.hinsanggroup.com](http://www.hinsanggroup.com)

### 證券代號

股票: 6893.hk

### 查詢

#### 本公司:

電郵: [contact@hinsanggroup.com](mailto:contact@hinsanggroup.com)

#### 公共關係顧問:

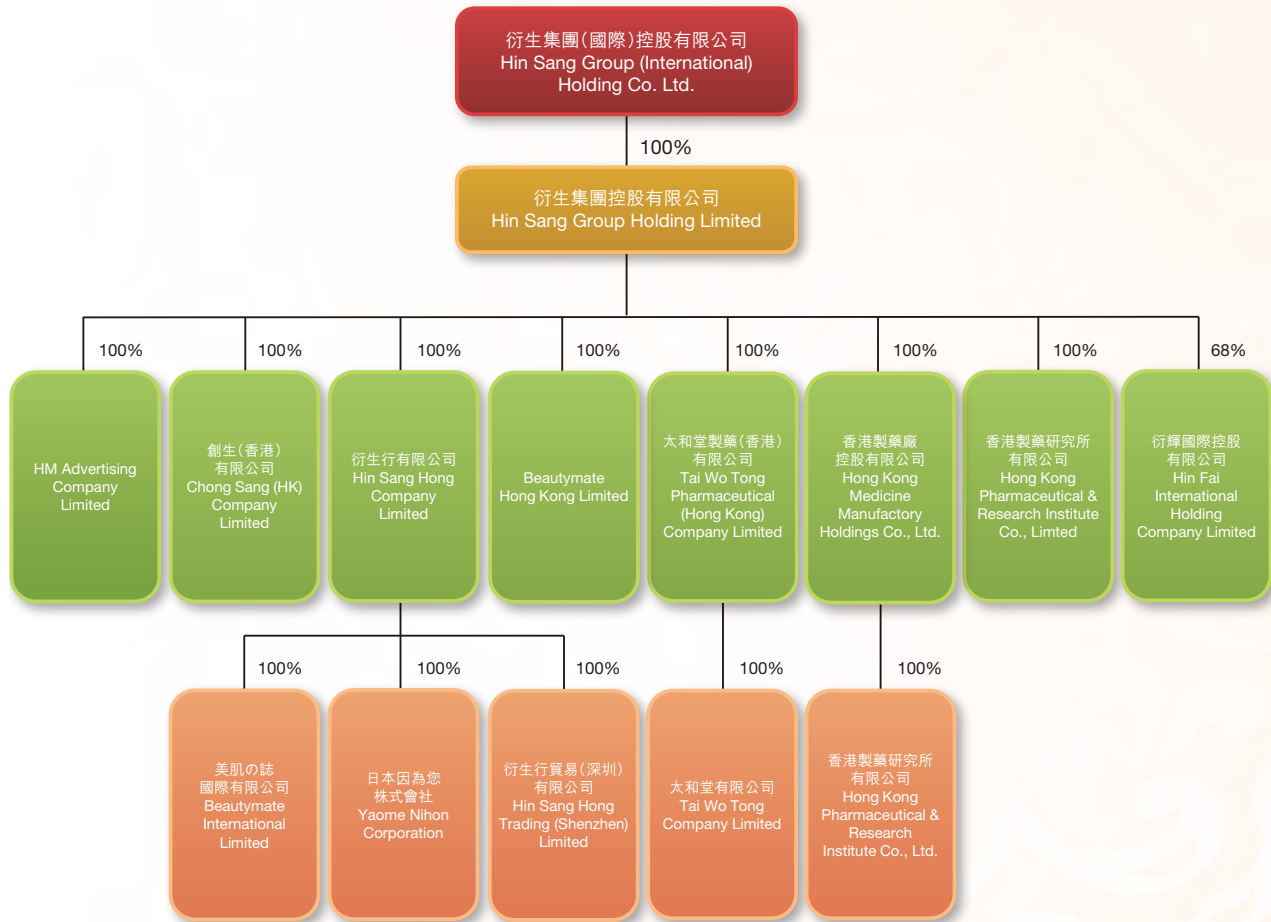
縱橫財經公關顧問有限公司  
電郵: [HSH\\_enquiry@sprg.com.hk](mailto:HSH_enquiry@sprg.com.hk)

# CORPORATE STRUCTURE

## 公司架構

As at 31 March 2016

於2016年3月31日



# THE GROUP 本集團

## OVERVIEW

The Group is engaged in the marketing, selling and manufacturing of health care products primarily target at children, among which “Hin Sang (衍生)” has been a long established reputable brand. The Group has recently established e-Commerce business to cope with consumer’s trend to purchase through electronic platforms. To leverage existing resources to increase profit, the Group also represents reputable brands in skin care, personal care and slimming product categories. Mother-infant Chinese medical healthcare as well as diagnosis and treatment services projects are underway to capture the fast-growing market.

Our business operations are mainly based in Hong Kong though distributors are appointed to sell and distribute under our own brands in PRC, Taiwan, Macau, and export markets such as Malaysia.

## BUSINESS SEGMENTS

The Group has three business segments classified by their ownership and licensing rights: (i) Product Development Segment in which the Group develops own products sold under our own brands; (ii) Brand Development and Management Segment in which the Group purchases from the brand proprietors and manages and develops the brand of such products; (iii) Trading of Goods Segment in which the Group engages in trading and distributing products purchased from various authorised dealers and independent traders or directly from suppliers.

### Product Development Segment

We leverage on our distribution and sales experience to develop our own health care products, personal care products and household products. Our core brands are mainly brands owned by us in various categories including “Hin Sang (衍生)”, “Beautymate (美肌の誌)”, “Tai Wo Tong (太和堂)” and “Shuang Long (雙龍)”. We start developing the “Hin Sang (衍生)” brand in 2004 mainly for our health supplements. “Beautymate (美肌の誌)” was developed in 2009 mainly for our skin care category.

## 概覽

本集團從事兒童保健產品的營銷、銷售及製造，其中「衍生」為長期享有聲譽的著名品牌。本集團近期已開展電子商貿業務，以迎合消費者透過電子平台購物之趨勢。為利用現有資源增加毛利，本集團亦代理多個知名品牌的護膚、個人護理及纖體產品。相關婦嬰中醫保健以及診斷及治療服務業務項目亦正在開展以把握快速增長之市場。

儘管本集團已委任分銷商在中國、台灣及澳門銷售及分銷本集團之自家品牌產品並出口至馬來西亞等市場，惟本集團的業務營運乃主要位於香港。

## 業務分部

根據其擁有權及特許權，本集團業務分部分為三類：(i)產品開發分部，於此分部，本集團開發以本集團自家品牌出售的自家產品；(ii)品牌開發及管理分部，於此分部，本集團自品牌擁有人採購並管理及開發有關產品品牌；(iii)貨品買賣分部，於此分部，本集團從事買賣及分銷採購自多個授權經銷商及獨立商家或直接採購自供應商的產品。

### 產品開發分部

本集團憑藉本集團的分銷及銷售經驗，開發自家保健產品、個人護理產品及家居產品。我們的核心品牌主要為我們自有的各類品牌，該等品牌包括「衍生」、「美肌の誌」、「太和堂」及「雙龍」。我們於2004年開始為我們的健康補充品開發「衍生」品牌，及於2009年主要為護膚類別產品開發「美肌の誌」。

During the Period, we outsourced the production of all our ownbranded products to external manufacturers in Hong Kong, the PRC and Taiwan.

### Brand Development and Management Segment

We have a proven history of managing and developing a number of brands for our brand proprietors (who are mainly manufacturers and brand proprietors of the products) in respect of their personal care products mainly in the market in Hong Kong since 1999. We entered into an exclusive distribution agreement with each of the brand proprietors and provided them with one-stop marketing, sales and distribution, logistic and delivery services for their branded products. All the brand proprietors in the Brand Development and Management Segment are Independent Third Parties.

Amongst the products managed and developed by us for the brand proprietors, the bath and shower products under the brands of “Acene (澳雪)”, “Enear (櫻雪)”, “Vcnic (花世界)” and “Zici (滋采)” are well known to local households in Hong Kong. We have added “Burner (倍熱)”, the number 1 selling slimming product in Taiwan for 9 consecutive year, and “See Young (滋源)”, a brand of non-silicone shampoo & conditions product which with Korean star “Song Hye Kyo (宋慧喬)” as celebrity to our portfolio.

### Trading of Goods Segment

Since 1996, we continue to serve our trade customers with quality products purchased sourced from authorized dealers and overseas suppliers. This segment with low profit margin will be de-emphasized in order to focus on product development segment which yield higher profit margin.

於本期間，本集團將所有自家品牌產品之生產工作外包予香港、中國及台灣之外部製造商。

### 品牌開發及管理分部

本集團具有自1999年起為本集團品牌擁有人（彼等主要為產品之製造商及品牌擁有人）管理及開發有關主要於香港市場出售之個人護理產品的若干品牌的優異往績。本集團與各名品牌擁有人訂立獨家分銷協議，並為彼等之品牌產品提供一站式市場推廣、銷售及分銷、物流及交付服務。品牌開發及管理分部之所有品牌擁有人均為獨立第三方。

本集團為品牌擁有人管理及開發之產品中，「澳雪」、「櫻雪」、「花世界」及「滋采」等品牌之洗浴和沐浴產品在香港已是家傳戶曉。我們已新增於台灣地區連續九年銷售第一的纖體產品「倍熱」及由韓國明星「宋慧喬」擔任代言人的無硅油洗護髮產品「滋源」至我們的產品組合。

### 貨品買賣分部

自1996年，我們繼續向我們的貿易客戶提供自指定經銷商及海外供應商採購的優質產品。毛利率較低的貨品買賣分部之投入將較少，以專營毛利率較高的產品開發分部。



# 衍生集團 **2015/2016** 年度大事記

## Major Events of Hin Sang Group in 2015/2016



### 4月 April, 2015

衍生集團積極履行社會責任，獲社會企業研究所頒授「社會關愛企業卓越獎」。

Hin Sang Group actively performed its social responsibility and was awarded "Social Caring Organization" by the Social Enterprise Research Institute.

### 6月 June, 2015

收購「太和堂製藥」，為集團保健藥品及食品業務的長遠發展奠下基礎。

Hin Sang Group acquired "Tai Wo Tong Pharmaceutical", laying the foundation for the long-term development of the Group's health care medicines and food business.



### 10月 October, 2015

為慶祝衍生集團上市1週年及衍生行成立19週年，舉辦週年晚宴「盛世啟航」，與一眾賓客和員工共眾一個難忘的晚上。

To celebrate the first anniversary of Hin Sang Group's Listing and the 19th anniversary of its establishment, an annual dinner entitled "Sailing Forward" was held, presenting an memorable night to our guests and staff.

同日舉行首屆「衍生集團獎學金」頒獎典禮，共10名得獎學生出席領獎。

At the same date, the Group held the first "Hin Sang Group Scholarship" award ceremony where a total of 10 students attended the ceremony to receive awards.



# 衍生集團 2015/2016 年度大事記

## Major Events of Hin Sang Group in 2015/2016



### 11月 November, 2015

衍生集團再度榮獲香港股票分析師協會頒發「上市公司年度大獎」，章顯集團過去一年的穩定性及營運表現。

Hin Sang Group was re-awarded the "Listed Company Award" issued by The Hong Kong Institute of Financial Analysis and Professional Commentators Limited, in recognition of the Group's stability and operational performance during the past year.

衍生行有限公司通過「ISO 9001:2008」品質管理系統認證。

Hin Sang Hong Company Limited was certificated by the quality management system of "ISO 9001:2008".

### 12月 December, 2015

衍生集團舉行「職場導尚坊」，與衍生獎學金得獎學生及家庭一同參觀本地企業，鼓勵他們擴闊視野，並體驗課堂以外的學習樂趣。

Hin Sang Group held "Work Guidance Workshop" by visiting the local companies with the students, receiving Hin Sang Group Scholarship and their families with an aim to encouraging them to broaden their horizon and obtain the joy of learning outside the classroom.



### 3月 March, 2016

衍生行有限公司連續第八年獲得由香港社會服務聯會頒發的商界展關懷企業，肯定其關懷工作。

Hin Sang Hong Company Limited was awarded "Caring Company" issued by the Hong Kong Council of Social Service for the eighth successive year, in recognition of its caring efforts.



成立「衍輝國際控股有限公司」，積極拓展跨境電商業務。

Hin Sang Group established "Hin Fai International Holding Company Limited" to expand the cross-border e-commerce business.



# CHAIRMAN'S STATEMENT

## 主席報告



Dear Shareholders:

On behalf of the board of directors of Hin Sang Group (International) Holding Co. Ltd. and its subsidiaries, I am pleased to present the annual report of the Group for the year ended 31 March 2016.

### ANNUAL REVIEW

The Group has achieved key breakthrough from 2015 to 2016. After successful acquisition of Tai Wo Tong Pharmaceutical in June 2015, the Group has laid firm foundation for long term development of health care supplement and food business. Although the market environment is still full of challenges, the Group has been able to maintain sustained revenue growth. By launching high frequency modern TV commercial advertisements on multiple TV Channels across China our brand has started being recognized by increasing population of parents and children, that has led to the Group's exceptional growth within China market. "Hin Sang (衍生)" brand today, has extended its footprint to 19 provinces in China.

各位股東：

本人謹代表衍生集團（國際）控股有限公司董事會及連同其附屬公司欣然提呈本集團截至2016年3月31日止年度的年度報告。

### 年度回顧

2015至2016年度本集團取得關鍵性突破，在2015年6月成功收購「太和堂製藥」，為集團保健藥品及食品業務的長遠發展奠下基礎。儘管市場環境仍充滿挑戰，集團仍能保持收入增長。透過全國多家電台的高頻次新型電視商業廣告持續支援，廣大家長及小孩開始認知本品牌，集團在中國市場取得的出色增長。「衍生」品牌現已在中國19個省份鋪開市場。

### ANNUAL RESULTS

For the year ended 31 March 2016, the Group's total revenue amounted to approximately HK\$227.5 million, representing an increase of approximately 5.8% from HK\$215.0 million of last year. For the year ended 31 March 2016, the Group recorded a net profit of approximately HK\$21.2 million, representing a growth of approximately 91.0% from HK\$11.1 million of last year.

### DIVIDEND

The Board recommend the payment of a final dividend of HK\$0.01 per Share for the financial year ended 31 March 2016.

### PROSPECTS

Hong Kong market will maintain healthy growth and continue its profit contribution to our business. The Group will continue our effort on new product development, in order to enrich health care supplements portfolio and enhance the brand concept as being specialist in providing health care supplements. Through reasonable change of product mix, the Group will ensure that only those products with high sales volume potential to be retained within our product portfolio.

The Group has recorded an encouraging revenue growth of 42.5% from China market for the year ended 31 March 2016 and will be continuously focus on China market's development. The health care supplement market for children shall be benefited by the launch of two-child policy, with expected 5 to 8 million newborn babies in 2017. To seize such great opportunity, the Group will continue to expand our distribution network by recruiting additional distributors and increase publicity effort further to extend our customer base by attracting new customers.

With the rise of online shopping, the Group has established a new e-commerce joint venture. A sales platform focusing on the products under "Hin Sang (衍生)" brand was launched in May 2016, through which customers, particularly those in China can place their orders directly to our Group and enjoy home delivery service. We will introduce more health supplements onto the platform to expand our product portfolio and marketing scale.

### 本年度業績

截至2016年3月31日止年度，本集團之總收入約為227.5百萬港元，較上年度的215.0百萬港元增加約5.8%。截至2016年3月31日止年度，純利約21.2百萬港元，較上年度的11.1百萬港元增加約91.0%。

### 股息

董事會建議就截至2016年3月31日止的財政年度派發末期股息每股港幣0.01元。

### 展望

香港市場將保持良性增長並繼續作為利潤貢獻市場。集團將繼續開發新產品以豐富健康補充品組合，增強作為健康補充品專門提供商的品牌概念。集團將對產品結構進行合理化增減，確保產品組合僅保留具有高銷量潛力的產品。

中國市場於截至2016年3月31日止年度錄得42.5%的可喜收入增長，並將繼續作為集團的重點開發市場。二孩政策的出台可令孩童健康補充品市場受益，預計2017年將誕生5至8百萬新生嬰兒。為把握此良機，集團將繼續招募新分銷商以擴大分銷網絡，同時將進一步增加推廣力度，吸引新用戶以壯大我們的用戶群。

鑑於互聯網購物的興起，我們以合資方式設立新的電子商貿公司。平台以「衍生」品牌為核心，已自2016年5月起上線，消費者（尤為中國消費者）可直接向本集團購買產品送貨上門。我們將加入更多健康補充品以豐富產品組合及擴大營銷規模。



# CHAIRMAN'S STATEMENT

## 主席報告

Looking forward, the Group expects that our fundamental business will continue to grow as result of the two-child policy. In order to cater for the huge market of mother-infant healthcare, the Group will establish a joint venture company with Fullshare Group to expand the business of mother-infant Chinese medical healthcare as well as diagnosis and treatment services. The Group believes that the joint venture company can leverage on the financial resources, experience and connections of the joint venture shareholders to develop its business in the healthcare industry which will further diversify and broaden the scope of the healthcare business of the Group. The Group will make relentless effort to reward the investors' trust and support.

### ACKNOWLEDGEMENTS

On behalf of the Board, I would like to take this opportunity to express my gratitude to all shareholders, business partners, customers and suppliers for their support and trust. My thanks also go to the management and all the staff for their contribution and hard work over the past year.

**Pang Siu Hin**  
*Chairman*

28 June 2016

展望未來，本集團預期基礎業務會因二孩政策的實施而保持持續增長。集團將與豐盛集團成立合營公司，拓展婦嬰中醫保健產品以及診斷及治療服務業務，以迎合巨大的婦嬰保健市場。集團相信，合營公司可憑結合雙方的財務資源、經驗及人脈發展保健行業的業務，使集團的發展更多元化。集團將繼續努力不懈，回饋投資者的信任與厚愛。

### 致謝

本人謹藉此機會代表董事會，對各位股東、業務夥伴、客戶及供應商的大力支持和信任表達謝意，同時感謝管理層及全體員工在過去一年的貢獻及努力。

主席  
**彭少衍**

2016年6月28日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS REVIEW

During the Period, the Group's revenue was approximately HK\$227.5 million, representing an increase of 5.8% as compared to HK\$215.0 million for the year ended 31 March 2015.

Despite that market situation continues to be difficult, a satisfactory growth in the PRC market was recorded. "Hin Sang (衍生)" brand, now available in 19 PRC provinces, has been receiving continuous advertising support to effectively reach couples with children through high frequency new TV commercials broadcasted on nationwide networks. Effective promotion programs in Hong Kong also maximize our brand awareness and product trials amongst target consumers, thus contribute to a natural growth in Hong Kong market.

During the Period, the Product Development Segment was still the largest segment which contributed approximately 81.4% of the Group's revenue while it accounted for 77.6% of the total revenue for the last financial year. The revenue contribution from Brand Development and Management Segment decreased from 15.7% for the last financial year to 13.4% for the Period. The Trading of Goods Segment recorded a continuous drop in revenue and its revenue contribution to the Group dropped from approximately 6.7% for the last financial year to approximately 5.2% for the Period.

### Product Development Segment

Under Product Development Segment, the Group develops and sells personal care products, health care products and household products under its own brand names, mainly being "Hin Sang (衍生)", "Beautymate (美肌の誌)" and "Shuang Long (雙龍)".

The revenue of this Segment increased to approximately HK\$185.0 million for the Period from approximately HK\$166.8 million for the year ended 31 March 2015. This Segment's profit for the Period was approximately HK\$24.3 million, representing an increase of approximately HK\$1.8 million or 8.0% as compared to that of the year ended 31 March 2015. This Segment's profit margin for the Period was approximately 13.1%, while the profit margin for the year ended 31 March 2015 was approximately 13.5%.

### 業務概覽

於本期間，本集團的收入約為227.5百萬港元，較截至2015年3月31日止年度的215.0百萬港元上升5.8%。

儘管市況持續不佳，我們仍於中國市場錄得滿意增長。通過在全國電視網絡進行新廣告的高頻投放，現於19個中國省份進行銷售的「衍生」品牌已取得持續廣告支持，以有效地對孩童家長進行宣傳。於香港，有效的推廣計劃亦有助於盡可能提升我們的品牌知名度以及促進目標消費者的產品試用，從而帶動香港市場的自然增長。

於本期間，產品開發分部仍為最大業務分部，為本集團貢獻約81.4%之收入，而於上一個財政年度則佔總收入之77.6%。來自品牌開發及管理分部之收入佔比則由上一個財政年度之15.7%下降至本期間之13.4%。貨品買賣分部之收入錄得持續下跌，其向本集團貢獻之收入由上一個財政年度之約6.7%下降至本期間之約5.2%。

### 產品開發分部

於產品開發分部，本集團以自家品牌（主要為「衍生」、「美肌の誌」及「雙龍」）開發及銷售個人護理產品、保健產品及家居產品。

於本期間，該分部的收入由截至2015年3月31日止年度的約166.8百萬港元增加至約185.0百萬港元。於本期間，該分部的溢利約為24.3百萬港元，較截至2015年3月31日止年度增加約1.8百萬港元或8.0%。於本期間，該分部的利潤率約為13.1%，而截至2015年3月31日止年度的利潤率約為13.5%。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The aggregate revenue generated from the above three major brands amounted to approximately HK\$180.1 million for the Period, representing 97.4% of this Segment's revenue as compared to approximately HK\$164.4 million for the year ended 31 March 2015, representing 98.6% of this Segment's revenue.

### Brand Development and Management Segment

Under the Brand Development and Management Segment, the Group sells and distributes products with exclusive distribution rights. The three major brands of this Segment are "Acene (澳雪)", "Sewame (雪完美)" and "See Young (滋源)".

This Segment recorded revenue of approximately HK\$33.8 million and HK\$30.6 million for the years ended 31 March 2015 and 2016, representing a decrease of 9.5%. This Segment's profit for the Period was approximately HK\$4.4 million, representing an increase of approximately HK\$0.5 million or 12.8% as compared to that of the year ended 31 March 2015. This Segment's profit margin for the Period was approximately 14.4% while the profit margin for the year ended 31 March 2015 was approximately 11.5%.

The total revenue of these three major brands amounted to approximately HK\$16.9 million and HK\$15.9 million respectively for the year ended 31 March 2015 and 2016, accounting for approximately 50.0% and 52.0% of this Segment's revenue of the respective periods.

### Trading of Goods Segment

Trading of Goods Segment distributes those products purchased from authorised dealers, independent traders, manufacturers or parallel importers and its contribution to total revenue and profit are smaller when compared with another two segments.

This Segment recorded revenue of approximately HK\$14.3 million and HK\$11.9 million for the years ended 31 March 2015 and 2016, representing a decrease of 16.8%. This Segment's loss for the Period was approximately HK\$496,000, representing an increase of approximately HK\$155,000 or 45.5% as compared to the loss of approximately HK\$341,000 for the year ended 31 March 2015. This Segment's loss margin for the Period was approximately 4.2% while the loss margin for the year ended 31 March 2015 was approximately 2.4%.

於本期間，來自上述三大品牌的收入總額約為180.1百萬港元，佔該分部收入之97.4%，而於截至2015年3月31日止年度的收入總額約為164.4百萬港元，佔該分部收入之98.6%。

### 品牌開發及管理分部

於品牌開發及管理分部，本集團以獨家分銷權銷售及分銷產品。該分部的三大主要品牌為「澳雪」、「雪完美」及「滋源」。

截至2015年及2016年3月31日止年度，該分部分別錄得收入約33.8百萬港元及30.6百萬港元，降幅為9.5%。於本期間，該分部的溢利為約4.4百萬港元，較截至2015年3月31日止年度增加約0.5百萬港元或12.8%。於本期間，該分部的利潤率約為14.4%，而截至2015年3月31日止年度之利潤率約為11.5%。

截至2015年及2016年3月31日止年度，此三大品牌的收入總額分別約為16.9百萬港元及15.9百萬港元，分別佔有關期間該分部收入的約50.0%及52.0%。

### 貨品買賣分部

貨品買賣分部分銷自特約經銷商、獨立商號、製造商或水貨商購買之產品，與其他兩個分部相較其對收入總額及溢利總額之貢獻較小。

截至2015年及2016年3月31日止年度，該分部分別錄得收入約為14.3百萬港元及11.9百萬港元，降幅為16.8%。於本期間，該分部的虧損約為496,000港元，較截至2015年3月31日止年度之虧損約341,000港元增加約155,000港元或45.5%。於本期間，該分部的虧損率約為4.2%，而截至2015年3月31日止年度之虧損率約為2.4%。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### HUMAN RESOURCES

The Group had a total of 157 staff as at 31 March 2016. The employees of the Group are remunerated by way of fixed salary. The Group has devised an assessment system for its employees and the Group uses the assessment result for salary review and promotion decisions. All the staff undergo a performance appraisal once a year. The appraisal provides the Group with an opportunity to assess each individual staff's strengths and areas for improvement, thereby enabling the Group to effectively train and develop each individual staff. A Share Options Scheme was adopted in September 2014 to recognise and acknowledge those employees who have made contribution to the Group.

### PROSPECTS

The Group believes that public listing status has enhanced its profile, while the net proceeds from the Listing can strengthen its financial position and allow the Group to implement and execute its business plan. To better utilize the Listing proceeds, the Group reallocated the majority of the unutilised Listing proceeds to accommodate the change in business focus and strategies of the Group. For details of the reallocation, please refer to the announcement of the Company dated 19 February 2016. The Group intends to implement the following principal strategies to expand its business and create value for the Shareholders:

#### (a) To further expand the sales and distribution network for own-branded products

The Group plans to expand the distribution network for own brands by entering into exclusive distribution agreements with distributors in other territories, mainly the PRC and other regions and countries including Taiwan, Macau, Singapore and Malaysia. The Group will continue to expand its business in the PRC market in terms of the number of distributors and its product portfolio in order to timely respond to changes in the preferences of the customers in the PRC. The Group also continues to expand the distribution of its own-branded products to other provinces in the PRC and increase the number of sales representatives to assist in the expansion of the sales network coverage. In light of the popularity of e-commerce, the Group set up "Hin Fai International Holding Company Limited" to promote e-commerce sales by selling the Group's products through online platforms operated by independent third party merchants. Further details are set out in the Company's announcement dated 20 April 2016.

### 人力資源

於2016年3月31日，本集團合共有員工157名。本集團乃以固定薪金之方式向僱員提供薪酬。本集團已為其僱員制訂評估系統，並使用評估結果檢討薪金及作出晉升決定。全體員工均會進行每年一次之表現評估。此項評估讓本集團得以了解每名個別員工之長處及需要改善之地方，從而令本集團可有效地培訓每名個別員工，讓彼等發展所長。此外，本公司於2014年9月採納購股權計劃，以認可及感謝對本集團作出貢獻的僱員。

### 展望

本集團相信公開上市地位已提升其形象，而上市之所得款項淨額將鞏固其財務狀況並使本集團能夠落實及執行其業務計劃。為更好地運用上市所得款項，本集團重新分配大部分尚未動用的上市所得款項，以適應本集團業務重心及策略的變化。有關重新分配的詳情，請參閱本公司日期為2016年2月19日的公告。本集團擬實施下列主要策略以擴展其業務及為股東創造價值：

#### (a) 進一步擴展自家品牌產品的銷售及分銷網絡

本集團計劃透過與其他地區（主要為中國及其他地區及國家，包括台灣、澳門、新加坡及馬來西亞）的分銷商訂立獨家分銷協議以擴展本集團自家品牌的分銷網絡。本集團將繼續在拓展分銷商數目及產品組合方面於中國市場擴充業務，以及時回應中國客戶喜好的轉變。本集團亦將繼續拓展自家品牌產品的分銷範圍，涵蓋中國其他省份，並增加銷售代表的人數以協助本集團擴充銷售網絡覆蓋。考慮到電子商務日漸普及，本集團成立「衍輝國際控股有限公司」，透過於獨立第三方營運商營運之在線平台出售本集團的產品，推廣電子商務銷售。進一步詳情請參閱本公司日期為2016年4月20日之公告。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### (b) To continue enhancing brand recognition of own brands through effective marketing strategy

The Group has developed “Hin Sang (衍生)” brand into a well-recognised brand in Hong Kong through an effective and targeted advertising, marketing strategies and continuous emphasis on product safety and quality. To further enhance the popularity of the Group’s products in Hong Kong and brand awareness and image in the PRC, the Group will continue its effective and targeted marketing efforts. The Group also plans to make use of innovative multimedia promotional channels such as social media and mobile phone applications. In addition, the Group intends to enhance the online shop which will provide a convenient ordering system for its customers.

### (c) To expand the manufacturing arm of the Group and explore opportunities in health industry

The Group plans to develop its own manufacturing arm to enhance the effectiveness of the Group’s own branded products because of the recent implementation of the two-child policy in the PRC. To capture such opportunity, the Group considers acquiring manufacturing plant and production facilities so as to better monitor the quality of the products and to secure a stable source of the same. In this regard, the Group also considers acquiring industrial property to construct its own GMP manufacturing plant to manufacture products of GMP standard for export so to expand the overseas market of the Group, mainly in the South East Asia region.

### (d) To expand in the mother-infant healthcare market through joint venture with the Fullshare Group

The Group plans to cooperate with the Fullshare Group to expand the business of mother-infant Chinese medical healthcare as well as diagnosis and treatment services in mainland China, Hong Kong, southeast Asia and Australia in the future to capture the fast-growing market. The Group plans to carry out a traditional Chinese physical alliance plan and will discuss with the Fullshare Group relating to the feasibility to establish flagship clinic to provide traditional Chinese medical services for mother and children in Hong Kong. For details of the co-operation with the Fullshare Group, please refer to the Company’s announcement and circular on 27 April 2016 and 3 June 2016.

### (b) 透過有效的市場推廣策略不斷提高自家品牌之品牌認知度

本集團已透過有效及具針對性的廣告、市場策略及持續強調產品安全及質量，將「衍生」品牌發展成香港著名品牌。為進一步提升本集團產品於香港的名氣及本集團品牌於中國的知名度及形象，本集團將繼續進行有效及具針對性的市場推廣活動。本集團亦計劃利用創新的多媒體推廣渠道，例如社交媒體及流動電話應用程式。此外，本集團擬優化網上商店，為客戶提供一個便捷的訂購系統。

### (c) 擴充本集團的製造業務及於保健行業尋求機會

鑒於中國近期開始實施全面二孩政策，本集團計劃發展其自家製造業務以提高本集團自家品牌的效益。為把握上述機會，本集團考慮透過收購製造廠房及生產設施以更好地監管產品質量及獲得穩定的產品來源。就此而言，本集團亦考慮收購工業物業，用作建造其本身的GMP製造廠房，以生產符合GMP出口標準的產品，從而擴充本集團海外市場（主要於東南亞地區）。

### (d) 透過與豐盛集團成立合營企業拓展婦嬰保健市場

本集團計劃與豐盛集團合作，於日後在中國內地、香港、東南亞及澳洲拓展婦嬰中醫保健以及診斷及治療服務業務，以把握於快速增長之市場。本集團計劃開展中醫師聯合計劃，並就於香港設立向婦嬰提供中醫醫療服務之旗艦診所之可行性與豐盛集團進行討論。有關與豐盛集團合作的詳情，請參閱本公司日期為2016年4月27日及2016年6月3日之公告及通函。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### Revenue

The Group's revenue was approximately HK\$227.5 million for the Period as compared to HK\$215.0 million for the same period in 2015, representing an increase of 5.8%. Such increase was mainly due to the increase in revenue from Product Development Segment, in particular "Hin Sang (衍生)" brand as a result of expansion in China market and natural growth in Hong Kong market.

#### Cost of Sales

The Group's cost of sales decreased by 3.5% from approximately HK\$92.3 million for the year ended 31 March 2015 to approximately HK\$89.1 million for the Period. Such decrease was primarily due to significant drop in purchase costs incurred under the Brand Development and Management Segment and the Trading of Goods Segment by 16.3% and 14.5% respectively as compared to that of previous period.

In relation to sales under the Product Development Segment, cost of sales increased slightly by 4.7% from approximately HK\$55.2 million for the year ended 31 March 2015 to approximately HK\$57.8 million for the Period.

The change in cost of sales for all business segments were in line with the corresponding fluctuation in revenue for the Period.

#### Gross Profit and Gross Profit Margin

The Group's gross profit increased by 12.8% from approximately HK\$122.7 million for the year ended 31 March 2015 to approximately HK\$138.4 million for the Period. The gross profit margin for the Period increased from 57.1% to 60.8% which was mainly due to the increase in the proportion of revenue from Product Development Segment which has a relatively higher margin.

