

Annual Report 年報 2017



天大藥業有限公司

TIANDA PHARMACEUTICALS LIMITED

股份代號 Stock Code: 00455 (於開曼群島註冊成立之公司)
(Incorporated in the Cayman Islands with limited liability)

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Fang Wen Quan
(Chairman and appointed as Managing Director
on 1 February 2017)
Mr. Lui Man Sang

Non-Executive Directors

Mr. Shen Bo
Mr. Feng Quanming
Mr. Shi Shaobin
(Acted as Managing Director until 31 January 2017 and
re-designated from executive Director to non-executive
Director since 1 February 2017)

Independent Non-Executive Directors

Mr. Lam Yat Fai
Mr. Chiu Sung Hong
Mr. Chiu Fan Wa

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

HONG KONG LEGAL ADVISERS

Woo, Kwan, Lee & Lo
25th Floor, Jardine House
1 Connaught Place, Central
Hong Kong

COMPANY SECRETARY

Mr. Lo Tai On

董事會

執行董事

方文權先生
(董事長，於2017年2月1日獲委任
為董事總經理)
呂文生先生

非執行董事

沈波先生
馮全明先生
施少斌先生
(擔任董事總經理直至2017年1月31日；
自2017年2月1日起由執行董事轉任
非執行董事)

獨立非執行董事

林日輝先生
趙崇康先生
趙帆華先生

核數師

德勤·關黃陳方會計師行
執業會計師
香港
金鐘道88號
太古廣場一座35樓

香港法律顧問

胡關李羅律師行
香港
中環康樂廣場1號
怡和大廈25樓

公司秘書

羅泰安先生

CORPORATE INFORMATION

公司資料

AUDIT COMMITTEE

Mr. Lam Yat Fai (*Chairman*)
Mr. Chiu Sung Hong
Mr. Chiu Fan Wa
Mr. Shen Bo

REMUNERATION COMMITTEE

Mr. Chiu Sung Hong (*Chairman*)
Mr. Fang Wen Quan
Mr. Lam Yat Fai
Mr. Chiu Fan Wa

NOMINATION COMMITTEE

Mr. Fang Wen Quan (*Chairman*)
Mr. Lam Yat Fai
Mr. Chiu Sung Hong

RISK MANAGEMENT COMMITTEE

Mr. Chiu Sung Hong (*Chairman*)
Mr. Fang Wen Quan
Mr. Lam Yat Fai

PRINCIPAL BANKERS

Bank of Communications
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

審核委員會

林日輝先生 (*主席*)
趙崇康先生
趙帆華先生
沈波先生

薪酬委員會

趙崇康先生 (*主席*)
方文權先生
林日輝先生
趙帆華先生

提名委員會

方文權先生 (*主席*)
林日輝先生
趙崇康先生

風險管理委員會

趙崇康先生 (*主席*)
方文權先生
林日輝先生

主要往來銀行

交通銀行
香港上海滙豐銀行有限公司

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

CORPORATE INFORMATION 公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suites 2405–2410, 24th Floor
CITIC Tower
No. 1 Tim Mei Avenue
Central
Hong Kong

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

00455

CORPORATE WEBSITE

www.tiandapharma.com

總辦事處及主要營業地點

香港
中環
添美道1號
中信大廈
24樓2405–2410室

香港股份過戶及轉讓登記處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

上市地點

香港聯合交易所有限公司

股份代號

00455

公司網站

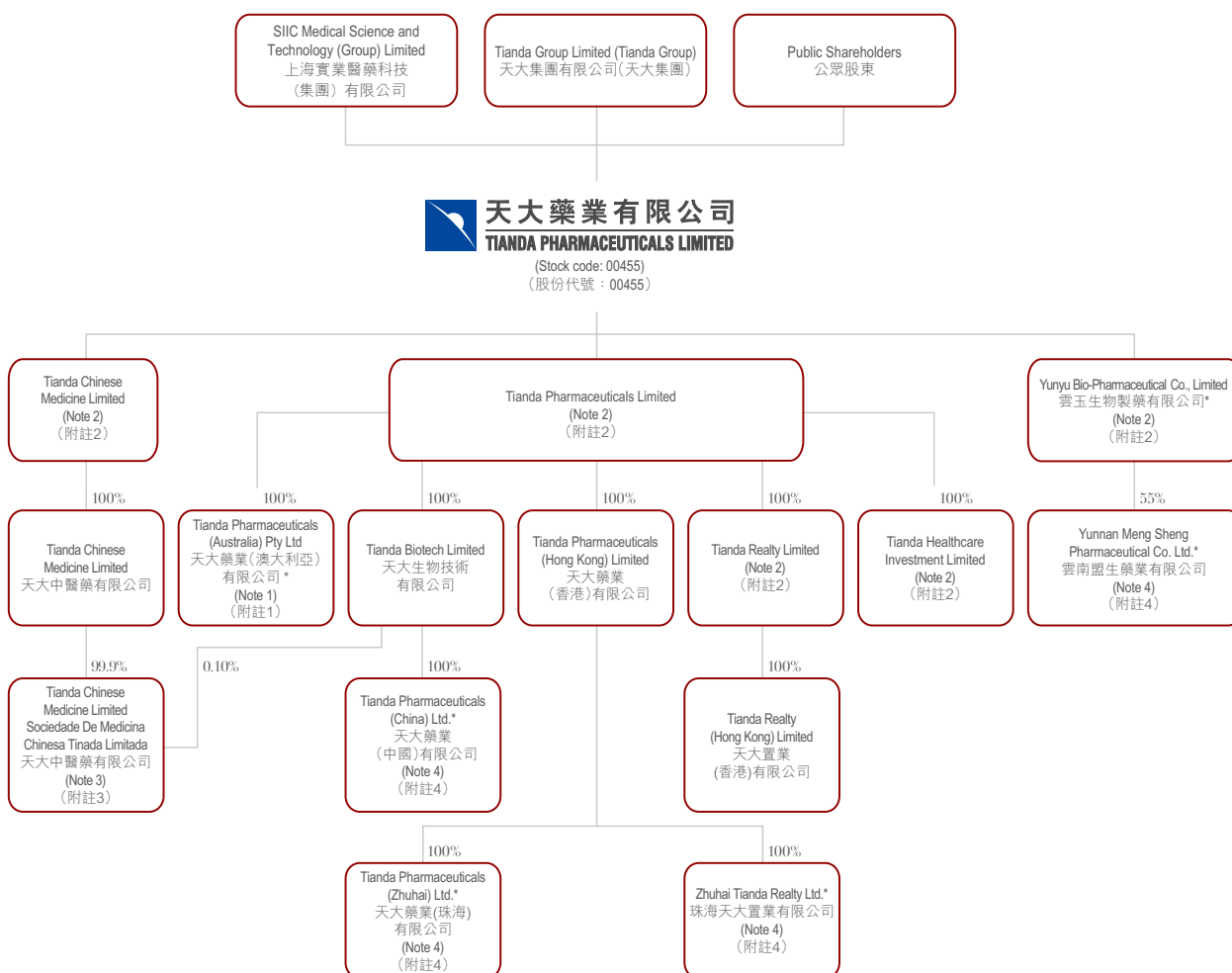
www.tiandapharma.com

CORPORATE STRUCTURE

企業架構

Below is the structure chart of Tianda Pharmaceuticals Limited (the Company) and its subsidiaries (the Group) as at 31 March 2017:

以下為天大藥業有限公司(本公司)及其附屬公司(本集團)於2017年3月31日之架構圖：



Notes 附註：

- (1) Incorporated in Australia with limited liability
於澳大利亞註冊成立之有限公司
- (2) Incorporated in the British Virgin Islands with limited liability
於英屬維爾京群島註冊成立之有限公司
- (3) Incorporated in Macau with limited liability
於澳門註冊成立之有限公司
- (4) Incorporated in the PRC with limited liability
於中國註冊成立之有限公司

* For identification purpose only

* 僅供識別

FINANCIAL SUMMARY

財務摘要

RESULTS

業績

		Year ended 31 March 截至3月31日止年度				
		2013	2014	2015	2016	2017
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元	千港元
Revenue	收入	281,995	247,173	139,367	192,785	195,539
Profit (loss) before tax	除稅前溢利 (虧損)	83,359	64,426	(24,261)	18,425	32,750
Income tax (expense) credit	所得稅(支出) 抵免	(15,663)	(15,477)	1,245	(5,058)	(7,997)
Profit (loss) for the year	本年度溢利 (虧損)	67,696	48,949	(23,016)	13,367	24,753
Profit (loss) attributable to:	溢利(虧損) 歸屬於:					
Owners of the Company	本公司股東	37,740	22,049	(17,942)	6,569	12,442
Non-controlling interests	非控股權益	29,956	26,900	(5,074)	6,798	12,311
		67,696	48,949	(23,016)	13,367	24,753
		HK cents	HK cents	HK cent	HK cent	HK cent
		港仙	港仙	港仙	港仙	港仙
Earnings (loss) per share	每股盈利(虧損)	2.02	1.18	(0.96)	0.32	0.58

ASSETS AND LIABILITIES

資產及負債

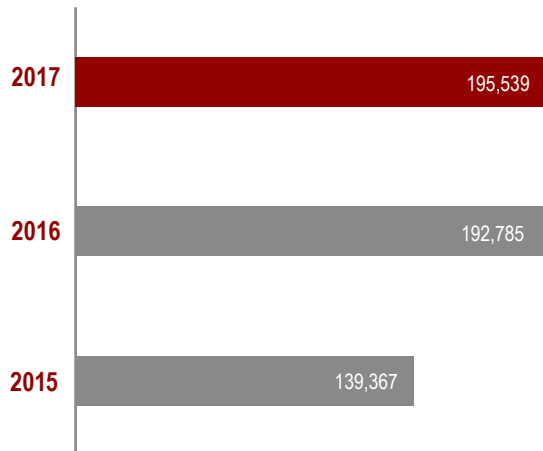
		At 31 March 於3月31日				
		2013	2014	2015	2016	2017
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元	千港元
Total assets	資產總值	917,757	932,490	921,017	956,169	904,120
Total liabilities	負債總額	(142,557)	(117,429)	(132,609)	(109,436)	(91,156)
		775,200	815,061	788,408	846,733	812,964
Equity attributable to owners of the Company	本公司股東 應佔權益	737,995	751,146	729,344	813,748	778,322
Non-controlling interests	非控股權益	37,205	63,915	59,064	32,985	34,642
		775,200	815,061	788,408	846,733	812,964

FINANCIAL SUMMARY

財務摘要

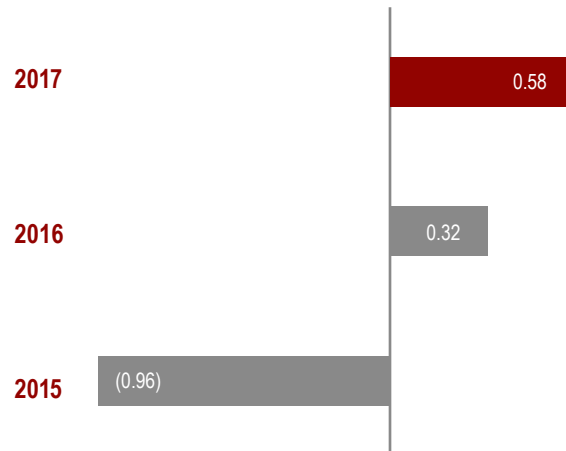
REVENUE 收入

HK\$'000 千港元



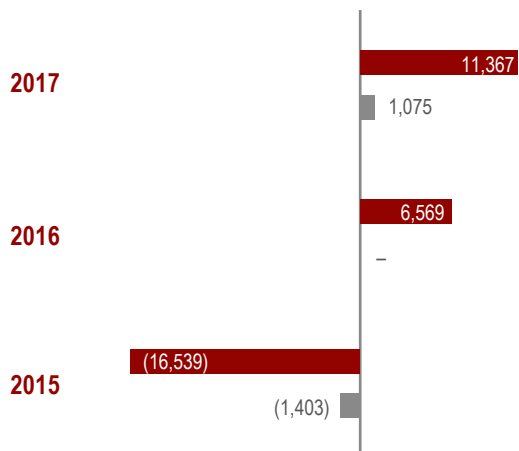
BASIC EARNINGS (LOSS) PER SHARE 每股基本 盈利(虧損)

HK CENTS 港仙



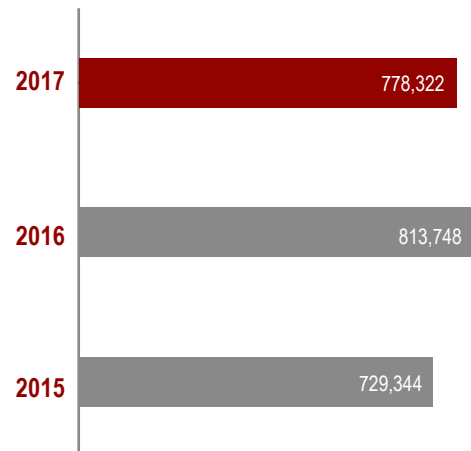
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY 本公司股東 應佔溢利(虧損)

HK\$'000 千港元



EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY 本公司股東 應佔權益

HK\$'000 千港元



- One-off items (Note)
一次性項目(附註)
- Ordinary profit (loss) attributable to owners of the Company
本公司股東應佔普通溢利(虧損)

Note: One off items for 2015 represented the loss on plant and machinery written off while the one-off items for 2017 represent the impairment loss on goodwill and intangible assets (net off the reversal of deferred tax liabilities) and fair value gain on derecognition of investments in redeemable convertible preference shares.

附註：2015年之一次性項目為廠房及機器撇銷虧損；而2017年之一次性項目為商譽及無形資產減值虧損(扣除遞延稅項負債撥回)以及終止確認投資於可贖回可換股優先股之公允價值收益。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

Mr. Fang Wen Quan, aged 48, has been appointed as an executive Director since 6 October 2003. Mr. Fang was also appointed as Managing Director of the Company on 1 February 2017. He is currently Chairman, Managing Director, the chairman of the nomination committee and members of the remuneration committee and the risk management committee of the Company, and directors of the Group's certain subsidiaries. Mr. Fang acted simultaneously as Managing Director during the period from 1 September 2008 to 3 August 2015. Mr. Fang is the founder, chairman and beneficial owner of Tianda Group (the controlling shareholder of the Company holding 1,194,971,370 Shares). Mr. Fang is the existing chairman of the board of directors, general manager and authorised representative of Tianda Culture Holdings (China) Limited* (listed on the National Equities Exchange and Quotations Systems, Company Code: 837889). He has ample experience in corporate strategy and management. He studied International Relations in the University of Sydney and Tsinghua University, and established a non-profit strategic studies think tank called "Tianda Institute". Upholding the mission of "Care for a Better World", Mr. Fang always shows his commitment to community services, including donations to poverties, education and talents development, healthcare, scientific research, environmental protection, culture and arts.

Mr. Lui Man Sang, aged 53, was appointed as an executive Director in 2013 and directors of the Group's certain subsidiaries. Mr. Lui joined Tianda Group, the controlling shareholder of the Company in 2007 and is a deputy general manager of Tianda Group. He is responsible for the financial issues of Tianda Group and the Company. Mr. Lui is a director of Tianda Culture Holdings (China) Limited* (listed on the National Equities Exchange and Quotations Systems, Company Code: 837889). Mr. Lui possesses enriched financial management experience covering a variety of industries including auditing in one of the big four accounting firms in Hong Kong and overseeing the finance department of a Hong Kong listed company. He holds an Executive MBA granted by City University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

方文權先生，48歲，於2003年10月6日起獲委任為執行董事。方先生於2017年2月1日獲委任為本公司董事總經理，方先生現任本公司董事長、董事總經理、提名委員會主席、薪酬委員會及風險管理委員會成員，以及本集團若干附屬公司之董事。於2008年9月1日至2015年8月3日止期間，方先生曾兼任董事總經理。方先生乃天大集團（本公司之控股股東，持有1,194,971,370股股份）創始人、董事長及實益擁有人。方先生為現任天大文化控股（中國）股份有限公司（在全國中小企業轉讓系統掛牌，公司代碼：837889）之董事長、總經理兼法定代表人。彼具有豐富企業戰略及管理方面之經驗。先後於悉尼大學和清華大學學習國際關係專業，並出資創辦了公益性戰略研究智庫“天大研究院”。一直以來，方先生秉承“關心社會，共同發展”的使命，熱誠資助社會公益，包括捐資扶貧事業、教育和人才發展、醫療衛生、科學研究、環境保護、文化藝術等。

呂文生先生，53歲，於2013年獲委任為執行董事，以及為本集團若干附屬公司之董事。呂先生於2007年加入本公司控股股東天大集團，現為天大集團副總經理，全面負責天大集團及本公司的財務管理，呂先生亦為天大文化控股（中國）股份有限公司（在全國中小企業轉讓系統掛牌，公司代碼：837889）之董事。呂先生擁有豐富財務管理經驗，涵蓋不同行業，當中曾在香港四大會計師事務所之一擔任審核工作以及管理一間香港上市公司的財務部門。彼持有香港城市大學行政人員工商管理碩士學位，目前為英國特許公認會計師公會及香港會計師公會資深會員。

* For identification purpose only

* 僅供參考

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

Mr. Shen Bo, aged 44, was appointed as a non-executive Director and a member of the audit committee of the Company on 10 August 2015. He is a certified public accountant of the People's Republic of China. He received his bachelor degree majoring in accounting from Shanghai Institute of Construction Materials Industry and master of accountancy from Chinese University of Hong Kong. Mr. Shen is an executive director, a vice president and the chief financial officer of Shanghai Pharmaceuticals Holding Co., Ltd.,* (a company listed on the Shanghai Stock Exchange with stock code 601607, and The Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange, with stock code 2607), the chairman of Changzhou Pharmaceutical Co., Ltd. (a subsidiary of Shanghai Pharmaceuticals Holding Co., Ltd), the chairman of Xiamen Traditional Chinese Medicine Co., Ltd (a subsidiary of Shanghai Pharmaceuticals Holding Co., Ltd) and the chairman of Shanghai Hefeng Pharmaceuticals Co., Ltd. (a joint venture of Shanghai Pharmaceuticals Holding Co., Ltd and Ho Ming Company (Hong Kong) Limited) and an executive director of China International Pharmaceutical (Holding) Corporation Limited (a wholly-owned subsidiary of Shanghai Pharmaceuticals Holding Co., Ltd. established in Hong Kong). Mr. Shen is a non-executive director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.* (a company listed on Hong Kong Stock Exchange with stock code 1349). Mr. Shen served as manager of finance department and chief financial officer in several large companies in mainland China so has extensive experience in corporate management, financial control, and governance of pharmaceutical companies. From April 2001 to March 2010, Mr. Shen served as the head of financial planning department, general manager of finance department and chief financial officer in Shanghai Industrial Pharmaceutical Investment Co, Ltd.* (a company formerly listed on the Shanghai Stock Exchange with stock code 600607). During the same period, Mr. Shen also served as the general manager of finance department of Shanghai Pharmaceuticals (Group) Co., Ltd.

Mr. Feng Quanming, aged 40, was appointed as a non-executive Director on 23 March 2016. Mr. Feng is the deputy head of the finance department and the secretary of the Communist Party's sub-division committee in the finance department of Hongta Tobacco (Group) Limited (Hongta), which holds 9.65% equity interest in the Company. He has extensive experience in corporate financial accounting and asset management. Mr. Feng joined Hongta in July 2001. During the period from August 2007 to September 2014, he took various positions in the finance department of Hongta, including deputy head of industrial finance division, head and deputy head of asset management division and head of general management division. He was also the head of financial planning division of Yunnan Hongta Group Co., Ltd*, a wholly-owned subsidiary of Hongta, during the period from June 2013 to August 2014. Mr. Feng obtained his bachelor degree in accounting at Southwestern University of Finance and Economics in 2001 and master in business administration at Renmin University of China in 2009. Mr. Feng possesses the qualification of practising certified public accountant in mainland China.

* For identification purpose only

沈波先生，44歲，於2015年8月10日獲委任為本公司之非執行董事及審核委員會成員。沈先生為中華人民共和國註冊會計師，擁有上海建材學院會計學學士學位及香港中文大學會計學碩士學位。沈先生現任上海醫藥集團股份有限公司（一家於上海證券交易所（股份代碼為601607）及香港聯合交易所有限公司上市的公司（香港聯交所，股份代碼為2607）之執行董事、副總裁及財務總監，也同時兼任常州藥業股份有限公司（上海醫藥集團股份有限公司的子公司）董事長、廈門中藥廠有限公司（上海醫藥集團股份有限公司的子公司）董事長、上海禾豐製藥有限公司（上海醫藥集團股份有限公司與香港和亭有限公司合資企業）董事長及中國國際醫藥（控股）有限公司（上海醫藥集團股份有限公司在香港的全資子公司）執行董事。沈先生為上海復旦張江生物醫藥股份有限公司（一家於香港聯交所上市的公司，股份代碼為1349）之非執行董事。沈先生曾先後在多家國內大型企業擔任財務部經理和財務總監之職，在企業管理、財務管控及醫藥公司治理等方面具有豐富的經驗。2001年4月至2010年3月期間，沈先生在上海實業醫藥投資股份有限公司（一家曾於上海證券交易所上市的公司，股份代碼為600607）任職，先後擔任計劃財務部主管、財務部總經理、財務總監，在此期間，沈先生亦擔任上海醫藥（集團）有限公司財務部總經理。

馮全明先生，40歲，於2016年3月23日獲委任為非執行董事。馮先生現任紅塔煙草（集團）有限責任公司（紅塔，持有本公司9.65%股權之股東）財務部副主任兼財務部黨支部書記。彼於企業財務會計和資產管理擁有豐富的工作經驗。馮先生於2001年7月加入紅塔，並曾於2007年8月至2014年9月期間於紅塔財務部擔任多個職位，包括工業財務科副科長、資產管理科副科長、資產管理科科長和綜合管理科科長，以及於2013年6月至2014年8月，擔任紅塔全資子公司雲南紅塔集團有限公司財務部計劃財務科科長。馮先生於2001年獲西南財經大學會計學學士學位，以及於2009年獲中國人民大學工商管理學碩士學位。馮先生具備中國註冊會計師執業資格。

* 僅供參考

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

Mr. Shi Shaobin, aged 49 was appointed as an executive Director on 13 March 2015 and the Managing Director from the period of 3 August 2015 to 31 January 2017. Mr. Shi has been re-designated from an executive Director to a non-executive Director with effect from 1 February 2017. He received his bachelor degree in biochemistry from Sun Yat-sen University and master degree in business administration and doctoral degree in enterprise management from Sun Yat-sen Business School. He also holds the senior engineer qualification. He has worked as director and senior management in several large organisations in the PRC and Hong Kong, and possesses extensive experience in management, marketing and governance in pharmaceutical industry. Mr. Shi served as chairman of Guangzhou Pearl River Piano Group Co., Ltd, a company listed on the Shenzhen Stock Exchange (stock code: 002678) which his resignation was on 22 March 2014. Mr. Shi also serves in numerous public bodies including representative of the Twelfth of Guangdong Provincial People's Congress, executive director of Guangdong Province Traditional Chinese Medicine Association*, director of Chinese Medical Association and vice president of Guangdong Province Young Entrepreneurs' Association*.

Mr. Lam Yat Fai, aged 51, was appointed as an independent non-executive Director, a member of the remuneration committee and a member of audit committee of the Company in 2004. On 26 November 2013, he was appointed as the chairman of the audit committee. He was appointed as a member of nomination committee and risk management committee on 22 July 2009. He is a Certified Public Accountant (Practising). He is also a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Lam worked with Kwan Wong Tan & Fong and Deloitte Touche Tohmatsu for over 10 years. Mr. Lam has over 27 years of experience in auditing, taxation, corporate finance and accounting. Mr. Lam is an independent non-executive director of Oriental Press Group Limited, which is listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 0018).

施少斌先生，49歲，於2015年3月13日獲委任為執行董事，以及於2015年8月3日至2017年1月31日期間獲委任為董事總經理。施先生由執行董事轉任非執行董事已於2017年2月1日生效。施先生擁有中山大學生物化學學士學位、中山大學管理學院工商管理學碩士及企業管理博士學位，並持有高級工程師資格。他曾先後在多家國內及香港大型機構擔任董事及高級管理職位，在企業管理、市場行銷、醫藥公司管治等方面具有豐富的經驗。施先生曾任廣州珠江鋼琴集團股份有限公司（一家於深圳證券交易所上市之公司，股份代號：002678）之董事長，直至於2014年3月22日辭任。施先生亦出任多項社會公職包括廣東省第十二屆人民代表大會代表、廣東省中醫藥協會常務理事、中華醫學會理事及廣東省青年企業家協會副會長。

林日輝先生，51歲，於2004年獲委任為本公司之獨立非執行董事、薪酬委員會成員及審核委員會成員。林先生於2013年11月26日獲委任為審核委員會主席。林先生於2009年7月22日獲委任為提名委員會及風險管理委員會成員。彼現為執業會計師，亦為香港會計師公會及英國特許公認會計師公會資深會員。林先生曾於關黃陳方會計師行及德勤·關黃陳方會計師行工作逾10年。林先生於審計、稅務、企業融資及會計等方面累積逾27年經驗。林先生為於香港聯交所主板上市之東方報業集團有限公司（股份代號：0018）之獨立非執行董事。

* For identification purpose only

* 僅供參考

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

Mr. Chiu Sung Hong, aged 70, was appointed as an independent non-executive Director, the chairman of the audit committee of the Company with effect from 10 April 2008. Mr. Chiu ceased to act as the chairman of the audit committee and remained as a member of the committee on 26 November 2013. Mr. Chiu was appointed as the chairman of risk management committee on 22 July 2009. On 1 April 2012, he was appointed as the chairman of the remuneration committee and a member of the nomination committee. He received an LL.B. degree from the University of Sydney. He is admitted as a solicitor of the Supreme Court of New South Wales and the High Court of Australia. He has over 30 years of experience in legal practice. Mr. Chiu is the founding member of the Board of Trustees of the Australian Nursing Home Foundation and served as the General Secretary of Australian Chinese Community Association of New South Wales. Mr. Chiu is an independent non-executive director of CNOOC Limited, which is listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 0883) and Bank of China (Australia) Limited.

Mr. Chiu Fan Wa, aged 52, was appointed as an independent non-executive Director, a member of the remuneration committee and audit committee of the Company on 31 March 2009. Mr. Chiu is a founder and the managing director of Chiu, Choy & Chung C.P.A. Limited, and a partner of F.S. Li & Co. He graduated from City University of Hong Kong and obtained a Bachelor of Arts (Honours) degree with major in accountancy in 1992 and was awarded a Master of Professional Accounting from The Hong Kong Polytechnic University in 2002. He is a Certified Public Accountant (Practising) in Hong Kong, a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Institute of the Chartered Accountants in England and Wales, a fellow member of The Society of Chinese Accountants & Auditors, an associate of The Hong Kong Institute of Chartered Secretaries and an associate of The Institute of Chartered Secretaries and Administrators, United Kingdom, a fellow member of The Taxation Institute of Hong Kong and a Certified Tax Advisor. Mr. Chiu is also an independent non-executive director of Kenford Group Holdings Limited, which is listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 0464).

趙崇康先生，70歲，於2008年4月10日獲委任為本公司之獨立非執行董事及審核委員會主席。趙先生於2013年11月26日不再擔任審核委員會主席，惟仍留任該委員會之成員。趙先生於2009年7月22日獲委任為風險管理委員會主席。於2012年4月1日，彼獲委任為薪酬委員會主席及提名委員會成員。趙先生擁有悉尼大學法學學士學位，目前擔任澳大利亞新南威爾斯高等法院律師和澳大利亞高等法院律師。趙先生在法律行業累積逾30年經驗。趙先生乃澳華療養院基金信託委員會創始會員，曾擔任澳大利亞新南威爾斯中國社區協會秘書長。趙先生現為於香港聯交所主板上市之中國海洋石油有限公司(股份代號：0883)之獨立非執行董事及中國銀行(澳大利亞)有限公司之獨立非執行董事。

趙帆華先生，52歲，於2009年3月31日獲委任為本公司之獨立非執行董事、薪酬委員會及審核委員會成員。趙先生為蔡鍾趙會計師有限公司的創辦人兼常務董事，亦為李福樹會計師事務所的合夥人。彼於1992年畢業於香港城市大學，獲榮譽文學學士學位，主修會計，並於2002年獲香港理工大學頒發專業會計碩士學位。彼為香港執業會計師、香港會計師公會資深會員、英國特許公認會計師公會資深會員、英格蘭及威爾士特許會計師公會資深會員、香港華人會計師公會資深會員、香港特許秘書公會會員及英國特許秘書及行政人員公會會員、香港稅務學會資深會員及註冊稅務師。趙先生亦為於香港聯交所主板上市之建福集團控股有限公司(股份代號：0464)之獨立非執行董事。

REPORT OF THE CHAIRMAN 董事長報告

On behalf of the Board of Directors of the Company, I am delighted to present the annual results of the Company and its subsidiaries (collectively referred to as Tianda Pharmaceuticals or the Group) for the year ended 31 March 2017 (the Current Financial Year/ FYE 2017) for shareholders' review.

The overall performance of the Group was encouraging with steady growth during the year. Total revenue for FYE 2017 of HK\$195,500,000 was recorded, increased by 1.4% from HK\$192,800,000 compared to the year ended 31 March 2016 (Last Corresponding Period). Profit attributable to the owners of the Company for FYE 2017 was HK\$12,400,000, representing a significant increase of 89.4% from HK\$6,600,000 in the Last Corresponding Period. The Group declared a final dividend of HK0.57 cent per share (2016: HK0.27 cent), representing a substantial growth of 111% to approximately HK\$12,300,000.