#### Other Income

The Group's other income increased from approximately HK\$3.6 million for year ended 31 March 2015 to approximately HK\$5.8 million for the Period, which was mainly due to the increase in interest income from bank deposits of approximately HK\$2.6 million.

#### 財務回顧

##### 收入

本期間本集團之收入約為227.5百萬港元，較2015年同期的215.0百萬港元增加5.8%。該增加乃主要由於中國市場擴張及香港市場自然增長令產品開發分部（尤其是「衍生」品牌）收入增加。

##### 銷售成本

本集團之銷售成本由截至2015年3月31日止年度的約92.3百萬港元減少3.5%至本期間的約89.1百萬港元。有關減少乃主要由於品牌開發及管理分部以及貨品買賣分部所產生之採購成本分別較上一期間大幅下降16.3%及14.5%。

就產品開發分部之銷售而言，銷售成本由截至2015年3月31日止年度之約55.2百萬港元輕微增加4.7%至本期間之約57.8百萬港元。

所有業務分部之銷售成本變動均與本期間收益的相應波動一致。

##### 毛利及毛利率

本集團之毛利由截至2015年3月31日止年度的約122.7百萬港元上升12.8%至本期間的約138.4百萬港元。本期間之毛利率由57.1%上升至60.8%，主要由於來自利潤相對較高的產品開發分部之收入所佔比例增加所致。

##### 其他收入

本集團之其他收入由截至2015年3月31日止年度的約3.6百萬港元增加至本期間的約5.8百萬港元，主要由於銀行存款之利息收入增加約2.6百萬港元所致。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Other Gains and Losses

Other losses increased by HK\$3.5 million from loss of approximately HK\$0.3 million for the year ended 31 March 2015 to loss of HK\$3.8 million for the Period. The significant change was attributable to (i) gain of approximately HK\$3.9 million from Acquisition of Tai Wo Tong for the Period; and (ii) exchange loss from Renminbi of approximately HK\$7.9 million incurred during the Period as compared to loss of HK\$0.3 million for the year ended 31 March 2015.

### Selling and Distribution Expenses

The selling and distribution expenses increased by 6.0% from approximately HK\$45.1 million for the year ended 31 March 2015 to approximately HK\$47.8 million for the Period. Such increase was attributable to the increasing advertising expenses relating to television advertisements in China.

### Administrative Expenses

The administrative expenses increased by 19.3% from approximately HK\$54.9 million for the year ended 31 March 2015 to approximately HK\$65.5 million for the Period which was mainly attributable to (i) the increase of share-based payment expenses from approximately HK\$2.4 million for the year ended 31 March 2015 to approximately HK\$6.1 million for the Period; (ii) the increase in staff costs (excluding share-based payment expenses) from approximately HK\$29.0 million for the year ended 31 March 2015 to approximately HK\$33.8 million for the Period; (iii) the increase of depreciation and amortisation expenses from approximately HK\$3.3 million for the year ended 31 March 2015 to approximately HK\$4.3 million relating to the depreciation of newly acquired commercial properties (used as office) in Beijing, Shanghai and Chongqing, the PRC; (iv) the increase of travel and entertainment expense from approximately HK\$3.4 million for the year ended 31 March 2015 to approximately HK\$4.2 million for the Period; and (v) the increase in office expenses from approximately HK\$7.6 million for the year ended 31 March 2015 to approximately HK\$8.5 million for the Period.

### 其他收益及虧損

其他虧損由截至2015年3月31日止年度的虧損約0.3百萬港元增加3.5百萬港元至本期間的虧損3.8百萬港元。該大幅變動乃由於(i)本期間收購太和堂產生之收益約3.9百萬港元；及(ii)本期間產生人民幣匯兌虧損約7.9百萬港元，而於截至2015年3月31日止年度之虧損為0.3百萬港元。

### 銷售及分銷開支

銷售及分銷開支由截至2015年3月31日止年度的約45.1百萬港元上升6.0%至本期間的約47.8百萬港元。此增幅乃由於中國電視廣告有關的廣告開支增加。

### 行政開支

行政開支由截至2015年3月31日止年度的約54.9百萬港元增加19.3%至本期間的約65.5百萬港元，主要由於(i)以股份為基礎的付款開支由截至2015年3月31日止年度的約2.4百萬港元增加至本期間的約6.1百萬港元；(ii)員工成本（不包括以股份為基礎的付款開支）由截至2015年3月31日止年度的約29.0百萬港元增加至本期間的約33.8百萬港元；(iii)與中國北京、上海及重慶新收購商業物業（用作辦事處）折舊有關之折舊及攤銷費用由截至2015年3月31日止年度的約3.3百萬港元增加至約4.3百萬港元；(iv)差旅及招待開支由截至2015年3月31日止年度的約3.4百萬港元增加至本期間的約4.2百萬港元；及(v)辦公開支由截至2015年3月31日止年度的約7.6百萬港元增加至本期間的約8.5百萬港元所致。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Listing Expenses

The Group's listing expenses decreased by 100% from approximately HK\$10.4 million for the year ended 31 March 2015 to nil for the Period. The decrease was due to the one-off expenses relating to the professional fees and printing costs of the prospectus of the Company in connection with the Listing.

### Taxation

The Group's tax charge increased by 31.8% from approximately HK\$4.4 million for year ended 31 March 2015 to approximately HK\$5.8 million for the Period, while the effective tax rates were 28.4% and 21.4% respectively. The increase in tax charge was in line with the increase in profit before tax from approximately HK\$15.5 million for the year ended 31 March 2015 to approximately HK\$27.0 million for the Period.

### Profit for the Period

As a result of the foregoing, the Group's net profit increased by 91.0% from approximately HK\$11.1 million for year ended 31 March 2015 to approximately HK\$21.2 million for the Period, and net profit margin increased from 5.1% to 9.3% for the Period.

### Inventories

The Group's inventories decreased by 30.7% from approximately HK\$18.9 million as at 31 March 2015 to approximately HK\$13.1 million as at 31 March 2016, which was primarily due to the decrease in finished products for distribution by 32.7% from approximately HK\$17.1 million as at 31 March 2015 to approximately HK\$11.5 million as at 31 March 2016. Such decrease was mainly due to the decrease in inventories of health care products under the Product Development Segment. The inventory turnover days increased from 63.1 days for the year ended 31 March 2015 to 66.6 days for the Period.

### 上市開支

本集團上市開支由截至2015年3月31日止年度之約10.4百萬港元減少100%至本期間之零。該減少乃由於就上市而產生之本公司專業費用及招股章程印刷費用為一次性費用。

### 稅項

本集團之稅項支出由截至2015年3月31日止年度的約4.4百萬港元增加31.8%至本期間的約5.8百萬港元，而實際稅率分別為28.4%及21.4%。稅項支出增加乃與除稅前溢利由截至2015年3月31日止年度的約15.5百萬港元增加至本期間的約27.0百萬港元一致。

### 本期間溢利

由於以上所述，本集團之純利由截至2015年3月31日止年度的約11.1百萬港元增加91.0%至本期間的約21.2百萬港元，而純利率於本期間由5.1%上升至9.3%。

### 存貨

本集團存貨由2015年3月31日的約18.9百萬港元減少30.7%至2016年3月31日的約13.1百萬港元，主要由於待分銷成品由2015年3月31日的約17.1百萬港元減少32.7%至2016年3月31日的約11.5百萬港元。該減少主要由於產品開發分部的保健產品存貨減少。存貨周轉天數由截至2015年3月31日止年度的63.1天增加至本期間的66.6天。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Trade Receivables

The Group's trade receivables increased by 17.7% from approximately HK\$21.5 million as at 31 March 2015 to approximately HK\$25.3 million as at 31 March 2016, which was primarily attributable to the increase in trade receivables from distributors arising from the purchase of health care products under the Product Development Segment. The trade receivables turnover days decreased from 45.7 days for the year ended 31 March 2015 to 37.6 days for the Period.

### Liquidity and Capital Resources

The Group's cash and cash equivalents decreased by 9.3% from approximately HK\$264.4 million as at 31 March 2015 to approximately HK\$239.7 million as at 31 March 2016. As at 31 March 2016, the Group had no outstanding bank borrowings and the amount of unutilised banking facilities of approximately HK\$32.0 million. The gearing ratio (total debts divided by total equity) as at 31 March 2016 was nil (31 March 2015: nil). The current ratio (total current assets divided by total current liabilities) as at 31 March 2016 was 10.6 (31 March 2015: 11.4).

### Financial Management and Policy

The Group continues to adopt prudent financing and treasury policies. All the Group's financing and treasury activities are centrally managed and controlled. Implementation of the Group's related policies is made under collective but extensive considerations on liquidity risk, financing cost and exchange rate risk.

The executive Directors, with the assistance of the Group's financial controller, are responsible for identifying, reviewing, evaluating and analyzing the investment opportunities of the Group. The executive Directors also regularly monitor the cash position and funding requirement of the Group.

### Contingent Liabilities

As at 31 March 2016, the Directors were not aware of any significant events that would have resulted in material contingent liabilities.

### 貿易應收款項

本集團之貿易應收款項由2015年3月31日的約21.5百萬港元增加17.7%至2016年3月31日的約25.3百萬港元，主要由於來自分銷商購買產品開發分部的保健產品的貿易應收款項增加所致。貿易應收款項周轉天數由截至2015年3月31日止年度的45.7天減少至本期間的37.6天。

### 流動資金及資本資源

本集團之現金及現金等價物由2015年3月31日之約264.4百萬港元減少9.3%至2016年3月31日之約239.7百萬港元。於2016年3月31日，本集團並無未償還銀行借貸，且未動用銀行融資約為32.0百萬港元。於2016年3月31日，資產負債比率（債務總額除以權益總額）為零（2015年3月31日：零）。於2016年3月31日，流動比率（流動資產總值除以流動負債總額）為10.6（2015年3月31日：11.4）。

### 財務管理及政策

本集團將持續採納審慎的財務及庫務政策。本集團之所有財務及庫務活動皆集中管理及控制。本集團經仔細考慮整體流動資金風險、財務費用及匯率風險後執行相關政策。

執行董事在集團財務總監的協助下負責識別、審閱、評估及分析本集團的投資機會。執行董事亦定期監測本集團的現金狀況及融資需求。

### 或然負債

於2016年3月31日，董事概不知悉存在任何重大事項可導致重大或然負債。

# DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層

### EXECUTIVE DIRECTORS

**Mr. Pang Siu Hin (彭少衍)**, aged 51, was appointed in October 2010 as an executive Director. He is the founder of the Group and has been the Chairman and the Chief Executive Officer of the Group since 1996. He is responsible for the overall strategic planning, formulation of the corporate policies and the day-to-day management of the Group. Mr. Pang has about 20 years of experience in the distribution, marketing and sale of health care products, personal care products and household products, the experience of which was gained from the operation of the Group. Mr. Pang was appointed as the director of Hong Kong Chiu Chow Chamber of Commerce in 2005, the honourable president of The Cosmetic & Perfumery Association of Hong Kong Ltd (香港化妝品同業協會有限公司) in 2008, the honourable chairman of the Hong Kong Chinese Medicine Industry Association (香港中藥業協會有限公司) in 2009, the vice president of HK & Kln Kit Yeung Clansmen General Association Limited (香港九龍揭陽同鄉總會有限公司) in 2009 and became the executive vice president in 2013, the director of YL Chiu Chow Clansmen's Association Ltd. (元朗區潮州同鄉會有限公司) in 2009 and became the vice president since 2011, the life honorary chairman of Hong Kong Listed Chinese Medicine Practitioners Association in 2010, the director of Pok Oi Hospital in Hong Kong from 2009 to 2011 and became the vice president since 2012, the honourable president of Junior Police Call (Yuen Long District) in 2010, the member of Yuen Long Town Area Committee under the Home Affairs Department in 2012, a member of the Committee on the Promotion of Civic Education under the Home Affairs Department in 2014, the cochairman of New Territories Walk for Millions Organizing Committee of The Community Chest of Hong Kong (香港公益金) in 2014, and the vice president of Shenzhen Enterprise Confederation in 2015. He is also the life honorary chairman of Xuan Yuan Education Fund Association focusing on the development of education work in PRC since 2010. Mr. Pang Siu Hin is the husband of Ms. Kwan Lai Man.

### 執行董事

**彭少衍先生**，51歲，於2010年10月獲委任為執行董事。彼為本集團之創辦人，自1996年起一直為本集團之主席兼行政總裁。彼負責整體策略規劃、制訂公司政策以及本集團之日常管理。彭先生於保健產品、個人護理產品及家居產品之分銷、市場推廣及銷售行業擁有約20年經驗，該等經驗來自本集團之營運。彭先生於2005年獲委任為香港潮州商會會董、於2008年獲委任為香港化妝品同業協會有限公司名譽會長、於2009年獲委任為香港中藥業協會有限公司名譽會長、於2009年獲委任為香港九龍揭陽同鄉總會有限公司副會長，並於2013年成為常務副會長、於2009年獲委任為元朗區潮州同鄉會有限公司董事，並於2011年成為副主席、於2010年獲委任為香港表列中醫協會永遠榮譽會長、於2009年至2011年擔任香港博愛醫院總理並於2012年成為副主席、於2010年獲委任為元朗區少年警訊名譽會長、於2012年獲委任為民政事務署－元朗分區委員會委員、於2014年獲委任為民政事務署－元朗區公民教育委員會委員，同年亦獲委任為香港公益金新界百萬行聯席主席、於2015年獲委任為深圳市企業聯合會副會長。自2010年起，彼亦為軒轅教育基金會永久榮譽主席，專注於中國教育工作之發展。彭少衍先生為關麗雯女士之丈夫。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

**Ms. Kwan Lai Man (關麗雯)**, aged 45, was appointed in October 2010 as an executive Director. Ms. Kwan is a founder of the Group and has been the Managing Director of the Group since 1996. She is responsible for supervising the Group's business operations. She has about 20 years of experience in the distribution, marketing and sale of health care products, personal care products and household products, the experience of which was gained from the operation of the Group. She is also devoted in the development of education work in PRC and is the life honorary chairman of Xuan Yuan Education Fund Association since 2010. Ms. Kwan Lai Man is the wife of Mr. Pang Siu Hin.

### NON-EXECUTIVE DIRECTOR

**Ms. Wong Wai Ling (黃慧玲)**, aged 55, was appointed in November 2010 as a non-executive Director. Ms. Wong has more than 22 years of experience in accounting, taxation and auditing. She received a bachelor degree in arts from the University of Hong Kong in November 1983 and a diploma in Accounting and Finance from the London School of Economics and Political Science, University of London in the United Kingdom in July 1985. Ms. Wong was registered as a certified public accountant of Hong Kong Institute of Certified Public Accountants in June 1991 and an associate of The Association of Chartered Certified Accountants in April 1990. She has worked for more than seven years in major international accounting firms and major local accounting firms before she set up her own accounting firm, W. L. Wong & Co., in Hong Kong in 1994. Since then, she has been practising as a Certified Public Accountant. Ms. Wong is an executive director of Tonking New Energy Group Holdings Limited (formerly known as JC Group Holdings Limited) (stock code: 8326). Ms. Wong is also an independent non-executive director of four Hong Kong listed companies, namely, Yongsheng Advanced Materials Company Limited (stock code: 3608), China Ruifeng Renewable Energy Holdings Limited (stock code: 527), Overseas Chinese Town (Asia) Holdings Limited (stock code: 3366), AVIC International Holdings Limited (formerly known as CATIC Shenzhen Holdings Limited) (stock code: 161). Save and except for Tonking New Energy Group Holdings Limited (formerly known as JC Group Holdings Limited), Ms. Wong also acts as the chairperson of the audit committee of each of these listed companies.

\* For identification purposes only

**關麗雯女士**，45歲，於2010年10月獲委任為執行董事。關女士為本集團之創辦人，自1996年起一直為本集團之董事總經理。彼負責監督本集團之業務營運。彼於保健產品、個人護理產品及家居產品之分銷、市場推廣及銷售行業擁有約20年經驗，該等經驗來自本集團之營運。彼亦致力於中國教育工作之發展，自2010年起，彼為軒轅教育基金會之永久榮譽主席。關麗雯女士為彭少衍先生之妻子。

### 非執行董事

**黃慧玲女士**，55歲，於2010年11月獲委任為非執行董事。黃女士於會計、稅務及審核方面擁有超過22年經驗。彼於1983年11月取得香港大學文學學士學位，並於1985年7月取得英國倫敦大學倫敦經濟及政治學院會計及財務文憑。黃女士於1991年6月註冊成為香港會計師公會執業會計師，於1990年4月註冊成為英國特許公認會計師公會會員。彼於1994年在香港成立其會計師事務所黃慧玲會計師事務所前，先後於大型國際會計師事務所及大型本地會計師事務所工作逾七年。自此，彼從事執業會計師工作至今。黃女士為Tonking New Energy Group Holdings Limited同景新能源集團控股有限公司\*（前稱JC Group Holdings Limited）（股份代號：8326）的執行董事。黃女士亦為四間香港上市公司之獨立非執行董事，分別為永盛新材料有限公司（股份代號：3608）、中國瑞風新能源控股有限公司（股份代號：527）、華僑城（亞洲）控股有限公司（股份代號：3366）及中航國際控股股份有限公司（前稱深圳中航集團股份有限公司）（股份代號：161）。除Tonking New Energy Group Holdings Limited 同景新能源集團控股有限公司\*（前稱JC Group Holdings Limited）外，黃女士亦擔任該等上市公司各自的審核委員會主席。

\* 僅供識別



# DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層

### INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事

**Mr. Lee Luk Shiu (李祿兆)**, aged 58, was appointed in September 2014 as an independent non-executive Director. Mr. Lee has over 28 years of experience in commercial accounting and corporate finance. Mr. Lee became a fellow member of The Association of Chartered Certified Accountants in April 2001 and an associate of the Hong Kong Institute of Certified Public Accountants in February 1987. He obtained a diploma in business administration from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in July 1983. He has worked in the Stock Exchange for around 15 years from 1986 to 1993 and from 1997 to 2005, his duties included regulating and monitoring the Hong Kong listed companies in relation to their compliance with the Listing Rules and processing new listing applications. His last position with the Stock Exchange was an assistant vice president of the Listing Division. Mr. Lee was also a senior consultant of an investment bank for 5 years from 2007 to 2012. Mr. Lee has been an independent non-executive director of Huabao International Holdings Limited (stock code: 336) since 1 May 2006 and Yee Hop Holdings Limited (stock code: 1662) since 25 November 2015 the shares of which are listed on the Stock Exchange.

**Dr. Tang Sing Hing, Kenny (鄧聲興)**, aged 47, was appointed in November 2010 as an Independent Non-executive Director. Dr. Tang has over 15 years of experience in the financial and securities sector. He received a bachelor degree in business, major in finance from Edith Cowan University, Australia in February 1993 and holds a PhD. Degree in Economics from Renmin University of China in July 2007. He became a senior associate of the Australian Institute of Banking and Finance in December 1995. He is the executive director and vice chairman of Jun Yang Financial Holdings Limited (stock code 397) the shares of which are listed on the Stock Exchange. He is also the CEO and director of Jun Yang Securities Company Limited which is the subsidiaries of Jun Yang Financial Holdings Limited since April 2015. He is also the executive director of AP Assets Limited. He is also the chairman of The Hong Kong Institute of Financial Analysts and Professional Commentators Limited and the executive committee member of the Hong Kong Securities Professionals Association. He has been a part-time lecturer of the Master of Social Science in Global Political Economy Programme of The Chinese University of Hong Kong since September 2010.

**李祿兆先生**，58歲，於2014年9月獲委任為獨立非執行董事。李先生在商業會計及企業融資方面擁有超過28年經驗。李先生於2001年4月成為英國特許公認會計師公會資深會員，於1987年2月成為香港會計師公會會員。彼於1983年7月取得香港樹仁書院（現為香港樹仁大學）工商管理文憑。彼由1986年至1993年及由1997年至2005年於聯交所工作約15年，其職責包括規管及監督香港上市公司有關遵守上市規則之情況及處理新上市申請。彼離職聯交所前任上市科助理副總裁。李先生由2007年至2012年亦曾擔任投資銀行高級顧問五年，並自2006年5月1日起擔任華寶國際控股有限公司（股份代號：336）及自2015年11月25日起擔任義合控股有限公司（股份代號：1662）獨立非執行董事，兩間公司股份均於聯交所上市。

**鄧聲興博士**，47歲，於2010年11月獲委任為獨立非執行董事。鄧博士於金融及證券業擁有逾15年經驗。彼於1993年2月取得澳洲埃迪斯科文大學商學學士學位，主修金融，並於2007年7月取得中國人民大學經濟學博士學位。彼於1995年12月成為澳洲銀行及財務公會高級會員。彼為君陽金融控股有限公司（股份代號：397）（其股份於聯交所上市）之執行董事兼副主席。彼亦自2015年4月起擔任君陽證券有限公司（為君陽金融控股有限公司之附屬公司）之行政總裁兼董事。彼亦為AP Assets Limited的執行董事。彼為香港股票分析師協會主席及香港證券學會理事。彼自2010年9月起為香港中文大學全球政治經濟社會科學碩士課程之兼任講師。



## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

**Mr. Tsui Nam Hung (徐南雄)**, aged 63, was appointed in November 2010 as an Independent Non-executive Director. Mr. Tsui has over 22 years of experience in finance control and business logistics. He received a certificate in management jointly held by the Hong Kong Management Association and The Hong Kong Polytechnic University in September 1990. He has worked for more than 20 years in a global distributor of branded personal and family care product from May 1987 and his last position in that company was finance director and supply chain leader before his retirement in May 2010. He gained his finance and business logistics related experience through working in the global distributor.

**徐南雄先生**，63歲，於2010年11月獲委任為獨立非執行董事。徐先生於財務監控及商業物流方面擁有逾22年經驗。彼於1990年9月取得香港管理專業協會及香港理工大學聯合開辦之管理課程證書。彼自1987年5月起於一間個人及家庭護理品牌產品之全球分銷商任職超過20年，於2010年5月退休前曾任該公司財務總監及供應鏈主管。彼透過於該全球分銷商任職取得彼於財務及商業物流方面之相關經驗。

### COMPANY SECRETARY

**Ms. Wong Ting Dan (王廷丹)**, aged 46, was appointed as the company secretary of the Company with effect from 1 February 2016. Ms. Wong graduated from the University of Manchester with a Bachelor of Laws degree in 2005 and was admitted as a solicitor of the High Court of Hong Kong in 2010. She is currently a solicitor of Fairbairn Catley Low & Kong, Solicitors. Ms. Wong has handled a wide range of corporate transactions, regulatory compliances and other commercial matters.

### 公司秘書

**王廷丹女士**，46歲，於2016年2月1日獲委任為本公司之公司秘書。王女士於2005年取得英國曼徹斯特大學法律學士學位，於2010年獲認可為香港高等法院律師。她目前為香港執業律師，任職於范紀羅江律師行。王女士在公司交易、合規事宜及其他商業方面擁有豐富經驗。

# DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層

### SENIOR MANAGEMENT

**Mr. Law Yankta (羅賢達)**, aged 53, is the general manager of the Group. He holds a Bachelor of Arts degree from University of Regina in Canada. He joined the Group in July 2015 and is responsible for overall management of the Hong Kong operation. Mr. Law has over 22 years of experience in the fast-moving consumer goods industry. Prior to joining the Group, Mr. Law held general manager positions in Hong Kong with several multi-national companies and public listed companies.

**Mr. Cheuk Wah Kit (卓華傑)**, aged 33, is the key account manager of the Group. He joined the Group in July 2005 since graduation and is responsible for managing the daily operation of the sales department. In particular, he was responsible for managing skin care products, personal care products, general food products as well as Chinese medicine products and handling daily operational matters with chain retailers. He graduated from The Hong Kong University of Science and Technology with a bachelor's degree in science in 2005. Since then, he has been working at the Group's sales department and made valuable contribution to the Group. Mr. Cheuk is familiar with the Group's internal operation and external sales strategies. He has accumulated 11 years of relevant experience.

**Mr. Mak Wing Keung (麥永強)**, aged 49, is the information technology manager of the Group. He joined the Group in May 2004 and is responsible for its network administration and provides information technology support. He received a certificate of an advanced diploma in computer studies and in electronic commerce in the London International College for Further and Higher Education in September and June 2001 respectively. Prior to joining the Group, he has worked as a technical support supervisor providing information technology support, network administration, hardware and software development in a firm from 2002 to 2004 and has worked as a supervisor supervising a team of technicians and servicing personnel from 1993 to 2002 and has accumulated 20 years of relevant experience.

### 高級管理層

**羅賢達先生**，53歲，為本集團之總經理。彼持有加拿大里賈納大學文學學士學位。彼於2015年7月加入本集團，現負責香港業務的整體管理。羅先生於快速消費品行業擁有逾22年經驗。於加入本集團前，羅先生曾於香港多家跨國公司及公眾上市公司擔任總經理職務。

**卓華傑先生**，33歲，為本集團之主要客戶經理。彼於2005年7月畢業後即加盟本集團，負責管理營業部之日常營運。其中，彼負責管理護膚產品、個人護理產品、一般食品以及中藥產品，並處理連鎖零售商之日常營運事宜。彼於2005年畢業於香港科技大學，取得理學學士學位。自此，彼於本集團營業部任職，對本集團作出寶貴貢獻。卓先生熟悉本集團之內部運作及外部銷售策略，累積11年之相關經驗。

**麥永強先生**，49歲，為本集團資訊科技經理。彼於2004年5月加盟本集團，負責本集團之網絡管理及提供資訊科技支援。彼於2001年9月及6月分別取得London International College for Further and Higher Education電腦及電子商務的證書及高級文憑。加盟本集團前，他曾於2002年至2004年擔任某公司的技術支援主管，提供資訊科技支援、網絡管理、軟硬件發展，亦曾於1993年至2002年擔任主任負責監督一支技術人員及服務人員團隊，累積20年之相關經驗。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Board and senior management of the Group strive to maintain a high standard of corporate governance, to formulate sound corporate governance practice for improvement of accountability and transparency in operations, and to strengthen the internal control system from time to time so as to ensure to meet with the expectations of the Shareholders.

The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code ("**CG Code**") in Appendix 14 to the Listing Rules. Except for the deviation from CG Code provision A.2.1, the Company's corporate governance practices have complied with the Code on Corporate Governance Practices. CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Pang is the chairman and the chief executive officer of the Company. In view that Mr. Pang is one of the co-founders of the Group and has been operating and managing the Group since 1996, the Board believes that it is in the best interest of the Group to have Mr. Pang taking up both roles for effective management and business development. Therefore the Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiries with all Directors and all Directors confirm that they have complied with the standards required by the Model Code during the Period.

### BOARD OF DIRECTORS

#### Overall Accountability

The Board is accountable to the Shareholders and in discharging its corporate accountability, every Director is required to pursue excellence in the interests of the Shareholders and fulfill his/her fiduciary duties by applying the required level of skills, care and diligence to a standard in accordance with the statutory requirements.

### 企業管治常規

本集團董事會及高級管理層致力維持高水平企業管治，制定良好企業管治常規以提高問責性及營運之透明度，並不時加強內部監控制度，確保符合股東之期望。

本公司的企業管治常規是以上市規則附錄14企業管治守則（「**企管守則**」）所載原則及守則條文為基礎。除偏離企管守則條文第A.2.1條外，本公司的企業管治常規已遵守企業管治常規守則。企管守則條文第A.2.1條規定，主席及行政總裁的職責應分離且不應由同一人士擔任。彭先生為本公司的主席兼行政總裁。鑒於彭先生為本集團共同創辦人之一及自1996年以來一直經營與管理本集團，故董事會認為由彭先生兼任該兩個職位可以實現有效管理及業務發展，符合本集團的最佳利益。因此，董事認為偏離企管守則條文第A.2.1條就此情況而言屬恰當。

### 董事進行證券交易

本公司已採納上市規則附錄10所載之董事進行證券交易之標準守則（「**標準守則**」）。本公司已向所有董事作出具體查詢，而所有董事均確認彼等於本期間已遵守標準守則所規定之準則。

### 董事會

#### 全面問責

董事會對股東負責，而董事會在履行其企業責任時，每位董事均須以股東利益為依歸，克盡其職追求卓越成績，並按法規所要求的技能，謹慎盡忠地履行其董事誠信責任。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Board Responsibilities

The Board is responsible for formulating group policies and business directions, and monitoring internal controls and performances.

### Composition of the Board

As at 31 March 2016, the Board comprises six members including two executive Directors, one non-executive Director, and three independent non-executive Directors. The Board members were:

Name	Present position
Mr. Pang Siu Hin	Chairman of the Board, chief executive officer and executive Director
Ms. Kwan Lai Man	Managing Director and executive Director
Mr. Mok Tsan San	Executive Director (appointed on 1 May 2015 and resigned on 30 September 2015)
Ms. Wong Wai Ling	Non-executive Director
Mr. Lee Luk Shiu	Independent non-executive Director
Dr. Tang Sing Hing, Kenny	Independent non-executive Director
Mr. Tsui Nam Hung	Independent non-executive Director

The biographies details of the Directors are set out in the section headed "Directors and Senior Management" in this annual report.

For the period between 1 April 2015 and 31 March 2016, the Board at all times met the requirement of Rules 3.10(1) and (2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board.

### BOARD COMMITTEES

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing specific aspects of the Company's affair under its defined scope of duties and term of reference. The terms of reference of each of the Board Committees are available on the websites of the Company and the Stock Exchange. Details of difference committees are discussed below.

### 董事會責任

董事會負責制定集團政策及業務方向，以及監察內部監控及表現。

### 董事會的組成

於2016年3月31日，董事會由6名董事組成，包括2名執行董事、1名非執行董事及3名獨立非執行董事。董事會成員如下：

姓名	現時職位
彭少衍先生	董事會主席、行政總裁兼執行董事
關麗雯女士	董事總經理兼執行董事
莫贊生先生	執行董事 (於2015年5月1日獲委任及於2015年9月30日辭任)
黃慧玲女士	非執行董事
李祿兆先生	獨立非執行董事
鄧聲興博士	獨立非執行董事
徐南雄先生	獨立非執行董事

董事之履歷詳情載於本年報「董事及高級管理層」一節。

於2015年4月1日至2016年3月31日期間，董事會於委任至少三名獨立非執行董事（佔董事會人數的三分之一）方面一直符合上市規則第3.10(1)及(2)條以及第3.10A條之規定。

### 董事會委員會

董事會已成立審核委員會、薪酬委員會及提名委員會，以根據其清晰的職權範圍監察本公司營運之特定方面。各董事會委員會之職權範圍於本公司及聯交所網站可供查閱。各委員會之詳情載述如下。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### AUDIT COMMITTEE

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 5 November 2010 with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control system of the Group.

In view of the implementation of the HKEx consultation conclusions on “Risk Management and Internal Control” for accounting periods beginning on or after 1 January 2016, the terms of reference of the Audit Committee were revised and adopted by the Board on 23 March 2016.

As at 31 March 2016, the Audit Committee consisted of three members who are the independent non-executive Directors, namely Mr. Lee Luk Shiu, Dr. Tang Sing Hing, Kenny and Mr. Tsui Nam Hung. The chairman of the Audit Committee is Mr. Lee Luk Shiu.

During the Period, the Audit Committee had convened two meetings and performed the following work:

1. to review the 2014/15 annual report of the Company and its related preliminary results announcements;
2. to review the 2015/16 interim report of the Company and its related preliminary results announcements;
3. to review the changes in accounting standards and assessed their potential impacts on the Group’s financial statements; and
4. to review and supervise the financial reporting process and internal control system of the Group.

### REMUNERATION COMMITTEE

The Company established the Remuneration Committee pursuant to a resolution of the Directors passed on 5 November 2010 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The primary duties of the remuneration committee are, among other things, to review and to determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

### 審核委員會

本公司已根據於2010年11月5日通過之董事決議案成立審核委員會，其書面職權範圍符合企管守則。審核委員會之主要職責為（其中包括）審閱及監督本集團之財務報告程序及內部監控系統。

由於在2016年1月1日或之後開始之會計期間實施香港交易所之「風險管理及內部監控」諮詢總結，董事會已於2016年3月23日修訂並採納審核委員會之職權範圍。

於2016年3月31日，審核委員會由3名成員（均為獨立非執行董事）組成，分別為李祿兆先生、鄧聲興博士及徐南雄先生。李祿兆先生為審核委員會主席。

期內，審核委員會已舉行兩次會議並開展下列工作：

1. 審閱本公司之2014/15年年度報告及其相關的初步業績公告；
2. 審閱本公司之2015/16年中期報告及其相關的初步業績公告；
3. 檢討會計準則之變動及評估其對本集團財務報表之潛在影響；及
4. 檢討及監督本集團之財務報告流程及內部監控系統。

### 薪酬委員會

本公司已根據於2010年11月5日通過之董事決議案成立薪酬委員會，其書面職權範圍符合上市規則附錄14所載之企業管治常規守則之規定。薪酬委員會之主要職責為（其中包括）審閱及釐定應付董事及高級管理層之薪酬待遇、花紅及其他報酬之條款。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

As at 31 March 2016, the remuneration committee consisted of four members, namely Ms. Kwan Lai Man, Mr. Lee Luk Shiu, Dr. Tang Sing Hing, Kenny and Mr. Tsui Nam Hung. The chairman of the remuneration committee is Mr. Tsui Nam Hung.

During the Period, the Remuneration Committee had convened two meetings to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.

### NOMINATION COMMITTEE

The Company established the Nomination Committee pursuant to a resolution of the Directors passed on 5 November 2010 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The primary function of the nomination committee is to make recommendations to the Board on the appointment or reappointment of Directors and the management of the Board succession.

As at 31 March 2016, the Nomination Committee consisted of four members, namely Ms. Kwan Lai Man, Mr. Lee Luk Shiu, Dr. Tang Sing Hing, Kenny and Mr. Tsui Nam Hung. The chairman of the Nomination Committee is Dr. Tang Sing Hing, Kenny.

During the Period, the Nomination Committee had convened one meeting to review the structure, size and composition of the Board and to nominate suitable and qualified individual for directorships.

於2016年3月31日，薪酬委員會由4名成員組成，分別為關麗雯女士、李祿兆先生、鄧聲興博士及徐南雄先生。徐南雄先生為薪酬委員會主席。

期內，薪酬委員會已舉行兩次會議，以根據董事會的企業目標及宗旨，審核及批准管理層的薪酬方案。

### 提名委員會

本公司已根據於2010年11月5日通過之董事決議案成立提名委員會，其書面職權範圍符合上市規則附錄14所載之企業管治常規守則之規定。提名委員會之主要職能為就委任或重新委任董事及管理董事會繼任人選事宜向董事會提出建議。

於2016年3月31日，提名委員會由4名成員組成，分別為關麗雯女士、李祿兆先生、鄧聲興博士及徐南雄先生。鄧聲興博士為提名委員會主席。

期內，提名委員會已舉行一次會議，以審核董事會架構、人數及組成並就董事職位提名合適及合資格人士。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Attendance of Board Meetings and Board Committee Meetings

### 出席董事會會議及董事會委員會會議

During the Period, details of each Director's attendance in the following meetings are set out below.

期內，各董事出席下列會議之詳情載列如下。

		Numbers of meetings attended/entitled to attend 已出席會議/有權出席會議之次數			
Directors		Regular full Board meetings 定期全體 董事會會議	Audit Committee meetings 審核委員會 會議	Remuneration Committee meetings 薪酬委員會 會議	Nomination Committee meetings 提名委員會 會議
董事					
<b>Executive Directors</b>		<b>執行董事</b>			
Mr. Pang Siu Hin	彭少衍先生	4/4			
Ms. Kwan Lai Man	關麗雯女士	4/4		2/2	1/1
Mr. Mok Tsan San*	莫贊生先生*	1/1			
<b>Non-executive Director</b>		<b>非執行董事</b>			
Ms. Wong Wai Ling	黃慧玲女士	4/4			
<b>Independent non-executive Directors</b>		<b>獨立非執行董事</b>			
Mr. Lee Luk Shiu	李祿兆先生	3/4	2/2	2/2	1/1
Dr. Tang Sing Hing, Kenny	鄧聲興博士	4/4	2/2	2/2	1/1
Mr. Tsui Nam Hung	徐南雄先生	4/4	2/2	2/2	1/1

\* Mr. Mok Tsan San was appointed on 1 May 2015 and resigned on 30 September 2015

\* 莫贊生先生於2015年5月1日獲委任及於2015年9月30日辭任

## BOARD MEETINGS

The Company generally convenes four regular full Board meetings per year or more meetings when necessary. During the Period, four regular full Board meetings were convened:

1. approved the appointment of executive Director and grant of share option;
2. reviewed and approved the 2014/15 annual report of the Company and its related results announcements and documents;
3. reviewed and approved the 2015/16 interim report of the Company and its related results announcements and documents;
4. reviewed the operational and financial reports of the Group; reviewed and approved of the amended terms of reference of the Audit Committee.

## 董事會會議

本公司通常每年舉行四次定期全體董事會會議或於有需要時增加會議次數。期內已舉行四次定期全體董事會會議：

1. 批准委任執行董事及授出購股權；
2. 審閱及批准本公司之2014/15年年度報告及其相關業績公告及文件；
3. 審閱及批准本公司之2015/16年中期報告及其相關業績公告及文件；
4. 審閱本集團之營運及財務報告；審閱及批准審核委員會之經修訂職權範圍。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

All Directors have kept abreast of their responsibilities as a Director and of the conduct, business activities and development of the Company. Directors are continuously updated with regulatory and governance developments.

Directors are encouraged to participate in professional development courses and seminars to develop and refresh their knowledge and skills. The Company has devised a training record to assist the Directors to record the training they have undertaken.

All the Directors have confirmed they had participated in continuous professional developments to develop and refresh their knowledge and skills as directors during the Period.

### ACCOUNTABILITY AND AUDITING

The Directors are responsible for preparing the financial statements for the financial year ended 31 March 2016 to reflect a true and fair view of the Company's and the Group's financial conditions and results and cash flows during the Period.

In preparing the financial statements for the year ended 31 March 2016, the generally accepted accounting principles in Hong Kong, Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards are adopted, with consistent use of appropriate accounting policies, for making reasonable and prudent judgments and estimates. The financial statements for the year ended 31 March 2016 were prepared on a going concern basis.

The reporting responsibilities of the auditors are set out in the Independent Auditors' Report in this annual report.

### INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective internal control system and for reviewing its effectiveness, particularly in respect of controls on financial, operational, compliance and risk management, to safeguard shareholders' investment and the Group's assets.

### 董事之培訓及專業發展

所有董事均恪守作為董事之責任，並與本公司之操守、業務活動及發展並進。董事持續獲得規管及管治發展之最新信息。

本公司鼓勵董事參與專業發展課程及研討會，以發展及更新其知識及技能。本公司已訂立培訓記錄以協助董事記錄其參與之培訓。

所有董事已確認其於期內參與持續專業發展，以發展並更新其作為董事的知識及技能。

### 問責及審核

董事負責編製截至2016年3月31日止財政年度的財務報表，以真實公平反映本公司和本集團的財務狀況及該期間的業績與現金流。

編製截至2016年3月31日止年度的財務報表時，已採納香港一般公認的會計準則，香港財務報告準則及香港會計準則，並貫徹運用合適的會計政策，做出合理審慎的判斷及估計。截至2016年3月31日止年度的財務報表乃按持續經營基準編製。

核數師之報告職責載於本年報之獨立核數師報告。

### 內部監控

董事會負責維持穩固有效的內部監控系統，並檢討其有效性，尤其是關於財務、營運、合規及風險管理的監控方面，以保障股東投資及本集團資產。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Before listing, the Group has engaged external internal control reviewer to conduct internal control reviews. The internal control system is designed to provide reasonable, but not absolute, assurance. The system aims to eliminate, or otherwise manage, risks of failure in achieving the Company's objectives.

The Board, through the Audit Committee, conducted a review of the effectiveness of the internal control system of the Group, including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function. The Audit Committee oversees the internal control system of the Group and communicates any material issues to the Board. Based on the result of the review, the Directors considered that the Group's internal control system and procedures were effective and satisfactory.

### DEED OF NON-COMPETITION

In order to protect the Group's interests, the deed of non-competition dated 25 September 2014 (the "**Deed of Non-Competition**") was executed by the Controlling Shareholders in favour of the Company. Pursuant to the terms of the Deed of Non-Competition, Mr. Pang, Mrs. Pang and the Controlling Shareholders have jointly and severally undertaken that they would not engage in any business or manufacture any products which are in competition with those of the Group. The Company's independence non-executive Directors review, at least on annual basis, the compliance with the Deed of Non-Competition by the Controlling Shareholders and their respective close associates on their existing or future competing business.

於上市前，本集團已外聘內部監控審視人對內部監控進行檢討。設計內部監控系統之目的乃為提供合理（但非絕對）保證，並旨在消除或管理未能達致本公司目標之風險。

董事會已透過審核委員會對本集團內部監控系統之有效性進行檢討，範圍包括本公司會計及財務報告部門的資源及員工資歷及經驗是否充足。審核委員會監察本集團之內部監控系統並向董事會匯報所有重大事宜。根據檢討結果，董事認為本集團的內部監控系統及程序乃有效及充足。

### 不競爭契據

為保障本集團權益，控股股東以本公司為受益人簽立日期為2014年9月25日的不競爭契據（「**不競爭契據**」）。根據不競爭契據之條款，彭先生、彭太太以及控股股東已向本集團共同及個別承諾，其將不會從事或製造任何與本集團在有關方面構成競爭的業務或產品。本公司獨立非執行董事至少每年檢討一次控股股東及彼等各自之緊密聯繫人的現有或未來競爭業務是否遵守不競爭契據。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### AUDITORS' REMUNERATION

The remuneration paid or payable to HLB Hodgson Impey Cheng Limited in respect of the audit services and non-audit services for the year ended 31 March 2016 are as follows:

### 核數師酬金

截至2016年3月31日止年度就審核服務及非審核服務已付或應付國衛會計師事務所有限公司之酬金如下：

Nature of services 服務性質		Fee paid/ payable 已付/ 應付費用 HK\$'000 港幣千元
Audit services	審核服務	700
Non-audit services – Review services	非審核服務 – 審閱服務	150
Total	合計	850

### COMPANY SECRETARY

Under the code provision F.1.1 of the CG Code, the Company engages Ms. Wong Ting Dan as its company secretary. Ms. Wong is a practicing solicitor and in performing her duties as the company secretary of the Company, she reports to the Board and maintains contacts with the chief executive officer of the Company.

Ms. Wong has confirmed that she has attended not less than 15 hours of relevant professional training during the Period.

### 公司秘書

根據企管守則守則條文第F.1.1條，本公司已委聘王廷丹女士為其公司秘書。王女士為執業律師，並就履行其作為本公司公司秘書之職責向董事會彙報及與本公司行政總裁保持聯絡。

王女士已確認彼於期內已參加不少於15小時之相關專業培訓。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparency and timely disclosure of corporate information, which enables Shareholders and investors to make appropriate investment decisions.

The members of the Board and Board committees and the external auditor will be present to answer Shareholders' questions in the annual general meetings of the Company. Circulars will be distributed to all shareholders before the annual general meeting and any extraordinary general meetings in accordance with the timeline requirement as laid down in the Listing Rules and the articles of association of the Company. All the resolutions proposed to be approved at the general meetings will be taken by poll and poll voting results will be published on the websites of the Stock Exchange and the Company after the relevant general meetings.

As a channel to promote effective communication, the Group maintains a website where information on the Company's announcements, financial information and other information are posted. Shareholders and investors may write directly to the Company at its principal place of business in Hong Kong with any enquires.

### SHAREHOLDERS' RIGHTS

#### 1) Procedures for Shareholders to convene an extraordinary general meeting ("EGM")

Pursuant to Article 64 of the Articles of Association of the Company, an extraordinary general meeting can be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth (10%) of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### 與股東及投資者之溝通

本公司相信與股東有效溝通對加深與投資者的關係及投資者對本集團業務表現及策略之了解而言至關重要。本集團亦深明公開並及時披露企業資料以讓股東及投資者作出適當投資決定之重要性。

董事會及董事會委員會成員以及外部核數師將出席本公司之股東週年大會以回答股東疑問。通函將按照上市規則及本公司組織章程細則所規定的時限，於股東週年大會及任何股東特別大會前派發予全體股東。全部提呈以於股東大會上審批的決議案將以投票方式進行表決，投票結果將於相關股東大會後在聯交所及本公司網站刊登。

作為促進有效溝通的渠道，本集團設立網站以刊登本公司公告的資料、財務資料及其他資料。股東和投資者可將任何查詢以書面形式直接寄往本公司的香港主要營業地點。

### 股東權利

#### 1) 股東召開股東特別大會（「股東特別大會」）之程序

根據本公司組織章程細則第64條，一名或以上於遞交要求當日持有有權於股東大會投票的本公司實繳股本不少於十分之一(10%)的股東可要求召開股東特別大會。該項要求須以書面向董事會或本公司之公司秘書提呈，述明要求董事會召開股東特別大會以處理要求內訂明的任何事項。該大會須於該項要求遞交後兩個月內舉行。倘於有關要求遞交後21日內，董事會未有召開該大會，則遞交要求人士可以相同方式召開大會，而本公司須向遞交要求人士償付所有由遞交要求人士因董事會未能召開大會而產生之所有合理開支。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 2) Procedures for putting forward proposals at Shareholders' meeting

There are no provisions in the articles of association of the Company or the Companies Law of the Cayman Islands for shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph.

### 3) Shareholders' enquiries to the Board

Shareholders may send their enquiries and concerns together with their names and contact information to the Board by addressing them to the head office in Hong Kong at Flat B, 12/F., Hi-Tech Centre, 11 Wang Yip Street West, Yuen Long, New Territories, Hong Kong by post or email to [contact@hinsanggroup.com](mailto:contact@hinsanggroup.com) for the attention of the Company Secretary. The Board will reply the enquiries and concerns as soon as possible.

### 2) 於股東大會提呈建議之程序

本公司組織章程細則或開曼群島公司法概無條文規定股東可於股東大會動議新決議案。有意動議決議案之股東可依據上一段所載程序要求本公司召開股東大會。

### 3) 股東向董事會提出查詢

股東可將其對董事會查詢及關注連同其姓名及聯繫信息通過郵寄方式寄至香港總辦事處：香港新界元朗宏業西街11號科技中心12樓B室或通過電郵發送至[contact@hinsanggroup.com](mailto:contact@hinsanggroup.com)，收件人為公司秘書。董事會將盡快回覆股東的查詢及關注。

## CONSTITUTIONAL DOCUMENTS

The Company adopted an amended and restated memorandum and articles of association of the Company on 25 September 2014 in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with effect from 16 October 2014. A copy of the Company's memorandum and articles of association is also available on the Company's website and the Stock Exchange website.

## 章程文件

本公司於2014年9月25日採納經修訂及重列之本公司組織章程大綱及細則以取代及摒除本公司現有組織章程大綱及細則並於2014年10月16日起生效。本公司組織章程大綱及細則之副本於本公司及聯交所網站亦可供查閱。



# REPORT OF THE DIRECTORS

## 董事會報告

The Board is pleased to present to the Shareholders their report together with the audited financial statements of the Group for the year ended 31 March 2016.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The Group is principally engaged in developing, marketing, selling and distributing a wide variety of personal care products (mainly consisting of bath and shower gels, shampoos and conditioners, and skin care products), health care products (mainly consisting of health supplements including but not limited to child specific milk supplements, dietary supplements, appetising teas, nutritive drinks, cough and cold remedies, herbal teas and medicated oils) and household products (mainly consisting of laundry detergents and antiseptic germicides) under various brands. Details of principal activities of the Company's subsidiaries are set out in note 34 to the consolidated financial statements. There has been no significant change in the principal business of the Group during the Period. The segment information of the operations of the Group for the year ended 31 March 2016 is set out in note 5 to the consolidated financial statements.

### BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2016 including a fair review of the business and discussion of the principal risks and uncertainties facing the Group and indication of likely future developments in the Group's business, are set out in the "Chairman's Statement", "Management Discussion and Analysis" and "Five Year Financial Summary" sections of this Annual Report. Details of significant events occurring after the reporting period are set out in note 36 to the consolidated financial statements.

### USE OF PROCEEDS FROM LISTING AND PLACING

The shares of the Company became listed on the Stock Exchange of Hong Kong Limited on 16 October 2014. The offer price was HK\$1.18 per share and 200,000,000 Shares were allotted. The net proceeds from the Listing was approximately HK\$217.3 million after deducting underwriting fees and related expenses.

董事會欣然向各位股東提呈彼等之報告連同本集團截至2016年3月31日止年度之經審核財務報表。

### 主要業務

本公司主要從事投資控股。本集團主要從事以多個品牌開發、營銷、銷售及分銷種類繁多之個人護理產品（主要包括洗浴及沐浴露、洗髮露及護髮素以及護膚產品）、保健產品（主要包括健康補充品，包括但不限於兒童專用開奶茶、食用補品、開奶茶沖劑、營養飲料、感冒止咳沖劑、草本茶及活絡油）及家居產品（主要包括洗衣液及消毒殺菌劑）。有關本公司附屬公司的主要業務詳情載於綜合財務報表附註34。在本期間內，本集團之主要業務並無重大變動。本集團截至2016年3月31日止年度之營運之分部資料載於綜合財務報表附註5。

### 業務回顧

本集團於截至2016年3月31日止年度之業務回顧，包括業務之公平審閱、本集團所面臨主要風險及不明朗因素之討論及本集團業務未來可能發展之揭示，載於本年報「主席報告」、「管理層討論及分析」及「五年財務概要」各節。報告期後發生之重大事項之詳情載於綜合財務報表附註36內。

### 上市及配售的所得款項用途

本公司之股份已於2014年10月16日在香港聯合交易所有限公司上市。發售價為每股1.18港元及已配發200,000,000股股份。上市的所得款項淨額約為217.3百萬港元（經扣除包銷費用及相關開支）。

## REPORT OF THE DIRECTORS 董事會報告

On 19 February 2016, the Company has resolved to change the use of proceeds, the proposed change of use of the remaining unutilised Listing proceeds are summarized as follows:

於2016年2月19日，本公司已議決更改所得款項之用途。餘下尚未動用的上市所得款項用途之建議更改概述如下：

Use of proceeds As at 19 February 2016 所得款項用途 於2016年2月19日		Net proceeds 所得款項 淨額 HK\$ million 百萬港元	Proceeds used 已用 所得款項 HK\$ million 百萬港元	Balance 結餘 HK\$ million 百萬港元	Change of use of Proceed 所得款項 用途之更改 HK\$ million 百萬港元
Exploring business collaboration opportunities with new brand proprietors	尋求與新品牌擁有人之業務合作機會	104.3	0.3	104.0	2.0
Expanding the sales and distribution network	擴大銷售及分銷網絡	54.2	12.4	41.8	24.1
Enhancing the marketing and promotion activities in the PRC	提升在中國之市場推廣及宣傳活動	32.6	32.6	-	-
Expanding the product portfolio	擴大產品組合	13.1	1.3	11.8	1.3
Expanding the Manufacturing arm of the Group and exploring opportunities in health industry	擴充本集團的製造業務及於保健行業尋求機會	-	-	-	41.5
Acquiring commercial property in Hong Kong to use as Group's own Office	於香港收購商業物業以用作本集團自身辦事處	-	-	-	80.0
General working capital	一般營運資金	13.1	13.1	-	8.7
		217.3	59.7	157.6	157.6

To better utilize the Listing proceeds, the Company decides to reallocate the majority of the unutilized Listing proceeds under the Brand Management Use and the Sales and Distribution Use to accommodate the change in business focus and strategies of the Company. With the recent implementation of the two-child policy in the PRC, the Company considers acquiring manufacturing plant and production facilities can better monitor the quality of the products and secure a stable source.

為更好地運用上市所得款項，本公司決定重新分配品牌管理用途及銷售及分銷用途項下大部分尚未動用的上市所得款項，以適應本公司業務重心及策略的變化。鑒於中國近期開始實施全面二孩政策，本公司考慮透過收購製造廠房及生產設施以更好地監管產品質素及獲取穩定的產品來源。

In light of the recent downturn of the property market in Hong Kong, the Company will explore the property market and capture the opportunity to acquire commercial property to use as its own office, in view of the Company's long term strategy to mitigate the risk of fluctuation in Hong Kong's property leasing market in the future.

鑒於近期香港物業市場有所下滑，並考慮到本公司之長期策略為降低香港物業租賃市場於未來之波動風險，本公司將探索物業市場及把握機會收購商業物業以用作其自身辦事處。

# REPORT OF THE DIRECTORS

## 董事會報告

The Company believe that the above change is in the best interest of the Company and its shareholders as a whole and it will allow the Company to deploy its financial resources more effectively. As at 31 March 2016, the net proceeds from the Listing were utilized as follows:

本公司認為，上述更改符合本公司及其股東之整體最佳利益，並將令本公司更有效地配置其財務資源。於2016年3月31日，上市之所得款項淨額已用於以下用途：

Use of proceeds As at 31 March 2016 所得款項用途 於2016年3月31日		Balance of the Proceed as at 19 February 2016 所得款項結餘 於2016年2月19日 HK\$ million 百萬港元	Proceeds used 已用所得款項 HK\$ million 百萬港元	Balance 結餘 HK\$ million 百萬港元
Exploring business collaboration opportunities with new brand proprietors	尋求與新品牌擁有人之業務合作機會	2.0	0.1	1.9
Expanding the sales and distribution network	擴大銷售及分銷網絡	24.1	0.9	23.2
Expanding the product portfolio	擴大產品組合	1.3	-	1.3
Expanding the manufacturing arm of the Group and exploring opportunities in health industry	擴充本集團的製造業務及於保健行業尋求機會	41.5	-	41.5
Acquiring commercial property in Hong Kong to use as Group's own Office	於香港收購商業物業以用作本集團自身辦事處	80.0	-	80.0
General working capital	一般營運資金	8.7	8.5	0.2
		157.6	9.5	148.1

As at 31 March 2016, the unused net proceeds were placed with banks in Hong Kong as short-term deposits.

於2016年3月31日，未使用之所得款項淨額存放於香港之銀行作短期存款。

## OPERATING RESULTS AND RESERVES

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 page 64 of this annual report. The details of the reserves of the Group and the Company during the Period are set out in the consolidated statement of changes in equity on page 67 and note 35 to the consolidated financial statements respectively.

## 經營業績及儲備

本集團截至2016年3月31日止年度的業績載於本年報第64頁之綜合損益及其他全面收益表。本集團及本公司於本期間之儲備詳情分別載於第67頁之綜合權益變動表及綜合財務報表附註35。



### DIVIDENDS

The Board recommends the payment of a final dividend of HK\$0.01 per Share for the year ended 31 March 2016 (the “**2016 Final Dividend**”) with a sum of approximately HK\$10,804,680, which is subject to Shareholders’ approval at the forthcoming 2016 annual general meeting of the Company to be held on Friday, 9 September 2016 (the “**AGM**”). The 2016 Final Dividend will be distributed on or about Tuesday, 11 October 2016 to Shareholders whose names appear on the register of members of the Company on Tuesday, 20 September 2016.

### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming AGM of the Company, the register of members of the Company will be closed from Wednesday, 7 September 2016 to Friday, 9 September 2016, both days inclusive, during which period no transfer of Shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 6 September 2016.

Subject to the approval of the proposed 2016 Final Dividend from the Shareholders at the AGM, the register of members of the Company will be closed from Thursday, 15 September 2016 to Tuesday, 20 September 2016, both days inclusive, during which period no transfer of Shares will be registered for ascertaining Shareholders’ entitlement to the proposed 2016 Final Dividend. In order to qualify for the proposed 2016 Final Dividend, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company’s branch share register in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 14 September 2016.

### 股息

董事會建議派付截至2016年3月31日止年度之末期股息每股股份0.01港元（「**2016年末期股息**」），總額約為10,804,680港元，惟須待股東於本公司將於2016年9月9日（星期五）舉行之2016年應屆股東週年大會（「**股東週年大會**」）上批准後，方可作實。2016年末期股息將於2016年10月11日（星期二）或前後派發予於2016年9月20日（星期二）名列本公司股東名冊之股東。

### 暫停辦理股份過戶登記

為釐定有權出席本公司應屆股東週年大會及於會上投票之股東資格，本公司將於2016年9月7日（星期三）至2016年9月9日（星期五）（包括首尾兩日）期間暫停辦理股份過戶登記手續，期間本公司不會進行任何股份過戶登記。為符合資格出席上述大會及於會上投票，所有過戶表格連同相關股票須不遲於2016年9月6日（星期二）下午四時三十分送交本公司之香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓）進行過戶登記。

待股東於股東週年大會上批准建議2016年末期股息後，本公司將於2016年9月15日（星期四）至2016年9月20日（星期二）（包括首尾兩日）期間暫停辦理股份過戶登記手續，期間不會進行股份過戶登記，以確定有權獲派建議2016年末期股息之股東。為符合資格獲派建議2016年末期股息，所有股份過戶文件連同相關股票須不遲於2016年9月14日（星期三）下午四時三十分送交本公司之香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓）進行過戶登記。

# REPORT OF THE DIRECTORS

## 董事會報告

### FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 156 of this annual report.

### SHARE CAPITAL

Details of the movements in share capital of the Company during the Period are set out in note 24 to the consolidated financial statements.

### DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 March 2016 were approximately HK\$237.3 million. Under the Companies Law of the Cayman Islands, subject to the provisions of memorandum of association of the Company or the articles of association (the "**Articles of Association**"), the Company's share premium account may be applied to pay distributions or dividends to shareholders provided that immediately following the date of distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under Articles of Association or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### 五年財務概要

本集團最近五個財政年度的業績、資產及負債的概要載於本年報第156頁。

### 股本

有關本公司期內股本的變動詳情載於綜合財務報表附註24。

### 本公司之可供分派儲備

於2016年3月31日，本公司可供分派予股東的儲備約為237.3百萬港元。根據開曼群島公司法及在本公司組織章程大綱或組織章程細則（「**章程細則**」）的條文規限下，本公司股份溢價賬可用作向股東作出分派或支付股息，前提為於緊隨建議作出分派或支付股息當日後，本公司有能力償還其在一般業務過程中到期的債務。

### 優先購買權

章程細則或開曼群島法例下並無有關優先購買權的條文規定本公司須按現有股東的持股比例提呈發售新股份。

# REPORT OF THE DIRECTORS

## 董事會報告

### PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed shares of the Company during the Period.

### CHARITABLE DONATIONS

The Group's total charitable donations for the Period amounted to approximately HK\$1.6 million.

### MAJOR CUSTOMERS AND SUPPLIERS

The followings are the percentage of purchases and sales attributable to the major customers and suppliers of the Group for the Period:

#### Purchases

– the largest supplier	27.2%
– the five largest suppliers	54.8%

#### Sales

– the largest customer	19.2%
– the five largest customers	42.2%

Save and except for Brighten Hong Limited (銘輝行有限公司), a company owned by Mr. Pang's brother-in-law, which was the fifth largest customer for the year ended 31 March 2016, all the Group's five largest customers and suppliers during the Period were independent third parties.

Save as disclosed, none of the Directors, or any of the associates or any shareholders who, to the knowledge of the Directors, hold over 5% of the issued share capital of the Company, had any beneficial interest in the major customers or suppliers of the Group noted above.

### 購買、出售或贖回股份

於本期間，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市股份。

### 慈善捐款

於本期間，本集團的慈善捐款合共約1.6百萬港元。

### 主要客戶及供應商

於本期間內，本集團主要客戶及供應商所佔採購及銷售百分比如下：

#### 購買

– 最大供應商	27.2%
– 五大供應商	54.8%

#### 銷售

– 最大客戶	19.2%
– 五大客戶	42.2%

除銘輝行有限公司(一間由彭先生的妹夫擁有的公司)為截至2016年3月31日止年度之第五大客戶外，本集團期內所有五大客戶及供應商均為獨立第三方。

除所披露者外，董事或其任何聯繫人或任何股東(其就董事所知於本公司已發行股本中擁有超過5%權益)概無於上述本集團主要客戶或供應商擁有任何實益權益。



# REPORT OF THE DIRECTORS

## 董事會報告

### DIRECTORS

The Directors of the Company during the Period were as follows:

#### Executive Directors

Mr. Pang Siu Hin (*Chairman*)

Ms. Kwan Lai Man

Mr. Mok Tsan San (appointed on 1 May 2015 and resigned on 30 September 2015)

#### Non-Executive Director

Ms. Wong Wai Ling

#### Independent Non-Executive Directors

Mr. Lee Luk Shiu

Dr. Tang Sing Hing, Kenny

Mr. Tsui Nam Hung

Mr. Mok Tsan San was appointed as an executive Director on 1 May 2015 and resigned on 30 September 2015 due to other new commitments.

Pursuant to Article 108(a) and (b) of the Articles of Association, at each AGM one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. In addition, code provision A.4.2 of the CG Code also stipulates that each Director should be subject to retirement by rotation at least once every three years.

### 董事

本公司於期內之董事如下：

#### 執行董事

彭少衍先生 (主席)

關麗雯女士

莫贊生先生 (於2015年5月1日獲委任及於2015年9月30日辭任)

#### 非執行董事

黃慧玲女士

#### 獨立非執行董事

李祿兆先生

鄧聲興博士

徐南雄先生

莫贊生先生於2015年5月1日獲委任為執行董事及因其他新職於2015年9月30日辭任。

根據章程細則第108(a)及(b)條，於每屆股東週年大會，三分之一現任董事（或倘人數並非三或三的倍數，則最接近但不少於三分之一的數目）須輪席告退，惟每名董事（包括該等有指定任期的董事）須至少每三年輪席告退一次。退任董事將符合資格重選連任。輪席告退的董事包括（就湊足至所需數目而言）任何有意退任而不作重選連任的董事。此外，企管守則之守則條文第A.4.2條亦訂明各董事須至少每三年輪席告退一次。

# REPORT OF THE DIRECTORS

## 董事會報告

Ms. Wong Wai Ling and Mr. Tsui Nam Hung will be retired at the forthcoming AGM and, being eligible, will be available for re-election as Directors.

黃慧玲女士及徐南雄先生將於應屆股東週年大會告退，並符合資格且願意重選連任董事。

The Company has received annual confirmation of independence from the three Independent Non-Executive Directors in accordance with Rule 3.13 of the Listing Rules and considers them to be independent.

本公司已接獲三名獨立非執行董事根據上市規則第3.13條發出的獨立身份年度確認書，並確認彼等為獨立人士。

### BIOGRAPHIES DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層履歷詳情

Biographical details of the Directors and the senior management of the Group are set out on pages 25 to 29 of this annual report.

本集團董事及高級管理層履歷詳情載於本年報第25至29頁。

### DIRECTORS' SERVICE CONTRACT

### 董事服務合約

Each of the executive Directors and non-executive Director has entered into a service agreement with the Company. Each service contract is for an initial term of three years and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

執行董事及非執行董事已各自與本公司訂立服務合約。各服務合約的初步年期為三年及於其後自動續約，除非及直至合約由本公司或董事向另一方發出不少於三個月事先書面通知而終止為止。

Each of the independent non-executive Directors has entered into a service agreement with the Company under which each of them is appointed for a period of three years. None of the Directors has or is proposed to have any service agreement with the Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

獨立非執行董事各自已與本公司訂立服務合約，據此，彼等各自獲委任，任期為三年。概無董事與本公司或其任何附屬公司訂立或擬訂立任何服務協議（於一年內屆滿或僱主於一年內終止而毋須支付賠償（法定賠償除外）的合約除外）。

# REPORT OF THE DIRECTORS

## 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2016, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions of which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be disclosed, under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules were as follows:

#### (a) Long position in Shares

Name of Director 董事姓名	Capacity 身份	Number of Shares held 所持股份數目	Approximate percentage of shareholding 概約持股百分比
Mr. Pang Siu Hin 彭少衍先生	Interest of a controlled corporation and family interest (Note) 受控制法團權益及家族權益 (附註)	600,000,000	74.96%
Ms. Kwan Lai Man 關麗雯女士	Interest of a controlled corporation and family interest (Note) 受控制法團權益及家族權益 (附註)	600,000,000	74.96%

Note: Genwealth is beneficially owned as to 90% by Mr. Pang Siu Hin and 10% by Ms. Kwan Lai Man. Accordingly, Mr. Pang Siu Hin is deemed to be interested in the 600,000,000 Shares held by Genwealth under the SFO. Ms. Kwan Lai Man, being the spouse of Mr. Pang Siu Hin, is deemed to be interested in all the Shares that Mr. Pang Siu Hin is interested in.