Leveraging on its patented, first generic drug Cerebroprotein Hydrolysate Injections, Tianda Pharmaceuticals has differentiated its brand and increased its tender success rate effectively. In addition to enhancing domestic performance, the Group expanded its presence into international markets such as India to create new growth driver. Paediatric drugs were listed in the Women and Children's Specialty Catalogue of China which are connected to direct online sourcing and pricing network. Capitalising on the opportunity, the Group restructured its sales strategy to increase its market share. Furthermore, expanding its penetration in OTC channels and overall sales performance, the Group has been targeting on OTC markets with solid brand attachments to Tuoen (Ibuprofen series) and Tuoping (Valsartan series).

本人謹代表本公司董事會欣然提呈本公司及其附屬公司(統稱天大藥業或本集團)截至2017年3月31日止年度(本財政年度/2017財政年度)之全年業績以供股東省覽。

過去的一年，本集團經營發展令人鼓舞，整體表現穩中有升。截至2017年財政年度，本集團整體收入為195,500,000港元，增長1.4%，截至2016年3月31日止年度(去年同期)之收入則為192,800,000港元；截至2017年財政年度之股東應佔溢利為12,400,000港元，相較去年同期之股東應佔溢利6,600,000港元，同比大增89.4%。本集團宣派末期股息每股0.57港仙(2016年：每股0.27港仙)，大增111%，合共約12,300,000港元。

天大藥業營銷團隊以“注射用腦蛋白水解物”專利、首仿等差異化優勢，有效地提高產品中標率，在努力提升國內市場銷量的同時，加強印度等國際市場的開發，從而為市場銷售開拓新的突破點。另外，營銷團隊抓住公司兒科系列產品在全國進入婦兒專科目錄，納入直接掛網的契機，積極調整銷售策略，以進取的市場部署及營銷策略重奪市場份額。著力拓展具有一定品牌基礎的OTC市場，重點發展托恩(布洛芬系列)、托平(纈沙坦膠囊)兩大品牌，增加第三終端的覆蓋率，令公司整體銷量呈現穩步增長。

REPORT OF THE CHAIRMAN

董事長報告

In 2017, maintaining its strong momentum on overall sales performance is one of the key objectives. In addition, the Group will collaborate effectively with Shanghai Pharmaceuticals Group, the second largest shareholder of the Group, to optimise its product mix. Tianda Pharmaceuticals (China) will establish healthcare product business unit to further develop and market **Herb Valley** healthcare products and **Super Manuka Honey**. Also, Qi-Shangzhen oral solution of new notoginseng (sanqi) series was successfully launched in the market with promising outlook. The Group believes it will be a new growth driver. Furthermore, construction and development of new R&D and production base of Tianda Pharmaceuticals (Zhuhai) has been undergone and target completion will be by end of 2019. The Group believes that product portfolio will be further diversified which will lay a solid foundation for core competitiveness and sustainability in the industry.

After comprehensive research and analysis, the Group is determined to tap into Traditional Chinese Medicine (TCM) sector. An integrated supply chain of TCM will be developed through merger and acquisitions as well as investment and establishment. To begin with Chinese herbs planting, manufacturing of TCM decoction pieces, granules and formulae as its business foundation, then set up Tianda Mall, featured TCM medical centre to provide TCM healthcare solutions, and followed with TCM intelligence platform to offer online medical services from an intelligentised TCM pharmacy. Meanwhile, the Group is dedicated to invest in R&D and novelty generic drugs, as well as seize investment opportunities in developing medical services in a timely manner. Its goal is to evolve into an integrated medic-pharmaceuticals enterprise.

Looking forward, Tianda Pharmaceuticals will progressively exert its best efforts to build a better future and forge ahead like an energetic young rooster in the Year of Rooster.

Last but not least, I would like to express my sincere gratitude to our clients, staff, business partners and shareholders for their unremitting confidence in and support for the Group. I would also like to thank the Board of Directors for their efforts and contributions to the Group's expeditious business growth.

Fang Wen Quan
Chairman

Hong Kong, 30 June 2017

2017年，本集團營銷團隊將繼續鞏固現有產品的銷售，加快與第二大股東上海醫藥集團的合作，豐富本集團的產品組合。天大藥業(中國)將設立健康產品部，重點發展“和谷”系列保健品及麥盧卡蜂蜜等健康食品。本集團新上市的三七系列保健品“七上珍口服液”，已表現出較好的市場前景，本集團有信心將其打造成為新的亮點。此外，本集團正推進珠海研發和製藥基地建設項目，確保在2019年底完成，並在現有產品種類基礎上擴展與延伸，形成更具市場競爭力的系列產品組合，促進本集團的進一步發展。

本集團經過充份研究論證，決定發展中醫藥產業。通過收購兼併和投資設立等多種手段，打造中醫藥全產業鏈，一)拓展道地中藥材種植、中藥飲片、配方顆粒、中藥方劑等業務；二)創立天大館-特色國醫館，提供中醫藥健康服務；及三)建設中醫藥智能平台，提供以智慧中藥房為中心的中醫藥在線服務。與此同時，本集團將著力投資研發或引進創新藥物，並擇機投資發展醫療服務，努力從一家傳統的製藥企業發展成為綜合性醫藥企業。

2017年是丁酉雞年。希望天大藥業這隻年輕雄雞，更加努力有為，奮發前進，百尺竿頭，取得更好的成績！

最後，本人謹此感謝客戶、員工、業務夥伴及股東多年來的支持、貢獻及信任；感謝董事會成員為本集團發展所做的努力和付出。

方文權
董事長

香港，2017年6月30日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW

During the financial year ended 31 March 2017 (the Current Financial Year/FYE2017), the Group recorded a consolidated revenue of HK\$195,500,000 from its core business, representing a year-on-year increase of 1.4% as compared with HK\$192,800,000 for the financial year ended 31 March 2016 (the FYE2016). Gross profit increased by 8.4% from HK\$110,700,000 for FYE2016 to HK\$120,000,000. Gross profit margin increased substantially from 57.4% for FYE2016 by 4.0 percent points to 61.4%.

Sales revenue of Meng Sheng Pharmaceutical increased by 18.7% from HK\$65,500,000 for FYE2016 to HK\$77,800,000 for the Current Financial Year. If the impact of Renminbi (RMB) depreciation was excluded, the sales revenue should have been increased by 26.3%. Sales revenue from its flagship product, namely Cerebroprotein Hydrolysate Injection, increased from HK\$57,600,000 for FYE2016 to HK\$67,400,000 for the Current Financial Year. Gross profit margin of Meng Sheng Pharmaceutical rose from 65.9% for FYE2016 to 72.5% for the Current Financial Year.

Sales revenue of Tianda Pharmaceuticals (Zhuhai) decreased by 6.7% from HK\$123,900,000 for FYE2016 to HK\$115,600,000 for FYE2017. During the Current Financial Year, RMB depreciated against Hong Kong dollar by more than 6%. As a result, the sales amount would be directly affected by RMB depreciation when it was translated into Hong Kong dollar, the presentation currency of the Company. If the impact of RMB depreciation was excluded, it should have been decreased by 0.8% only. Given the implementation of effective cost control measures, the gross profit margin of Tianda Pharmaceuticals (Zhuhai) increased from 65.5% for FYE2016 to 66.7% for the Current Financial Year.

財務回顧

於截至2017年3月31日止財政年度(本財政年度/2017財政年度)，本集團錄得綜合主營業務收入195,500,000港元，較截至2016年3月31日止財政年度(2016財政年度)192,800,000港元按年上升1.4%，毛利由2016財政年度的110,700,000港元上升8.4%至120,000,000港元。毛利率得以大幅提升4.0百分點，由2016財政年度的57.4%提升至61.4%。

盟生藥業銷售收入由2016財政年度的65,500,000港元上升至本財政年度的77,800,000港元，升幅為18.7%，若撇除人民幣貶值因素，銷售金額上升26.3%。旗艦產品注射用腦蛋白水解物的銷售收入由2016財政年度的57,600,000港元上升至本財政年度的67,400,000港元，盟生藥業的毛利率由2016財政年度的65.9%升至本財政年度的72.5%。

天大藥業(珠海)銷售收入由2016財政年度的123,900,000港元減少至2017財政年度115,600,000港元，跌幅為6.7%，在本財政年度人民幣兌港幣期內貶值超過6%，當銷售換算為本公司呈列貨幣港幣時，金額會受人民幣貶值直接影響。撇除人民幣貶值因素，跌幅為0.8%。由於推行有效的成本控制措施，天大藥業(珠海)的毛利率由2016財政年度的65.5%提高至本財政年度的66.7%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The Group conducted its business development in a prudent way due to the intense competition in the market of healthcare products which resulted in a decrease in sales revenue of healthcare products under the **Herb Valley** brand series from HK\$3,200,000 for FYE2016 to HK\$2,100,000 for FYE2017. As the performance of healthcare product business was lower than expectation, the Group had to recognise an impairment loss for goodwill and intangible assets amounted to HK\$2,100,000 and HK\$4,300,000 respectively for healthcare product business, net of the reversal of those deferred tax liabilities related to those intangible assets of HK\$1,300,000, resulting in a net loss of HK\$5,100,000 which was charged to profit or loss. The impairment loss and deferred taxation are an accounting related adjustments and non-cash in nature, thus having no material and adverse impact on the financial position and operation of the Group.

As the Group strived for cost saving by means of efficiency and effectiveness enhancement, selling and distribution expenses decreased by 3.4% from HK\$51,100,000 for FYE2016 to HK\$49,400,000 for the Current Financial Year; while administrative expenses were maintained at a level similar to that of FYE2016.

The Group invested in ASLAN Pharmaceuticals Limited (ASLAN), a Singapore company engaged in new drug R&D, towards the end of 2015. ASLAN is principally engaged in the development of a portfolio of immunotherapies and targeted anti-tumour drugs focusing on Asia prevalent tumour types. During the Current Financial Year, a fair value gain of approximately HK\$6,200,000 was recorded when the redeemable convertible preference shares in ASLAN were converted into ordinary shares.

As a whole, the profit attributable to shareholders of the Company significantly increased by 89% to HK\$12,400,000 for the Current Financial Year, equivalent to basic earnings per share of HK0.58 cent, as compared to profit attributable to shareholders of the Company of HK\$6,600,000 for FYE2016, equivalent to earnings per share of HK0.32 cent. The Group maintained a stable and strong financial position accordingly. As at 31 March 2017, the Group's bank deposits, bank balances and cash amounted to HK\$399,300,000, without record of external borrowings. Current ratio and quick ratio improved from 6.39 and 5.84 as at 31 March 2016 to 7.53 and 6.97 as at 31 March 2017 respectively.

由於保健產品市場競爭激烈，本集團以謹慎態度對待業務發展，令“和谷”品牌系列保健產品銷售收入由2016財政年度的3,200,000港元減少至2017財政年度2,100,000港元。由於保健產品業務表現較預期落後，本集團需要為保健產品業務相關的商譽及無形資產確認減值虧損分別為2,100,000港元及4,300,000港元，扣除撥回與該等無形資產相關的遞延稅項負債1,300,000港元後所錄得的淨虧損5,100,000港元於損益內扣除。減值虧損及遞延稅項乃會計相關調整及為非現金性質，因此不會導致本集團的財務及經營狀況有任何重大不利變動。

本集團努力提升效率效益，盡量控制成本，銷售及分銷開支由2016財政年度的51,100,000港元減少至本財政年度的49,400,000港元，減少3.4%；而行政費用則與2016財政年度維持相若水平。

本集團於2015年底投資一家新加坡新藥研發公司 ASLAN Pharmaceuticals Limited (亞獅康)，亞獅康專注於亞洲高發性癌症，研發免疫療法與標靶抗癌藥物。於本財政年度，從亞獅康的可贖回可換股優先股轉換為普通股時，錄得約6,200,000港元公允價值收益。

總體來說，本財政年度本公司股東應佔溢利為12,400,000港元，相當於每股基本盈利0.58港仙，較2016財政年度錄得本公司股東應佔溢利為6,600,000港元(相當於每股盈利0.32港仙)，顯著增長89%。而本集團財務狀況維持穩健。於2017年3月31日，本集團持有銀行存款、銀行結餘及現金399,300,000港元，且無對外借貸。流動比率及速動比率由2016年3月31日的6.39及5.84分別改善至2017年3月31日的7.53及6.97。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

Under the annual corporate direction, “Efficiency and Effectiveness”, the Group has continued to strengthen its core competitiveness in accordance to the principle of innovation and professionalism. Aligning with the favourable Chinese medicine policies and strategies of the PRC government, the Group is investing in the Traditional Chinese Medicine (TCM) business to bring its breadth of products and services to a new height.

- 9 drugs of the Group including Valsartan Capsules and Ibuprofen Suspension were listed in the “2017 Medicine List for National Basic Medical Insurance” of China.
- Primary products of Meng Sheng Pharmaceutical are Cerebroprotein Hydrolysate Injection, Vinpocetine Injection and Aceglutamide Injection. The production process of Cerebroprotein Hydrolysate Injection was patented by the State Intellectual Property Office in China and obtained the official certification with new national standard issued in 2015, thereby reaching international standard of its product category. Its standard of excellence and market share were well ahead industry players in China. For international presence, it has been focusing on market development in India and other international territories as well as actively proceeding license registrations in the Middle and the Southeast Asia.
- Healthcare product, Qi-Shangzhen oral solution was successfully launched in the market by utilising its local resources, extract of notoginseng (sanqi) in Yunnan. The Group believes it will be a new growth driver.
- A clinical test approval for Type Six glucose-lowering Acarbose of Tianda Pharmaceuticals (Zhuhai), was granted by the China Food and Drug Administration. The Group is preparing a full laboratory assessment for the preclinical approval and a clinical trial for diabetic drugs will be commenced within the stated period.
- Valsatan Capsules, a hyper tension drug, has been classified as chemical generic medicine in the “National Essential Medicine List” of China. The Group is undergoing a clinical trial for quality and overall efficacy of generic medicine in reference to the requirement of the China Food and Drug Administration.