### 董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

於2016年3月31日，董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中，擁有已根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及淡倉）；或根據證券及期貨條例第352條須記入本公司所備存登記冊內的權益及淡倉；或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則須予披露的權益及淡倉如下：

#### (a) 於股份中的好倉

附註：衍富分別由彭少衍先生及關麗雯女士實益擁有90%及10%權益。因此，根據證券及期貨條例，彭少衍先生被視為於衍富持有的600,000,000股股份中擁有權益。關麗雯女士（為彭少衍先生的配偶）被視為於彭少衍先生擁有權益的所有股份中擁有權益。



## REPORT OF THE DIRECTORS 董事會報告

### (b) Long position in the underlying shares of the Company

### (b) 於本公司相關股份中的好倉

Name of Director 董事姓名	Capacity 身份	Number of options held 所持購股權數目	Number of underlying shares 相關股份數目
Mr. Pang Siu Hin 彭少衍先生	Beneficial owner 實益擁有人	14,350,000	14,350,000
	Interest of spouse (Note) 配偶權益(附註)	8,750,000	8,750,000
		23,100,000	23,100,000
Ms. Kwan Lai Man 關麗雯女士	Beneficial owner 實益擁有人	8,750,000	8,750,000
	Interest of spouse (Note) 配偶權益(附註)	14,350,000	14,350,000
		23,100,000	23,100,000

Note: Mr. Pang Siu Hin and Ms. Kwan Lai Man are married couple. Each of Mr. Pang Siu Hin and Ms. Kwan Lai Man is therefore deemed to be interested in the underlying Shares held by each other.

附註：彭少衍先生為關麗雯女士之配偶。因此，彭少衍先生及關麗雯女士均被視為於對方所持相關股份中擁有權益。

### Long position in Genwealth, an associated corporation of the Company

### 於本公司相聯法團衍富中的好倉

Name of Director 董事姓名	Capacity 身份	Number of Shares held 所持股份數目	Approximate percentage of shareholding 概約持股百分比
Mr. Pang Siu Hin 彭少衍先生	Beneficial owner 實益擁有人	9000	90%
Ms. Kwan Lai Man 關麗雯女士	Beneficial owner 實益擁有人	1000	10%

# REPORT OF THE DIRECTORS

## 董事會報告

Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions therein that they shall be deemed to have pursuant to such provisions of the SFO), or any interests or short positions which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or any interests or short positions which have to be notified to the Company and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2016, so far as it is known to the Directors, the following persons, not being a Director or chief executive of the Company, will have an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

#### Long position in Shares

Name 名稱	Capacity 身份	Number of Shares 股份數目	Approximate percentage of interest 權益概約百分比
Genwealth 衍富	Beneficial owner 實益擁有人	600,000,000	74.96%

除上文所披露者外，概無董事或本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之任何權益或淡倉（包括根據證券及期貨條例有關條文彼等被視為擁有之權益或淡倉），或根據證券及期貨條例第352條記入本公司須予存置之登記冊內之任何權益或淡倉，或須根據上市規則附錄十所載之上市發行人董事進行證券交易之標準守則須知會本公司及聯交所之任何權益或淡倉。

#### 主要股東於本公司及其相聯法團的股份、相關股份及債權證中的權益及淡倉

於2016年3月31日，就董事所知，以下人士（並非董事或本公司主要行政人員）將於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露的權益或淡倉，或直接或間接擁有附帶權利可於所有情況下在本集團任何成員公司股東大會上投票的任何類別股本面值10%或以上之權益：

#### 於股份中的好倉

# REPORT OF THE DIRECTORS

## 董事會報告

Save as disclosed above, so far as it is known to the Directors, there was no other person (other than a Director or chief executive of the Company) who had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of the Company required to be kept under section 336 of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the year ended 31 March 2016 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective associates nor was the Company and any of its subsidiaries a party to any arrangement to enable the Directors or their respective associates to acquire such rights in any other body corporate.

### SHARE OPTION SCHEME

The Company adopted two share option schemes on 25 September 2014, namely the Pre-IPO Share Option Scheme and Share Option Scheme under the written resolutions of the sole shareholder of the Company.

#### (1) Pre-IPO Share Option Scheme

The purpose of Pre-IPO Share Option Scheme is to recognize the contribution of certain employees, executives or officers of the Group made or will make to the growth of the Group and/or the listing of Shares on the Stock Exchange. The Pre-IPO Share Option Scheme is valid and effective for a period from 25 September 2014 to 15 October 2014, after which no further options will be granted. Each option gives the holder the right to subscribe for one Share. The total number of Shares which may be issued upon exercise of all options to be granted under the Pre-IPO Share Option Scheme shall not in aggregate exceed 24,640,000 Shares, representing 3.1% of total number of Shares in issue as at 30 September 2014. The offer of a grant of share options shall be accepted when the offer letter has been duly signed and a consideration of HK\$1 in total has been paid by the grantee.

除上文所披露者外，就董事所知，概無其他人士（除董事或本公司主要行政人員外）於股份或相關股份中擁有或被視為或被當作擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露，或記錄於本公司須根據證券及期貨條例第336條存置之登記冊之權益或淡倉，或直接或間接擁有附帶權利可於所有情況下在本集團任何成員公司股東大會上投票的任何類別股本面值5%或以上之權益。

### 董事購買股份或債權證的權利

除本年報所披露者外，截至2016年3月31日止年度內的任何時間，本公司並無向任何董事或彼等各自的聯繫人授出權利以購買本公司股份或債權證方式獲取利益，本公司及其任何附屬公司亦無訂立任何安排，致使董事或彼等各自的聯繫人於任何其他法人團體取得有關權利。

### 購股權計劃

本公司已於2014年9月25日採納兩項購股權計劃，即本公司唯一股東之書面決議案項下之首次公開發售前購股權計劃及購股權計劃。

#### (1) 首次公開發售前購股權計劃

首次公開發售前購股權計劃旨在肯定本集團若干僱員、行政人員或高級人員對本集團的發展及／或股份於聯交所上市所作出或將會作出的貢獻。首次公開發售前購股權計劃自2014年9月25日起至2014年10月15日止期間內有效及生效，該期間後將不會進一步授出購股權。每份購股權賦予持有人認購一股股份之權利。根據首次公開發售前購股權計劃將予授出的所有購股權獲行使後可予發行的股份總數合共不得超過24,640,000股股份，相當於2014年9月30日已發行股份總數的3.1%。授出購股權之要約將於要約函件已獲正式簽署且承授人已支付1港元之總代價後方獲接納。



# REPORT OF THE DIRECTORS

## 董事會報告

The exercise price per option under the Pre-IPO Share Option Scheme is HK\$0.826, being 30% discount of the offering price per Share in the initial public offer on 16 October 2014.

During the Period, total 1,000,000 options was forfeited and 468,000 options was exercised. Details of the Pre-IPO Share Option Scheme has been disclosed in the Company's prospectus dated 30 September 2014.

The following table discloses movements in the Company's share options granted under the Pre-IPO Share Option Scheme during the year ended 31 March 2016:

首次公開發售前購股權計劃項下每份購股權的行使價為0.826港元，較2014年10月16日首次公開發售每股股份發售價折讓30%。

於本期間，合共有1,000,000份購股權被沒收及468,000份購股權獲行使。首次公開發售前購股權計劃之詳情已於本公司日期為2014年9月30日之招股章程內披露。

下表披露於截至2016年3月31日止年度根據首次公開發售前購股權計劃授出之本公司購股權的變動：

Category or name of participant	Date of grant	Exercise price per share 每股股份之行使價 (HK\$) (港元)	Exercise period	As at 1 April 2015 於2015年4月1日	Grant during the period 期內授出	Forfeited during the period 期內沒收	Exercised during the period 期內行使	As at 31 March 2016 於2016年3月31日
<b>Director</b>								
<b>董事</b>								
Mr. Pang Siu Hin	25/9/2014	0.826	16/10/2015 – 24/9/2024	2,720,000	-	-	-	2,720,000
彭少衍先生	25/9/2014	0.826	16/10/2016 – 24/9/2024	2,720,000	-	-	-	2,720,000
	25/9/2014	0.826	16/10/2017 – 24/9/2024	2,720,000	-	-	-	2,720,000
	25/9/2014	0.826	16/10/2018 – 24/9/2024	2,720,000	-	-	-	2,720,000
	25/9/2014	0.826	16/10/2019 – 24/9/2024	2,720,000	-	-	-	2,720,000
				13,600,000	-	-	-	13,600,000
Ms. Kwan Lai Man	25/9/2014	0.826	16/10/2015 – 24/9/2024	1,600,000	-	-	-	1,600,000
關麗雯女士	25/9/2014	0.826	16/10/2016 – 24/9/2024	1,600,000	-	-	-	1,600,000
	25/9/2014	0.826	16/10/2017 – 24/9/2024	1,600,000	-	-	-	1,600,000
	25/9/2014	0.826	16/10/2018 – 24/9/2024	1,600,000	-	-	-	1,600,000
	25/9/2014	0.826	16/10/2019 – 24/9/2024	1,600,000	-	-	-	1,600,000
				8,000,000	-	-	-	8,000,000
<b>Employees</b>								
<b>僱員</b>								
Employees at aggregate	25/9/2014	0.826	16/10/2015 – 24/9/2024	768,000	-	(300,000)	(468,000)	-
僱員(合共)	25/9/2014	0.826	16/10/2016 – 24/9/2024	768,000	-	(300,000)	-	468,000
	25/9/2014	0.826	16/10/2017 – 24/9/2024	928,000	-	(400,000)	-	528,000
	25/9/2014	0.826	16/10/2018 – 24/9/2024	288,000	-	-	-	288,000
	25/9/2014	0.826	16/10/2019 – 24/9/2024	288,000	-	-	-	288,000
				3,040,000	-	(1,000,000)	(468,000)	1,572,000

## (2) Share Option Scheme

The Share Option Scheme is a share incentive scheme and is established to recognize and acknowledge the contributions that Eligible Participants (as defined below) have made or may make to the Group so as to motivate the Eligible Participants to optimize their performance and efficiency for the benefit of the Group, and attract, retain or otherwise maintain ongoing business relationship with the Eligible Participants whose contributions are, will or expected to be beneficial to the Group. The Share Option Scheme shall be valid and effective for a period of ten years commencing on 16 October 2014, after which no further options will be issued. Each option gives the holder the right to subscribe for one Share. The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes shall not in aggregate exceed 80,000,000 Shares (10% of the Shares in issue as at the date of listing of the Shares), unless approved by the shareholders in general meeting (the maximum number of Shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares of the Company in issue from time to time). No option may be granted to any Eligible Participant which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the options already granted or to be granted to such Eligible Participant under the Share Option Scheme (including exercised, cancelled and outstanding share options) in any 12-month period up to and including the date of such grant exceeding 1% in aggregate of the Shares in issue as at the date of such grant. The offer of a grant of share options shall be accepted when the offer letter has been duly signed and a consideration of HK\$1 in total has been paid by the grantee. The exercise period of the share options granted is determinable by the Directors and ends on a date which is not later than ten years from the date of the acceptance of the offer of share options.

## (2) 購股權計劃

購股權計劃是為表彰及嘉許合資格參與者（定義見下文）已經或可能對本集團作出的貢獻而成立的股份激勵計劃，以鼓勵合資格參與者盡量發揮才能及提高效率，以令本集團得益，吸引及挽留其貢獻有利於、將會或預期有利於本集團之合資格參與者或以其他方式維持與其之持續業務關係。購股權計劃將於自2014年10月16日起計十年內之期間有效及生效，此後並無進一步發行購股權。每份購股權賦予持有人認購一股股份之權利。根據購股權計劃及任何其他計劃將予授出之所有購股權獲行使後可予發行之股份總數合共不得超過80,000,000股股份（於股份上市日期已發行股份之10%），除非在股東大會獲得股東批准（因行使根據購股權計劃及本公司任何其他購股權計劃已授出而尚未行使之所有購股權而可發行之本公司股份數目，最多不得超過本公司不時已發行股份總數之30%）。倘購股權獲悉數行使，將導致在任何12個月期間（直至及包括授出該購股權當日）已發行股份及因行使根據購股權計劃已授予或將授予該合資格參與者之購股權（包括已行使、已註銷及尚未行使之購股權）獲行使而將予發行之股份總數，超過授出該購股權當日已發行股份總數之1%，則不可向任何合資格參與者授出購股權。授出購股權之要約將於要約函件已獲正式簽署且承授人已支付1港元之總代價後方獲接納。已授出購股權之行使期乃由董事釐定，並於不遲於接納購股權要約日期起計十年之日結束。

## REPORT OF THE DIRECTORS 董事會報告

Eligible Participants include: (i) any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (the "Affiliate"); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

The exercise price of options shares shall not be less than the highest of: (i) the closing price of the Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day; (ii) an amount equivalent to the average closing price of the Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option; and (iii) the nominal value of the Share on the date of grant.

During the Period, total 11,400,000 options under the Share Option Scheme was granted, 9,000,000 options was forfeited and no options was exercised. Details of the Share Option Scheme has been disclosed in the Company's prospectus dated 30 September 2014.

合資格參與者包括：(i)本集團或本集團持有權益之公司或該公司之附屬公司（「聯屬公司」）之任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人或諮詢人或承包商；或(ii)任何受益人包括下述人士之信託或任何全權受益人包括下述人士之全權信託之受託人：本集團或一間聯屬公司之任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人或諮詢人或承包商；或(iii)本集團或一間聯屬公司之任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人、諮詢人或承包商實益擁有之公司。

購股權股份之行使價應不低於以下所列最高者：(i)於授出有關購股權當日（該日必須為營業日）聯交所每日報價表所列之股份收市價；(ii)相等於緊接有關購股權授出日期前五個營業日聯交所每日報價表所列之股份平均收市價之金額；及(iii)授出日期之股份面值。

於本期間，購股權計劃項下合共11,400,000份購股權已獲授出且9,000,000份購股權已沒收，但並無購股權獲行使。購股權計劃之詳情已於本公司日期為2014年9月30日之招股章程內披露。



# REPORT OF THE DIRECTORS

## 董事會報告

The following table discloses movements in the Company's share options granted under the Share Option Scheme during the year ended 31 March 2016:

下表披露於截至2016年3月31日止年度根據購股權計劃授出之本公司購股權的變動：

Category or name of participant	Date of grant	Exercise price per share 每股股份之行使價 (HK\$) (港元)	Exercise period	As at 1 April 2015 於2015年4月1日	Grant during the period 期內授出	Forfeited during the period 期內沒收	As at 31 March 2016 於2016年3月31日
<b>Director</b>							
<b>董事</b>							
Mr. Pang Siu Hin	28/4/2015	1.46	28/4/2016-27/4/2025	-	225,000	-	225,000
彭少衍先生	28/4/2015	1.46	28/4/2017-27/4/2025	-	225,000	-	225,000
	28/4/2015	1.46	28/4/2018-27/4/2025	-	300,000	-	300,000
				-	750,000	-	750,000
Ms. Kwan Lai Man	28/4/2015	1.46	28/4/2016-27/4/2025	-	225,000	-	225,000
關麗雯女士	28/4/2015	1.46	28/4/2017-27/4/2025	-	225,000	-	225,000
	28/4/2015	1.46	28/4/2018-27/4/2025	-	300,000	-	300,000
				-	750,000	-	750,000
Mr. Mok Tsan San	28/4/2015	1.46	28/4/2016-27/4/2025	-	3,000,000	(3,000,000)	-
莫贊生先生	28/4/2015	1.46	28/4/2017-27/4/2025	-	3,000,000	(3,000,000)	-
	28/4/2015	1.46	28/4/2018-27/4/2025	-	2,000,000	(2,000,000)	-
				-	8,000,000	(8,000,000)	-
<b>Employees</b>							
<b>僱員</b>							
Employees at aggregate	28/4/2015	1.46	28/4/2016-27/4/2025	-	90,000	-	90,000
僱員 (合共)	28/4/2015	1.46	28/4/2017-27/4/2025	-	90,000	-	90,000
	28/4/2015	1.46	28/4/2018-27/4/2025	-	120,000	-	120,000
	2/7/2015	1.38	2/7/2016-1/7/2025	-	375,000	(375,000)	-
	2/7/2015	1.38	2/7/2017-1/7/2025	-	375,000	(375,000)	-
	2/7/2015	1.38	2/7/2018-1/7/2025	-	250,000	(250,000)	-
				-	1,300,000	(1,000,000)	300,000
<b>Consultant</b>							
<b>顧問</b>							
Consultant	28/4/2015	1.46	28/4/2016-27/4/2025	-	180,000	-	180,000
顧問	28/4/2015	1.46	28/4/2017-27/4/2025	-	180,000	-	180,000
	28/4/2015	1.46	28/4/2018-27/4/2025	-	240,000	-	240,000
				-	600,000	-	600,000

# REPORT OF THE DIRECTORS

## 董事會報告

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than those transactions disclosed in note 27 to the consolidated financial statements, no contracts of significance to which the Company, its holding company or any of its subsidiaries was a party and in which any Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2016, the Directors were not aware of any business or interest of the Directors and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

### REMUNERATION FOR DIRECTORS

In compliance with the CG Code, the Company has established the Remuneration Committee to formulate remuneration policies. Directors' remuneration are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties and responsibilities, the recommendations of the Remuneration Committee and the performance and results of the Group. Details of the remuneration of the Company's Directors are set out in Note 10 to the consolidated financial statements.

### PERMITTED INDEMNITY PROVISIONS

The Articles of Association provides that the Directors, secretary or other officers of the Company shall be entitled to be indemnified out of the assets and profit of the Company from and against all actions, costs, charges, losses, damages and expenses which he or she may incur or sustain or about the execution of their duties in their respective offices. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of the relevant legal actions against the Directors.

### 董事於重大合約的權益

除綜合財務報表附註27所披露之該等交易外，任何董事或控股股東概無在本公司、其控股公司或其任何附屬公司所訂立任何於年度末或本年度任何時間內仍然生效的重大合約中直接或間接擁有重大權益。

### 董事於競爭業務的權益

於2016年3月31日，董事並不知悉董事及彼等各自的聯繫人有任何業務或權益已經或可能與本集團業務構成競爭，及任何該等人士已經或可能與本集團存在任何其他利益衝突。

### 董事薪酬

為遵守企管守則，本公司已成立薪酬委員會以制訂薪酬政策。董事薪酬須於股東大會上獲股東批准。其他酬金乃由董事會參照董事職務及職責、薪酬委員會的建議以及本集團的表現及業績後釐定。有關本公司董事薪酬的詳情載於綜合財務報表附註10。

### 獲准許的彌償條文

根據組織章程細則規定，本公司董事、秘書及其他高級人員於其執行職務時可能承擔或蒙受之所有訴訟、成本、押記、虧損、賠償及開支，有權獲得由本公司之資產及溢利中提供彌償。此外，本公司已就董事面對有關法律訴訟安排適當的董事及高級人員責任保險。

# REPORT OF THE DIRECTORS 董事會報告

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company, and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained the sufficient public float under the Listing Rules since the date of the Listing to 31 March 2016.

## DEED OF NON-COMPETITION

The Controlling Shareholders, including the company wholly owned by each of them respectively, have confirmed to the Company of their compliance with the non-competition undertakings provided to the Company under a deed of non-competition dated 25 September 2014. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the deed of non-competition have been complied with by the Controlling Shareholders and duly enforced since the Listing Date and up to the date of this annual report.

## AUDITORS

HLB Hodgson Impey Cheng Limited will retire as auditors of the Company at the forthcoming annual general meeting of the Company and a resolution for its re-appointment will be proposed at the said meeting.

## 充足公眾持股量

根據可提供本公司之公開資料及據董事所知，於本年報日期，本公司自上市日期至2016年3月31日已根據上市規則維持充足公眾持股量。

## 不競爭契據

控股股東（包括彼等各自全資擁有的公司）已向本公司確認遵守根據日期為2014年9月25日的不競爭契據向本公司作出的不競爭承諾。獨立非執行董事已審查合規情況，並確認控股股東自上市日期起至本年報日期止已遵守及確實執行所有不競爭契據下的承諾。

## 核數師

國衛會計師事務所有限公司將於本公司應屆股東週年大會退任本公司核數師，就其重新委任的決議案將於上述大會上提呈。



# REPORT OF THE DIRECTORS

## 董事會報告

### CONNECTED TRANSACTIONS

Set out below are the details of the continuing connected transactions of the Company as required to be reported under the Listing Rules (including the significant related party transactions as set out in note 27 to the consolidated financial statements during the Period).

#### Non-Exempt Continuing Connected Transactions

##### 1. Service Agreement with Tai Wo Tong Pharmaceutical\*

Date of Agreement	:	25 September 2014
Parties	:	Hin Sang Hong (HK) and Tai Wo Tong Pharmaceutical
Term	:	Commenced from 16 October 2014 until 31 March 2016
Objective	:	Tai Wo Tong Pharmaceutical was engaged to including but not limited to conduct product research and development, assist the Group to obtain relevant pCm registration and approvals for the new pCm and conduct sample checking of the Group's new pCm to ensure compliance with the relevant laws and regulations in Hong Kong.
Annual cap for the year ended 31 March 2016	:	HK\$1,500,000
Actual consideration for the year ended 31 March 2016*	:	Nil

### 關連交易

以下載列本公司根據上市規則須申報的持續關連交易的詳情（包括載於綜合財務報表附註27的期內主要關聯方交易）。

#### 不獲豁免持續關連交易

##### 1. 與太和堂製藥的服務協議\*

協議日期	:	2014年9月25日
訂約方	:	衍生行(香港)及太和堂製藥
年期	:	自2014年10月16日起至2016年3月31日
目的	:	太和堂製藥受聘(包括但不限於)從事產品研發、協助本集團就新中成藥取得相關中成藥註冊及批准以及對本集團新中成藥進行抽樣檢查,以確保遵守香港相關法例及法規。
截至2016年3月31日止年度之年度上限	:	1,500,000港元
截至2016年3月31日止年度之實際代價*	:	無

# REPORT OF THE DIRECTORS

## 董事會報告

### 2. Packing Agreement with Tai Wo Tong Pharmaceutical\*

Date of Agreement	: 25 September 2014
Parties	: Hin Sang Hong (HK) and Tai Wo Tong Pharmaceutical
Term	: Commenced from 16 October 2014 until 31 March 2016
Objective	: Tai Wo Tong Pharmaceutical was engaged to pack certain pCm of the Group at the fees to be determined with reference to the market price for packing similar type of product and of similar quantity.
Annual cap for the year ended 31 March 2016	: HK\$10,300,000
Actual consideration for the year ended 31 March 2016*	: HK\$788,926

\* On 1 June 2015, Hin Sang Group Holding Limited, a wholly owned subsidiary of the Company, entered into the acquisition agreement with Mr. Pang and Mrs. Pang for the acquisition of the entire issued share capital of Tai Wo Tong Pharmaceutical and the transaction was completed on that day. With the Acquisition, Tai Wo Tong Pharmaceutical becomes a wholly owned subsidiary of the Company and thus the transactions contemplated under the supply agreement, the service agreement and the packing agreement between Tai Wong Tong Pharmaceutical and Hin Sang Hong (HK) ceased to be continuing connected transactions of the Company. For details of the Acquisition, please refer to the announcements of the Company dated 1 June 2015.

### 2. 與太和堂製藥的包裝協議\*

協議日期	: 2014年9月25日
訂約方	: 衍生行(香港)及太和堂製藥
年期	: 自2014年10月16日起至2016年3月31日
目的	: 太和堂製藥受聘以經參考包裝類似產品及類似數量的市場價格釐定的費用為本集團包裝若干中成藥。
截至2016年3月31日止年度之年度上限	: 10,300,000港元
截至2016年3月31日止年度之實際代價*	: 788,926港元

\* 於2015年6月1日，本公司全資附屬公司衍生集團控股有限公司與彭先生及彭太太就收購太和堂製藥之全部已發行股本訂立收購協議，而該交易已於當日完成。由於收購事項，太和堂製藥成為本公司之全資附屬公司，因此，太和堂製藥與衍生行(香港)之供應協議、服務協議及包裝協議項下擬進行之交易不再為本公司持續關連交易。有關收購事項之詳情，請參閱本公司日期為2015年6月1日之公告。

# REPORT OF THE DIRECTORS

## 董事會報告

### 3. Sale of products under the Group brands to Brighten Hong Limited

Date of Agreement	:	25 September 2014
Parties	:	Hin Sang Hong (HK) and Brighten Hong Limited
Term	:	Commenced from 16 October 2014 until 31 March 2017
Objective	:	Brighten Hong Limited sources the Group products for sales and distribution to anywhere in the world save for Hong Kong, Macau, Malaysia, Singapore and Taiwan
Annual cap for the year ended 31 March 2016	:	HK\$18,000,000
Actual consideration for the year ended 31 March 2016	:	HK\$7,683,994

For details of the connected transactions, please refer to the prospectus of the Company dated 30 September 2014.

All the above continuing connected transactions did not exceed the relevant annual cap amounts. The Directors, including the independent non-executive Directors, have reviewed the continuing connected transactions of the Company and confirmed that they were:

- i. entered into on normal commercial terms;
- ii. in the ordinary and usual course of business and are fair and reasonable to the Group; and

### 3. 向銘輝行有限公司出售本集團品牌產品

協議日期	:	2014年9月25日
訂約方	:	衍生行(香港)及銘輝行有限公司
年期	:	自2014年10月16日起至2017年3月31日
目的	:	銘輝行有限公司採購本集團產品以向世界各地(除香港、澳門、馬來西亞、新加坡及台灣)出售及分銷
截至2016年3月31日止年度之年度上限	:	18,000,000港元
截至2016年3月31日止年度之實際代價	:	7,683,994港元

有關關連交易之詳情，請參閱本公司日期為2014年9月30日之招股章程。

所有上述持續關連交易並未超過相關年度上限金額。董事(包括獨立非執行董事)已審閱本公司之持續關連交易並確認有關交易為：

- i. 按照一般商業條款訂立；
- ii. 於一般及日常業務過程中訂立並對本集團而言屬公平合理；及



## REPORT OF THE DIRECTORS 董事會報告

iii. the terms of the agreements are no less favourable to the Group than terms offered by Independent Third Parties, and therefore are in the interests of the Company and the Shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board has appointed the auditor of the Company to carry out certain procedures on the above continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by Hong Kong Institute of Certified Public Accountants.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above continuing connected transactions.

By order of the Board

**Pang Siu Hin**  
*Chairman*

Hong Kong, 28 June 2016

iii. 協議條款對本集團而言不遜於獨立第三方所提供的條款，因此符合本公司及股東的整體利益。

根據上市規則第14A.56條，董事會委聘本公司核數師根據香港會計師公會頒佈的香港鑒證業務準則第3000號「歷史財務資料審核或審閱以外之鑒證業務」及參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」就上述持續關連交易進行若干程序。

本公司已就上述持續關連交易遵守上市規則第14A章項下之披露規定。

承董事會命  
主席  
**彭少衍**

香港，2016年6月28日

# INDEPENDENT AUDITORS' REPORT

## 獨立核數師報告



國衛會計師事務所有限公司  
Hodgson Impey Cheng Limited

31/F, Gloucester Tower      香港  
The Landmark              中環  
11 Pedder Street           畢打街11號  
Central                      置地廣場  
Hong Kong                 告羅士打大廈31樓

### TO THE MEMBERS OF HIN SANG GROUP (INTERNATIONAL) HOLDING CO. LTD.

*(Incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of Hin Sang Group (International) Holding Co. Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 64 to 155, 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.

### 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.

### 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

### 致衍生集團(國際)控股有限公司 各股東

*(於開曼群島註冊成立之有限公司)*

本核數師(以下簡稱「吾等」)已審核載列於第64頁至第155頁衍生集團(國際)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,當中包括於2016年3月31日的綜合財務狀況表、截至該日止年度的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,以及主要會計政策概要及其他解釋資料。

### 董事就綜合財務報表須承擔之責任

貴公司董事須負責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製真實而公平的綜合財務報表,及落實董事認為編製綜合財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

### 核數師之責任

吾等的責任為根據吾等的審核對該等綜合財務報表發表意見,並僅向全體股東報告,除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。吾等已根據香港會計師公會頒佈之香港審計準則進行審核。該等準則要求吾等遵守道德規範,並規劃及執行審核,以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

# INDEPENDENT AUDITORS' REPORT

## 獨立核數師報告

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.

#### **HLB Hodgson Impey Cheng Limited**

*Certified Public Accountants*

#### **Chan Ching Pang**

Practising Certificate Number: P05746

Hong Kong, 28 June 2016

審核涉及執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在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與實體編製綜合財務報表以作出真實而公平的反映相關之內部控制，以設計各類情況下適當之審核程序，但目的並非對實體內部控制之有效性發表意見。審核亦包括評價董事所採用會計政策之合適性及作出會計估計之合理性，以及評價綜合財務報表之整體呈報方式。

吾等相信，吾等所獲得之審核憑證能充足和適當地為吾等的審核意見提供基礎。

### 意見

吾等認為，該等綜合財務報表已根據香港財務報告準則真實而公允地反映 貴集團於2016年3月31日的財務狀況及截至該日止年度 貴集團的財務表現和現金流量，並已遵照香港公司條例的披露規定妥為編製。

#### **國衛會計師事務所有限公司**

*香港執業會計師*

#### **陳展鵬**

執業證書編號：P05746

香港，2016年6月28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2016年3月31日止年度

		Notes 附註	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Revenue	收入	5	227,460	214,959
Cost of sales	銷售成本		(89,091)	(92,296)
Gross profit	毛利		138,369	122,663
Other income	其他收入	6	5,750	3,571
Other gains and losses	其他收益及虧損	7	(3,842)	(311)
Selling and distribution expenses	銷售及分銷開支		(47,823)	(45,129)
Administrative expenses	行政開支		(65,472)	(54,939)
Listing expenses	上市開支		–	(10,405)
Profit before tax	除稅前溢利		26,982	15,450
Income tax expense	所得稅開支	8	(5,767)	(4,399)
<b>Profit for the year</b>	<b>年內溢利</b>	9	<b>21,215</b>	11,051
<b>Other comprehensive expense</b>	<b>其他全面開支</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至 損益之項目：</i>			
Exchange differences on translating foreign operations	換算外國業務之 匯兌差額		(3,123)	(799)
<b>Total comprehensive income for the year</b>	<b>年內全面收入總額</b>		<b>18,092</b>	10,252
<b>Profit for the year attributable to:</b>	<b>以下各方應佔 年內溢利：</b>			
– Owners of the Company	– 本公司擁有人		21,214	11,051
– Non-controlling interests	– 非控股權益		1	–
			<b>21,215</b>	11,051
<b>Total comprehensive income for the year attributable to:</b>	<b>以下各方應佔年內 全面收入總額：</b>			
– Owners of the Company	– 本公司擁有人		18,091	10,252
– Non-controlling interests	– 非控股權益		1	–
			<b>18,092</b>	10,252
<b>Earnings per share</b>	<b>每股盈利</b>	12		
– Basic (HK cents)	– 基本 (港仙)		2.65	1.60
– Diluted (HK cents)	– 攤薄 (港仙)		2.64	1.60

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 March 2016 於2016年3月31日

		Notes 附註	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	40,749	16,831
Prepaid lease payments	預付租賃款項	15	27,393	18,891
Investment property	投資物業	16	6,289	6,555
Intangible assets	無形資產	17	3,480	–
Deposit and prepayments for life insurance policies	人壽保單之按金及預付款項	18	4,795	–
Deposits for acquisition of property, plant and equipment	收購物業、廠房及設備之按金		387	6,333
			<b>83,093</b>	48,610
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	19	13,081	18,890
Trade and other receivables	貿易及其他應收款項	20	38,119	26,894
Tax refundable	可退還稅款		–	3,327
Bank balances and cash	銀行結餘及現金	21	239,742	264,393
			<b>290,942</b>	313,504
<b>Total assets</b>	<b>資產總值</b>		<b>374,035</b>	362,114
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	22	26,467	27,432
Current tax liabilities	即期稅項負債		1,070	–
			<b>27,537</b>	27,432
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>263,405</b>	286,072
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<b>346,498</b>	334,682

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 March 2016 於2016年3月31日

		Notes 附註	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	24	80,047	80,000
Reserves	儲備		263,250	254,682
Equity attributable to owners of the Company	本公司擁有人應佔權益		343,297	334,682
Non-controlling interests	非控股權益		3,201	–
<b>Total equity</b>	<b>權益總額</b>		<b>346,498</b>	334,682

The consolidated financial statements on pages 64 to 155 were approved and authorised for issue by the Board of Directors on 28 June 2016 and are signed on its behalf by:

第64頁至第155頁所載之綜合財務報表已於2016年6月28日獲董事會批准及刊發，並由以下代表簽署：

**Pang Siu Hin**  
彭少衍  
Director  
董事

**Kwan Lai Man**  
關麗雯  
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2016年3月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Share premium	Merger reserve	Foreign currency translation reserve	Share options reserve	Retained profits	Total	Non-controlling interests	Total
		股本	股份溢價	合併儲備	匯兌儲備	購股權儲備	保留溢利	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		(Note 24)	(附註24)	(Note)	(附註)					
		(附註24)	(附註24)	(附註)	(附註)					
At 1 April 2014	於2014年4月1日	30,000	41,618	(71,463)	(588)	-	94,728	94,295	-	94,295
Profit for the year	年內溢利	-	-	-	-	-	11,051	11,051	-	11,051
Other comprehensive expense for the year	年度其他全面開支									
Exchange differences on translating foreign operations	換算外國業務之匯兌差額	-	-	-	(799)	-	-	(799)	-	(799)
Total comprehensive income/(expense) for the year	年度全面收入/(開支)總額	-	-	-	(799)	-	11,051	10,252	-	10,252
Capitalisation issue	資本化發行	30,000	(30,000)	-	-	-	-	-	-	-
Issue of new shares	發行新股份	20,000	216,000	-	-	-	-	236,000	-	236,000
Expense incurred in connection with issue of new shares	就發行新股份產生之開支	-	(8,267)	-	-	-	-	(8,267)	-	(8,267)
Recognition of equity-settled share-based payments	確認權益結算以股份為基礎的付款	-	-	-	-	2,402	-	2,402	-	2,402
At 31 March 2015	於2015年3月31日	80,000	219,351	(71,463)	(1,387)	2,402	105,779	334,682	-	334,682
Profit for the year	年內溢利	-	-	-	-	-	21,214	21,214	1	21,215
Other comprehensive expense for the year	年度其他全面開支									
Exchange differences on translating foreign operations	換算外國業務之匯兌差額	-	-	-	(3,123)	-	-	(3,123)	-	(3,123)
Total comprehensive income/(expense) for the year	年度全面收入/(開支)總額	-	-	-	(3,123)	-	21,214	18,091	1	18,092
Dividends recognised as distribution	確認作分派的股息	-	-	-	-	-	(16,005)	(16,005)	-	(16,005)
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	3,200	3,200
Issue of shares on exercise of share options	因行使購股權而發行股份	47	598	-	-	(258)	-	387	-	387
Recognition of equity-settled share-based payments	確認權益結算以股份為基礎的付款	-	-	-	-	6,142	-	6,142	-	6,142
At 31 March 2016	於2016年3月31日	80,047	219,949	(71,463)	(4,510)	8,286	110,988	343,297	3,201	346,498

Note: The merger reserve represents the difference between the share capital of the Company and the aggregate amount of share capital of other companies now comprising the Group, after elimination of intra-group investments.