業務回顧

本集團在“效率效益”年度管理主題的引領下，繼續圍繞創新、專業化，因應國家鼓勵發展中醫藥政策，投資中醫藥產業，努力提供更多優質的產品與服務。

- 本集團被列入2017年版國家醫保目錄的藥品為巔沙坦膠囊、布洛芬混懸液等9種。
- 盟生藥業主要產品為注射用腦蛋白水解物、注射用長春西汀及注射用乙酰谷酰胺等。注射用腦蛋白水解物的生產工藝獲中國知識產權局的專利保護及獲新國標2015轉正標準，達到同類產品國際水平；國內市場佔有率領先於中國同類產品，加大印度等國際市場開發，積極推進中亞及東南亞國家的註冊工作，實現銷量穩步增長。
- 以雲南道地藥材三七的提取物為主要原料的保健品“七上珍口服液”順利投放市場，將成為一個新的利潤增長點。
- 天大藥業(珠海)的六類降糖藥阿卡波糖片獲得中國國家食品藥品監督管理總局頒發的藥物臨床試驗批件，本集團正按照要求為藥物臨床前的各項工作做充分的實驗室評價準備，確保在臨床試驗批件期限內開展臨床試驗。
- 降血壓藥巔沙坦膠囊為中國《國家基本藥物目錄》的化藥仿製藥，本集團正按中國國家食品藥品監督管理總局要求開展仿製藥品質和療效一致性評價臨床有效性試驗工作。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

- To expand its penetration in OTC channels and overall sales performance, the Group has been targetting on OTC markets with solid brand attachment to Tuoen (Ibuprofen series) and Tuoping (Valsartan series).
- Paediatric drugs were listed in the Women and Children's Specialty Catalogue and the Dosage Guide for Toddlers of China which are connected to the direct online sourcing and pricing network. Captialising on the opportunity, the Group restructured its sales strategy for market expansion.
- Tianda Pharmaceuticals (Zhuhai) established a quality testing system in reference to the standard stipulated in the Chinese Pharmacopoeia, the British Pharmacopoeia and the US Pharmacopoeia. Also, it was granted the GMP certification of the Australian Therapeutic Goods Administration (the TGA) and the new edition of the GMP certification in China.
- Construction and development of Tianda Pharmaceuticals (Zhuhai)'s new R&D and production base has been underway.
- Solid emphasis has been assigned on investment and development through identifying and conducting research and analysis on potential targets.
- The Group has been collaborating closely with Shanghai Pharmaceuticals Holding Company Limited, the second largest shareholder of the Group, to enrich its product mix.
- ASLAN was listed on the Taiwan OTC Exchange in early June 2017. The over-the-counter listing raised NTD 1billion (equivalent to US\$33 million or HK\$260 million). It is expected that the listing will unleash the true value of the investment in ASLAN and will enhance the asset value of the Group.
- 努力發展具有一定品牌基礎的OTC市場，重點打造托恩(布洛芬系列)、托平(纈沙坦膠囊)兩大品牌，擴大第三終端覆蓋率，使本集團整體銷量呈現穩步增長。
- 抓住兒科系列產品在全國進入婦兒專科目錄及幼兒指導用量小目錄，並納入直接掛網的契機，調整銷售策略，加大市場開發。
- 天大藥業(珠海)建立了以中國藥典、英國藥典和美國藥典為標準的品質檢測體系，並已通過澳大利亞藥品管理局(TGA)GMP認證以及中國新版GMP認證。
- 推動天大藥業(珠海)研發和製藥基地建設。
- 加大投資發展力度，努力發掘及深入分析有潛質的併購目標，積極探討、推進投資新設項目。
- 與本集團第二大股東上海醫藥集團探討合作，以其豐富公司產品線。
- 亞獅康(ASLAN)已在6月初在臺灣上市，是次上櫃募資約10億新臺幣(相當於約3,300萬美元或2.6億港元)。預期上市會釋放對亞獅康投資的真正價值，為本集團帶來資產增值。

OUTLOOK

The Group will further enhance the overall sales performance through new business strategies. Healthcare product business unit will be established to develop healthcare product market, whereas the Traditional Chinese Medicine (TCM) business will be nurtured as new growth driver for scale benefits. The Group will actively invest in new medicine research and development and introduce novelty generic drugs through different channels and exercises to raise its competitiveness. It will continue to seize investment opportunities to enter into the medical services market in China and ultimately transform to an integrated medic-pharmaceuticals enterprise.

展望

本集團將進一步加強藥品市場銷售的同時，成立健康產品事業部，全力開發健康產品市場，促進銷售長足發展；穩健發展中醫藥產業，打造新的增長點，形成規模效益；切實投入創新藥物研發，多管道合作引進創新藥物，不斷提升市場競爭力；把握中國醫療服務市場良機並擇機進入，努力發展成為綜合性的醫藥企業。

Paediatric Drugs 兒科用藥



Cardio-cerebrovascular Drugs 心腦血管用藥



Anti-infection Drugs 抗感染用藥



Anti-flu and Respiratory System Drugs 感冒及呼吸系統用藥



Chinese Medicine Products 中藥產品



Healthcare Products 保健產品



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity remained healthy. As at 31 March 2017, the Group had cash and bank balances of approximately HK\$399,300,000 (31 March 2016: HK\$394,300,000), of which approximately 27.3% and 72.5% were denominated in Hong Kong dollars and Renminbi respectively with remaining in Australian dollars, Euros and United States dollars. The Group has no external borrowing as at 31 March 2017. Therefore, the Group has sufficient financial resources to meet its obligation and daily operational needs.

EXCHANGE RATE EXPOSURE

The Group's assets, liabilities and transactions are substantially dominated in Hong Kong dollars, Renminbi, Australian dollars, and United States dollars.

The Group has sales and investments in foreign operations which use currencies other than its functional currency Renminbi. As such, the Group had some exposure to foreign currency risk. The management from time to time determines suitable measures, such as entering into forward currency contracts, to lessen exposure to exchange rate fluctuation in material transactions denominated in currencies other than Renminbi. The Group did not enter into any forward currency contracts to hedge its foreign currency risk as at 31 March 2017 and 31 March 2016.

CHARGES ON ASSETS

As at 31 March 2017 and 31 March 2016, the Company had pledged certain bank deposits in favour of a bank to secure bank facilities granted to the Company. The bank facilities were undrawn during the year ended 31 March 2017 and 31 March 2016.

EMPLOYEES

The Group employed approximately 410 employees in Hong Kong, China and Australia as at 31 March 2017. The Group remunerates its employees based on market terms and the qualifications and experiences of the employees concerned.

流動資金及財務資源

本集團之流動資金維持穩健。於2017年3月31日，本集團有現金及銀行結餘約399,300,000港元（2016年3月31日：394,300,000港元），其中約27.3%及72.5%分別以港元及人民幣計值，餘額則以澳元、歐元及美元計值。於2017年3月31日，本集團概無外部借貸。因此，本集團具備充足財務資源以應付其責任及日常營運需要。

外匯風險

本集團之資產、負債及交易大部分以港元、人民幣、澳元及美元計值。

本集團設有海外銷售及投資業務，乃以其功能貨幣人民幣以外之貨幣計算。因此，本集團面對若干外匯風險。管理層不時釐定適當措施，例如訂立外幣遠期合約，以減低以人民幣以外貨幣計值之重大交易所面對之匯率波動風險。於2017年3月31日及2016年3月31日，本集團概無訂立任何外幣遠期合約。

資產抵押

於2017年3月31日及2016年3月31日，本公司已質押若干銀行存款，作為本公司所獲授銀行融資之抵押。有關銀行融資於截至2017年3月31日及2016年3月31日止年度內尚未提取。

僱員

於2017年3月31日，本集團於香港、中國及澳大利亞聘有約410名僱員。本集團根據市場條款以及有關僱員之資歷及經驗釐定僱員酬金。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is firmly committed to maintaining statutory and regulatory standards and adhering to the principles of corporate governance, emphasizing transparency and accountability to the shareholders.

The Company has complied with the code provisions of the Corporate Governance Code (the CG Code) in Appendix 14 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the Listing Rules) during the FYE2017 except as mentioned below.

Pursuant to code provision of A.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separate.

On 1 February 2017, Mr. Shi Shaobin ceased to act as the Managing Director. On the same date, Mr. Fang Wen Quan, the Chairman, was appointed as the Managing Director. The Board is of the view that Mr. Fang Wen Quan acting as both the Chairman of the Board and the Managing Director is acceptable and in the best interest of the Group because of the business operation and the size of the Group. The Board will review this situation periodically.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the businesses, strategic development, financial performance and corporate governance of the Group. The management is delegated with the powers and authorities for overseeing the day-to-day operation of the Group.

The Board currently consists of 8 Directors, comprising 2 executive Directors, 3 non-executive Directors and 3 independent non-executive Directors (INEDs) namely:

Executive Directors:

Mr. Fang Wen Quan
(Chairman and appointed as Managing Director
on 1 February 2017)
Mr. Lui Man Sang

Non-executive Directors:

Mr. Shen Bo
Mr. Feng Quanming
Mr. Shi Shaobin
(Acted as Managing Director until 31 January 2017;
and re-designated from executive Director to
non-executive Director since 1 February 2017)

本公司堅決致力維持法定及監管標準，並緊守企業管治之原則，強調透明度及向股東問責。

於2017財政年度，本公司已遵守在香港聯交所證券上市規則(上市規則)附錄十四所載企業管治守則之守則條文，惟下文所述之情況除外。

根據企業管治守則之守則條文第A.2.1條，董事長與行政總裁之角色應予區分。

於2017年2月1日，施少斌先生不再擔任董事總經理一職。同日，董事長方文權先生獲委任為董事總經理。董事會認為，基於本集團之業務營運及規模，由方文權先生兼任董事長及董事總經理屬可接受情況，且符合本集團最佳利益，董事會將定期檢討有關情況。

董事會

董事會負責領導及控制本公司，並監察本集團之業務、策略發展、財務表現及企業管治。管理層則獲授予權力與授權以監察本集團之日常運作。

董事會現由八名董事組成，包括兩名執行董事、三名非執行董事及三名獨立非執行董事，即：

執行董事：

方文權先生
(董事長，於2017年2月1日獲委任為董事
總經理)
呂文生先生

非執行董事：

沈波先生
馮全明先生
施少斌先生
(擔任董事總經理直至2017年1月31日；
並由2017年2月1日起由執行董事轉任
非執行董事)

CORPORATE GOVERNANCE REPORT

企業管治報告

INEDs:

Mr. Lam Yat Fai
Mr. Chiu Sung Hong
Mr. Chiu Fan Wa

During the FYE2017, Mr. Shi Shaobin was re-designated from executive Director to non-executive Director with effect from 1 February 2017 in order to devote more time on his personal matters.

The Board believes that the balance between executive Directors and non-executive Directors is reasonable and adequate to provide sufficient balances that protect the interest of the shareholders and the Group.

INEDs are appointed for a term of 2 years and are subject to retirement in accordance with the Company's articles of association.

More than one of the INEDs has appropriate professional qualification in accounting or related financial management expertise. Save as disclosed in the biographical details of each Director, there is no other relationship (including financial, business, family, or other material/relevant relationship) among members of the Board.

The articles of association of the Company provide that one-third of all the directors shall retire from office by rotation at each annual general meeting (AGM), and the INEDs are subject to this provision. The Company has received annual confirmation of independence from the three INEDs in accordance with Rule 3.13 of the Listing Rules.

The Board has established a formal schedule of matters specifically reserves to the Board for its decision. The Board reviews this schedule on a periodic basis to ensure that it remains appropriate to the needs of the Board.

The Board has established procedures to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances to enable them to discharge their duties at the Company's expenses. The articles of association of the Company contain description of responsibility and operation procedures of the Board. The Board meets regularly to review the financial and operating performance of the Group.

獨立非執行董事：

林日輝先生
趙崇康先生
趙帆華先生

於2017財政年度，施少斌先生由執行董事轉任非執行董事，自2017年2月1日起生效，以投入更多時間處理個人事務。

董事會認為，執行董事及非執行董事之間之平衡為合理，且足以提供充分平衡，以保障股東及本集團之利益。

獨立非執行董事之任期為2年，並須根據本公司之章程細則告退。

超過一名獨立非執行董事擁有適當之會計專業資格或相關財務管理專長。除於各董事簡歷內所披露者外，各董事會成員之間並無財務、業務、家屬或其它重大／相關關係。

本公司之章程細則規定於每次股東週年大會上所有董事之三分一須輪值告退，獨立非執行董事均受此條文規限。本公司已收到三名獨立非執行董事根據上市規則第3.13條所規定之有關獨立性之年度確認。

董事會已建立正式之預定計劃表，列載特別要董事會作決定之事項。董事會定期檢討該表以確保其仍適當滿足董事會之要求。

董事會已建立一套程序，讓董事按合理要求，可在適當之情況下尋求獨立專業意見以使彼等能履行其責任，費用由本公司支付。本公司之章程細則包含董事會責任及運作程序之描述。董事會定期召開會議以審閱本集團之財務及經營表現。

CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties including the following matters attended by the Board during the FYE2017:

- develop and review the Company's policies and practices on corporate governance and make recommendations and adopt the revised CG Code and revised terms of reference of the Audit Committee;
- review and monitor the training and continuous professional development of directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report under Appendix 14 to the Listing Rules.

Directors' training and professional development

Directors of the Company are continually updated with legal and regulatory developments, and the business environment to facilitate the discharge of their responsibilities.

All Directors are also provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Newly appointed Directors are provided with the necessary induction and information to ensure that they have a proper understanding of the Company's operations and businesses as well as their responsibilities under the relevant statutes, laws, rules and regulations.

企業管治職能

董事會負責履行企業管治職責，包括於2017財政年度所處理之下列事宜：

- 制定及檢討本公司之企業管治政策及常規，並作出推薦意見，以及採納經修訂企業管治守則及經修訂審核委員會之職權範圍；
- 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- 制定、檢討及監察適用於僱員及董事之操守準則及合規手冊(如有)；及
- 檢討本公司遵守企業管治守則之情況及根據上市規則附錄十四在企業管治報告內之披露。

董事培訓及專業發展

本公司董事持續獲提供有關法律及監管發展以及業務環境之最新資料，以協助彼等履行職責。

所有董事每月獲提供有關本公司表現、狀況及前景之最新資料，以便董事會整體及各董事履行其職責。

本公司鼓勵所有董事參與持續專業發展，以發展並更新彼等之知識及技能。新委任董事獲提供必需之指引及資料，以確保彼等充分了解本公司之營運及業務，以及彼等根據相關法令、法例、規則及法規之責任。

CORPORATE GOVERNANCE REPORT

企業管治報告

Based on the training records provided to the Company by the Directors, all the Directors have participated in the trainings by reading newspapers, journals and updates and/or attending seminars relating to corporate governance, regulatory updates, economy, general business or director's duties and responsibilities, etc. during the FYE2017.

Directors' meeting

During the FYE2017, the Board held 4 full board meetings. The attendances of the Directors at the meetings are as follows:

Directors	董事	Number of Meetings Attended/ Held 出席／舉行會議次數
Executive Directors:	執行董事：	
Mr. Fang Wen Quan (Chairman and Managing Director)	方文權先生 (董事長兼董事總經理)	4/4
Mr. Lui Man Sang	呂文生先生	4/4
Non-executive Directors:	非執行董事：	
Mr. Shen Bo	沈波先生	4/4
Mr. Feng Quanming	馮全明先生	2/4
Mr. Shi Shaobin	施少斌先生	4/4
INEDs:	獨立非執行董事：	
Mr. Lam Yat Fai	林日輝先生	4/4
Mr. Chiu Sung Hong	趙崇康先生	3/4
Mr. Chiu Fan Wa	趙帆華先生	3/4

The Board has also established the audit committee, nomination committee, remuneration committee and risk management committee which comprises a majority of INEDs. Each of these committees has its own terms of reference to set out its specific duties and authorities and reports to the Board. For the terms of reference of each committee, please visit the website of our Company www.tiandapharma.com.

根據各董事向本公司提供之培訓記錄，全體董事於2017財政年度內透過閱覽報章、期刊及最新資訊及／或出席講座參與培訓，內容有關企業管治、最新監管規例、經濟、一般商業或董事職責等。

董事會會議

於2017財政年度內，董事會舉行四次董事會會議。董事出席會議之情況如下：

董事會亦成立了審核委員會、提名委員會、薪酬委員會及風險管理委員會，成員包括大部分獨立非執行董事。該等委員會各自訂有本身之職權範圍，當中載列其指定職責及授權以及須向董事會匯報。有關各委員會之職權範圍，請參閱本公司網站www.tiandapharma.com。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The remuneration committee of the Company was established with specific written terms of reference. It comprises three INEDs of the Company, Mr. Chiu Sung Hong, Mr. Lam Yat Fai and Mr. Chiu Fan Wa and one executive Director of the Company, Mr. Fang Wen Quan. Mr. Chiu Sung Hong is the Chairman of the remuneration committee during the year.

The remuneration committee is responsible for making recommendations to the Board on, among other things, the Company's policy and structure for the remuneration to all Directors and senior management of the Company and is delegated by the Board the responsibility to determine on behalf of the Board the specific remuneration packages for all executive Directors and senior management of the Company.

The remuneration committee held 2 meetings during the FYE2017 to review and make recommendations to the Board on the remuneration packages of individual executive Directors, the non-executive Directors, the INEDs and senior management; and to review the bonus to senior management.

Details of individual attendance of its members during the FYE2017 are as follows:

Mr. Chiu Sung Hong (<i>Chairman</i>)	趙崇康先生(主席)
Mr. Fang Wen Quan	方文權先生
Mr. Lam Yat Fai	林日輝先生
Mr. Chiu Fan Wa	趙帆華先生

Particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 10(a) & 10(b) to the consolidated financial statements, respectively.

薪酬委員會

本公司之薪酬委員會已告成立，訂有具體書面職權範圍書。成員包括本公司之三名獨立非執行董事趙崇康先生、林日輝先生及趙帆華先生，以及本公司之一名執行董事方文權先生。趙崇康先生於本年度內為薪酬委員會之主席。

薪酬委員會負責(其中包括)就本公司所有董事及高級管理人員之薪酬政策及架構向董事會提出建議，並獲董事會授予職責以代表董事會釐定本公司之全體執行董事及高級管理人員之特定薪酬組合。

於2017財政年度，薪酬委員會舉行兩次會議，以審閱個別執行董事、非執行董事及獨立非執行董事以及高級管理人員之薪酬待遇並就此作出推薦意見；及檢討高級管理人員之花紅。

於2017財政年度內個別成員之出席詳情如下：

Number of Meetings	
Attended/ Held	
出席／舉行會議次數	

Mr. Chiu Sung Hong (<i>Chairman</i>)	趙崇康先生(主席)	2/2
Mr. Fang Wen Quan	方文權先生	1/2
Mr. Lam Yat Fai	林日輝先生	2/2
Mr. Chiu Fan Wa	趙帆華先生	1/2

根據上市規則附錄十六須披露之有關董事薪酬及五名最高薪酬僱員之詳情，分別載於綜合財務報表附註10(a)及10(b)。

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NOMINATION COMMITTEE

The Company has established nomination committee comprising two INEDs, Mr. Lam Yat Fai and Mr. Chiu Sung Hong and one executive Director of the Company, Mr. Fang Wen Quan (who is the chairman of the nomination committee).

The duties of the nomination committee are reviewing and supervising the structure, size and composition of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the INEDs and making recommendations to the Board on the appointment or re-appointment of Directors.

During the FYE2017, the nomination committee held 2 meetings. Details of individual attendance of its members are as follows:

		Number of Meetings Attended/ Held 出席／舉行會議次數
Mr. Fang Wen Quan (<i>Chairman</i>)	方文權先生(主席)	1/2
Mr. Lam Yat Fai	林日輝先生	2/2
Mr. Chiu Sung Hong	趙崇康先生	2/2

During the FYE2017, the nomination committee had reviewed the structure, size and composition of the Board, assessed the independence of the INEDs and made recommendation to the Board on re-designation from an executive Director to a non-executive Director, and re-election of retiring Directors.

In considering the appointment of Mr. Fang Wen Quan as the new Managing Director and re-designation of Mr. Shin Shaobin from executive Director to non-executive Director on 1 February 2017, the nomination committee assessed his incumbent on criteria such as integrity, independent mindedness, experience, skill and ability to commit time and effort to carry out their duties and responsibilities effectively, etc. and made recommendation to the Board for approval.

提名委員會

本公司已成立提名委員會，成員包括兩名獨立非執行董事林日輝先生及趙崇康先生，以及本公司之一名執行董事方文權先生(為提名委員會主席)。

提名委員會之職責為檢討及監察董事會之架構、規模及組合，物色具備合適資格可擔任董事會成員之人士，評核獨立非執行董事之獨立性，以及就董事之委任或重新委任向董事會提出建議。

於2017財政年度內，提名委員會舉行兩次會議。個別成員之出席詳情如下：

於2017財政年度內，提名委員會亦已檢討董事會架構、規模及組合，評核獨立非執行董事之獨立性，以及由執行董事轉非執行董事，及重選退任董事向董事會提出建議。

於2017年2月1日考慮委任新董事總經理方文權先生，並施少斌先生由執行董事轉任非執行董事時，提名委員會已按彼之誠信、獨立思維、經驗、技能以及就履行職務及職責付出時間及努力的能力等標準作出評估，並向董事會提呈推薦意見以供批准。

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Board Diversity Policy

The Company has a board diversity policy aiming at setting out the approach on diversity of the Board of the Company.

The Board recognises the importance of having a diverse board in enhancing the Board effectiveness and corporate governance. A diverse board will include and make good use of difference in the skills, industry knowledge and experience, education, background and other qualities, etc. of Directors and does not discriminate on the ground of race, age gender or religious belief. These differences will be taken into account in determining the optimum composition of the Board and when possible should be balanced appropriately.

The nomination committee is responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board regarding any proposed changes, identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships with regards to their qualifications, skills, experience and knowledge, assess the independence of INEDs, and make recommendations to the Board on relevant matters relating to the appointment of Directors and succession planning for Directors in particular the chairman and the chief executive officer.

The nomination committee is also responsible for reviewing and reporting to the board diversity.

Board appointments will be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

At present, the nomination committee has not set any measurable objectives to implement the board diversity policy. However, it will consider and review the board diversity policy and setting of any measurable objectives from time to time.

董事會成員多元化政策

本公司已制訂一項董事會成員多元化政策，以載列本公司多元化董事會成員之措施。

董事會知悉董事會成員多元化對提升董事會效能及企業管治之重要性。多元化之董事會具備且能善用董事各種技能、行業知識及經驗、教育、背景及其它特質等差異，同時不會因種族、年齡、性別或宗教信仰而有所歧視。在決定董事會之最佳組成時會考慮此等差異，並盡可能就有關差異取得適當平衡。

提名委員會負責審閱董事會架構、規模及組成(包括技能、知識及經驗)，並就任何擬進行之變動向董事會提出建議、物色合資格成為董事會成員之適當人選，並根據資歷、技能、經驗及知識甄選提名董事人選或就此向董事會提供建議，評估獨立非執行董事之獨立性，及就董事委任及董事續聘計劃(尤其是主席及行政總裁)之有關事宜向董事會提出建議。

提名委員會亦負責檢討董事會成員多元化，並向董事會匯報。

董事會以用人唯才之原則委任董事，並根據客觀標準，經適當考慮董事會成員多元化之裨益後，對候選人加以考慮。

目前，提名委員會在實行董事會成員多元化政策方面並無制訂任何可衡量目標。然而，提名委員會將會不時考慮及檢討董事會成員多元化政策，並制訂任何可衡量目標。

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AUDIT COMMITTEE

The audit committee comprises three INEDs of the Company, being, Mr. Lam Yat Fai, Mr. Chiu Sung Hong and Mr. Chiu Fan Wa and one non-executive Director Mr. Shen Bo. Mr. Lam Yat Fai is the chairman of the audit committee.

The role and function of the audit committee include the followings:

- review of and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- review of the annual and interim financial statements prior to their approval by the Board, and recommend application of accounting policies and changes to the financial reporting requirements; and
- review of the Company's financial controls, internal controls and risk management systems to ensure that management has discharged its duty to have an effective internal control system.

During the year, the audit committee held 2 meetings. Details of individual attendance of its members are as follows:

		Number of Meetings Attended/ Held 出席／舉行會議次數
Mr. Lam Yat Fai (<i>Chairman</i>)	林日輝先生(主席)	2/2
Mr. Chiu Sung Hong	趙崇康先生	1/2
Mr. Chiu Fan Wa	趙帆華先生	2/2
Mr. Shen Bo	沈波先生	2/2

The work performed by the audit committee during the FYE2017 includes the followings:

- review the financial statements for the year ended 31 March 2016 and for the six months ended 30 September 2016;
- consider and approve of the remuneration and terms of engagement of the external auditor; and
- review the internal control and financial reporting matters of the Company.

審核委員會

審核委員會成員包括本公司之三名獨立非執行董事，即林日輝先生、趙崇康先生、趙帆華先生及一名非執行董事沈波先生。林日輝先生為審核委員會主席。

審核委員會之職責及功能包括以下各項：

- 按適用標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；
- 於提呈董事會批准前審閱年度及中期財務報表，以及建議應用會計政策及財務匯報要求之變動；及
- 審閱本公司之財務監控、內部監控及風險管理制度，以確保管理層已履行職責建立有效之內部監控系統。

於本年度內，審核委員會舉行兩次會議。個別成員之出席詳情如下：

於2017財政年度內，審核委員會履行之工作包括以下各項：

- 審閱截至2016年3月31日止年度及截至2016年9月30日止六個月之財務報表；
- 考慮及批准外聘核數師之酬金及聘用條款；及
- 審閱本公司之內部監控及財務匯報事宜。

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RISK MANAGEMENT COMMITTEE

The Company has established risk management committee comprising two INEDs, Mr. Chiu Sung Hong (chairman of risk management committee) and Mr. Lam Yat Fai and one executive Director, Mr. Fang Wen Quan.

The role and function of the risk management committee include the followings:

- enhance and strengthen the system of risk management of the Group and provide comments and recommendations thereon to the Board;
- identify the risks of the Group and provide recommendations to the Board; and
- other matters authorised by the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the Model Code) of Listed Issuers as set out in Appendix 10 of the Listing Rules as the code of conduct regarding Directors' securities transactions. Having made specific enquiry of all the Directors of the Company, they all confirm that they have complied with the Model Code throughout the FYE2017.

AUDITOR'S REMUNERATION

The fees in relation to the audit and other services, including reviewing interim results and taxation services for the year provided by Deloitte Touche Tohmatsu, the external auditor of the Company, amounted to HK\$1,530,000 and HK\$229,900 respectively.

風險管理委員會

本公司已成立風險管理委員會，成員包括兩名獨立非執行董事趙崇康先生(其為風險管理委員會之主席)及林日輝先生，以一名執行董事方文權先生。

風險管理委員會之職責及功能包括以下各項：

- 完善及提高本集團之風險管理機制，並對風險管理狀況向董事會提出意見和建議；
- 識別本集團之風險並向董事會提供建議；及
- 其它由董事會授權之事宜。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(標準守則)，作為董事進行證券交易之操守準則。經向本公司之全體董事作出具體查詢後，彼等確認其於2017財政年度內均已遵守標準守則。

核數師酬金

本公司之外聘核數師德勤·關黃陳方會計師行於年內所提供核數服務及其它服務(包括審閱中期業績及稅務服務)之費用分別為1,530,000港元及229,900港元。

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DIRECTORS' RESPONSIBILITY FOR PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company acknowledge that it is their responsibilities for preparing the financial statements. The Directors of the Company consider that the Group's financial statements have been properly prepared in accordance with relevant regulations and applicable accounting principles. The Directors of the Company are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the auditor about its reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 53 to 59.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective risk management and internal control systems so as to ensure the shareholders' investment and the Company's assets are properly safeguarded. The systems of risk management and internal control are designed to manage the risk of failure to achieve corporate objectives and can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Company established an internal audit department during the FYE2016 to assess its risk management and internal control systems, formulating an impartial opinion on the systems, and reporting its findings to the Audit Committee, the Chairman of the Board and the senior management concerned on a regular basis as well as following up on all reports to ensure that all issues have been satisfactorily resolved.

Risk Management Framework

1. Each business unit is responsible for identifying, assessing and managing risks within its business, ensuring that appropriate internal controls for effective risk management are implemented — principal risks are identified and assessed in the yearly business planning process with action plans to manage those risks;
2. The management is responsible for overseeing the risk management and internal control activities of the Group — regular meetings with each business unit to ensure principals risk are properly managed, and new or changing risks are identified;

董事就編製綜合財務報表之責任

本公司董事認定編製財務報表為彼等之責任。本公司董事認為，本集團之財務報表已根據有關規例及適用會計原則妥為編製。本公司董事並不知悉有任何重要不明朗事件或情況可能令本公司持續經營之能力受到重大質疑。有關核數師就財務報表之報告責任之陳述載於第53至59頁之獨立核數師報告內。

風險管理及內部監控

董事會負責維持穩健及有效之風險管理及內部監控制度，以確保股東之投資及本公司資產得到妥善保障。風險管理及內部監控制度旨在管理未能達成企業目標之風險，並只可就重大錯誤陳述、損失或欺詐行為作出合理而非絕對之保證。

本公司於2016財政年度成立內部審核部門，以評估其風險管理及內部監控制度，就有關制度達致中立意見，並定期向審核委員會、董事會董事長及高級管理人員匯報結論，以及跟進所有報告，以確保有關問題已獲妥善解決。

風險管理框架

1. 各業務單位負責識別、評估及管理其業務內之風險，確保已為有效風險管理實施適當內部監控 — 於年度業務規劃過程中識別及評估主要風險，並制訂行動計劃管理該等風險；
2. 管理層負責監察本集團之風險管理及內部監控活動 — 與各業務單位進行定期會議，確保已妥善管理主要風險及已識別新發現或正在變化之風險；

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3. The Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal controls — review of the annual internal audit report and consideration of the Audit Committee's recommendation.

The risk management framework, coupled with our internal controls, ensures that the risks associated with our different business units are effectively controlled in line with the Group's risk appetite.

The risk management system of the Group is designed to facilitate effective and efficient operations, to ensure the maintenance of proper accounting records, to ensure compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The management is responsible for the design, implementation and maintenance of internal controls, while the Audit Committee and the Board review the effectiveness of the Group's systems of risk management and internal controls through the assistance of the internal audit function.

There is no material internal control deficiency that may affect the shareholders of the Company which has come to the attention of the Audit Committee or the Board. The Directors are of the opinion that the Company has complied with code provisions C.2.1 and C.2.2 on internal controls as set out in the CG Code contained in Appendix 14 to the Listing Rules.

During the FYE2017, the Board has reviewed the effectiveness of the risk management and internal control systems through the audit committee and the internal audit department of the Company. The Board has also reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

The Board formed its own view on the effectiveness of the systems based on the review of the internal audit report and the recommendation of the Audit Committee.