附註：合併儲備指本公司的股本及本集團現時旗下其他公司的股本的總金額（抵銷集團內公司間投資後）之間的差額。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2016 截至2016年3月31日止年度

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
<b>Cash flows from operating activities 經營活動所得現金流量</b>			
Profit before tax	除稅前溢利	26,982	15,450
Adjustments for:	已就下列各項調整：		
Interest income	利息收入	(4,907)	(2,171)
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備之收益	(210)	(25)
Bargain purchase gain on acquisition of subsidiaries	收購附屬公司產生之 議價收購收益	(3,869)	-
(Reversal of write-down)/Write-down of inventories	存貨(撇減撥回)/ 撇減	(399)	749
Share-based payment expenses	以股份為基礎的 付款開支	6,142	2,402
Amortisation of prepaid lease payments	預付租賃款項之 攤銷	775	665
Amortisation of intangible assets	無形資產之攤銷	1,610	-
Amortisation of premium and charges on life insurance	人壽保險之保費及 支出攤銷	180	-
Depreciation of property, plant and equipment	物業、廠房及設備之 折舊	3,481	2,674
Operating cash flows before movements in working capital	營運資本變動前之 經營現金流量	29,785	19,744
Decrease/(Increase) in inventories	存貨減少/(增加)	8,518	(6,663)
(Increase)/Decrease in trade and other receivables	貿易及其他應收款項 (增加)/減少	(10,360)	10,756
Decrease in trade and other payables	貿易及其他應付款項 減少	(1,327)	(20)
Cash generated from operations	經營業務所得現金	26,616	23,817
Income taxes refunded	退回所得稅	74	-
Income taxes paid	已付所得稅	(1,366)	(14,233)
Net cash generated from operating activities	經營活動所得現金 淨額	25,324	9,584

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2016 截至2016年3月31日止年度

	Note 附註	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
<b>Cash flows from investing activities</b>			
Interest received		4,741	2,171
Increase in short-term deposits with original maturity over three months		(13,857)	(9,647)
Proceeds from disposal of property, plant and equipment		321	25
Purchases of property, plant and equipment		(21,759)	(2,972)
Deposit for acquisition of property, plant and equipment		(387)	(6,348)
Purchases of leasehold land		(10,802)	-
Acquisition of subsidiaries	28	(9,185)	-
Net cash used in investing activities		(50,928)	(16,771)
<b>Cash flows from financing activities</b>			
Dividends paid		(16,005)	(30,000)
Capital contribution from non-controlling interests		3,200	-
Proceeds from issue of shares		387	236,000
Share issue costs		-	(8,267)
Net cash generated from/(used in) financing activities		(12,418)	197,733
<b>Net (decrease)/increase in cash and cash equivalents</b>		(38,022)	190,546
<b>Cash and cash equivalents at the beginning of year</b>		254,746	65,059
<b>Effect of foreign exchange rates changes</b>		471	(859)
<b>Cash and cash equivalents at the end of year</b>		217,195	254,746
Representing:			
Bank balances and cash		239,742	264,393
Short-term deposits with maturity over three months		(22,547)	(9,647)
		217,195	254,746



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 1. GENERAL

The Company is a public limited company incorporated in the Cayman Island and its shares are listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate parent is Genwealth Group Holding Company Limited, a company incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company and its subsidiaries (collectively referred to as the “Group”) is principally engaged in developing, marketing, selling and distributing of personal care products, health care products and household products.

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

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time in the current year:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the 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 the consolidated financial statements.

### 1. 一般資料

本公司為於開曼群島註冊成立之公眾有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。其母公司及最終母公司為衍富集團控股有限公司（一間於英屬處女群島註冊成立之公司）。本公司之註冊辦事處及主要營業地點地址披露於年度報告之公司資料一節。

本公司及其附屬公司（統稱為「本集團」）主要從事開發、營銷、銷售及分銷個人護理產品、保健產品及家居產品。

綜合財務報表以港元（「港元」）呈列，而港元亦為本公司的功能貨幣。

### 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」）

於本年度，本集團已首次應用下列由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則修訂本：

香港會計準則第19號之修訂本	香港財務報告準則2010年至2012年週期之年度改進項目
香港財務報告準則修訂本	香港財務報告準則2011年至2013年週期之年度改進項目

於本年度應用該等香港財務報告準則修訂本並無對本集團於本年度及過往年度之財務表現及狀況及／或本綜合財務報表所載披露造成重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

HKFRS 9	Financial Instruments <sup>2</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>5</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>2</sup>
HKFRS 16	Leases <sup>4</sup>
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>1</sup>
Amendments to HKAS 1	Disclosure Initiative <sup>1</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants <sup>1</sup>
Amendments to HKAS 27	Equity Method in Separate Financial Statements <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle <sup>1</sup>

### 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）

本集團尚未提前應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 <sup>2</sup>
香港財務報告準則第14號	規管遞延賬目 <sup>5</sup>
香港財務報告準則第15號	客戶合約收入 <sup>2</sup>
香港財務報告準則第16號	租賃 <sup>4</sup>
香港財務報告準則第11號之修訂本	收購合營業務權益之會計法 <sup>1</sup>
香港會計準則第1號之修訂本	披露計劃 <sup>1</sup>
香港會計準則第16號及香港會計準則第38號之修訂本	澄清可接納之折舊及攤銷方法 <sup>1</sup>
香港會計準則第16號及香港會計準則第41號之修訂本	農業：生產性植物 <sup>1</sup>
香港會計準則第27號之修訂本	獨立財務報表中之權益法 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營或合營公司之間的資產出售或注資 <sup>3</sup>
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂本	投資實體：應用綜合入賬的例外情況 <sup>1</sup>
香港財務報告準則修訂本	香港財務報告準則2012年至2014年週期之年度改進項目 <sup>1</sup>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

- 1 Effective for annual periods beginning on or after 1 January 2016
- 2 Effective for annual periods beginning on or after 1 January 2018
- 3 Effective for annual periods beginning on or after a date to be determined
- 4 Effective for annual periods beginning on or after 1 January 2019
- 5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

#### HKFRS 16 Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases”, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor 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.

### 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）

- 1 於2016年1月1日或之後開始之年度期間生效
- 2 於2018年1月1日或之後開始之年度期間生效
- 3 於待釐定之日期或之後開始之年度期間生效
- 4 於2019年1月1日或之後開始之年度期間生效
- 5 於2016年1月1日或之後開始之首份年度香港財務報告準則財務報表生效

#### 香港財務報告準則第16號租賃

香港財務報告準則第16號（將於生效日期起取代香港會計準則第17號「租賃」）引入單一承租人會計處理模式，並規定承租人就為期超過12個月的所有租賃確認資產及負債，除非相關資產為低價值資產。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產（表示其有權使用相關租賃資產）及租賃負債（表示其有責任支付租賃款項）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債的現金還款分類為本金部分及利息部分，在現金流量表中呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可註銷租賃付款，亦包括在承租人合理肯定會行使選擇權延續租賃，或不行使選擇權而中止租賃的情況下，將於選擇權期間內作出的付款。此會計處理方法與承租人就租賃採用的會計處理方法存在明顯差異，承租人所採用的會計處理方法適用於香港會計準則第17號分類為經營租賃的租賃。

就出租人會計處理方法而言，香港財務報告準則第16號大致轉承了香港會計準則第17號的出租人會計處理方法的規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且以不同方式將兩類租賃入賬。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

The directors of the Company are assessing the impact of the application of HKFRS 16. However, it is not practicable to provide a reasonable estimate of the effect of the application of HKFRS 16 until the Group performs a detailed review.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

The provisions of the new CO (Cap. 622) regarding preparation of accounts and directors’ reports and audit became effective for the Company for the financial year ended 31 March 2016. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out 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）

本公司董事現正評估應用香港財務報告準則第16號之影響。然而，在本集團進行詳細檢討前，對應用香港財務報告準則第16號的影響作出合理估計並不可行。

本公司董事預計，採納其他新訂及經修訂香港財務報告準則將不會對綜合財務報表造成重大影響。

### 3. 主要會計政策

綜合財務報表乃根據香港會計師公會所頒佈的香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定的適用披露。

新公司條例（第622章）有關編製賬目及董事會報告以及核數之規定於截至2016年3月31日止財政年度對本公司生效。此外，上市規則所載有關年度賬目之披露規定已參考新公司條例修訂並因應香港財務報告準則而精簡。因此，截至2016年3月31日止財政年度綜合財務報表內之資料呈列及披露已經更改以符合此等新規定。有關截至2015年3月31日止財政年度之比較資料已根據新規定於綜合財務報表內呈列或披露。本綜合財務報表並無披露以往根據前公司條例或上市規則須予披露但根據新公司條例或經修訂上市規則毋須披露之資料。

誠如下文所載之會計政策所闡釋，綜合財務報表乃根據歷史成本基準編製，惟於各報告期末若干以公平值計量的物業除外。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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*.

In addition, for financial reporting purposes, 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 principal accounting policies are set out below.

### 3. 主要會計政策 (續)

歷史成本一般以交換貨品及服務時給予代價的公平值為基準計算。

公平值為在市場參與者於計量日期進行之有序交易中出售資產所收取或轉讓負債所支付之價格，而不論該價格是否直接可觀察或使用另一估值技術估計所得。在對資產或負債的公平值作出估計時，本集團會考慮市場參與者於計量日期為該資產或負債進行定價時將會考慮的該等特徵。本綜合財務報表中作計量及／或披露用途的公平值均按此基準予以釐定，惟香港財務報告準則第2號以股份為基礎的付款範圍內的以股份為基礎的付款交易、香港會計準則第17號租賃範圍內的租賃交易及與公平值類似但並非公平值的計量（例如香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值）除外。

此外，就財務報告而言，公平值計量乃根據公平值計量的輸入數據的可觀察程度及該等輸入數據對整體公平值計量的重要性分為第一、第二或第三層，說明如下：

- 第一層輸入數據為實體於計量日期可獲取的相同資產或負債於活躍市場的報價（未經調整）；
- 第二層輸入數據為除第一層所包括的報價以外可直接或間接觀察的資產或負債的輸入數據；及
- 第三層輸入數據為不可觀察的資產或負債的輸入數據。

主要會計政策載列如下。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Basis of consolidation

The consolidated financial statements incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Company ceases to control the subsidiary.

### 3. 主要會計政策 (續)

#### 綜合基準

綜合財務報表載有本公司及本公司控制的實體及其附屬公司的財務報表。當本公司符合以下各項時，即取得控制權：

- 有權控制被投資方；
- 須承受或擁有自參與被投資方營運所得浮動回報的風險或權利；及
- 有能力運用其對被投資方的權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本公司會重新評估其是否對被投資方擁有控制權。

當本公司取得附屬公司控制權時，開始綜合其附屬公司的賬目，並於本公司失去對該附屬公司的控制權時終止綜合入賬。具體而言，年內收購或出售的附屬公司收入及開支由本集團取得控制權當日起直至本公司失去對該附屬公司的控制權之日止計入綜合損益及其他全面收益表。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

*(continued)*

#### Basis of consolidation *(Continued)*

Profit or loss and each component of the other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### Business combinations

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

### 3. 主要會計政策 (續)

#### 綜合基準 (續)

損益及其他全面收益各組成部分歸屬至本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬至本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

如有必要，附屬公司的財務報表會作出調整，使其會計政策與本集團的會計政策保持一致。

與本集團各成員公司之間的交易有關之所有集團內資產及負債、權益、收入、開支及現金流量均於綜合入賬時全數對銷。

#### 業務合併

收購業務採用收購法入賬。業務合併所轉撥之代價按公平值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方原擁有人產生之負債及本集團為交換被收購方之控制權發行之股權於收購日之公平值之總額。有關收購之成本通常於產生時於損益中確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

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

### 3. 主要會計政策 (續)

#### 業務合併 (續)

於收購日期，所收購可識別資產及所承擔負債按其公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購方以股份為基礎的付款安排或本集團為取代被收購方以股份為基礎的付款安排而訂立之以股份為基礎的付款安排有關的負債或權益工具，於收購日期根據香港財務報告準則第2號*以股份為基礎的付款*計量；及
- 根據香港財務報告準則第5號*持作出售的非流動資產及已終止經營業務*分類為持作出售的資產（或出售組合）根據該項準則計量。

商譽是以所轉撥之代價、任何非控股權益於被收購方中所佔金額、及收購方以往持有被收購方權益之公平值（如有）之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨額後，所超出之差額計值。倘經過重估後，所收購之可識別資產與所承擔負債於收購日期之淨額高於轉撥之代價、任何非控股權益於被收購方中所佔金額及收購方以往持有被收購方權益之公平值（如有）之總和，則差額即時於損益內確認為議價收購收益。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### 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 goods 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)

#### 收入確認

收入按已收或應收代價的公平值計量。收入扣除估計客戶退貨、回扣及其他類似撥備。

銷售貨品的收入於交付貨品及所有權轉移時，且在以下條件全部獲達成後確認：

- 本集團已向買方轉移貨品所有權的重大風險及回報；
- 本集團並無保留一般與已售貨物所有權相關的持續管理參與權，亦無實際控制已售貨物；
- 收入金額能可靠計量；
- 與交易有關的經濟利益很有可能流入本集團；及
- 就交易產生或將予產生的成本能可靠計量。

金融資產的利息收入於經濟利益很有可能流入本集團及收入金額能可靠計量時確認。利息收入乃參照未償還本金額及實際適用利率按時間基準累算，實際適用利率為於金融資產的預期年期內將估計日後現金收入準確折算至該資產於初步確認時的賬面淨值的利率。

本集團有關確認經營租賃之收入之會計政策載於以下有關租賃之會計政策。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Leasing

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

##### *The Group as lessor*

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

##### *The Group as lessee*

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

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

### 3. 主要會計政策 (續)

#### 租賃

凡租賃條款規定將擁有權的絕大部分風險及回報撥歸承租人時，則此租賃分類作融資租賃。所有其他租賃則分類作經營租賃。

##### *本集團作為出租人*

來自經營租賃之租金收入按直線法於有關租賃年期在損益內確認。於磋商和安排經營租賃時產生之初始直接費用，乃加至租賃資產之賬面值，並按直線法於租期內確認為開支。

##### *本集團作為承租人*

經營租賃款項乃按租期以直線法確認為開支，除非另有系統基準更能代表租賃資產使用所產生經濟利益之消耗時間模式則作別論。經營租賃產生之或然租金於產生期間確認為開支。

倘訂立經營租賃可以獲得租賃優惠，則該等優惠會確認為負債。優惠的利益總額乃以直線法確認為租金開支減少，除非另有系統基準更能代表租賃資產使用所產生經濟利益之消耗時間模式則作別論。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Leasing (Continued)

##### Leasehold 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, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

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

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### 3. 主要會計政策 (續)

#### 租賃 (續)

##### 租賃土地及樓宇

倘租約包括土地及樓宇部分，本集團根據對附於各部分所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，惟該兩部分均明顯為經營租賃則除外，在此情況下，整項租賃乃分類為經營租賃。具體而言，最低租賃款項（包括任何一筆過預付款項）於租約訂立時，按租約土地部分及樓宇部分中之租賃權益相對公平值比例，於土地與樓宇部分間分配。

在租賃款項能可靠分配之情況下，入賬列作經營租賃之租賃土地權益，於綜合財務狀況表呈列為「預付租賃款項」，並於租期內以直線法攤銷，惟按公平值模型分類及入賬列為投資物業者除外。倘租賃款項不能於土地與樓宇部分間可靠分配，則整項租賃一般分類為融資租賃及入賬列作物業、廠房及設備。

#### 外幣

於編製各個別集團實體的財務報表時，以該實體的功能貨幣以外之貨幣（外幣）進行之交易，均按交易日之適用匯率確認。於報告期間結束時，以外幣計值的貨幣項目按於該日的適用匯率重新換算。以外幣計值按公平值列賬的非貨幣項目按釐定公平值當日的適用匯率重新換算。按過往成本以外幣計量的非貨幣項目不予重新換算。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Foreign currencies (Continued)

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

### 3. 主要會計政策 (續)

#### 外幣 (續)

貨幣項目的匯兌差額乃於其產生期間內於損益確認，惟以下各項除外：

- 當有關日後生產使用的在建資產的外幣借貸匯兌差額被視為該等外幣借貸的利息成本的調整時，有關匯兌差額乃計入該等資產的成本；
- 就對沖若干外幣風險所訂立交易之匯兌差額；及
- 應收或應付一項境外業務的貨幣項目的匯兌差額，既無計劃結算，發生結算的可能性亦不大（因此其為境外業務投資淨額的一部分），並初步於其他全面收入確認及於償還貨幣項目時由權益重新分類至損益。

就呈列綜合財務報表而言，本集團境外業務的資產與負債均按各報告期間結束時的適用匯率換算為本集團的呈報貨幣（即港元）。收入及開支項目按期內的平均匯率換算。所產生匯兌差額（如有）於其他全面收入確認並於外幣換算儲備項目下的權益內累計。

出售境外業務時（即出售本集團於境外業務的全部權益，或出售涉及失去對擁有境外業務的附屬公司的控制權，或出售擁有境外業務而保留權益成為金融資產的合營安排或聯營公司的部分權益），本公司擁有人應佔有關該業務的所有於權益累計的匯兌差額，則重新分類至損益。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Foreign currencies (Continued)

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

#### Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Share-based payment arrangements

##### Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss. At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

### 3. 主要會計政策 (續)

#### 外幣 (續)

此外，就部分出售附屬公司而並未導致本集團失去該附屬公司控制權而言，按比例分佔的累計匯兌差額乃重新歸類為非控股權益，而並不於損益內確認。就所有其他部分出售（即出售部分聯營公司或合營安排但並不引致本集團失去重大影響力或共同控制權）而言，按比例分佔的累計匯兌差額乃重新分類至損益。

#### 退休福利成本

定額供款退休福利計劃之付款乃於僱員提供有權享有該等供款的服務時確認為開支。

#### 以股份為基礎的付款安排

##### 授予僱員之購股權

向僱員及其他提供類似服務的人士作出之權益結算以股份為基礎的付款乃按權益工具於授出日期的公平值計量。

權益結算以股份為基礎的付款於授出日期釐定的公平值根據本集團對最終歸屬的權益工具之估計，按歸屬期以直線法基準支銷，並於權益（購股權儲備）內作相應增加。就於授出日期立即歸屬之購股權而言，所授出購股權之公平值立即於損益中支銷。於各報告期末，本集團會修訂預期歸屬之權益工具數目之估計。修訂原有估計之影響（如有）於損益中確認，以致累計開支反映修訂後之估計，並對購股權儲備作相應調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### Share-based payment arrangements *(Continued)*

##### *Share options granted to employees (Continued)*

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

##### *Share options granted to consultants*

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

#### 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.

### 3. 主要會計政策 (續)

#### 以股份為基礎的付款安排 (續)

##### 授予僱員之購股權 (續)

當購股權獲行使時，過往於購股權儲備中確認之金額將轉撥至股份溢價。倘購股權於歸屬日後被沒收或於屆滿日仍未獲行使，則過往於購股權儲備中確認之金額將轉撥至保留溢利。

##### 授予顧問之購股權

與僱員以外人士進行之權益結算以股份為基礎的付款交易乃按實體獲得貨品或交易方提供服務當日所收取貨品或服務之公平值計量，惟公平值未能可靠地計量除外，於該情況下，則以授出股權工具的公平值計量。於本集團取得貨品或交易對手提供服務時，除非貨品或服務符合資格確認為資產，所收取貨品或服務之公平值確認為開支，並於權益（購股權儲備）內作相應增加。

#### 稅項

所得稅開支指應付即期稅項及遞延稅項的總和。

應付即期稅項乃按年內之應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中所呈報的除稅前溢利不同，原因為應課稅溢利不包括其他年度的應課稅收入項目或可扣稅開支項目，亦不包括毋須課稅或不可扣稅的項目。本集團的即期稅項負債乃按報告期間結束時已頒佈或實際上已頒佈的稅率計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases 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 deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in subsidiary, 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 investment 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.

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 rates (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.

### 3. 主要會計政策 (續)

#### 稅項 (續)

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用的相應稅基之間的暫時性差額予以確認。遞延稅項負債通常會就所有應課稅暫時性差額確認，而遞延稅項資產通常則就所有可扣減暫時性差額，在很可能會有應課稅溢利可利用可扣減暫時性差額予以抵銷時確認。若暫時性差額因初步確認一項不影響應課稅溢利或會計溢利的交易（除業務合併外）的資產及負債而引致，則不會確認該等遞延稅項資產及負債。此外，若暫時性差額因初步確認商譽而引致，則不會確認遞延稅項負債。

遞延稅項負債乃按與於附屬公司的投資相關的應課稅暫時性差額予以確認，惟倘本集團可控制撥回暫時性差額且該暫時性差額很可能不會於可見將來撥回則除外。與該等投資相關的可扣減暫時性差額所產生的遞延稅項資產，僅於很可能有足夠應課稅溢利可以使用暫時性差額的利益予以抵銷且預計於可見將來可以撥回時方予以確認。

遞延稅項資產的賬面值於各報告期間結束時均會予以審閱，並於不大可能有足夠應課稅溢利收回全部或部分資產時作出調減。

遞延稅項資產及負債乃按償還負債或變現資產的期間內預期適用的稅率，根據報告期間結束時已頒佈或實際上已頒佈的稅率（及稅法）予以計量。

遞延稅項負債及資產的計量反映本集團按在報告期間結束時預期可以收回或清償其資產及負債的賬面值的方式計算而得出的稅務結果。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation (Continued)

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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.

#### Property, plant and equipment

Property, plant and equipment including buildings and leasehold land (classified as finance leases) 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 cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

### 3. 主要會計政策 (續)

#### 稅項 (續)

為使用公平值模式計量投資物業之遞延稅項負債及遞延稅項資產，投資物業之賬面值乃假定为透過銷售全部收回，除非有關假定被推翻。倘投資物業為可予折舊，且持有之商業模式乃旨在隨時間而非透過銷售而消耗該投資物業內嵌之絕大部分經濟利益，則此項假定即被推翻。

即期及遞延稅項於損益內確認，惟當涉及於其他全面收益中或直接於權益中確認的有關項目除外，屆時即期及遞延稅項亦分別於其他全面收益或直接於權益確認。當因業務合併的初步會計方法而產生即期或遞延稅項，有關稅務影響會計入該業務合併的會計方法內。

#### 物業、廠房及設備

物業、廠房及設備包括持作生產或供應貨品或提供服務或作行政用途的樓宇及租賃土地（分類為融資租賃），乃於綜合財務狀況表內按成本減後續累計折舊及後續累計減值虧損（如有）列賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Property, plant and equipment (Continued)

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

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

#### 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 measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

### 3. 主要會計政策 (續)

#### 物業、廠房及設備 (續)

折舊乃根據資產之估計可使用年期以直線法確認，以撇銷其減去剩餘價值後之成本。估計可使用年期、剩餘價值及折舊法於各報告期間結束時作檢討，並按前瞻基準將任何估計變更的影響入賬。

物業、廠房及設備項目於出售或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或棄置物業、廠房及設備項目產生的任何收益或虧損乃以銷售所得款項與該資產賬面值之間的差額釐定，並於損益中確認。

#### 投資物業

投資物業指持作賺取租金及／或資本升值之物業。

投資物業初步按成本（包括任何直接應佔開支）計量。於初步確認後，投資物業按其公平值計量。投資物業公平值變動所產生之收益或虧損於其產生期間計入損益。

投資物業於出售或永久停止使用及預計不會從其出售中獲得未來經濟收益時，會被取消確認。取消確認該物業所產生之任何收益或虧損（按出售所得款項淨額與該資產之賬面值差額計算）於該物業被取消確認之期間內計入損益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Intangible assets

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses. Alternatively, intangible assets acquired in a business combination with indefinite useful lives 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).

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

#### Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets 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. Where 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.

### 3. 主要會計政策 (續)

#### 無形資產

業務合併所收購之無形資產與商譽分開確認，初步按收購當日之公平值（被視為其成本）確認。

於初步確認後，業務合併所收購有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。而業務合併所收購無限可使用年期之無形資產按成本減任何其後累計減值虧損列賬（請參閱下文有關有形及無形資產減值虧損之會計政策）。

無形資產於出售或預計不會從使用或出售該資產中獲得未來經濟收益時，會被取消確認。取消確認無形資產所產生之收益及虧損（按出售所得款項淨額與該資產之賬面值差額計量）於該資產被取消確認時於損益確認。

#### 有形及無形資產之減值虧損

本集團於報告期間結束時審閱有形資產及具有限可使用年期的無形資產之賬面值，以釐定有關資產是否出現任何減值虧損跡象。如出現任何該等跡象，則會估計資產之可收回金額，以釐定減值虧損（如有）之程度。當不可能估計個別資產的可收回金額時，本集團估計該資產所屬的現金產生單位的可收回金額。當可識別合理及一致的分配基準，公司資產亦獲分配至個別現金產生單位，或以其他方式分配至最小組別的現金產生單位，以致可識別合理及一致的分配基準。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Impairment losses on tangible and intangible assets (Continued)

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.

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.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3. 主要會計政策 (續)

#### 有形及無形資產之減值虧損 (續)

具有無限可使用年期之無形資產及尚不可使用之無形資產最少每年進行減值測試，並於出現減值跡象時進行減值測試。

可收回金額乃公平值減銷售成本及使用價值中之較高者。於評估使用價值時，估計未來現金流量採用除稅前折現率折現至其現值，該折現率反映對貨幣時間價值之現時市場評估及資產之特定風險（並無就此對未來現金流量估計予以調整）。

倘估計資產（或現金產生單位）之可收回金額低於其賬面值，則資產（或現金產生單位）之賬面值將減至其可收回金額。減值虧損即時於損益中確認。

倘減值虧損其後撥回，資產（或現金產生單位）之賬面值將調高至其經修訂之估計可收回金額，惟該調高之賬面值不得超過假設以往年度並無確認資產（或現金產生單位）之任何減值虧損而應釐定之賬面值。撥回減值虧損即時於損益確認。

#### 存貨

存貨按成本與可變現淨值兩者之較低者列值。存貨成本以先進先出法釐定。可變現淨值指存貨的估計售價減所有估計竣工成本及進行銷售的所需成本。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

#### 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)

#### 撥備

倘本集團因過往事件引致當前法律或推定責任，及本集團將有可能須清償該責任，並能可靠估計該責任之金額時，則確認撥備。

確認為撥備之金額為對清償報告期間結束時當前責任之所需代價之最佳估計，並計及有關責任之風險及不確定因素。倘撥備以估計清償當前責任之現金流量計量，而當貨幣時間值之影響屬重大時，則其賬面值為該等現金流量之現值。

當結算撥備所需之部分或全部經濟利益預期可自第三方收回時，倘大致確定將可獲償付及應收款項金額可作可靠計量，則將應收款項確認為資產。

#### 金融工具

金融資產及金融負債乃當集團實體成為工具合約條文之訂約方時予以確認。

金融資產及金融負債初步以公平值計量。收購或發行金融資產及金融負債而直接應佔之交易成本（按公平值計入損益之金融資產或金融負債除外）於初步確認時加入金融資產公平值內或自金融負債公平值內扣除（按適用者而定）。收購按公平值計入損益的金融資產或金融負債所直接產生之交易成本即時於損益中確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### 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 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. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

##### 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.

##### 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 are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on 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.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產

金融資產乃分類為以下特定類別：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、可供出售金融資產以及貸款及應收款項。分類視乎金融資產之性質及用途而定，並於初步確認時釐定。所有常規買賣的金融資產於交易日期確認及取消確認。常規買賣為須於市場規則或慣例所制定之時限內交收資產之金融資產買賣。

##### 實際利率法

實際利率法乃計算債務工具之攤銷成本及於相關期間分配利息收入之方法。實際利率乃估計日後現金收入（包括所付或所收構成實際利率組成部分之一切費用及貼息、交易成本及其他溢價或折讓）按債務工具之預期年期或（如適用）較短期間準確貼現至初步確認時的賬面淨值之利率

債務工具按實際利率基準確認利息收入。

##### 貸款及應收款項

貸款及應收款項為固定或可釐定付款之非衍生金融資產，而其在活躍市場並無報價。於初步確認後，貸款及應收款項乃使用實際利率法按攤銷成本減任何減值計量（請參閱下文有關金融資產減值虧損的會計政策）。

除利息確認微不足道的短期應收款項外，利息收入通過應用實際利率予以確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### 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.

Objective evidence of impairment could include:

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

For certain categories of financial asset, 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, as well as 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.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 金融資產的減值

金融資產(按公平值計入損益的金融資產除外)會於各報告期間結束時評定是否有減值跡象。於有客觀證據顯示金融資產的估計未來現金流量因於初步確認該金融資產後發生的一項或多項事件而受到影響時，則金融資產會被視為減值。

減值的客觀證據可包括：

- 發行人或交易對手方出現嚴重財務困難；或
- 違反合約，如未能支付或延遲支付利息或本金；或
- 借款人很有可能破產或進行財務重組。

就若干類別之金融資產而言，例如貿易應收款項，個別獲評估為並無減值的資產再以集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的過往收款經驗、組合內逾期平均信貸期之延遲付款數目有所增加，以及與拖欠應收款項之相關國家或當地經濟狀況出現可觀察轉變。

就按攤銷成本列賬的金融資產而言，已確認之減值虧損數額為該資產的賬面值與按該金融資產原實際利率貼現的估計未來現金流量現值之間的差額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### Financial instruments *(Continued)*

##### Financial assets *(Continued)*

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

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 measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed 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.