3. 董事會負責檢討及核准本集團風險管理及內部監控之有效及充足程度 — 審閱年度內部審核報告及考慮審核委員會之推薦意見。

風險管理框架(連同內部監控)確保不同業務單位之相關風險在本集團之風險偏向內得到有效控制。

本集團之風險管理制度設計為促進有效及高效營運、確保保存妥善會計記錄、確保遵守適用法例及法規、識別及管理潛在風險及保障本集團資產。管理層負責設計、執行及維持內部監控，而審核委員會及董事會則在內部審核職能之協助下檢討本集團的風險管理及內部監控制度之有效性。

審核委員會或董事會並不知悉本公司有任何可能影響本公司股東之重大內部監控漏洞。董事認為，本公司已遵守上市規則附錄14企業管治守則所載有關內部監控之守則條文第C.2.1及C.2.2條。

於2017財政年度，董事會亦透過審核委員會及本公司風險管理及內部審核部門審閱內部監控制度之成效。董事會亦已檢討本公司在會計及財務匯報職能方面之資源、員工資歷及經驗，以及員工所接受之培訓課程及有關預算是否足夠。

董事會根據內部審核報告之審核及審核委員會之推薦意見達致對制度有效程度之意見。

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In respect of the year ended 31 March 2017, the Board considered the risk management and internal control systems of the Group effective and adequate. No significant areas of concern that may affect the financial, operational, compliance controls, and risk management of the Group have been identified. The Board also considered the resources, qualification and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions adequate. Nevertheless, the Group would take further steps to continually improve its risk management and internal control systems.

DISSEMINATION OF INSIDE INFORMATION

The Company is committed to a consistent practice of timely, accurate and sufficiently detailed disclosure of material information about the Group. The Company has adopted a Policy on Disclosure of Inside Information which sets out the obligations, guidelines and procedures for handling and dissemination of inside information. With these guidelines and procedures, the Group has management controls in place to ensure that potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide about the need for disclosure.

COMPANY SECRETARY

The Company has engaged and appointed Mr. Lo Tai On, a representative from an external secretarial services provider, as the company secretary of the Company. The primary contact person with the company secretary of the Company is Mr. Ho Wai Chi, Deputy Financial Controller. Mr. Lo has confirmed that he has taken no less than 15 hours of relevant training.

CONSTITUTIONAL DOCUMENTS

During the FYE2017, there was no change in the Company's constitutional documents.

SHAREHOLDER COMMUNICATION

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner.

就截至2017年3月31日止年度而言，本集團認為本集團之風險管理及內部監控制度有效及充足。概無所關注之重大範疇識別到可能影響本集團之財務、經營、合規監控及風險管理之問題。董事會亦認為在本集團在會計、內部審核及財務報告職能方面之資源、資歷及經驗、培訓計劃及預算充足。此外本集團將採取進一步行動持續改善風險管理及內部監控制度。

發佈內幕消息

本公司致力貫徹執行及時、準確及充足地詳細披露本集團之重大消息。本公司已採納內幕消息披露政策，當中載有處理及發佈內幕消息之責任、指引及程序。在該等指引及程序之基礎下，本集團已設有管理監控，確保可即時識別、評估及提交潛在內幕消息以供董事會決定是否需要作出披露。

公司秘書

本公司已委聘羅泰安先生(一名外聘秘書服務供應商之代表)為本公司之公司秘書。與本公司公司秘書之主要聯絡者為副財務總監何偉智先生。羅先生確認，彼已接受不少於十五小時之相關培訓。

憲章文件

於2017財政年度，本公司之憲章文件並無任何變動。

股東通訊

股東通訊之目的為向本公司股東提供有關本公司之詳細資料，以使彼等在知情情況下行使作為股東之權利。

CORPORATE GOVERNANCE REPORT

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The Company employs a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include general meetings, interim and annual reports, announcements and circulars. Procedure for voting by poll had been read out at the general meetings. All votes of the shareholders were taken by poll. The Company announced results of the poll in the manner prescribed under the Listing Rules.

The AGM of the Company was held on 18 August 2016. A notice convening the AGM contained in the circular dated 20 July 2016 was dispatched to the shareholders together with the 2016 annual report. A separate resolution was proposed by the chairman of the meeting in respect of each separate issue, including re-election of Directors. Mr. Fang Wen Quan, the Chairman and the executive Directors Mr. Shi Shaobin and Mr. Lui Man Sang, Mr. Shen Bo, non-executive Director, and three INEDs, namely Mr. Lam Yat Fai, Mr. Chiu Sung Hong and Mr. Chiu Fan Wa attended the AGM to answer questions raised from shareholders. Mr. Feng Quanming, a non-executive Director of the Company, was unable to attend the 2016 AGM due to his other business commitment. No other general meeting was held during the year.

INVESTOR RELATIONS

The Group fully recognises the importance of employing a professional, truthful and proactive attitude in promoting investor relations. This underscores the Group's persistence in maintaining optimum allround communications with investors, allowing it to collect information and valuable feedbacks from investors and announce its business strategy and direction in due course. These efforts are critical for the Group to improve its corporate governance and strengthen investor confidence.

Ensuring high corporate transparency is a key emphasis in the Group's investor relations activities. During the FYE2017, the Group promoted investor relations through different channels. Regular meetings were held between the management and investors. Latest information regarding the Group and its business is proactively disclosed to investors so that the best investment decisions can be made. Whenever announcements on annual results, interim results and material transactions are made, the Group will capitalise such opportunities to enhance communications with investors, explaining to them the Group's latest operational situations and direction of development.

本公司運用一系列通訊工具以確保股東獲知重要業務動向，其中包括股東大會、中期及年度報告、公告及通函。投票表決程序已於股東大會上宣讀。股東之所有表決已按投票表決方式進行。本公司已按上市規則規定之方式公佈投票表決結果。

本公司於2016年8月18日舉行股東週年大會，召開股東週年大會之通告(載於日期為2016年7月20日之通函內)已連同2016年年報寄發予股東。大會主席就每個單獨議題(包括重選董事)提呈個別之決議案。董事長方文權先生、執行董事施少斌先生及呂文生先生、非執行董事沈波先生及三名獨立非執行董事林日輝先生、趙崇康先生及趙帆華先生均有出席股東週年大會，解答股東提問。本公司之非執行董事馮全明先生因其它事務而未能出席2016年股東週年大會。於年內並無舉行其它股東大會。

投資者關係

本集團深明以專業、坦誠並適時主動之態度，乃推動投資者關係之重要因素。因此，本集團致力與投資者保持充分及良好之溝通，以便收集更多訊息及寶貴意見，並在適當時候公佈集團之業務策略及發展方向，期望在企業管治上力臻完善，增強投資者信心。

在投資者關係活動中，確保企業高透明度乃本集團相當重視之一環。於2017財政年度，本集團透過不同渠道推動投資者關係。管理層定期與投資者會面，積極向投資者披露有關本集團最新資訊及業務消息，讓投資者作出最佳投資決定。每當作出全年業績、中期業績及重大交易公告時，本集團均會抓緊良機，加強與投資者之溝通，解釋本集團最新業務情況及發展方向。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company also maintains a website at www.tiandapharma.com, where updates on the Company's business developments and operations, financial information and news can always be found.

Shareholders and investors may at any time send their enquiries and concerns to the Board in writing through Investor Relations & Corporate Communications Department whose contact details are as follows:

Address: Suites 2405–2410, 24th Floor, CITIC Tower,
No. 1 Tim Mei Avenue, Central, Hong Kong
Fax: (852) 2541 6558
Email: investor_relations@tianda.com

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The AGM of the Company shall be held in each year at such place as may be determined by the Board. All general meetings other than AGM shall be called an extraordinary general meeting (the EGM). Set out below are procedures by which shareholders may (1) convene the EGM; (2) put forward enquires to the Board; and (3) put forward proposals at general meetings. The procedures are subject to the Company's articles of association and applicable legislation and regulations.

(1) Procedures for shareholders to convene the EGM

Any 2 or more shareholders holding at the date of the deposit of the requisition in aggregate not less than 25 per cent of such of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company.

Such requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Company's principal office in Hong Kong at Suites 2405–2410, 24th Floor, CITIC Tower, No. 1 Tim Mei Avenue, Central, Hong Kong.

本公司亦設有網站，網址為 www.tiandapharma.com，網站上會不斷更新本公司之業務發展及營運、財務資料及新聞。

股東和投資者可隨時以書面形式將其查詢及關注透過投資者關係及企業傳訊部遞交董事會。聯絡詳情如下：

地址：香港中環添美道一號
中信大廈24樓2405–2410室
傳真：(852) 2541 6558
電郵：investor_relations@tianda.com

股東權利

本公司股東大會提供股東與董事會溝通之機會。本公司股東週年大會應每年舉行，開會地點由董事會決定。股東週年大會以外之所有股東大會均稱為股東特別大會。下文載列股東(1)召開股東特別大會；(2)向董事會提出查詢；及(3)在股東大會上提呈議案之程序。該等程序須受本公司章程細則及適用法例法規之規限。

(1) 股東召開股東特別大會之程序

股東特別大會亦可應任何2名或以上股東之書面要求召開，惟該等股東於送交要求之日須合共持有不少於本公司於送交要求之日附帶本公司股東大會投票權之25%繳足股本。

有關請求必須列明會議之目標以及須經由請求人簽署，並送交本公司於香港之主要辦事處，地址為香港中環添美道一號中信大廈24樓2405–2410室。

CORPORATE GOVERNANCE REPORT

企業管治報告

If the Directors do not within 21 days from the date of the deposit of such requisition proceed duly to convene the EGM, the requisitionists themselves may convene the EGM in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene such a meeting shall be reimbursed to them by the Company.

The notice period to be given to all the registered shareholders for consideration of the proposal raised by the requisitionist(s) concerned at the EGM varies according to the nature of the proposal as set out in the Company's articles of association and the CG Code.

(2) Procedures to put forward enquiries to the Board

Shareholders may, at any time, direct enquire to the Board. All enquiries shall be in writing with the detail contact information of the requisitionists through the Company's principal place of business of Hong Kong at Suites 2405–2410, 24th Floor, CITIC Tower, No. 1 Tim Mei Avenue, Central, Hong Kong or email to direct_enquiries@tianda.com for the attention of the Board.

(3) Procedures to put forward proposals at general meetings

There are no provisions in the Company's articles of association or the Cayman Islands Companies Law for shareholders to put forward new resolution at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene the EGM for any business specified in such written requisition.

The procedures for shareholder of the Company to propose a person for election as director is posted on the Company website at www.tiandapharma.com.

倘董事並未於送交要求之日起計21日內正式召開股東特別大會，則請求人本人可儘可能按接近董事召開大會之相同方式召開股東特別大會，而所有因董事未有召開有關大會致使請求人產生之合理開支，須由本公司向彼等償付。

股東特別大會供全體登記股東考慮有關請求人所提出議案之通知期因議案性質而異，詳情載於本公司章程細則及企業管治守則。

(2) 向董事會提出查詢之程序

股東可隨時向董事會直接提出查詢。所有查詢須以書面作出，並連同請求人之詳細聯絡資料，一併郵寄往本公司之香港主要營業地點，地址為香港中環添美道一號中信大廈24樓 2405–2410室，或以電郵發送至 direct_enquiries@tianda.com，註明收件人為董事會。

(3) 在股東大會上提呈議案之程序

本公司章程細則或開曼群島公司法中並無有關股東在股東大會提呈新決議案之規定，惟提名他人參選董事者除外。股東可遵循以上所載之程序召開股東特別大會，以處理有關請求書所指定之任何事務。

本公司股東提名候選董事之程序登載於本公司網站 www.tiandapharma.com。

REPORT OF THE DIRECTORS 董事會報告

The Directors present their annual report and the audited consolidated financial statements for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are research and development, production and sales of pharmaceutical, biotechnology and healthcare products.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2017 containing a fair review of the business during the year and discussion of future business development of the Group and the principal risks and uncertainties facing the Group is set out in the sections headed "Report of the Chairman" and "Management Discussion and Analysis" from pages 12 to 13 and pages 14 to 19 respectively of this Annual Report.

The financial risk management objectives and policies of the Group are shown in notes 31 and 32 to the consolidated financial statements.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the year under review, there were no material and significant dispute between the Group and its employees, customers and suppliers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company is committed to the sustainable development of the environment and our society. The Group has endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental practices to ensure our business meet the required standards and ethics in respect of environmental protection. The "Environmental, Social and Governance Report" of the Group for the year ended 31 March 2017 is set out on pages 46 to 52 of this annual report.

董事呈列截至2017年3月31日止年度之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，其附屬公司主要從事醫藥生物及保健產品之研發、生產和銷售。

業務回顧

本集團截至2017年3月31日止年度的業務回顧載有對本年度本集團業務之公正回顧及未來業務發展之討論以及本集團所面臨之主要風險及不確定性因素，分別載於本年報第12至13頁之“董事長報告”及第14至19頁之“管理層討論與分析”。

本集團的財務風險管理目標及政策載於綜合財務報表附註31及32。

與僱員、客戶及供應商的關係

本集團明白與其僱員、客戶及供應商維持良好關係，對達成即時及長遠業務目標極為重要。於回顧年度，本集團與其僱員、客戶及供應商概無重大及嚴重糾紛。

環境政策及表現

本集團致力於環境及社會之可持續發展。本集團盡力遵守有關環保之法律及法規，並採取有效環保措施確保我們的業務符合環保所需標準及操守。本集團截至2017年3月31日止年度的“環境、社會及管治報告”載於本年報第46至52頁。

REPORT OF THE DIRECTORS

董事會報告

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

SEGMENTAL INFORMATION

An analysis of the Group's revenue and contribution to results by segment for the year ended 31 March 2017 is set out in note 5 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2017, the five largest customers of the Group accounted for approximately 21.0% of the Group's total revenue while the largest customer of the Group accounted for approximately 6.7% of the Group's total revenue. In addition, for the year ended 31 March 2017, the five largest suppliers of the Group accounted for approximately 20.7% of the Group's total purchases while the largest supplier of the Group accounted for approximately 6.1% of the Group's total purchases.

During the FYE2017, to the knowledge of the Directors, Tianda Group and Hongta Tobacco (Group) Limited (Hongta) indirectly hold the respective of 60% and 40% equity interest in 珠海經濟特區誠成印務有限公司 (Zhuhai S.E.Z. Cheng Cheng Printing Company Ltd.) (Cheng Cheng Printing) which is one of the five major suppliers of the Company.

Except for the above-disclosed, none of the Directors, associates of Director or Shareholders of the Company (who to the knowledge of the Directors owes more than 5% of the Company's share capital) had any interest in the Company's five major suppliers or five major customers during the year.

RESULTS

The results of the Group for the year ended 31 March 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 60.

遵守相關法律及法規

就董事會及管理層所知悉，本年度本集團概無嚴重違反或不遵守適用法律及法規，以致對本集團之業務及營運造成重大影響。

分部資料

本集團截至2017年3月31日止年度之收入及分部對業績貢獻之分析載於綜合財務報表附註5。

主要客戶及供應商

截至2017年3月31日止年度，本集團之五大客戶及最大客戶分別佔本集團之總收入約21.0%及約6.7%。此外，截至2017年3月31日止年度，本集團之五大供應商及最大供應商分別佔本集團之採購總額約20.7%及約6.1%。

於2017財政年度，據董事所知，天大集團和紅塔煙草(集團)有限公司(紅塔)分別間接持有珠海經濟特區誠成印務有限公司(誠成印務)本公司五大供應商之一)60%和40%股本權益。

除上文披露者外，各董事、董事之聯繫人或據董事所知擁有本公司股本5%以上之本公司股東概無於本年度內在本公司之五大供應商或五大客戶中擁有任何權益。

業績

本集團截至2017年3月31日止年度之業績載於第60頁之綜合損益及其它全面收益表。

REPORT OF THE DIRECTORS

董事會報告

DIVIDEND

The Board has recommended the payment of a final dividend of HK0.57 cent (2016: HK0.27 cent) per share for the FYE2017, subject to shareholders' approval at the forthcoming 2017 annual general meeting (the AGM). The final dividend is expected to be paid on or before Friday, 22 September 2017 to the shareholders whose names appear on the register of members of the Company on Friday, 8th September 2017.

The register of members of the Company will be closed from Tuesday, 5 September 2017 to Friday, 8 September 2017 (both day inclusive), whereby no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed forms of transfers with the relevant share certificate(s) must be lodged with the Company's Hong Kong Branch share registrar, Tricor Secretaries Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 4 September 2017.

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 6 to 7 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the FYE2017 are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of the Company's share capital are set out in note 24 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the FYE2017 are set out in the consolidated statement of changes in equity set out on pages 63 to 64 of this annual report.

股息

董事會建議就2017財政年度派發末期股息每股0.57港仙(2016年:0.27港仙),須待股東於應屆2017年股東週年大會(股東週年大會)上通過後方可作實。預期將於2017年9月22日(星期五)或之前向名列本公司於2017年9月8日(星期五)之股東名冊上的股東支付末期股息。

自2017年9月5日(星期二)起至2017年9月8日(星期五)(包括首尾兩日),本公司將暫停辦理股份過戶登記手續,期間將不會進行股份過戶登記。為符合資格獲發建議末期股息,必須於2017年9月4日(星期一)下午四時三十分前將所有填妥之轉讓表格連同相關股票送達本公司的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)以作登記。

財務資料概要

本集團於過往五個財政年度之業績以及資產及負債之概要載於本年報第6至7頁。

物業、廠房及設備

本集團之物業、廠房及設備於2017財政年度之變動詳情載於綜合財務報表附註13。

股本

本公司之股本詳情載於綜合財務報表附註24。

儲備

本集團於2017財政年度內之儲備變動詳情載於本年報第63至64頁之綜合權益變動表。

REPORT OF THE DIRECTORS

董事會報告

DISTRIBUTABLE RESERVES

As at 31 March 2017, the Company had retained profits available for cash distribution and/or distribution in specie as computed in accordance with the Companies Law of the Cayman Islands of approximately HK\$125,696,537. Moreover, the share premium account of the Company may be distributed, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. As at 31 March 2017, the Company's share premium account amounted to HK\$339,066,948.

DIRECTORS

The Directors of the Company during the FYE2017 and up to the date of this report were:

Executive Directors:

Mr. Fang Wen Quan
(Chairman and appointed as Managing Director
on 1 February 2017)
Mr. Lui Man Sang

Non-executive Directors:

Mr. Shen Bo
Mr. Feng Quanming
Mr. Shi Shaobin
(Act as Managing Director until 31 January 2017 and
re-designated from executive Director to non-executive Director
since 1 February 2017)

INEDs:

Mr. Lam Yat Fai
Mr. Chiu Sung Hong
Mr. Chiu Fan Wa

In accordance with Article 99 of the Company's articles of association, Messrs. Fang Wen Quan, Shi Shaobin and Chiu Fan Wa shall retire from their office by rotation at the forthcoming annual general meeting of the Company. Being eligible, Mr. Fang Wen Quan will offer himself for re-election as executive Director; Mr. Shi Shaobin will offer himself for re-election as non-executive Director; Mr. Chiu Fan Wa will offer himself for re-election as independent non-executive Director at the forthcoming AGM.

可供分派儲備

於2017年3月31日，本公司根據開曼群島公司法計算之可供現金分派及／或實物分派之保留溢利約為125,696,537港元。此外，本公司之股份溢價賬可作派發，惟本公司須於緊隨建議派發股息日期後，在一般營商情況下於其債項到期時償還債項。於2017年3月31日，本公司之股份溢價賬為339,066,948港元。

董事

於2017財政年度內及截至本報告日期之本公司董事為：

執行董事：

方文權先生
(董事長，於2017年2月1日獲委任
為董事總經理)
呂文生先生

非執行董事：

沈波先生
馮全明先生
施少斌先生
(直至2017年1月31日為董事總經理；
自2017年2月1日起日並由執行董事
轉任非執行董事)

獨立非執行董事：

林日輝先生
趙崇康先生
趙帆華先生

根據本公司之章程細則第99條，方文權先生、施少斌先生及趙帆華先生將於本公司應屆股東週年大會上輪值告退。方文權先生合資格並願意於應屆股東週年大會上膺選連任為執行董事；而施少斌先生合資格並願意於應屆股東週年大會上膺選連任為非執行董事；趙帆華先生合資格並願意於應屆股東週年大會上膺選連任為獨立非執行董事。

REPORT OF THE DIRECTORS

董事會報告

INEDs are appointed for a term of 2 years and are subject to retirement in accordance with the Company's articles of association.

獨立非執行董事之任期為2年，並須根據本公司之章程細則告退。

DIRECTORS' SERVICE CONTRACTS

None of the Directors has entered into any service agreement with the Company which is not determinable by the Company within 1 year without payment of compensation, other than statutory compensation.

董事服務合約

概無董事與本公司訂立本公司不作出賠償(除法定賠償外)而不可於一年內予以終止之任何服務協議。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 March 2017, the interests of the Company's Directors, chief executives and their associates in the shares and underlying shares of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (SFO), were as follows:

董事於股份及相關股份之權益

於2017年3月31日，根據證券及期貨條例(香港法例第571章)(證券及期貨條例)第352條本公司所存置登記冊之記錄，本公司之董事、最高行政人員及彼等之聯繫人於本公司及其相聯法團之股份及相關股份中擁有之權益如下：

Shares of the Company

Name of Director 董事姓名	Capacity 身份	Number of shares held 所持股份數目	% 百分比
Mr. Fang Wen Quan	Held by controlled corporation	1,194,971,370	55.56
方文權先生	受控法團持有	(Note) (附註)	

本公司股份

Note: All the above shares are beneficially owned by Tianda Group. Mr. Fang Wen Quan has 100% equity interests in Tianda Group and, accordingly, is deemed to have a corporate interest in the above shares owned by Tianda Group and all the interests stated above represent long positions.

附註：上述所有股份乃由天大集團實益擁有。方文權先生於天大集團擁有全部股權，因此，彼被視為於天大集團所擁有之上述股份中擁有公司權益。上述所有權益皆為好倉。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME

The purpose of a share option scheme (the Scheme) is to enable the Company to recognise the future and/or past contributions of the participants (as defined in the Scheme and including any director and employee of any member of the Group) to the Company, and to attract and retain such important participants and/or to maintain a continuing relationship, with participants who have contributed to the result, growth, success and benefit of the Group, and in relation to administrative staff, to recruit and retain experienced and talented individuals and/or to reward their past contributions.

The Scheme is for a period of 10 years from the date of adoption on 13 July 2010. The Directors may, at their discretion, make an offer to any participant to take up options. An option is deemed to have been granted and accepted by the grantee upon his or her signing the duplicate letter comprising acceptance of the option and paying HK\$1 by way of consideration for the grant thereof.

The subscription price for shares of the Company under the Scheme shall be no less than the higher of (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheet on the offer date (which date must be a business day); (ii) a price being the average of the closing prices of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the offer date; and (iii) the nominal value of a share of the Company on the offer date.

The total number of shares of the Company which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company shall not in aggregate exceed 10 per cent of the total number of shares of the Company in issue as at the date of approval of the Scheme. An option may be exercised during a period to be determined by the Directors in its absolute discretion and in any event such period shall not be longer than 10 years from the date upon which the option is granted.

購股權計劃

購股權計劃(該計劃)之目的為讓本公司確認參與者(定義見該計劃,其中包括本集團任何成員公司之任何董事及僱員)於未來及/或過往對本公司之貢獻,以及吸引及挽留有關重要參與者及/或與已對本集團之業績、成長、成功及利益作出貢獻之參與者維持持續關係,並就行政人員而言,招募及挽留經驗豐富之人才及/或對彼等過往之貢獻作出獎勵。

該計劃自2010年7月13日採納當日起為期十年。董事可酌情邀請任何參與者接納購股權。承授人於簽署有關接納購股權之複印函件,並支付獲授購股權之代價1港元後,有關購股權即被視為已授出及獲接納。

根據該計劃認購本公司股份之認購價將不低於下列三者中較高者:(i)本公司股份於授出日期(該日必須為營業日)在香港聯交所每日報價表所報之收市價;(ii)本公司股份於緊接授出日期前五個營業日在香港聯交所每日報價表所報之平均收市價;及(iii)本公司股份於授出日期之面值。

因行使根據該計劃及本公司任何其它購股權計劃授出之所有購股權而可能發行之本公司股份總數,合共不得超過批准該計劃當日本公司已發行股份總數之10%。購股權可於董事全權酌情釐定之期間內行使,並於任何情況下,該期間由購股權獲授出之日起計不得長於十年。

REPORT OF THE DIRECTORS

董事會報告

The total number of shares issued and to be issued upon exercise of the options granted to each participant under the Scheme in any 12-month period shall not exceed 1 per cent of the total number of shares in issue of the Company. Any further grant of options in excess of the 1 per cent limit shall be subject to shareholders' approval in a general meeting with such participant and his or her associates abstaining from voting.

No Share Option has been granted since the adoption of the Scheme on 13 July 2010.

DIRECTORS' INTERESTS IN TRANSACTIONS, AGREEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 33 to the consolidated financial statements, no transaction, agreement or contract of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the Scheme of the Company disclosed above, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors nor any of their spouses or children under the age of 18 had any rights to subscribe for the securities of the Company, or had exercised any such rights during the year.

PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provides that every Director shall be indemnified out of the funds of the Company against all liability incurred by him as such director in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

The Company has taken out insurance against the liabilities and costs associated with defending any proceedings which may be brought against the Directors of the Company and its subsidiaries.

於任何十二個月期間內，每名參與者根據該計劃行使所獲授之購股權而獲發行及將獲發行之股份總數，不得超過本公司已發行股份總數之1%。進一步授出超過1%上限之購股權，須得到股東於股東大會上批准，而該名參與者及其聯繫人須就此放棄其投票權。

自於2010年7月13日採納該計劃以來，並無授出任何購股權。

董事於重大交易、協議或合約之權益

除於綜合財務報表附註33所披露者外，本公司、其控股公司或其任何附屬公司概無於年終存續或年內任何時間訂立任何本公司董事於其中擁有重大權益(不論直接或間接)之重大交易、協議或合約。

董事收購股份或債券之權利

除上文所披露之本公司該計劃外，本公司、其控股公司或其任何附屬公司概無於本年度內訂立任何安排，以令董事可藉收購本公司或任何其它法人團體之股份或債券而從中獲益。此外，董事或彼等之配偶或年齡為十八歲以下之子女於本年度內概無任何可認購本公司證券之權利或已行使有關權利。

獲准許之彌償條文

本公司組織章程細則規定，各董事以董事身分，在其獲判得直或無罪的任何民事或刑事訴訟中應訊所產生的一切責任，可獲本公司撥資賠償。

本公司已就本公司及其附屬公司之董事可能面對任何訴訟時產生的責任和相關費用投購保險。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS

At 31 March 2017, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of the relevant interests in 5% or more of the issued share capital of the Company:

Name of Shareholder 股東名稱	Capacity 身份	Number of shares held 所持有之股份數目	% 百分比
Tianda Group 天大集團	Beneficial owner 實益擁有人	1,194,971,370 (Note 1) (附註1)	55.56
Mr. Fang Wen Quan 方文權先生	Held by controlled corporation 受控法團持有	1,194,971,370 (Note 1) (附註1)	55.56
SIIC Medical Science and Technology (Group) Limited (SMST) 上海實業醫藥科技(集團) 有限公司(上實醫藥)	Beneficial owner 實益擁有人	280,517,724 (Note 2) (附註2)	13.04
Shanghai Pharmaceuticals Holding Co., Ltd. (SPHL) 上海醫藥集團股份有限公司 (上海醫藥)	Held by controlled corporation 受控法團持有	280,517,724 (Note 2) (附註2)	13.04
Shanghai Industrial Investment (Holdings) Co., Ltd. (SIIC) 上海實業(集團)有限公司 (上實集團)	Held by controlled corporation 受控法團持有	280,517,724 (Note 2) (附註2)	13.04
Hongta Tobacco (Group) Limited (Hongta) 紅塔煙草(集團)有限責任 公司(紅塔)	Beneficial owner 實益擁有人	207,616,264	9.65

Notes:

- These 1,194,971,370 shares are beneficially owned by Tianda Group. Mr. Fang Wen Quan has 100% equity interests in Tianda Group and, accordingly, is deemed to have a corporate interest in the said 1,194,971,370 shares owned by Tianda Group.
- These 280,517,724 shares are beneficially owned by SMST. SMST is beneficially owned as to 100% by SPHL and SIIC is the controlling shareholder of SPHL. Accordingly, SIIC and SPHL are deemed to be interested in the said 280,517,724 shares owned by SMST.

主要股東

於2017年3月31日，根據證券及期貨條例第336條本公司所存置之主要股東登記冊所示，下列股東已知會本公司其已持有本公司5%或以上已發行股本之相關權益：

附註：

- 該等1,194,971,370股股份由天大集團實益擁有。方文權先生於天大集團擁有全部股權，因此，彼被視為於天大集團所擁有之上述1,194,971,370股股份中擁有公司權益。
- 該等280,517,724股股份由上實醫藥實益擁有。上海醫藥實益擁有上實醫藥全部權益，而上實集團為上海醫藥的控股股東。因此，上實集團及上海醫藥被視為於上實醫藥所擁有之上述280,517,724股股份中擁有權益。

REPORT OF THE DIRECTORS

董事會報告

All the interests stated above represent long positions. As at 31 March 2017, no short position was recorded in the register kept by the Company under section 336 of the SFO.