##### 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 Group are recognised at the proceeds received, net of direct issue costs.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 金融資產的減值 (續)

就所有金融資產而言，金融資產的賬面值直接按減值虧損減少，惟貿易應收款項除外，其賬面值乃透過使用撥備賬而減少。撥備賬目的賬面值變動於損益內確認。倘貿易應收款項被視為無法收回，則於撥備賬撇銷。其後收回過往撇銷的款項會計入損益。

就按攤銷成本列賬之金融資產而言，倘於往後期間減值虧損金額減少，而該減少客觀上與確認減值後發生的事件有關，則先前確認的減值虧損透過損益撥回，惟該投資於撥回減值日期的賬面值不得超過在並無確認減值之情況下應有的攤銷成本。

##### 金融負債及權益工具

由集團實體所發行之債務及權益工具乃根據合約安排之內容及金融負債及權益工具之定義分類為金融負債或權益。

##### 權益工具

權益工具乃證明一間實體的資產於扣除其所有負債後之剩餘權益的任何合約。本集團所發行之權益工具乃按已收取之所得款項（扣除直接發行成本）確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### Financial instruments *(Continued)*

##### *Financial liabilities and equity instruments (Continued)*

##### *Equity instruments (Continued)*

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### *Other financial liabilities*

Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

##### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of 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.

##### *Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融負債及權益工具 (續)

##### 權益工具 (續)

購回本公司本身之權益工具直接於權益內確認並扣減。購買、出售、發行或註銷本公司本身之權益工具不得於損益內確認損益。

##### 其他金融負債

其他金融負債其後使用實際利率法按攤銷成本計量。

##### 實際利率法

實際利率法乃計算金融負債之攤銷成本及將利息開支分配予相關期間的方法。實際利率乃估計未來現金付款(包括所付或所收構成實際利率組成部分之一切費用及貼息、交易成本及其他溢價或折讓)按金融負債之預期年期或(如適用)較短期間準確貼現至初步確認時的賬面淨值之利率。利息開支按實際利率基準確認。

##### 終止確認

本集團僅於從資產收取現金流的合約權利屆滿時，或轉移金融資產及該項資產所有權的絕大部分風險及回報至另一實體時，方會終止確認該項金融資產。倘本集團並無轉移亦無保留所有權的絕大部分風險及回報，並繼續控制已轉移資產，則本集團會確認其於資產的保留權益及可能需要支付的相關負債款項。倘本集團保留已轉移金融資產所有權的絕大部分風險及回報，本集團繼續確認該項金融資產，亦就所收到的所得款項確認抵押借款。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### Financial 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.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 終止確認 (續)

一旦終止確認整項金融資產，資產的賬面值與已收及應收的代價與已於其他全面收益中確認及在權益累積的累計收益或虧損之和之間的差額會在損益中確認。

除終止確認整項金融資產外，於終止確認金融資產時，本集團會將金融資產之過往賬面值，根據於其繼續確認之部分及不再確認之部分於轉讓日期之相對公平值在兩者間作出分配。不再確認部分獲分配的賬面值與該部份已收代價及其已於其他全面收益確認獲分配之任何累計收益或虧損之總和間的差額，乃於損益內確認。已於其他全面收益確認之累計收益或虧損，將按繼續確認部分及不再確認部分之相對公平值在兩者間作出分配。

本集團於且僅於本集團的責任解除、取消或屆滿時終止確認金融負債。終止確認的金融負債的賬面值與已付及應付的代價之間的差額會在損益中確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

### 3. 主要會計政策 (續)

#### 關聯方

倘任何人士符合以下條件，則被視為與本集團有關聯：

- (a) 該方為一名人士之家庭成員或近親家族成員，且該人士
  - (i) 對本集團有控制權或共同控制權；
  - (ii) 對本集團有重大影響力；或
  - (iii) 為本集團或本集團母公司主要管理人員的成員；

或

- (b) 該方為符合下列任何條件之實體：
  - (i) 該實體及本集團屬同一集團的成員公司；
  - (ii) 一個實體為另一實體的聯營公司或合營企業（或該另一實體的母公司、附屬公司或同系附屬公司）；
  - (iii) 該實體及本集團皆為相同第三方的合營企業；
  - (iv) 一個實體為第三方的合營企業而另一實體為該第三方的聯營公司；
  - (v) 該實體為本集團或與本集團有關聯的實體的僱員福利而設的離職後福利計劃；

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies: (Continued)
- (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); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

The following are the key 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)

#### 關聯方 (續)

- (b) 該方為符合下列任何條件之實體：(續)
- (vi) 該實體受(a)所界定之人士控制或共同控制；
  - (vii) (a)(i)段所界定人士對該實體有重大影響力，或是該實體（或該實體的母公司）主要管理人員的成員公司；及
  - (viii) 該實體或該實體所屬集團任何成員公司為本集團或本集團的母公司提供主要管理人員服務。

### 4. 估計不明朗性的主要來源

管理層在應用附註3載述的本集團會計政策時，須就未能即時明顯從其他來源得知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乃根據以往經驗及其他被認為屬相關的因素作出，實際結果可能會與該等估計不同。

估計及有關假設會持續予以檢討。倘會計估計修訂只影響修訂估計期間，則僅在該期間確認，倘修訂同時影響現時及未來期間，則會在修訂期間及未來期間確認。

以下是於報告期間結束時估計不明朗因素的主要來源，有關不明朗因素具有導致資產及負債的賬面值於下一財政年度內作出大幅調整的重大風險。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

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

##### Allowances for inventories

The management of the Group reviews the inventories listing on a product-by-product basis at the end of each reporting period and makes allowance for obsolete and slow moving inventory items. The management estimates the net realisable value for such items based primarily on the latest invoice prices and current market conditions.

##### Estimated impairment of trade and other receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

##### Fair value of investment property

Investment property is stated at fair value determined by independent professional valuers based on direct comparison approach assuming sale of the property interest in its existing state and making references to comparable sales transactions as available in the relevant markets. In relying on the valuation report of the independent professional valuers, the management has exercised its judgment and is satisfied that the method of valuation is reflective of the market conditions prevailing at the end of each reporting period. Any changes in the market conditions will affect the fair value of the investment property of the Group.

#### 4. 估計不明朗性的主要來源 (續)

##### 存貨撥備

本集團管理層於各報告期間結束時按逐項產品基準審閱存貨清單並就過時及滯銷存貨項目計提撥備。管理層主要根據最近的發票價格及目前市況估計有關項目的可變現淨值。

##### 貿易及其他應收款項的估計減值

當發現減值虧損的客觀證據時，本集團會考慮估計未來現金流量。減值虧損的金額會按資產賬面值與以金融資產的原來實際利率（即按初步確認計算的實際利率）折現的估計未來現金流量現值（不包括未產生的未來信貸虧損）的差額計量。倘實際未來現金流量低於預期，則或會出現重大減值虧損。

##### 投資物業的公平值

投資物業按由獨立專業估值師根據直接比較方法並假設物業權益以現在的狀態出售以及參考在相關市場中可比較的銷售交易所得出的公平值列賬。在倚賴獨立專業估值師的估值報告下，管理層行使判斷及信納估值方法反映各報告期間結束時的現行市況。市況的任何轉變將影響本集團投資物業的公平值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION 5. 收入及分部資料

Revenue represents the amount received and receivable for the sales of goods.

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Specifically, the Group's reportable and operating segments under "HKFRS 8 Operating Segments" are as follows:

1. Product Development Segment – sales of products developed by the Group under own brands
2. Brand Development and Management Segment – sales and distribution of products with exclusive distribution rights
3. Trading of Goods Segment – sales and distribution of products purchased from authorised dealers, independent traders, manufacturers or parallel importers

#### Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 March 2016

		Product Development Segment	Brand Development and Management Segment	Trading of Goods Segment	Total
		產品開發分部	品牌開發及管理分部	貨品買賣分部	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
<b>Revenue</b>	<b>收入</b>				
External sales	對外銷售	185,032	30,540	11,888	227,460
Segment profit/(loss)	分部溢利/(虧損)	24,292	4,421	(496)	28,217
Interest income	利息收入				4,907
Unallocated expenses	未分配開支				(6,142)
Profit before tax	除稅前溢利				26,982

收入指貨品銷售已收及應收金額。

向本公司董事會（即主要經營決策者）報告以分配資源及評估分部表現的資料，著重交付或提供的貨品或服務類別。具體而言，根據「香港財務報告準則第8號經營分部」，本集團的可報告及經營分部如下：

1. 產品開發分部－銷售本集團開發之自家品牌產品
2. 品牌開發及管理分部－銷售及分銷獨家分銷權產品
3. 貨品買賣分部－銷售及分銷自特約經銷商、獨立商號、製造商或水貨商購買之產品

#### 分部收入及業績

下列為按可報告及經營分部劃分對本集團收入及業績的分析。

截至2016年3月31日止年度

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION 5. 收入及分部資料 (續)

(Continued)

#### Segment revenues and results (Continued)

For the year ended 31 March 2015

#### 分部收入及業績 (續)

截至2015年3月31日止年度

		Product Development Segment 產品開發分部 HK\$'000 港幣千元	Brand Development and Management Segment 品牌開發及 管理分部 HK\$'000 港幣千元	Trading of Goods Segment 貨品買賣分部 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
<b>Revenue</b>	<b>收入</b>				
External sales	對外銷售	166,803	33,823	14,333	214,959
Segment profit/(loss)	分部溢利/(虧損)	22,500	3,927	(341)	26,086
Interest income	利息收入				2,171
Unallocated expenses	未分配開支				(12,807)
Profit before tax	除稅前溢利				15,450

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 corporate expenses and interest income. This is the measure reported to the board of directors for the purposes of resource allocation and assessment of segment performance.

經營分部之會計政策與附註3所述本集團之會計政策相同。分部溢利/虧損指各分部賺取/損失之溢利(並無分配企業開支及利息收入)。此乃向董事會就資源分配及評估分部表現而報告之措施。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION

(Continued)

#### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment.

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
<b>Segment assets</b>			
	<b>分部資產</b>		
Product Development Segment	產品開發分部	119,779	81,908
Brand Development and Management Segment	品牌開發及管理分部	7,601	9,460
Trading of Goods Segment	貨品買賣分部	2,118	3,026
Total segment assets	分部資產總值	129,498	94,394
Unallocated	未分配	244,537	267,720
Consolidated assets	綜合資產	374,035	362,114
<b>Segment liabilities</b>			
	<b>分部負債</b>		
Product Development Segment	產品開發分部	22,943	23,063
Brand Development and Management Segment	品牌開發及管理分部	2,959	3,438
Trading of Goods Segment	貨品買賣分部	565	931
Total segment liabilities	分部負債總額	26,467	27,432
Unallocated	未分配	1,070	-
Consolidated liabilities	綜合負債	27,537	27,432

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than bank balances and cash, deposit and prepayments for life insurance policies and tax refundable.
- all liabilities are allocated to operating segments other than current tax liabilities.

### 5. 收入及分部資料 (續)

#### 分部資產及負債

下列為按可報告及經營分部劃分對本集團的資產及負債的分析。

為監察分部表現及就分部間作出資源分配：

- 所有資產已分配入經營分部（銀行結餘及現金、人壽保單之按金及預付款項及可退還稅款除外）。
- 所有負債已分配入經營分部（即期稅項負債除外）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION 5. 收入及分部資料 (續)

(Continued)

#### Other segment information

其他分部資料

For the year ended 31 March 2016

截至2016年3月31日止年度

		Product Development Segment 產品開發 分部 HK\$'000 港幣千元	Brand Development and Management Segment 品牌開發及 管理分部 HK\$'000 港幣千元	Trading of Goods Segment 貨品買賣 分部 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>	<i>計量分部溢利或虧損或分部資產時計入的金額：</i>				
Addition to non-current assets	非流動資產添置	43,820	427	166	44,413
Amortisation of intangible assets	無形資產之攤銷	1,610	-	-	1,610
Amortisation of prepaid lease payments	預付租賃款項之攤銷	775	-	-	775
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	3,145	242	94	3,481
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	171	28	11	210
Reversal of write-down of inventories	存貨撇減撥回	399	-	-	399

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION 5. 收入及分部資料 (續)

(Continued)

#### Other segment information (Continued)

For the year ended 31 March 2015

#### 其他分部資料 (續)

截至2015年3月31日止年度

	Product Development Segment 產品開發 分部 HK\$'000 港幣千元	Brand Development and Management Segment 品牌開發及 管理分部 HK\$'000 港幣千元	Trading of Goods Segment 貨品買賣 分部 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>	<i>計量分部溢利或虧損或 分部資產時計入的金額：</i>			
Addition to non-current assets	8,950	249	106	9,305
Amortisation of prepaid lease payments	665	-	-	665
Depreciation of property, plant and equipment	2,385	203	86	2,674
Gain on disposal of property, plant and equipment	19	4	2	25
Write-down of inventories	749	-	-	749



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION 5. 收入及分部資料 (續)

(Continued)

#### Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China (the "PRC") and Taiwan.

Information about the Group's revenue from external customers is presented based on location of the operations. Information about the Group's non-current assets (excluding deposit and prepayments for life insurance policies) is presented based on the geographical location of the assets.

#### Revenue from external customers

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Hong Kong	香港	191,783	183,905
PRC	中國	31,485	22,102
Taiwan	台灣	4,192	8,952
		<b>227,460</b>	214,959

#### Non-current assets

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Hong Kong	香港	30,014	5,287
PRC	中國	48,163	43,136
Taiwan	台灣	121	187
		<b>78,298</b>	48,610

#### 地域資料

本集團於香港、中華人民共和國(「中國」)及台灣經營業務。

有關本集團來自外部客戶的收入資料按經營業務的位置劃分呈列。有關本集團非流動資產(不包括人壽保單之按金及預付款項)的資料按資產的地理位置劃分呈列。

#### 來自外部客戶的收入

#### 非流動資產

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION 5. 收入及分部資料 (續)

(Continued)

#### Geographical information (Continued)

#### Information about major customers

Revenues from customers for the corresponding years contributing over 10% of the total revenue of the Group are as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Customer A <sup>1</sup>	客戶A <sup>1</sup>	43,681	42,132
Customer B <sup>1</sup>	客戶B <sup>1</sup>	24,053	25,809

<sup>1</sup> Revenue from Product Development, and Brand Development and Management Segments.

#### 地域資料 (續)

#### 有關主要客戶的資料

於相關年度佔本集團總收入超過10%的客戶的收入如下：

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Customer A <sup>1</sup>	43,681	42,132
Customer B <sup>1</sup>	24,053	25,809

<sup>1</sup> 來自產品開發以及品牌開發及管理分部的收入。

### 6. OTHER INCOME

### 6. 其他收入

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Interest income on bank deposits	銀行存款利息收入	4,741	2,171
Interest income on deposit and prepayments for life insurance policies	人壽保單之按金及預付款項之利息收入	166	-
Rental income	租金收入	309	299
Forfeiture of customers' deposits	沒收客戶按金	129	101
Compensation from a brand proprietor for breach of contract	一名品牌擁有人的違約補償	302	215
Others	其他	103	785
		<b>5,750</b>	<b>3,571</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 7. OTHER GAINS AND LOSSES

### 7. 其他收益及虧損

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	210	25
Bargain purchase gain arising on acquisition of subsidiaries	收購附屬公司產生之議價收購收益	3,869	-
Net foreign exchange loss	外匯淨虧損	(7,921)	(336)
		<b>(3,842)</b>	<b>(311)</b>

### 8. INCOME TAX EXPENSE

### 8. 所得稅開支

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Current tax:	即期稅項：		
– Hong Kong Profits Tax	– 香港利得稅	5,914	4,776
Over provision in prior year:	過往年度超額撥備：		
– Hong Kong Profits Tax	– 香港利得稅	(147)	(377)
Total income tax recognised in profit or loss	於損益確認之所得稅總額	<b>5,767</b>	<b>4,399</b>

Hong Kong Profits Tax has been provided at 16.5% on the estimated assessable profits arising in or derived from Hong Kong for both years.

於該兩個年度於香港產生或源自香港的估計應課稅溢利按16.5%稅率計提香港利得稅撥備。

No provision for taxation has been provided for companies in the Cayman Islands and the British Virgin Islands as they are not subject to any tax during the current and prior years.

由於本年度及過往年度開曼群島及英屬處女群島的公司毋須繳納任何稅項，故並無就該等公司計提稅項撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 8. INCOME TAX EXPENSE (Continued)

No provision for PRC Enterprise Income Tax has been provided for the PRC subsidiary as there was no taxable income for year ended 31 March 2016 and the taxable income for the year ended 31 March 2015 was wholly offset by the tax losses brought forward.

No provision for Taiwan Enterprise Income Tax has been provided for the Taiwan subsidiary as there was no assessable profits for both years.

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

### 8. 所得稅開支 (續)

由於中國附屬公司於截至2016年3月31日止年度並無任何應課稅收入及截至2015年3月31日止年度的應課稅收入由結轉之稅項虧損全數抵銷，故並無計提中國企業所得稅撥備。

由於台灣附屬公司於該兩個年度並無任何應課稅溢利，故並無計提台灣企業所得稅撥備。

年度稅項支出可與綜合損益及其他全面收益表的除稅前溢利對賬如下：

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Profit before tax	除稅前溢利	26,982	15,450
Tax at Hong Kong Profits Tax rate of 16.5%	按香港利得稅稅率16.5%計算的稅項	4,452	2,549
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	2,036	2,736
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(1,649)	(347)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	1,752	82
Utilisation of tax losses not previously recognised	動用未預先確認的稅項虧損	-	(267)
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營的附屬公司按不同稅率繳稅的影響	(348)	33
Over provision in prior year	過往年度超額撥備	(147)	(377)
Others	其他	(329)	(10)
Tax charge for the year	年度稅項支出	5,767	4,399



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 9. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

### 9. 年內溢利

年內溢利已扣除／（計入）下列各項：

	<b>2016</b> <b>HK\$'000</b> <b>港幣千元</b>	2015 HK\$'000 港幣千元
Staff costs, including directors' emoluments	<b>39,717</b>	31,417
Amortisation of intangible assets (included in cost of sales)	<b>1,610</b>	–
Amortisation of prepaid lease payments	<b>775</b>	665
Depreciation of property, plant and equipment	<b>3,481</b>	2,674
Cost of inventories recognised as an expense	<b>83,645</b>	89,927
Auditors' remuneration	<b>700</b>	650
(Reversal of write-down)/Write-down of inventories (included in cost of sales)	<b>(399)</b>	749
Gross rental income from investment property	<b>(309)</b>	(299)
Less: direct operating expenses	<b>54</b>	55
Net rental income from investment property	<b>(255)</b>	(244)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to the directors and chief executive of the Company were as follows:

For the year ended 31 March 2016

### 10. 董事及主要行政人員酬金

已付或應付本公司董事及主要行政人員的酬金如下：

截至2016年3月31日止年度

		Other emoluments 其他酬金				
		Salaries and other benefits	Share-based payments	Contributions to retirement benefits schemes	Total	
Fees		薪金及 其他福利	以股份為 基礎的付款	退休福利計劃 供款		
袍金		其他福利	基礎的付款	供款	合計	
HK\$'000		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
港幣千元		港幣千元	港幣千元	港幣千元	港幣千元	
<b>Executive directors</b>	<b>執行董事</b>					
Mr. Pang Siu Hin (Note (i))	彭少衍先生 (附註(i))	-	2,009	3,387	25	5,421
Ms. Kwan Lai Man	關麗雯女士	-	1,589	2,106	18	3,713
Mr. Mok Tsan San (Note (ii))	莫贊生先生 (附註(ii))	-	414	-	7	421
<b>Non-executive director</b>	<b>非執行董事</b>					
Ms. Wong Wai Ling	黃慧玲女士	180	-	-	-	180
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. Lee Luk Shiu (Note (iii))	李祿兆先生 (附註(iii))	240	-	-	-	240
Dr. Tang Sing Hing Kenny	鄧聲興博士	180	-	-	-	180
Mr. Tsui Nam Hung	徐南雄先生	180	-	-	-	180
		780	4,012	5,493	50	10,335

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

For the year ended 31 March 2015

### 10. 董事及主要行政人員酬金 (續)

截至2015年3月31日止年度

		Other emoluments 其他酬金				
		Salaries and other benefits 薪金及 其他福利	Share-based payments 以股份為 基礎的付款	Contributions to retirement benefits schemes 退休福利計劃 供款	Total 合計	
Fees 袍金		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
<b>Executive directors</b>	<b>執行董事</b>					
Mr. Pang Siu Hin (Note (i))	彭少衍先生(附註(i))	-	1,891	1,289	24	3,204
Ms. Kwan Lai Man	關麗雯女士	-	1,469	758	18	2,245
<b>Non-executive director</b>	<b>非執行董事</b>					
Ms. Wong Wai Ling	黃慧玲女士	83	-	-	-	83
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. Lee Luk Shiu (Note (iii))	李祿兆先生(附註(iii))	110	-	-	-	110
Dr. Tang Sing Hing Kenny	鄧聲興博士	83	-	-	-	83
Mr. Tsui Nam Hung	徐南雄先生	83	-	-	-	83
		359	3,360	2,047	42	5,808

Notes:

- (i) Mr. Pang Siu Hin is the chief executive officer of the Company.
- (ii) Appointed on 1 May 2015 and resigned on 30 September 2015.
- (iii) Appointed on 25 September 2014.

附註：

- (i) 彭少衍先生為本公司的行政總裁。
- (ii) 於2015年5月1日獲委任及於2015年9月30日辭任。
- (iii) 於2014年9月25日獲委任。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

The executive directors' emoluments shown above were mainly for their services in connection the management of the affairs of the Company and the Group. The non-executive director's emoluments and the independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

None of the Company's directors waived any emoluments during the year (2015: Nil).

During the year, no emoluments were paid by the Group to any of the Company's directors as an inducement to join or upon joining the Group or as compensation for loss of office (2015: Nil).

### 10. 董事及主要行政人員酬金 (續)

上文所示執行董事之酬金主要針對彼等對本公司及本集團管理事務提供之服務。上文所示非執行董事及獨立非執行董事酬金主要針對彼等作為本公司董事提供之服務。

年內，本公司董事概無放棄任何酬金 (2015年：無)。

年內，本集團並無向本公司任何董事支付酬金，以作為邀請加入或加入本集團後的獎勵或離職補償 (2015年：無)。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two (2015: two) directors, details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining three (2015: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		<b>2016</b>	2015
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
Salaries and other benefits	薪金及其他福利	<b>1,783</b>	1,551
Share-based payments	以股份為基礎的付款	<b>161</b>	272
Contributions to retirement benefits schemes	退休福利計劃供款	<b>49</b>	48
<b>Total emoluments</b>	<b>酬金總額</b>	<b>1,993</b>	1,871

*Note:* The emoluments of each of the above non-director, highest paid individuals were below HK\$1,000,000.

During the year, no emoluments were paid by the Group to any of the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2015: Nil).

### 11. 五名最高薪酬僱員

年內，本集團的五名最高薪酬僱員包括兩名（2015年：兩名）董事，其薪酬詳情載於上文附註10。年內其餘三名（2015年：三名）非董事及本公司主要行政人員的最高薪酬僱員的薪酬詳情載列如下：

*附註：* 上述各非董事最高薪酬人士的酬金均為港幣1,000,000元以下。

年內，本集團並無向任何本集團五名最高薪酬人士支付酬金，以作為邀請加入或加入本集團後的獎勵或離職補償（2015年：無）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 12. EARNINGS PER SHARE

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

### 12. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃基於下列數據計算得出：

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
<b>Earnings</b>	<b>盈利</b>		
Earnings for the purpose of basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	用以計算每股基本及攤薄盈利之盈利(本公司擁有人應佔年內溢利)	<b>21,214</b>	11,051
		2016 '000 千股	2015 '000 千股
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利之普通股加權平均數	<b>800,134</b>	691,507
Effect of dilutive potential ordinary shares:	普通股之潛在攤薄影響：		
– Share options	– 購股權	<b>3,473</b>	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利之普通股加權平均數	<b>803,607</b>	691,507

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 12. EARNINGS PER SHARE (Continued)

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 March 2015 has been retrospectively adjusted to reflect 300,000,000 shares issued upon capitalisation on 16 October 2014.

The computation of diluted earnings per share for the year ended 31 March 2015 does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for the year.

### 12. 每股盈利 (續)

截至2015年3月31日止年度用以計算每股基本盈利之普通股加權平均數已作追溯調整以反映於2014年10月16日進行資本化而發行之300,000,000股股份。

計算截至2015年3月31日止年度之每股攤薄盈利時並無假設本公司之購股權獲行使，原因為該等購股權之行使價高於本年度股份之平均市價。

### 13. DIVIDENDS

### 13. 股息

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Dividends recognised as distribution during the year	於年內確認作分派的股息		
– 2015 Final – HK\$0.01 (2014: Nil) per share	– 2015年末期股息 – 每股0.01港元 (2014年：無)	8,000	–
– 2016 Interim – HK\$0.01 (2015: Nil) per share	– 2016年中期股息 – 每股0.01港元 (2015年：無)	8,005	–
		<b>16,005</b>	–

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2016 of HK\$0.01 (2015: HK\$0.01) per ordinary share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

於報告期末後，董事已建議派付截至2016年3月31日止年度之末期股息每股普通股0.01港元（2015年：0.01港元），惟須獲股東於應屆股東大會上批准。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

		Leasehold land held for own 持作自用的 租賃土地 HK\$'000 港幣千元	Building held for own use 持作自用的 樓宇 HK\$'000 港幣千元	Furniture and equipment 傢俬及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Leasehold improvements and fixtures 租賃物業 裝修及裝置 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
<b>Cost</b>	<b>成本</b>						
At 1 April 2014	於2014年4月1日	3,021	8,838	7,195	5,762	6,338	31,154
Additions	添置	-	-	1,429	608	935	2,972
Disposals	出售	-	-	-	(283)	-	(283)
Exchange adjustments	匯兌調整	-	8	(12)	1	(6)	(9)
At 31 March 2015	於2015年3月31日	3,021	8,846	8,612	6,088	7,267	33,834
Additions	添置	15,582	8,907	423	1,995	1,185	28,092
Acquisition of subsidiaries	收購附屬公司	-	-	42	-	-	42
Disposals	出售	-	-	-	(1,169)	-	(1,169)
Exchange adjustments	匯兌調整	-	(476)	(138)	(40)	(154)	(808)
At 31 March 2016	於2016年3月31日	18,603	17,277	8,939	6,874	8,298	59,991
<b>Accumulated depreciation</b>	<b>累計折舊</b>						
At 1 April 2014	於2014年4月1日	895	1,004	4,937	4,234	3,563	14,633
Provided for the year	年度撥備	61	329	996	530	758	2,674
Eliminated on disposals	於出售時對銷	-	-	-	(283)	-	(283)
Exchange adjustments	匯兌調整	-	(1)	(15)	-	(5)	(21)
At 31 March 2015	於2015年3月31日	956	1,332	5,918	4,481	4,316	17,003
Provided for the year	年度撥備	144	394	881	1,085	977	3,481
Eliminated on disposals	於出售時對銷	-	-	-	(1,058)	-	(1,058)
Exchange adjustments	匯兌調整	-	(20)	(86)	(24)	(54)	(184)
At 31 March 2016	於2016年3月31日	1,100	1,706	6,713	4,484	5,239	19,242
<b>Carrying amounts</b>	<b>賬面值</b>						
At 31 March 2016	於2016年3月31日	17,503	15,571	2,226	2,390	3,059	40,749
At 31 March 2015	於2015年3月31日	2,065	7,514	2,694	1,607	2,951	16,831



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land held for own use	Over the lease term
Building held for own use	3%
Furniture and equipment	25%
Motor vehicles	25%
Leasehold improvements and fixtures	25% or over the lease term whichever is the shorter

### 14. 物業、廠房及設備 (續)

上述物業、廠房及設備項目以直線法按下列年率折舊：

持作自用的租賃土地	按租賃期
持作自用的樓宇	3%
傢俬及設備	25%
汽車	25%
租賃物業裝修及裝置	25%或按租賃期(以較短者為準)

### 15. PREPAID LEASE PAYMENTS

### 15. 預付租賃款項

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
At the beginning of year	於年初	19,554	20,194
Addition	添置	10,802	-
Amortisation of prepaid lease payments	預付租賃款項之攤銷	(775)	(665)
Exchange adjustments	匯兌調整	(1,212)	25
At the end of year	於年末	28,369	19,554

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Analysed for reporting purposes as:	就申報而言之分析：		
Current asset (included in trade and other receivables)	流動資產(已包括在貿易及其他應收款項內)	976	663
Non-current asset	非流動資產	27,393	18,891
		28,369	19,554

The Group's prepaid lease payments comprise leasehold land located in the PRC.

本集團的預付租賃款項包括位於中國的租賃土地。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 16. INVESTMENT PROPERTY

### 16. 投資物業

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
At the beginning of year	於年初	6,555	6,548
Change in fair value recognised in profit or loss	於損益確認之公平值變動	-	-
Exchange adjustments	匯兌調整	(266)	7
At the end of year	於年末	6,289	6,555

The Group's property interest held under operating lease to earn rentals or for capital appreciation purpose is measured using the fair value model and is classified and accounted for as investment property.

The fair value of the Group's investment property as at 31 March 2016 has been arrived at on the basis of a valuation carried out on that date by Asset Appraisal Limited, independent qualified professional valuers not connected to the Group.

The fair value of the Group's investment property as at 31 March 2015 has been arrived at on the basis of a valuation carried out on that date by Shing Yin Appraisal Limited, independent qualified professional valuers not connected to the Group.

根據經營租賃持有以賺取租金或作資本增值用途之本集團物業權益乃使用公平值模式計量，並分類及入賬為投資物業。

本集團投資物業於2016年3月31日的公平值乃由與本集團概無關連的獨立合資格專業估值師中誠達資產評估顧問有限公司按該日期進行的估值為基準達致。

本集團投資物業於2015年3月31日的公平值乃由與本集團概無關連的獨立合資格專業估值師誠衍評估有限公司按該日期進行的估值為基準達致。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 16. INVESTMENT PROPERTY (Continued)

The fair value of the Group's investment property as at 31 March 2016 and 31 March 2015 was determined based on direct comparison method assuming sale of the property interest in its existing state and making references to comparable market observable transactions of similar properties in the same locations and conditions as available in the relevant market. There has been no change from the valuation technique used in the prior year.

In estimating the fair value of the property, the highest and best use of the property is its current use.

Details of the Group's investment property and information about the fair value hierarchy are as follows:

Investment property 投資物業	Fair value at 31 March 於3月31日之公平值		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值方法及主要輸入數據
	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元		
Commercial property unit located in the PRC 位於中國的商用物業單位	6,289	6,555	Level 2 第二級	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions and locations of the subject property 基於同類物業之市場可觀察交易按直 接比較法計算，並調整以反映標的 物業的條件及位置

### 16. 投資物業 (續)

本集團投資物業於2016年3月31日及2015年3月31日之公平值按直接比較法釐定，假設物業權益按其現況銷售，並經參考於相關市場所供應擁有相同位置及條件的同類物業的可資比較市場可觀察交易。估值方法與上一年度所用者概無變動。

於估計物業的公平值時，物業最高及最佳用途為其現時用途。

本集團投資物業的詳情及有關公平值等級的資料如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 17. INTANGIBLE ASSETS

### 17. 無形資產

		<b>Licenses</b> <b>牌照</b> HK\$'000 港幣千元
<b>Cost</b>	<b>成本</b>	
At 1 April 2014 and 31 March 2015	於2014年4月1日及2015年3月31日	–
Acquired on acquisition of subsidiaries	收購附屬公司時購入	5,090
<b>At 31 March 2016</b>	<b>於2016年3月31日</b>	<b>5,090</b>
<b>Accumulated amortisation</b>	<b>累計攤銷</b>	
At 1 April 2014 and 31 March 2015	於2014年4月1日及2015年3月31日	–
Charge for the year	年度開支	1,610
<b>At 31 March 2016</b>	<b>於2016年3月31日</b>	<b>1,610</b>
<b>Carrying values</b>	<b>賬面值</b>	
<b>At 31 March 2016</b>	<b>於2016年3月31日</b>	<b>3,480</b>
At 31 March 2015	於2015年3月31日	–

The licenses have finite useful lives and are amortised on a straight-line basis over 2.5 years.

該等牌照具有確定可用年期，並按直線基準於2.5年內攤銷。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 18. DEPOSIT AND PREPAYMENTS FOR LIFE INSURANCE POLICIES

As referred to in note 28, on 1 June 2015, the Group acquired the entire interest in Tai Wo Tong Pharmaceutical (Hong Kong) Company Limited ("Tai Wo Tong Pharmaceutical"). In 2013, Tai Wo Tong Pharmaceutical entered into life insurance policies with an insurance company to insure Mr. Pang Siu Hin and Ms. Kwan Lai Man, the directors of the Company. Under the policies, Tai Wo Tong Pharmaceutical is the beneficiary and policy holder and the total insured sum is US\$2,000,000 (equivalent to approximately HK\$15,600,000). Tai Wo Tong Pharmaceutical is required to pay upfront deposits of US\$671,383 (equivalent to approximately HK\$5,237,000) including premium charges at inception of the policies amounting to US\$40,283 (equivalent to approximately HK\$314,000). Tai Wo Tong Pharmaceutical can terminate the policies at any time and receive cash back based on the cash value of the policies at the date of withdrawal, which is determined by the upfront payments of US\$671,383 plus accumulated interest earned and minus the accumulated insurance charge and policy expense charge ("Cash Value"). In addition, if withdrawal is made, there is a specified amount of surrender charge. The insurance company will pay Tai Wo Tong Pharmaceutical a guaranteed interest of 4.0% per annum for the first three years, followed by minimum guaranteed interest rate of 2.25% per annum or above 2.25% per annum for the following years.

At 31 March 2016, the deposit and prepayments for life insurance policies amounted to approximately HK\$4,850,000 (2015: Nil), with approximately HK\$55,000 (2015: Nil) being included in trade and other receivables.

The deposit and prepayments for life insurance policies are denominated in United States Dollar ("US\$").

### 18. 人壽保單之按金及預付款項

誠如附註28所述，於2015年6月1日，本集團收購太和堂製藥（香港）有限公司（「太和堂製藥」）之全部股權。於2013年，太和堂製藥與保險公司訂立人壽保單，為本公司董事彭少衍先生及關麗雯女士投保。根據保單，太和堂製藥為受益人及保單持有人，且保額總值為2,000,000美元（相當於約港幣15,600,000元）。太和堂製藥須支付預付按金671,383美元（相當於約港幣5,237,000元），包括保單生效日期的保費40,283美元（相當於約港幣314,000元）。太和堂製藥可隨時終止保單，並按撤銷日期之保單現金價值收回現金，此由預付款項671,383美元加累計已賺利息減累計保費及保費開支（「現金價值」）所釐定。此外，倘撤銷投保，則須支付指定金額之退保手續費。保險公司將於首三年向太和堂製藥支付每年4.0%的保證利息，其後年度按最低保證利率每年2.25%或每年2.25%以上支付。

於2016年3月31日，人壽保單之按金及預付款項為約港幣4,850,000元（2015年：無），約港幣55,000元（2015年：無）乃計入貿易及其他應收款項。

人壽保單之按金及預付款項乃以美元（「美元」）計值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 19. INVENTORIES

### 19. 存貨

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Raw materials	原材料	1,625	1,791
Finished products for resale	供重售成品	11,456	17,099
		<b>13,081</b>	18,890

### 20. TRADE AND OTHER RECEIVABLES

### 20. 貿易及其他應收款項

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Trade receivables	貿易應收款項	25,333	21,510
Prepayments to suppliers	向供應商預付款項	583	-
Prepaid lease payments	預付租賃款項	976	663
Prepayments for other expenses	其他開支預付款項	5,641	3,509
Other deposits (mainly including rental and building management fee deposits)	其他按金(主要包括租金及樓宇管理費按金)	2,285	1,107
Other receivables	其他應收款項	3,301	105
		<b>38,119</b>	26,894

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 20. TRADE AND OTHER RECEIVABLES

(Continued)

The following is an aging analysis of the Group's trade receivables at the end of the reporting period, presented based on invoice date:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
0-30 days	0至30天	12,138	7,163
31-60 days	31至60天	6,652	8,827
61-90 days	61至90天	4,690	4,206
Over 90 days	超過90天	1,853	1,314
		<b>25,333</b>	21,510

The Group's sales to most customers are made on cash on delivery, whilst the Group generally allows an average credit period of 60 days (with 15 days of grace period in certain cases) to certain major trade customers with established trading records.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers.

Trade receivables disclosed above include amounts (see below for aging analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

### 20. 貿易及其他應收款項 (續)

以下為於報告期末本集團的貿易應收款項的賬齡分析 (按發票日期呈列) :

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
0-30 days	12,138	7,163
31-60 days	6,652	8,827
61-90 days	4,690	4,206
Over 90 days	1,853	1,314
	<b>25,333</b>	21,510

本集團向大部分客戶的銷售以貨銀兩訖方式進行，而本集團一般授予交易記錄良好的若干主要貿易客戶60天的平均信貸期，若干情況下亦享有15天寬限期。

於接納任何新客戶前，本集團評估潛在客戶的信貸質素及按客戶釐定信貸限額。

上文披露之貿易應收款項包括於報告期末已逾期的金額 (見下文賬齡分析)，但由於信貸質素並無出現重大變動及有關金額仍被視為可收回，本集團並無就有關金額確認呆賬撥備。本集團並無就該等結餘持有任何抵押品或其他信貸增級，亦無以本集團欠付交易對手的任何款項抵銷該等結餘之法定權利。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 20. TRADE AND OTHER RECEIVABLES

(Continued)

#### Aging of trade receivables that are past due but not impaired

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
61-90 days	61至90天	4,690	4,206
Over 90 days	超過90天	1,853	1,314
		<b>6,543</b>	5,520

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of each reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

At the end of the reporting period, the amount due from a company controlled by a relative of Mr. Pang Siu Hin included in the Group's trade receivables are:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Brighten Hong Limited ("Brighten Hong")	銘輝行有限公司 ("銘輝行")	1,514	-

### 20. 貿易及其他應收款項 (續)

#### 已逾期但未減值的貿易應收款項賬齡

在釐定貿易應收款項是否可收回時，本集團考慮由初始授出信貸當日起至各報告期末，有關貿易應收款項的信貸質素是否出現任何變動。由於客戶群較大及客戶之間互不關連，故信貸風險的集中程度有限。

於報告期末，計入本集團貿易應收款項中的應收由彭少衍先生一名親戚控制的公司的款項為：



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 21. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.001% to 5% (2015: 0.001% to 4.04%) per annum.

At 31 March 2016, certain of the Group's bank balances and cash with an aggregate amount of approximately HK\$172,181,000 (2015: HK\$11,958,000) were denominated in Renminbi ("RMB") which is not a freely convertible currency in the international market. The government of the PRC has implemented foreign exchange control and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the government of the PRC.

### 21. 銀行結餘及現金

銀行結餘按每年0.001%至5% (2015年: 0.001%至4.04%) 的市場利率計息。

於2016年3月31日，本集團總額約為172,181,000港元 (2015年: 11,958,000港元) 的若干銀行結餘及現金以人民幣(「人民幣」)計值，而人民幣並非國際市場上的自由兌換貨幣。中國政府已實行外匯管制，資金匯出中國境外須受中國政府實施的匯兌限制所規限。

### 22. TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項
Receipts in advance	預收款項
Accruals (mainly including salaries and advertising expenses)	應計費用(主要包括薪金及廣告開支)

	<b>2016</b>	2015
	<b>HK\$'000</b>	HK\$'000
	<b>港幣千元</b>	港幣千元

The following is an aging analysis of the Group's trade payables at the end of the reporting period, presented based on invoice date:

	<b>2016</b>	2015
	<b>HK\$'000</b>	HK\$'000
	<b>港幣千元</b>	港幣千元
0-30 days	<b>4,075</b>	4,087
31-60 days	<b>1,925</b>	4,119
61-90 days	<b>926</b>	1,353
Over 90 days	<b>720</b>	687
	<b>7,646</b>	10,246

以下為於報告期末本集團的貿易應付款項的賬齡分析(按發票日期呈列):

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 22. TRADE AND OTHER PAYABLES (Continued)

At the end of the reporting period, the amount due to a company in which Mr. Pang Siu Hin and Ms. Kwan Lai Man have beneficial interests included in the Group's trade payables are:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Tai Wo Tong Pharmaceutical	太和堂製藥	-	289

### 23. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Deferred tax assets	遞延稅項資產	574	-
Deferred tax liabilities	遞延稅項負債	(574)	-
		-	-

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

		Licenses 牌照 HK\$'000 港幣千元	Tax losses 稅項虧損 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2014 and 31 March 2015	於2014年4月1日及 2015年3月31日	-	-	-
Acquisition of subsidiaries	收購附屬公司	840	(840)	-
(Credit)/Charge to profit or loss	(計入)/扣自損益	(266)	266	-
<b>At 31 March 2016</b>	<b>於2016年3月31日</b>	<b>574</b>	<b>(574)</b>	<b>-</b>

### 22. 貿易及其他應付款項 (續)

於報告期末，計入本集團貿易應付款項中的應付由彭少衍先生及關麗雯女士實益擁有權益的公司的款項為：

### 23. 遞延稅項

就綜合財務狀況表之呈列而言，若干遞延稅項資產及負債已被對銷。用作財務報告用途的遞延稅項結餘分析如下：

於本年度及過往年度已確認的主要遞延稅項負債及資產及其變動如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 23. DEFERRED TAXATION (Continued)

At 31 March 2016, the Group has unused tax losses of approximately HK\$19,390,000 (2015: HK\$7,636,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$3,480,000 (2015: Nil) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$15,910,000 (2015: HK\$7,636,000) due to the unpredictability of future profit streams. The tax losses in Hong Kong may carry forward indefinitely. The unrecognised tax losses in the PRC will expire as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Tax losses expiring in	於下列時間屆滿的稅務虧損		
– 2015 to 2016	– 2015年至2016年	–	2,577
– 2017 to 2018	– 2017年至2018年	<b>2,034</b>	2,120
– 2018 to 2019	– 2018年至2019年	<b>913</b>	952
– 2020 to 2021	– 2020年至2021年	<b>3,926</b>	–
		<b>6,873</b>	5,649

At 31 March 2016, the Group has deductible temporary differences of approximately HK\$361,000 (2015: HK\$2,700). No deferred tax asset has been recognised in relation to such deductible temporary difference due to the unpredictability of future profit streams.

### 23. 遞延稅項 (續)

於2016年3月31日，本集團的未動用稅項虧損約為19,390,000港元（2015年：7,636,000港元），可用作抵銷未來溢利。已就該等虧損中約3,480,000港元（2015年：零）確認遞延稅項資產。由於未來溢利難以估計，故並無就餘下15,910,000港元（2015年：7,636,000港元）確認遞延稅項資產。香港稅務虧損可無限期結轉。未確認的中國稅務虧損將於下列時間屆滿：

於2016年3月31日，本集團的可扣減暫時性差異約為361,000港元（2015年：2,700港元）。由於未來溢利難以估計，故並無就有關可扣減暫時性差異確認遞延稅項資產。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 24. SHARE CAPITAL

### 24. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 港幣千元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股		
<b>Authorised:</b>	<b>法定：</b>		
At 1 April 2014	於2014年4月1日	800,000,000	80,000
Increase in number of authorised shares (Note (i))	法定股份數目增加(附註(i))	1,200,000,000	120,000
At 31 March 2015 and 31 March 2016	於2015年3月31日及2016年3月31日	<b>2,000,000,000</b>	<b>200,000</b>
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>		
At 1 April 2014	於2014年4月1日	300,000,000	30,000
Capitalisation issue (Note (ii))	資本化發行(附註(ii))	300,000,000	30,000
Issue of new shares (Note (iii))	發行新股份(附註(iii))	200,000,000	20,000
At 31 March 2015	於2015年3月31日	800,000,000	80,000
Issue of shares on exercise of share options (Note (iv))	因行使購股權而發行股份(附註(iv))	468,000	47
At 31 March 2016	於2016年3月31日	<b>800,468,000</b>	<b>80,047</b>

Notes:

- (i) Pursuant to the written resolutions passed by the sole shareholder of the Company on 25 September 2014, the authorised share capital of the Company was increased from HK\$80,000,000 to HK\$200,000,000 by the creation of an additional 1,200,000,000 shares of HK\$0.10 each, ranking pari passu with the existing shares in all respects.
- (ii) Pursuant to a written resolution passed by the sole shareholder of the Company on 25 September 2014 and conditional upon the share premium account of the Company being credited as a result of the issue of shares pursuant to the placing and public offering of the Company's shares, the Company issued additional 300,000,000 shares, credited as fully paid, to the shareholder of the Company on 16 October 2014.

附註：

- (i) 根據本公司唯一股東於2014年9月25日通過的書面決議案，本公司透過增設1,200,000,000股每股面值0.10港元的股份將法定股本由80,000,000港元增加至200,000,000港元，該等股份在各方面與現有股份享有同等地位。
- (ii) 根據本公司唯一股東於2014年9月25日通過的書面決議案及待本公司的股份溢價賬因根據配售及公開發售發行本公司股份而錄得進賬後，本公司於2014年10月16日向本公司股東額外發行300,000,000股入賬列作繳足之股份。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 24. SHARE CAPITAL (Continued)

Notes: (Continued)

- (iii) On 16 October 2014, upon its listing on the Main Board of the Stock Exchange, the Company issued 200,000,000 new ordinary shares at an offer price of HK\$1.18 each and raised gross proceeds of approximately HK\$236,000,000.
- (iv) On 18 December 2015, 468,000 share options were exercised at a subscription price of HK\$0.826 per share, resulting in the issue of 468,000 ordinary shares of HK\$0.10 each. All these shares rank pari passu with existing shares in all respects.

### 25. SHARE-BASED PAYMENTS

#### Pre-IPO Share Option Scheme

The Company's pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") was adopted pursuant to a resolution passed on 25 September 2014 to recognise the contribution of certain employees, executives or officers of the Group who have made or will make to the growth of the Group.

The maximum number of shares in respect of which options might be granted under the Pre-IPO Share Option Scheme was 24,640,000.

No further options could be granted by the Company under the Pre-IPO Share Option Scheme upon the listing of the Company's shares on the Main Board of the Stock Exchange.

At 31 March 2016, the number of shares in respect of which options had been granted and remained outstanding under the Pre-IPO Share Option Scheme was 23,172,000 (2015: 24,640,000), representing 2.89% (2015: 3.08%) of the shares of the Company in issue at that date.

### 24. 股本 (續)

附註：(續)

- (iii) 於2014年10月16日，於聯交所主板上市後，本公司以每股1.18港元的發售價發行200,000,000股新普通股，籌得所得款項總額約236,000,000港元。
- (iv) 於2015年12月18日，468,000份購股權按每股0.826港元的認購價獲行使，導致468,000股每股面值0.10港元的普通股獲發行。所有該等股份在各方面與現有股份享有同等地位。

### 25. 以股份為基礎的付款

#### 首次公開發售前購股權計劃

本公司首次公開發售前購股權計劃（「首次公開發售前購股權計劃」）根據2014年9月25日通過之決議案獲採納，以肯定本集團若干僱員、行政人員或高級人員對本集團的發展所作出或將會作出的貢獻。

根據首次公開發售前購股權計劃可能授出之購股權所涉及的股份數目最多不會超過24,640,000股股份。

待本公司股份於聯交所主板上市後，本公司不得根據首次公開發售前購股權計劃進一步授出購股權。

於2016年3月31日，根據首次公開發售前購股權計劃授出及尚未行使的購股權涉及的股份數目為23,172,000股（2015年：24,640,000股），相當於本公司於該日已發行股份之2.89%（2015年：3.08%）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 25. SHARE-BASED PAYMENTS (Continued)

#### Pre-IPO Share Option Scheme (Continued)

Details of the share options granted under the Pre-IPO Share Option Scheme are as follows:

Tranche 批次	Date of grant 授出日期	Number of options granted 購股權授出數目	Exercise price per share 每股行使價	Vesting period 歸屬期	Exercisable period 行使期
1	25/09/2014	23,040,000	HK\$0.826港元	25/09/2014 – 15/10/2019	16/10/2015 – 24/09/2024
2	25/09/2014	1,600,000	HK\$0.826港元	25/09/2014 – 15/10/2017	16/10/2015 – 24/09/2024

Notes:

- (a) Tranche 1 options granted under the Pre-IPO Share Option Scheme shall vest as follows:
- (i) 20% of the options shall vest on 16 October 2015 and exercisable from 16 October 2015 to 24 September 2024;
  - (ii) 20% of the options shall vest on 16 October 2016 and exercisable from 16 October 2016 to 24 September 2024;
  - (iii) 20% of the options shall vest on 16 October 2017 and exercisable from 16 October 2017 to 24 September 2024;
  - (iv) 20% of the options shall vest on 16 October 2018 and exercisable from 16 October 2018 to 24 September 2024; and
  - (v) 20% of the options shall vest on 16 October 2019 and exercisable from 16 October 2019 to 24 September 2024.

### 25. 以股份為基礎的付款 (續)

#### 首次公開發售前購股權計劃 (續)

根據首次公開發售前購股權計劃而授出的購股權之詳情如下：

附註：

- (a) 根據首次公開發售前購股權計劃而授出的批次1購股權將歸屬如下：
- (i) 20%的購股權將於2015年10月16日歸屬及可於2015年10月16日至2024年9月24日期間行使；
  - (ii) 20%的購股權將於2016年10月16日歸屬及可於2016年10月16日至2024年9月24日期間行使；
  - (iii) 20%的購股權將於2017年10月16日歸屬及可於2017年10月16日至2024年9月24日期間行使；
  - (iv) 20%的購股權將於2018年10月16日歸屬及可於2018年10月16日至2024年9月24日期間行使；及
  - (v) 20%的購股權將於2019年10月16日歸屬及可於2019年10月16日至2024年9月24日期間行使。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 25. SHARE-BASED PAYMENTS (Continued)

#### Pre-IPO Share Option Scheme (Continued)

Notes: (Continued)

- (b) Tranche 2 options granted under the Pre-IPO Share Option Scheme shall vest as follows:
- (i) 30% of the options shall vest on 16 October 2015 and exercisable from 16 October 2015 to 24 September 2024;
  - (ii) 30% of the options shall vest on 16 October 2016 and exercisable from 16 October 2016 to 24 September 2024; and
  - (iii) 40% of the options shall vest on 16 October 2017 and exercisable from 16 October 2017 to 24 September 2024.

The following table discloses movements of the Company's share options under the Pre-IPO Share Option Scheme during the year:

Category of participant 參與者類別	Tranche 批次	Outstanding at 01/04/2015 於2015年4月1日 未行使	Exercised during the year 年內行使數目	Forfeited during the year 年內沒收數目	Outstanding at 31/03/2016 於2016年3月31日 未行使
Directors 董事	1	21,600,000	-	-	21,600,000
Employees 僱員	1	1,440,000	(288,000)	-	1,152,000
	2	1,600,000	(180,000)	(1,000,000)	420,000
		24,640,000	(468,000)	(1,000,000)	23,172,000
Exercisable at the end of the year 於年末可行使					4,320,000
Weighted average exercise price 行使價加權平均數		HK\$0.826港元	HK\$0.826港元	HK\$0.826港元	HK\$0.826港元

In respect of the share options exercised during the year, the weighted average share price at the date of exercise is HK\$1.44 (2015: Nil).

### 25. 以股份為基礎的付款 (續)

#### 首次公開發售前購股權計劃 (續)

附註：(續)

- (b) 根據首次公開發售前購股權計劃而授出的批次2購股權將歸屬如下：
- (i) 30%的購股權將於2015年10月16日歸屬及可於2015年10月16日至2024年9月24日期間行使；
  - (ii) 30%的購股權將於2016年10月16日歸屬及可於2016年10月16日至2024年9月24日期間行使；及
  - (iii) 40%的購股權將於2017年10月16日歸屬及可於2017年10月16日至2024年9月24日期間行使。

下表披露年內本公司於首次公開發售前購股權計劃項下之購股權變動：

就年內獲行使之購股權而言，於行使日期之股價加權平均數為1.44港元（2015年：零）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 25. SHARE-BASED PAYMENTS (Continued)

#### Pre-IPO Share Option Scheme (Continued)

The following table discloses movements of the Company's share options under the Pre-IPO Share Option Scheme during the prior year:

Category of participant	Tranche	Outstanding at 01/04/2014 於2014年4月1日 未行使	Exercised during the year 年內行使數目	Outstanding at 31/03/2015 於2015年3月31日 未行使
參與者類別	批次			
Directors 董事	1	-	21,600,000	21,600,000
Employees 僱員	1	-	1,440,000	1,440,000
	2	-	1,600,000	1,600,000
		-	24,640,000	24,640,000
Exercisable at the end of the year 於年末可行使				-
Weighted average exercise price 行使價加權平均數		-	HK\$0.826港元	HK\$0.826港元

During the year ended 31 March 2015, the estimated fair value of the options under the Pre-IPO Share Option Scheme at the date of grant is approximately HK\$13,841,000.

### 25. 以股份為基礎的付款 (續)

#### 首次公開發售前購股權計劃 (續)

下表披露上一年度本公司於首次公開發售前購股權計劃項下之購股權變動：

截至2015年3月31日止年度，首次公開發售前購股權計劃項下之購股權於授出日期之估計公平值約為13,841,000港元。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 25. SHARE-BASED PAYMENTS (Continued)

#### Pre-IPO Share Option Scheme (Continued)

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. The inputs into the model were as follows:

Share price	HK\$1.180
Exercise price	HK\$0.826
Option life	10 years
Expected volatility	45.44%
Dividend yield	3.52%
Risk-free interest rate	2.03%

Expected volatility was determined by using the historical volatility of the share prices of comparable companies over the previous ten years.

#### Share Option Scheme

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 25 September 2014. The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contribution that the eligible participants have made or may make to the Group. The Share Option Scheme will remain in force for a period of ten years commencing on the effective date of the Share Option Scheme.

Under the Share Option Scheme, the board of directors of the Company may grant options to any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company to subscribe for the shares of the Company.

### 25. 以股份為基礎的付款 (續)

#### 首次公開發售前購股權計劃 (續)

二項式期權定價模型已用於估計購股權之公平值。計算購股權之公平值所用之變數及假設乃基於董事之最佳估計。購股權之價值將因若干主觀假設之不同變數而出現變動。該模型之輸入數據如下：

股價	1.180港元
行使價	0.826港元
股權年期	10年
預期波幅	45.44%
股息收益率	3.52%
無風險利率	2.03%

預期波幅乃採用過去十年可比較公司股價之歷史波幅而釐定。

#### 購股權計劃

本公司根據2014年9月25日通過的決議案採納購股權計劃(「購股權計劃」)。購股權計劃為股份激勵機制，並設立以確認及承認合資格參與者已向或可能向本集團作出之貢獻。購股權計劃之有效期為自購股權計劃之生效日起計十年。

根據購股權計劃，本公司董事會可向本集團或本集團持有權益之公司或該公司之附屬公司之任何董事、僱員、顧問、專業人士、客戶、供應商、代理商、合夥人、諮詢人或承包商授出可認購本公司股份之購股權。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 25. SHARE-BASED PAYMENTS (Continued)

#### Share Option Scheme (Continued)

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 30% of the shares of the Company in issue from time to time. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year shall not exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Upon acceptance of the option, the grantee shall pay HK\$1 to the Company by way of consideration for the grant. Options may be exercised in accordance with the terms of the Share Option Scheme at any time during the period as the board of directors may determine in granting the option but in any event not exceeding ten years from the date of grant.

The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

At 31 March 2016, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 2,400,000 (2015: Nil), representing 0.30% (2015: Nil) of the shares of the Company in issue at that date.

### 25. 以股份為基礎的付款 (續)

#### 購股權計劃 (續)

根據購股權計劃及本公司任何其他購股權計劃，可授出之購股權涉及之最高股份數目，合共不得超過本公司不時已發行股份之30%。在未得到本公司股東事先批准之情況下，於任何一年向任何個別人士已授出及可能授出之購股權涉及之已發行及將予發行股份數目不得超過本公司任何時間已發行股份之1%。倘向主要股東或獨立非執行董事授出之購股權涉及之股份數目超過本公司股本之0.1%或價值超過5,000,000港元，則須事先得到本公司股東批准。

接納購股權後，承授人須向本公司繳付1港元，作為獲授購股權之代價。購股權可根據購股權計劃之條款於董事會可能釐定之授出購股權期間（惟無論如何不得超過由授出日期起計十年）內任何時間予以行使。

行使價由本公司董事釐定，惟價格不得低於(i)授出日期本公司股份之收市價；(ii)緊接授出日期前五個營業日股份之平均收市價；及(iii)本公司股份之面值之較高者。

於2016年3月31日，根據購股權計劃已授出但尚未行使之購股權所涉及之股份數目為2,400,000股（2015年：零），相當於本公司於該日已發行股份之0.30%（2015年：零）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 25. SHARE-BASED PAYMENTS (Continued)

#### Share Option Scheme (Continued)

Details of the share options granted under the Share Option Scheme are as follows:

Tranche 批次	Date of grant 授出日期	Number of options granted 購股權授出數目	Exercise price per share 每股行使價	Vesting period 歸屬期	Exercisable period 行使期
1	28/04/2015	2,400,000	HK\$1.460港元	28/04/2015 – 27/04/2018	28/04/2016 – 27/04/2025
2	28/04/2015	8,000,000	HK\$1.460港元	28/04/2015 – 27/04/2018	28/04/2016 – 27/04/2025
3	02/07/2015	1,000,000	HK\$1.380港元	02/07/2015 – 01/07/2018	02/07/2016 – 01/07/2025

Notes:

- (a) Tranche 1 options granted under the Share Option Scheme shall vest as follows:
- (i) 30% of the options shall vest on 28 April 2016 and exercisable from 28 April 2016 to 27 April 2025;
- (ii) 30% of the options shall vest on 28 April 2017 and exercisable from 28 April 2017 to 27 April 2025; and
- (iii) 40% of the options shall vest on 28 April 2018 and exercisable from 28 April 2018 to 27 April 2025.
- (b) Tranche 2 options granted under the Share Option Scheme shall vest as follows:
- (i) 37.5% of the options shall vest on 28 April 2016 and exercisable from 28 April 2016 to 27 April 2025;
- (ii) 37.5% of the options shall vest on 28 April 2017 and exercisable from 28 April 2017 to 27 April 2025; and
- (iii) 25% of the options shall vest on 28 April 2018 and exercisable from 28 April 2018 to 27 April 2025.

### 25. 以股份為基礎的付款 (續)

#### 購股權計劃 (續)

根據購股權計劃而授出的購股權之詳情如下：

附註：

- (a) 根據購股權計劃而授出的批次1購股權將歸屬如下：
- (i) 30%的購股權將於2016年4月28日歸屬及可於2016年4月28日至2025年4月27日期間行使；
- (ii) 30%的購股權將於2017年4月28日歸屬及可於2017年4月28日至2025年4月27日期間行使；及
- (iii) 40%的購股權將於2018年4月28日歸屬及可於2018年4月28日至2025年4月27日期間行使。
- (b) 根據購股權計劃而授出的批次2購股權將歸屬如下：
- (i) 37.5%的購股權將於2016年4月28日歸屬及可於2016年4月28日至2025年4月27日期間行使；
- (ii) 37.5%的購股權將於2017年4月28日歸屬及可於2017年4月28日至2025年4月27日期間行使；及
- (iii) 25%的購股權將於2018年4月28日歸屬及可於2018年4月28日至2025年4月27日期間行使。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 25. SHARE-BASED PAYMENTS (Continued)

#### Share Option Scheme (Continued)

Notes: (Continued)

- (c) Tranche 3 options granted under the Share Option Scheme shall vest as follows:
- (i) 37.5% of the options shall vest on 2 July 2016 and exercisable from 2 July 2016 to 1 July 2025;
  - (ii) 37.5% of the options shall vest on 2 July 2017 and exercisable from 2 July 2017 to 1 July 2025; and
  - (iii) 25% of the options shall vest on 2 July 2018 and exercisable from 2 July 2018 to 1 July 2025.

The following table discloses movements of the Company's share options under the Share Option Scheme during the year:

Category of participant 參與者類別	Tranche 批次	Outstanding at 01/04/2015 於2015年4月1日 未行使	Granted during the year 年內授出 數目	Forfeited during the year 年內沒收 數目	Outstanding at 31/03/2016 於2016年3月31日 未行使
Directors 董事	1	-	1,500,000	-	1,500,000
	2	-	8,000,000	(8,000,000)	-
Employees 僱員	1	-	300,000	-	300,000
	3	-	1,000,000	(1,000,000)	-
Consultant 顧問	1	-	600,000	-	600,000
		-	11,400,000	(9,000,000)	2,400,000
Exercisable at the end of the year 於年末可行使					-
Weighted average exercise price 行使價加權平均數		-	HK\$1.453港元	HK\$1.451港元	HK\$1.460港元

### 25. 以股份為基礎的付款 (續)

#### 購股權計劃 (續)

附註: (續)

- (c) 根據購股權計劃而授出的批次3購股權將歸屬如下:
- (i) 37.5%的購股權將於2016年7月2日歸屬及可於2016年7月2日至2025年7月1日期間行使;
  - (ii) 37.5%的購股權將於2017年7月2日歸屬及可於2017年7月2日至2025年7月1日期間行使;及
  - (iii) 25%的購股權將於2018年7月2日歸屬及可於2018年7月2日至2025年7月1日期間行使。

下表披露年內本公司於購股權計劃項下之購股權變動:



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 25. SHARE-BASED PAYMENTS (Continued)

#### Share Option Scheme (Continued)

No option under the Share Option Scheme was granted, exercised, cancelled or lapsed, during the prior year nor outstanding as at 31 March 2015.

During the year ended 31 March 2016, options under the Share Option Scheme were granted on 28 April 2015 and 2 July 2015. The estimated fair values of the options granted to directors and employees under the Share Option Scheme on those dates are approximately HK\$6,694,000 (2015: Nil) and HK\$566,000 (2015: Nil) respectively.

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. The inputs into the model were as follows:

#### Date of grant

##### 授出日期

		28/04/2015	02/07/2015
Share price	股價	HK\$1.460港元	HK\$1.350港元
Exercise price	行使價	HK\$1.460港元	HK\$1.380港元
Option life	股權年期	10 years年	10 years年
Expected volatility	預期波幅	42.90%	43.13%
Dividend yield	股息收益率	0.68%	1.48%
Risk-free interest rate	無風險利率	1.38%	1.88%

Expected volatility was determined by using the historical volatility of the share prices of comparable companies over the previous ten years.

The Group recognised the total expense of approximately HK\$6,142,000 (2015: HK\$2,402,000) for the year ended 31 March 2016 in relation to share options granted by the Company.

### 25. 以股份為基礎的付款 (續)

#### 購股權計劃 (續)

於過往年度，概無購股權根據購股權計劃授出、行使、註銷或失效，亦無購股權於2015年3月31日尚未行使。

截至2016年3月31日止年度，本公司於2015年4月28日及2015年7月2日根據購股權計劃授出購股權。於該等日期，根據購股權計劃授予董事及僱員的購股權估計公平值約為6,694,000港元（2015年：零）及566,000港元（2015年：零）。

二項式期權定價模型已用於估計購股權之公平值。計算購股權之公平值所用之變數及假設乃基於董事之最佳估計。購股權之價值將因若干主觀假設之不同變數而出現變動。該模型之輸入數據如下：

預期波幅乃採用過去十年可比較公司股價之歷史波幅而釐定。

本集團已於截至2016年3月31日止年度確認有關本公司授出之購股權之開支總額約6,142,000港元（2015年：2,402,000港元）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 26. RETIREMENT BENEFIT PLANS

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

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

The total expenses recognised in the consolidated statement of profit or loss and other comprehensive income amount to approximately HK\$1,481,000 (2015: HK\$1,233,000) for the year, and represent contributions payable to these schemes by the Group at rates specified in the rules of the schemes.

### 26. 退休福利計劃

本集團為所有香港的合資格員工提供強制性公積金計劃。計劃的資產獨立於本集團的資產，由受託人控制的基金管理。

本集團的中國僱員乃中國政府設立的國家管理退休福利計劃的成員。本集團須按薪金成本的一定百分比向退休福利計劃作出供款以為該福利出資。本集團就退休福利計劃的責任僅限於作出指定供款。

本年度於綜合損益及其他全面收益表中確認的總開支約為1,481,000港元（2015年：1,233,000港元），為本集團根據該等計劃規定訂明的比率對該等計劃應付的供款。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 27. RELATED PARTY DISCLOSURES

### 27. 關連方披露

#### (a) Transactions with related parties

#### (a) 與關連方的交易

During the year, the Group entered into the following significant transactions with related parties:

於本年度，本集團與關連方訂立下列重大交易：

Name of related party 關連方姓名／名稱	Nature of transaction 交易性質	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Mr. Pang Siu Hin and Ms. Kwan Lai Man (executive directors of the Company) 彭少衍先生及關麗雯女士 (本公司執行董事)	Rental expenses for premises (Note (i)) 物業租金開支(附註(i))	497	197
	Purchase of properties (Note (ii)) 購入物業(附註(ii))	18,800	—
	Acquisition of subsidiaries (Note (iii)) 收購附屬公司(附註(iii))	9,800	—
Tai Wo Tong Pharmaceutical (a company in which Mr. Pang Siu Hin and Ms. Kwan Lai Man have beneficial interests) 太和堂製藥(彭少衍先生及關麗雯女士擁有實益權益之公司)	Packing costs (Note (iv)) 包裝成本(附註(iv))	789	10,293
	Research and development expenses (Note (v)) 研發開支(附註(v))	—	66
Brighten Hong (a company controlled by a relative of Mr. Pang Siu Hin) 銘輝行(由彭少衍先生之一名親屬控制之公司)	Sales of goods (Note (vi)) 貨品銷售(附註(vi))	7,684	7,735

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 27. RELATED PARTY DISCLOSURES (Continued)

#### (a) Transactions with related parties (Continued)

Notes:

- (i) The rental expenses for premises payable to the above related parties are based on tenancy agreements entered into between the parties involved. In the opinion of the Company's directors, these transactions have been entered into on normal commercial terms and in the ordinary and usual course of the Group's business.
- (ii) The consideration was determined by reference to the prevailing market price of similar properties in close proximity.
- (iii) The consideration was determined by reference to the business valuation prepared by an independent valuer.
- (iv) Products packed by Tai Wo Tong Pharmaceutical were carried out in the normal course of business at mutually agreed prices and terms.
- (v) Research and development service was provided by Tai Wo Tong Pharmaceutical based on mutually agreed terms.
- (vi) The sales to Brighten Hong were carried out in the normal course of business at mutually agreed prices and terms.

#### (b) Outstanding balances with related parties

Details of outstanding balances with related parties of the Group at the end of the reporting period are set out in Notes 20 and 22.

#### (c) Compensation of key management personnel

The emoluments of the Company's directors, who are also identified as members of key management of the Group, are set out in Note 10.

### 27. 關連方披露 (續)

#### (a) 與關連方的交易 (續)

附註：

- (i) 應付上述關連方的物業租金開支以有關訂約方訂立的租賃協議為基準。本公司董事認為，該等交易乃按正常商業條款並於本集團一般及日常業務過程中訂立。
- (ii) 代價乃參考接近位置相似物業的當前市場價格釐定。
- (iii) 代價乃參考獨立估值師所編製的業務估值報告釐定。
- (iv) 太和堂製藥乃按雙方協定的價格及條款於一般業務過程中包裝產品。
- (v) 太和堂製藥乃按雙方協定的條款提供研發服務。
- (vi) 向銘輝行作出的銷售乃於日常業務過程中按雙方協定的價格及條款進行。

#### (b) 與關連方的未償還結餘

於報告期間結束時，與本集團關連方的未償還結餘詳情載於附註20及22。

#### (c) 主要管理人員的報酬

本公司董事（亦為本集團主要管理層成員）的薪酬載於附註10。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 28. ACQUISITION OF SUBSIDIARIES

On 1 June 2015, the Group acquired the entire interest in Tai Wo Tong Pharmaceutical for the consideration of HK\$9,800,000. Tai Wo Tong Pharmaceutical and its subsidiary is principally engaged in packing of products.

### 28. 收購附屬公司

於2015年6月1日，本集團收購太和堂製藥的全部股權，代價為9,800,000港元。太和堂製藥及其附屬公司主要從事產品包裝。

		HK\$'000 港幣千元
<b>Consideration transferred</b>	<b>已轉讓代價</b>	
Cash	現金	9,800

Acquisition-related costs amounting to approximately HK\$248,000 have been excluded from the consideration transferred and have been recognised as expenses in the current year, within the “administrative expenses” line item in the consolidated statement of profit or loss and other comprehensive income.

收購相關成本約248,000港元已從已轉讓代價中扣除並已於本年度在綜合損益及其他全面收益表「行政開支」項下確認為開支。

		HK\$'000 港幣千元
<b>Assets acquired and liabilities recognised at the date of acquisition are as follows:</b>	<b>於收購日期收購之資產及確認之負債如下：</b>	
Property, plant and equipment	物業、廠房及設備	42
Intangible assets	無形資產	5,090
Deposit and prepayments for life insurance policies	人壽保單之按金及預付款項	4,864
Inventories	存貨	2,765
Trade and other receivables	貿易及其他應收款項	981
Tax refundable	可退還稅款	78
Bank balances and cash	銀行結餘及現金	615
Trade and other payables	貿易及其他應付款項	(766)
		13,669

The trade and other receivables acquired with a fair value of approximately HK\$106,000 at the date of the acquisition had gross contractual amounts of approximately HK\$106,000, representing the best estimate at acquisition date of the contractual cash flows expected to be collected.

於收購日期公平值約106,000港元之已收購貿易及其他應收款項之總合約金額為約106,000港元，相當於預期將於收購日期收回之合約現金流最佳估計。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 28. ACQUISITION OF SUBSIDIARIES (Continued) 28. 收購附屬公司 (續)

		HK\$'000 港幣千元
<b>Bargain purchase gain arising on acquisition</b>	<b>收購產生之 議價收購收益</b>	
Consideration transferred	已轉讓代價	9,800
Less: Net assets acquired	減：已收購資產淨值	(13,669)
Bargain purchase gain arising on acquisition	收購產生之 議價收購收益	(3,869)

		HK\$'000 港幣千元
<b>Net cash outflow on acquisition</b>	<b>收購產生之現金淨流出</b>	
Consideration paid in cash	已付現金代價	9,800
Less: cash and cash equivalent balances acquired	減：已收購現金及現金等價物結餘	(615)
		9,185

Included in the profit for the year is approximately HK\$8,083,000 loss attributable to Tai Wo Tong Pharmaceutical and its subsidiary. Revenue for the year includes approximately HK\$24,000 generated from Tai Wo Tong Pharmaceutical and its subsidiary for the year.

Had the acquisition been completed on 1 April 2015, the total group revenue for year would have been approximately HK\$227,460,000, and the profit for the year would have been approximately HK\$20,925,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2015, nor is it intended to be a projection of future results.

年度溢利中約8,083,000港元虧損歸屬於太和堂製藥及其附屬公司。本年度之收入包括年內來自太和堂製藥及其附屬公司的約24,000港元。

倘收購太和堂製藥於2015年4月1日已發生，則本集團本年度的收入總額將約為227,460,000港元，而本年度溢利將約為20,925,000港元。備考資料僅供說明用途，並非本集團假設收購已於2015年4月1日完成而實際得出之收益及業績指標，亦非未來業績之預測。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 28. ACQUISITION OF SUBSIDIARIES (Continued)

In determining the 'pro-forma' revenue and profit of the Group had Tai Wo Tong Pharmaceutical been acquired at the beginning of the current year, the directors have calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements.

### 28. 收購附屬公司 (續)

於釐定本集團「備考」收入及溢利時，倘收購太和堂製藥於本年度初已發生，董事已根據業務合併初始入賬時的公平值而非收購前財務報表所確認的賬面值計算廠房及設備的折舊。

### 29. OPERATING LEASES

#### The Group as lessee

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Minimum lease payments paid under operating leases	經營租賃項下的最低租賃付款		
– Premises	– 物業	4,214	4,027
– Office equipment	– 辦公室設備	943	911
		<b>5,157</b>	4,938

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Within one year	一年內	1,013	4,934
In the second to fifth years inclusive	第二至第五年 (首尾兩年包括在內)	2,607	3,513
		<b>3,620</b>	8,447

Operating lease payments represent rentals payable by the Group for its premises and office equipment.

### 29. 經營租賃

#### 本集團作為承租人

於報告期間結束時，本集團根據不可撤銷經營租約的未來最低租賃付款的承擔到期情況如下：

經營租賃付款指本集團就其物業及辦公室設備應付之租金。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 29. OPERATING LEASES (Continued)

#### The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Within one year	於一年內	213	165
In the second to fifth years inclusive	第二至第五年 (首尾兩年包括在內)	-	270
		<b>213</b>	<b>435</b>

### 30. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of  
– acquisition of property, plant and equipment

已訂約但未在綜合財務報表撥備的資本開支  
– 收購物業、廠房及設備

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
	<b>2,067</b>	1,786

### 29. 經營租賃 (續)

#### 本集團作為出租方

於報告期間結束時，本集團已與租客訂定以下未來最低租賃付款：

### 30. 資本承擔



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 31. LITIGATION

On 18 May 2011, Hin Sang Hong Company Limited ("Hin Sang Hong (HK)") entered into a distribution agreement with Kingdom Overseas Limited ("Kingdom Overseas") pursuant to which Hin Sang Hong (HK) was appointed as the exclusive distributor in Hong Kong and Macau for three infant formula products. In July and August 2011, Hin Sang Hong (HK) issued purchase orders in respect of the infant formula products but Kingdom Overseas failed to deliver some of the products to Hin Sang Hong (HK) and therefore, in breach of the distribution agreement. Further, in February 2012, Kingdom Overseas issued a termination notice to Hin Sang Hong (HK) to terminate the distribution agreement forthwith. As such, Hin Sang Hong (HK) initiated legal proceeding against Kingdom Overseas for breach of distribution agreement and claim for loss and damages in the amount of approximately HK\$54.3 million and the substantial proportion of the damages claim comes from a claim for loss of future profit due to the breach of distribution agreement by Kingdom Overseas. Likewise, Kingdom Overseas also launched a counterclaim against Hin Sang Hong (HK) for an approximate sum of HK\$51.0 million as damages for alleged loss of future profit for unable to secure an alternative distributor replacing Hin Sang Hong (HK).

On 6 January 2015, lawyers representing Kingdom Overseas has formally ceased to act for Kingdom Overseas in the above action. The counterclaim in the sum of HK\$51.0 million against Hin Sang Hong (HK) was dismissed by the Court on 5 February 2015. Since then Hin Sang Hong (HK) proceeded with its claim against Kingdom Overseas alone. On 20 April 2016, the Court has granted a judgement in favor of Hin Sang Hong (HK) against Kingdom Overseas and ordered that Kingdom Overseas shall pay (i) HK\$12.6 million being damages to Hin Sang Hong (HK) with interest at prime plus 1% per annum from 1 January 2014 to the date of judgement; (ii) HK\$208,672 being fix damages to Hin Sang Hong (HK) with interest at same rate from the date of writ to the date of judgement; and (iii) the costs of the action to Hin Sang Hong (HK).

### 31. 訴訟

於2011年5月18日，衍生行有限公司（「衍生行（香港）」）與皇朝海外有限公司（「皇朝海外」）訂立分銷協議，據此，衍生行（香港）獲委任為三種嬰幼兒配方產品的香港及澳門獨家分銷商。於2011年7月及8月，衍生行（香港）就嬰幼兒配方產品發出採購訂單，惟皇朝海外未能向衍生行（香港）付運部分產品，因此違反分銷協議。此外，於2012年2月，皇朝海外向衍生行（香港）發出一份終止通知以即時終止該分銷協議。因此，衍生行（香港）就違反分銷協議向皇朝海外提出法律訴訟及追討約54.3百萬港元的損失及損害賠償，當中大部分的損害賠償申索乃來自皇朝海外違反分銷協議所造成的未來溢利損失申索。同樣地，皇朝海外亦向衍生行（香港）提出約51.0百萬港元之反申索，作為聲稱因無法覓得代替衍生行（香港）的經銷商而導致未來溢利損失的損害賠償。

於2015年1月6日，皇朝海外之代表律師已正式停止就上述法律訴訟代表皇朝海外行事。法庭於2015年2月5日駁回針對衍生行（香港）的51.0百萬港元之反申索。此後，衍生行（香港）僅需進行針對皇朝海外的申索。於2016年4月20日，法庭已作出衍生行（香港）針對皇朝海外的勝訴判決，並裁定皇朝海外須支付(i)對衍生行（香港）造成的損失12.6百萬港元及該款項自2014年1月1日起至判決日期止按最優惠利率另加1%計算的利息；(ii)對衍生行（香港）造成的固定損失約208,672港元及自傳票日期起至判決日期止按相同利率計算的利息；及(iii)衍生行（香港）採取的法律行動所產生的成本。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

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

The Group monitors its capital structure on the basis of gearing ratio. The Group considers the cost of capital and the risks associated with each class of the capital, and will balance the gearing ratio through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

The gearing ratio of the Group at the end of the reporting period was as follows:

		<b>2016</b> <b>HK\$'000</b> <b>港幣千元</b>	2015 HK\$'000 港幣千元
Debt (i)	債務(i)	-	-
Equity (ii)	權益(ii)	<b>346,498</b>	334,682
Gearing ratio	資本負債比率	<b>-%</b>	-%

(i) Debt includes long- and short-term borrowings.

(ii) Equity includes all capital and reserves of the Group.

### 32. 資本風險管理

本集團管理其資本以確保本集團之實體得以持續經營，同時通過優化債務與股本之間的平衡以盡量增大股東之回報。本集團整體策略與去年維持不變。

本集團的資本結構包含本公司擁有人應佔權益（包括已發行股本及儲備）。

本集團按資本負債比率之基準監察其資本結構。本集團考慮資本成本及各類資本之相關風險，並將透過支付股息及發行新股，以及發行新債務或贖回現有債務以平衡資本負債比率。

本集團於報告期間結束時之資本負債比率如下：

(i) 債務包括長期及短期借款。

(ii) 權益包括本集團所有資本及儲備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 33. FINANCIAL INSTRUMENTS

### 33. 金融工具

#### (a) Categories of financial instruments

#### (a) 金融工具類別

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
<b>Financial assets</b>	<b>金融資產</b>		
<i>Loans and receivables</i>	貸款及應收款項		
Deposit and prepayments for life insurance policies	人壽保單之按金及預付款項	4,850	-
Trade and other receivables	貿易及其他應收款項	30,855	22,667
Bank balances and cash	銀行結餘及現金	239,742	264,393
		<b>275,447</b>	287,060
<b>Financial liabilities</b>	<b>金融負債</b>		
<i>Financial liabilities at amortised cost</i>	按攤銷成本計算之金融負債		
Trade and other payables	貿易及其他應付款項	24,991	26,148

#### (b) Financial risk management objectives and policies

#### (b) 財務風險管理目標及政策

The Group's major financial instruments include deposit and prepayments for life insurance policies, trade and other receivables, bank balances, trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments include market risk (including foreign currency risk, and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

本集團之主要金融工具包括人壽保單之按金及預付款項、貿易及其他應收款項、銀行結餘、貿易及其他應付款項。該等金融工具之詳情於各相應附註披露。與若干該等金融工具相關之風險包括市場風險（包括外幣風險及利率風險）、信貸風險及流動資金風險。有關如何減輕該等風險之政策載於下文。管理層對該等風險進行管理及監控以確保能適時有效地採取適當措施。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Foreign currency risk

The Group has certain financial assets and liabilities denominated in foreign currencies, hence risk exposure to exchange rate fluctuations arise. The Group has not entered into any forward contract to hedge against the foreign currency risk exposure. However, the management of the Group will consider to hedge these balances should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Monetary assets denominated in: 以下列外幣計值的貨幣資產：		
– RMB 人民幣	175,226	14,469
– United States dollar (“US\$”) 美元(「美元」)	5,529	6
– New Taiwan dollar (“NT\$”) 新台幣(「新台幣」)	1,592	2,111
Monetary liabilities denominated in: 以下列外幣計值的貨幣負債：		
– RMB 人民幣	5,948	6,104
– NT\$ 新台幣	1,317	1,187

As HK\$ is pegged to US\$, the currency risk associated with US\$ and HK\$ is considered minimal. The Group is mainly exposed to the effect of fluctuation in RMB and NT\$.

### 33. 金融工具 (續)

#### (b) 財務風險管理目標及政策 (續)

##### 外幣風險

本集團有若干金融資產及負債以外幣計值，使本集團面臨匯率波動產生之風險。本集團並無訂立任何遠期合約對沖外幣風險。然而，本集團管理層將於有需要時考慮對沖該等結餘。

於報告期間結束時，本集團以外幣計值之貨幣資產及貨幣負債之賬面值如下：

由於港元與美元掛鈎，有關美元及港元之貨幣風險並不重大。本集團主要承受人民幣及新台幣波動之影響。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Foreign currency risk (Continued)

The following table details the Group's sensitivity to a 10% increase and decrease in HK\$ against RMB and NT\$. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in post-tax profit and a negative number indicates a decrease in post-tax profit where HK\$ strengthens 10% against the relevant foreign currencies. For a 10% weakening of HK\$ against the relevant foreign currencies, there would be an equal and opposite impact on the profit.

##### Sensitivity analysis

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
<b>Impact of RMB</b>	<b>人民幣之影響</b>		
Profit or loss	損益	(16,928)	(837)
<b>Impact of NT\$</b>	<b>新台幣之影響</b>		
Profit or loss	損益	(28)	(92)

In the opinion of the directors of the Company, the sensitivity analysis is not necessarily representative of the inherent foreign exchange risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

### 33. 金融工具 (續)

#### (b) 財務風險管理目標及政策 (續)

##### 外幣風險 (續)

下表載有本集團對港元兌人民幣及新台幣上升及下跌10%之敏感度詳情。10%乃用作內部向主要管理人員申報外幣風險時所採用之敏感度比率，即管理層對外匯匯率的合理可能變動之評估。下文所述正數代表港元兌相關外幣升值10%情況下除稅後溢利增加，負數則代表除稅後溢利減少。就港元兌相關外幣貶值10%而言，對溢利將會產生相等及相反之影響。

##### 敏感度分析

本公司董事認為，敏感度分析未必能反映固有之外匯風險，因於報告期間結束時之風險並不反映本年度所承受之風險。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### *Interest rate risk*

The Group is primarily exposed to fair value interest rate risk in relation to fixed-rate bank deposits.

The directors of the Company consider the Group's exposure to interest rate risk is not significant and therefore no sensitivity analysis has been prepared.

##### *Credit risk*

At the end of each reporting period, 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 arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the credit risk of the Group is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation or high credit ratings assigned by international credit-rating agencies.

### 33. 金融工具 (續)

#### (b) 財務風險管理目標及政策 (續)

##### *利率風險*

本集團主要承受與其定息銀行存款有關之公平值利率風險。

本公司董事認為本集團所承受之利率風險並不重大，因此並無編製敏感度分析。

##### *信貸風險*

於各報告期間結束時，本集團之最大信貸風險將由於交易對手方未能履行責任而導致本集團出現財務虧損，乃源自於綜合財務狀況表所載各項已確認金融資產之賬面值。

為盡量減低信貸風險，本集團管理層已委派一支隊伍，負責釐定信貸限額、信貸批核及其他監察程序，以確保採取跟進行動，收回逾期債務。此外，本集團於各報告期間結束時審閱各個別應收貿易賬款之可收回金額，以確保對不可收回金額有足夠之減值虧損。就此而言，本公司董事認為本集團之信貸風險已大大降低。

流動資金之信貸風險有限，原因是交易對手方為信譽良好或獲國際信用評級機構授予高信用評級的銀行。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for financial liabilities are based on the agreed repayment dates.

##### Liquidity table

Non-derivative financial liabilities	On demand or less than 1 month 應要求或 少於一個月 HK\$'000 港幣千元	1 to 3 months 一至 三個月 HK\$'000 港幣千元	Total	Total
			undiscounted cash flows 未貼現現金 流量總額 HK\$'000 港幣千元	carrying amount 賬面 值總額 HK\$'000 港幣千元
<b>2016</b>	<b>2016年</b>			
Trade and other payables	貿易及其他應付款項	21,244	3,747	24,991
<b>2015</b>	<b>2015年</b>			
Trade and other payables	貿易及其他應付款項	21,920	4,228	26,148

### 33. 金融工具 (續)

#### (b) 財務風險管理目標及政策 (續)

##### 流動資金風險

在管理流動資金風險方面，本集團監察並維持管理層認為足夠的現金及現金等價物水平，以向本集團之經營提供資金，並減低現金流量波動之影響。

下表詳細列明本集團金融負債之剩餘合約到期情況。該表乃根據金融負債之未貼現現金流量編製，所依據資料為本集團須作出還款之最早日期。金融負債之到期日乃按已協定還款日期釐定。

##### 流動資金列表

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (c) Fair value measurements of financial instruments

*Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis*

The directors of the Company estimate the fair value of financial assets and financial liabilities measured at amortised cost using the discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate their fair values.

### 33. 金融工具 (續)

#### (c) 金融工具之公平值計量

並非按經常基準以公平值計量之金融資產及金融負債之公平值

本公司董事估計其使用折現現金流量分析按攤銷成本計量之金融資產及金融負債之公平值。

本公司董事認為，於綜合財務報表內按攤銷成本列賬之金融資產及金融負債之賬面值與其公平價值相若。

### 34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Group's subsidiaries at the end of the reporting period are set out below.

### 34. 本公司附屬公司詳情

於報告期間結束時，本集團附屬公司詳情載列如下。

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Class of shares held 持有股份類別	Paid up issued/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion ownership interest held by the Company 本公司持有擁有權權益比例		Principal activities 主要業務
				2016	2015	
Hin Sang Group Holding Limited 衍生集團控股有限公司	British Virgin Islands 英屬處女群島	Ordinary shares 普通股	US\$30,000 30,000美元	100% (direct) (直接)	100% (direct) (直接)	Investment holding 投資控股
HM Advertising Company Limited	Hong Kong 香港	Ordinary shares 普通股	HK\$880,000 880,000港元	100% (indirect) (間接)	100% (indirect) (間接)	Formulating and implementing overall marketing and branding strategies and preparing and controlling annual budgets for marketing activities for individual branded products 制訂及推行整體營銷及品牌策略以及編製及控制個別品牌產品營銷活動的年度預算



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued) 34. 本公司附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Class of shares held 持有股份類別	Paid up issued/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion ownership interest held by the Company 本公司持有擁有權權益比例		Principal activities 主要業務
				2016	2015	
Chong Sang (HK) Company Limited 創生(香港)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,800 1,800港元	100% (indirect) (間接)	100% (indirect) (間接)	Trading and distribution of skin care products, personal care products and household products 買賣及分銷護膚產品、個人護理產品及家居產品
Hin Sang Hong Company Limited 衍生行有限公司	Hong Kong 香港	Ordinary 普通股	HK\$280,000 280,000港元	100% (indirect) (間接)	100% (indirect) (間接)	Investment holding; brand development and management; and development, sales and distribution of health care products, personal care products and household products 投資控股; 品牌開發及管理; 及開發、銷售及分銷保健產品、個人護理產品及家居產品
Hin Sang Hong Trading (Shenzhen) Limited** 衍生行貿易(深圳)有限公司**	PRC 中國	Registered capital 註冊資本	RMB65,000,000 人民幣65,000,000元	100% (indirect) (間接)	100% (indirect) (間接)	Wholesale of health care products of Hin San (衍生) and skin care products of Beautymate (美肌の誌) in the PRC 於中國批發衍生的保健產品及美肌の誌的護膚產品
Beautymate Hong Kong Limited	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	100% (indirect) (間接)	100% (indirect) (間接)	Online sale of products distributed and/or developed by the Group 網上銷售本集團分銷及/或開發的產品
Hong Kong Pharmaceutical & Research Institute Co., Ltd. 香港製藥研究所有限公司	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$2,000 2,000美元	100% (indirect) (間接)	100% (indirect) (間接)	Investment holding 投資控股
Yaome Nihon Corporation 日本因為您株式會社	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$2,000 2,000美元	100% (indirect) (間接)	100% (indirect) (間接)	Inactive 不活躍

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued) 34. 本公司附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Class of shares held 持有股份類別	Paid up issued/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion ownership interest held by the Company 本公司持有擁有權權益比例		Principal activities 主要業務
				2016	2015	
Hong Kong Medicine Manufactory Holdings Co., Ltd. 香港製藥廠控股有限公司	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$2,000 2,000美元	100% (indirect) (間接)	100% (indirect) (間接)	Investment holding 投資控股
Hong Kong Pharmaceutical & Research Institute Co., Limited 香港製藥研究所有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1 1港元	100% (indirect) (間接)	100% (indirect) (間接)	Inactive 不活躍
Beautymate International Limited* 美肌的誌國際有限公司*	Taiwan 台灣	Registered capital 註冊資本	NT\$24,000,000 24,000,000新台幣	100% (indirect) (間接)	100% (indirect) (間接)	Wholesale of skin care products under the brand of Beautymate (美肌的誌) in Taiwan 於台灣批發美肌的誌品牌的護膚產品
Tai Wo Tong Pharmaceutical (Hong Kong) Company Limited 太和堂製藥(香港)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$24,000,000 24,000,000港元	100% (indirect) (間接)	-	Packing of products developed and sold by the Group 包裝本集團開發及銷售的產品
Tai Wo Tong Company Limited 太和堂有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	100% (indirect) (間接)	-	Packing of products for individual retailers 為個別零售商提供產品包裝服務
Hin Fai International Holding Company Limited 衍輝國際控股有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000,000 10,000,000港元	68% (indirect) (間接)	-	Online sale of products developed by the Group 網上銷售本集團開發的產品

\* The English name is for identification only.

# A wholly foreign-owned enterprise.

\* 英文名稱僅供識別。

# 一間外商獨資企業。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

### 35. 本公司財務狀況表及儲備

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investment in a subsidiary	於一間附屬公司的投資	71,618	71,618
<b>Current assets</b>	<b>流動資產</b>		
Prepayments	預付款項	309	313
Amounts due from subsidiaries	應收附屬公司款項	253,638	33,963
Bank balances	銀行結餘	103	204,710
		<b>254,050</b>	238,986
<b>Total assets</b>	<b>資產總值</b>	<b>325,668</b>	310,604
<b>Current liabilities</b>	<b>流動負債</b>		
Accruals	應計費用	60	20
Amount due to a subsidiary	應付一間附屬公司款項	4	-
		<b>64</b>	20
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>253,986</b>	238,966
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>	<b>325,604</b>	310,584
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	80,047	80,000
Reserves	儲備	245,557	230,584
<b>Total equity</b>	<b>權益總額</b>	<b>325,604</b>	310,584

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 28 June 2016 and are signed on its behalf by:

本公司財務狀況表已於2016年6月28日獲董事會批准及授權刊發，並由以下董事代表簽署：

**Pang Siu Hin**  
彭少衍  
Director  
董事

**Kwan Lai Man**  
關麗雯  
Director  
董事

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

#### Movement in the Company's reserves:

### 35. 本公司財務狀況表及儲備

(續)

#### 本公司儲備變動：

		Share premium 股份溢價 HK\$'000 港幣千元	Share options reserve 購股權儲備 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 April 2014	於2014年4月1日	41,618	–	61	41,679
Profit for the year	年內溢利	–	–	8,770	8,770
Capitalisation issue	資本化發行	(30,000)	–	–	(30,000)
Issue of new shares	發行新股份	216,000	–	–	216,000
Expense incurred in connection with issue of new shares	就發行新股份產生之開支	(8,267)	–	–	(8,267)
Recognition of equity-settled share-based payments	確認權益結算以股份為基礎的付款	–	2,402	–	2,402
At 31 March 2015	於2015年3月31日	219,351	2,402	8,831	230,584
Profit for the year	年內溢利	–	–	24,496	24,496
Dividends recognised as distribution	確認為分派的股息	–	–	(16,005)	(16,005)
Issue of shares on exercise of share options	因行使購股權而發行股份	598	(258)	–	340
Recognition of equity-settled share-based payments	確認權益結算以股份為基礎的付款	–	6,142	–	6,142
<b>At 31 March 2016</b>	<b>於2016年3月31日</b>	<b>219,949</b>	<b>8,286</b>	<b>17,322</b>	<b>245,557</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2016 截至2016年3月31日止年度

### 36. EVENTS AFTER THE REPORTING PERIOD 36. 報告期間後事件

- (a) On 27 April 2016, Fullshare Holdings Limited (“Fullshare”) entered into a conditional subscription agreement with the Company for the subscription of 250,000,000 ordinary shares of the Company (the “Fullshare Subscription Shares”) at HK\$1.18 per share. The Fullshare Subscription Shares were issued to Fullshare on 24 June 2016.
- (a) 於2016年4月27日，豐盛控股有限公司（「豐盛」）與本公司訂立有條件認購協議，以按每股股份1.18港元之價格認購本公司250,000,000股普通股（「豐盛認購股份」）。豐盛認購股份已於2016年6月24日發行予豐盛。
- (b) On 27 April 2016, Zall Capital Limited (“Zall Capital”) entered into a conditional subscription agreement with the Company for the subscription of 30,000,000 ordinary shares of the Company (the “Zall Capital Subscription Shares”) at HK\$1.18 per share. The Zall Capital Subscription Shares were issued to Zall Capital on 24 June 2016.
- (b) 於2016年4月27日，Zall Capital Limited（「Zall Capital」）與本公司訂立有條件認購協議，以按每股股份1.18港元之價格認購本公司30,000,000股普通股（「Zall Capital認購股份」）。Zall Capital認購股份已於2016年6月24日發行予Zall Capital。
- (c) On 27 April 2016, the Company entered into an agreement with Fullshare for the formation of a new company to engage in the development of mother and child health products, pharmaceutical factory, hospital, medical centre and related services. Pursuant to the terms of the agreement, the Company shall subscribe for 306,000,000 shares of the new company for HK\$30,600,000 in cash, representing 51% of the total issued share capital of the new company, and Fullshare shall subscribe for 294,000,000 shares of the new company for HK\$29,400,000 in cash, representing 49% of the total issued share capital of the new company. The formation of the new company is subject to independent shareholders’ approval requirement under the Listing Rules. On 23 June 2016, the formation of the new company was approved by the independent shareholders at the extraordinary general meeting.
- (c) 於2016年4月27日，本公司與豐盛就成立新公司以從事發展母嬰保健產品、藥廠、醫院、醫療中心及相關服務業務訂立協議。根據協議之條款，本公司將以現金30,600,000港元認購306,000,000股新公司股份，相當於新公司已發行股本總額之51%，及豐盛將以現金29,400,000港元認購294,000,000股新公司股份，相當於新公司已發行股本總額之49%。新公司之成立須根據上市規則遵循獨立股東批准規定。於2016年6月23日，新公司之成立已於股東特別大會上獲獨立股東批准。
- (d) On 15 June 2016, Hong Kong Pharmaceutical & Research Institute Co. Ltd., a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a third party for the acquisition of a property at a consideration of HK\$68,800,000.
- (d) 於2016年6月15日，本公司之全資附屬公司香港製藥研究所有限公司與一名第三方訂立買賣協議，以代價68,800,000港元收購一處物業。

# FIVE YEARS FINANCIAL SUMMARY

## 五年財務概要

### OPERATING RESULTS

### 經營業績

		For the Year Ended 31 March 截至3月31日止年度				
		2012 HK\$'000 港幣千元	2013 HK\$'000 港幣千元	2014 HK\$'000 港幣千元	2015 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Revenue	收入	360,414	235,114	253,171	214,959	227,460
Gross Profit	毛利	101,469	98,410	142,341	122,663	138,369
Profit for the year	年內溢利	22,067	15,383	49,704	11,051	21,215

### ASSETS, LIABILITIES AND EQUITY

### 資產、負債及權益

		For the Year Ended 31 March 截至3月31日止年度				
		2012 HK\$'000 港幣千元	2013 HK\$'000 港幣千元	2014 HK\$'000 港幣千元	2015 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Non-current assets	非流動資產	19,396	23,990	42,600	48,610	83,093
Current assets	流動資產	117,645	179,336	115,684	313,504	290,942
<b>Total assets</b>	<b>資產總值</b>	137,041	203,326	158,284	362,114	374,035
<b>Current liabilities</b>	<b>流動負債</b>	54,629	101,294	63,989	27,432	27,537
<b>Net current assets</b>	<b>流動資產淨值</b>	63,016	78,042	51,695	286,072	263,405
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>	82,412	102,032	94,295	334,682	346,498
<b>Non-current liabilities</b>	<b>非流動負債</b>	2,186	6,280	-	-	-
<b>Net assets</b>	<b>資產淨值</b>	80,226	95,752	94,295	334,682	346,498
<b>Capital and reserves</b>	<b>資本及儲備</b>					
Share capital	股本	30,000	30,000	30,000	80,000	80,047
Reserves	儲備	50,226	65,752	64,295	254,682	263,250
Equity attributable to owners of the company	本公司擁有人應佔權益	80,226	95,752	94,295	334,682	343,297
Non-controlling interests	非控股權益	-	-	-	-	3,201
Total equity	權益總額	80,226	95,752	94,295	334,682	346,498



**HS**

**衍生集團(國際)控股有限公司**

**Hin Sang Group (International) Holding Co. Ltd.**