Save as disclosed above, the Company has not been notified of any other interest representing 5% or more in the Company's issued share capital as at 31 March 2017.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the FYE2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received, from each of the INEDs, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

CONTINUING CONNECTED TRANSACTIONS

During the FYE2017, the Group conducted certain transactions with connected persons which constituted "continuing connected transactions" under the Listing Rules. Details of this continuing connected transaction which is subject to the reporting requirements under Rule 14A.71 of the Listing Rules are summarised as follows:

PURCHASES OF THE INSTRUCTION LEAFLETS AND PACKAGING BOXES AND RELATED PRODUCTS AND SERVICES

On 24 April 2015, a framework agreement was entered into between Tianda Pharmaceuticals (Zhuhai) and Cheng Cheng Printing for governing the transactions of purchasing printed instruction leaflets, packaging boxes and related products and services from Cheng Cheng Printing and its wholly-owned subsidiary by Tianda Pharmaceuticals (Zhuhai) for a term of three years for commencing on 1 April 2015 and expiring on 31 March 2018. Cheng Cheng Printing is a subsidiary of Tianda Group, the controlling shareholder of the Company, so it is a connected person of the Company under the Listing Rules. Accordingly, this framework agreement and the transactions contemplated under this agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Details of the transactions are set out in the Company's announcements dated 24 April 2015 and 5 May 2015.

上述全部權益皆為好倉。於2017年3月31日，本公司根據證券及期貨條例第336條所存置之登記冊並無任何淡倉記錄。

除上文披露者外，本公司並無獲知會任何人士於2017年3月31日持有本公司5%或以上已發行股本之任何其它權益。

購買、出售及贖回本公司之上市證券

本公司或其任何附屬公司於2017財政年度內概無購買、出售或贖回本公司任何上市證券。

年度獨立性確認

根據上市規則第3.13條，本公司已收到各獨立非執行董事就其獨立性所發出之年度確認。本公司認為所有獨立非執行董事均為獨立人士。

持續關連交易

於2017財政年度內，本集團與關連人士進行若干交易，該等交易根據上市規則構成"持續關連交易"。該持續關連交易須遵守上市規則第14A.71條項下之申報規定，其詳情概述如下：

採購說明書及包裝盒以及相關產品及服務

於2015年4月24日，天大藥業(珠海)與誠成印務訂立框架協議，以監管天大藥業(珠海)向誠成印務及其全資附屬公司採購印刷說明書、包裝盒以及相關產品及服務之該等交易，年期自2015年4月1日起為期三年，並將於2018年3月31日屆滿。誠成印務為本公司控股股東天大集團之附屬公司，故根據上市規則屬本公司之關連人士。據此，根據上市規則第14A章，該項框架協議及據此擬進行之交易構成本公司之持續關連交易。有關交易詳情載於本公司日期為2015年4月24日及2015年5月5日之公告。

REPORT OF THE DIRECTORS

董事會報告

The annual cap and the actual amount of the above continuing connected transactions for the FYE2017 as shown as follows:

上述持續關連交易於2017財政年度之年度上限及實際金額列示如下：

Business type 業務種類		The annual cap	The actual
		年度上限	實際交易金額
		HK\$	HK\$
		港元	港元
Purchasing printed instruction leaflets, packaging boxes and related products and services	採購印刷說明書、包裝盒以及相關產品及服務	8,000,000	2,749,271

Pursuant to Rule 14A.55 of the Listing Rules, INEDs have reviewed the above continuing connected transactions and confirmed that:

根據上市規則第14A.55條，獨立非執行董事已審閱上述持續關連交易，並確認：

- these transactions were in the Group's ordinary and usual course of business;
- these transactions were entered into on normal commercial terms; and
- these transactions were carried out in accordance with respective agreement terms which were fair and reasonable, and in the interests of the Company and the shareholders as a whole.

- 該等交易為於本集團之一般及日常業務過程中進行；
- 該等交易按一般商業條款訂立；及
- 該等交易根據相關協議條款進行，而該等條款屬公平合理，並符合本公司及股東之整體利益。

The Company's auditor, Deloitte Touche Tohmatsu have provided a letter to the Board confirming that the above continuing connected transactions:

本公司之核數師德勤·關黃陳方會計師行已向董事會提供一份函件，確認上述持續關連交易：

- have received the approval of the Board;
- have been entered into in accordance with the relevant agreement governing the transactions; and
- have not exceeded the cap disclosed in previous announcement(s).

- 經由董事會批准；
- 乃根據規管該等交易之有關協議訂立；及
- 並無超逾過往公告所披露之上限。

REPORT OF THE DIRECTORS

董事會報告

EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is based on their merit, qualifications and competence. The emoluments of the Directors are reviewed by the remuneration committee, having regard to the Company's operating results, individual performance and comparable market statistics. No Director or any of his associates and executive is involved in dealing his own remuneration.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the FYE2017.

AUDITOR

The financial statements of the Company and its subsidiaries for the FYE2017 have been audited by Deloitte Touche Tohmatsu who retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted to the forthcoming AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board
Tianda Pharmaceuticals Limited

Fang Wen Quan
Chairman

Hong Kong, 30 June 2017

薪酬政策

本集團就僱員之薪酬政策乃按其表現、資格及能力而定。董事之薪酬乃由薪酬委員會審閱，並參考本公司之經營業績、個人表現及可資比較之市場統計。概無董事或彼之任何聯繫人，以及行政人員參與處理其本身之薪酬。

優先購買權

本公司之章程細則或開曼群島法例概無任何規定本公司有責任按比例提呈新股予現有股東之優先購買權規定。

足夠之公眾持股量

就本公司可獲之公開資料及其董事所知，於2017財政年度內，本公司一直維持上市規則所指定之公眾持股量。

核數師

本公司及其附屬公司截至2017財政年度之財務報表已經由德勤·關黃陳方會計師行審核，德勤·關黃陳方會計師行將任滿告退，並合資格及願意重選連任。於應屆股東週年大會上將提呈一項決議案以續聘德勤·關黃陳方會計師行為本公司之核數師。

代表董事會
天大藥業有限公司

方文權
董事長

香港，2017年6月30日

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group believes that sound environmental, social and governance (ESG) performance is critically important to the sustainable development of its business and community. The Group is committed, not only to achieving strong financial results, but also to promoting environmental protection, social responsibility and effective corporate governance.

The Board is responsible for the Group's ESG strategy and reporting. The Group has established an ESG working team to engage the management and employees across all functions in order to identify relevant ESG issues and to assess their materiality to the Group's business as well as the Company's stakeholders, through reviewing our operations and internal discussions. Disclosures relating to the material ESG issues identified have been included in this ESG Report pursuant to the requirements of Appendix 27 of the Listing Rules (the ESG Guide).

The table below shows the ESG issues which were determined to be material to the Group, together with the aspects on the ESG Guide to which they relate, based on the assessment performed by the ESG working team. This ESG Report mainly covers the policies, initiatives and performance of the Group's business in relation to these issues, for the year ended 31 March 2017 (the Reporting Period):

ESG aspects as set forth in ESG Guide	Material ESG issues for the Group
A. Environmental	
A1 Emissions	Carbon dioxide emissions and waste management Wastewater treatment Solid waste treatment Waste management
A2 Use of resources	Use of energy and water
A3 The environment and natural resources	Air quality
B. Social	
B1 Employment	Labour practices
B2 Health and safety	Workplace health and safety
B3 Development and training	Employee development and training
B4 Labour standards	Anti-child and forced Labour
B5 Supply chain management	Supply chain management
B6 Product responsibility	Product responsibility
B7 Anti-corruption	Anti-corruption and money laundering
B8 Community investment	Community programs and donation

本集團相信，穩健的環境、社會及管治表現對本集團業務及社區的可持續發展至關重要。本集團不僅致力於實現強健的財務業績，而且亦致力於提升環境保護、社會責任及高效的企業管治。

董事會負責本集團環境、社會及管治策略及報告。本集團已成立環境、社會及管治工作小組，任用各個職能部門的管理人員及僱員，透過檢討本集團營運及內部討論，以發現有關的環境、社會及管治事宜，並評估有關事宜對本集團業務以及本公司持份者的重要性。有關已發現的重大環境、社會及管治事宜已根據上市規則附錄27的規定(環境、社會及管治報告指引)載入本環境、社會及管治報告。

下表列示根據環境、社會及管治工作小組進行的評估，被認為對本集團而言屬重大的環境、社會及管治事宜以及有關事宜所涉及的環境、社會及管治報告指引的範疇。本環境、社會及管治報告主要涵蓋截至2017年3月31日止年度(報告期間)，本集團業務的政策、措施及表現：

環境、社會及管治報告 指引所載的環境、 社會及管治範疇

本集團的重大環境、 社會及管治問題

A. 環境	
A1 排放物	二氧化碳排放及廢物管理 廢水處理 固體廢物處理 廢物管理
A2 資源使用	能源使用及用水
A3 環境及自然資源	空氣質素
B. 社會	
B1 僱傭	勞工常規
B2 健康與安全	工作環境健康與安全
B3 發展及培訓	僱員發展及培訓
B4 勞工準則	禁止童工及強制性勞動
B5 供應鏈管理	供應鏈管理
B6 產品責任	產品責任
B7 反貪污	反貪污及洗黑錢
B8 社區投資	社區計劃及捐款

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A. ENVIRONMENTAL

The Group has established environmental policies and has communicated measurable environmental objectives to employees. The Group proactively encourages the staff to protect the environment through training, education and communication. The ultimate goal is to have all employees adopting environmentally-responsible behavior in both the workplace and their daily lives.

The Group always keeps itself up-to-date on developments in local legislation and standards for environmental protection and is committed to achieving a level of environmental performance that goes beyond compliance. During the Reporting Period, the Group did not experience any cases of non-compliance relating to environmental laws and regulations in China, Australia, Hong Kong and Macau.

A1 Emissions

The Group is very prudent in controlling the discharge of environmental pollutants in the production process of pharmaceuticals. The wastewater, solid waste generated from the Group's pharmaceutical production processes all meet the requirements of the state emission standards via efficient treatment systems and monitoring equipment. Still, the Group tries its best to minimise pollutant emissions.

Carbon dioxide emissions

The major source of carbon dioxide emissions is the use of energy. The Group has developed various energy-saving initiatives to reduce the carbon footprint (please refer to the "Use of energy" section below).

Wastewater treatment

The wastewater generated in the business of pharmaceutical production mainly includes domestic wastewater from daily life of staff and industrial wastewater from the manufacturing process of pharmaceuticals.

Measures have been taken to ensure that water discharge of the manufacturing plant under the pharmaceutical manufacturing business meets the regulatory standards and swages are discharged to the municipal waste sewage pipes.

A. 環境

本集團已制訂環境政策，並向僱員宣傳可量度的環境目標。本集團透過培訓、教育及溝通積極鼓勵員工保護環境。最終目標是讓所有員工在工作及日常生活中均能養成愛護環境的行為。

本集團始終保持自身緊跟當地環境保護立法及標準的最新發展，致力於實現高於合規程度的環境表現。於報告期間，本集團於中國、澳洲、香港及澳門並無發生任何有關環境法例及規例的不合規事件。

A1 排放物

本集團非常謹慎地把控藥品生產環節中環境污染物的排放，通過嚴格的處理系統及監控設備，本集團藥品生產環節中產生的廢水、固體廢棄物等均滿足國家的各項排放標準，並嚴格做到最小化污染物排放量。

二氧化碳排放

本集團二氧化碳排放的主要來源是使用能源。本集團已制訂多個節能措施，以幫助減少碳足跡(請參閱下文“能源使用”一節)。

廢水處理

本集團藥品生產製造業務的污水主要包括員工的生活廢水、在藥品生產製造過程中所涉及的生產廢水。

我們已採取措施確保醫藥製造業務的生產廠房廢水排放符合法定標準，而廢水均透過廢水管道排出。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Solid waste treatment

The solid wastes generated from the pharmaceutical manufacturing process are non-toxic and harmless industrial solid wastes generated from the production process, as well as domestic wastes produced in the employees harmless indus.

The Group has taken a number of practical and effective measures to reduce the environmental burden of solid wastes and to maximise the utilisation of resources, such as:

- Sell the waste plastic bags to the wastes recycling department for comprehensive utilisation;
- Collect domestic solid wastes separately and sell the recyclable wastes to the recycling station.

Waste management

Waste generated from the Group's business activities mainly consists of paper (e.g. office paper) during the Reporting Period. No substantial hazardous waste was produced by the Group during the Reporting Period.

The Group has launched a number of waste management programs, including:

- Recycling of glass, cardboard, paper materials, metal, printing cartridges and batteries, with collection facilities placed across the properties; and
- to encourage staff to reduce paper consumption by double-sided printing and reusing papers printed on one side.

The Group is now considering making use of recycled materials, from internal sources, to produce corporate stationery for internal use, where feasible.

固體廢物處理

本集團藥品生產製造過程所產生的固體廢棄物主要為生產過程中產生的無毒無害固體廢物和員工日常生活產生的生活垃圾。

本集團為減少固體廢物帶來的環境負擔及實現資源的最大化利用採取了許多實際有效的措施，如：

- 將廢塑膠包裝袋售予廢品回收部門回收綜合利用；
- 將生活垃圾分類收集，將可回收垃圾轉賣給回收站再利用。

廢物管理

於報告期間，本集團的業務活動產生的廢物主要包括紙張（例如辦公室用紙）。本集團於報告期間並無產生任何重大有害廢物。

本集團推出眾多廢物管理計劃，包括：

- 玻璃、紙板、紙質材料、金屬、打印墨盒及電池回收利用，並在物業到處放置回收設施；及
- 鼓勵員工多採用雙面打印，以及重用已經單面打印的文件。

本集團現正考慮使用來自內部的回收材料，以生產供內部使用的公司文具（倘可行）。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A2 Use of resources

With the vision of helping to protect the planet and of incorporating environmental sustainability into its business functions and processes, the Group proactively seeks opportunities for increasing operating efficiency in order to reduce the use of resources. The Group also closely monitors the utilisation of resources and reports to senior management on this aspect of performance. Appropriate remedial actions to improve efficiency in the use of resources are taken, whenever necessary.

Use of energy

To achieve higher energy efficiency, the Group implemented the following key initiatives during the Reporting Period:

- use energy efficient electronics equipment as far as possible;
- maintain the office temperature at about 25 degree Celsius; and
- switch off or set to energy saving mode for electronic appliances when they are not in use.

Use of water

The Group has adopted a variety of effective measures to conserve energy and reduce water consumption within the scope of the routine operations, such as:

- carefully select equipment in the production line, giving preference to water saving equipment.

A3 The environment and natural resources

Air quality

In order to improve air quality, the Group aims to reduce air emissions generated from its properties by green initiatives. The Group is committed to fulfilling and complying with the regime of smoking prevention and control requirements.

A2 資源使用

為助益保護地球及將環境可持續性納入其業務職能及流程，本集團積極尋求提升營運效率的機會以減少資源使用。本集團亦密切監察資源的利用並就此方面的表現向高級管理層匯報。必要時，我們會採取適當的補救措施提升資源使用效率。

能源使用

為達致更高能源利用率，於報告期間，本集團實施以下主要舉措：

- 盡可能使用能源效益的電器；
- 辦公室溫度控制在25攝氏溫度左右；及
- 關閉不使用的電器，或調校至節能模式。

用水

本集團在其營運範圍內採取多種有效措施節水，比如：

- 謹慎選擇生產設備，優先採用節水設備。

A3 環境及自然資源

空氣質素

為幫助改善空氣質素，本集團旨在透過定期檢查及綠色環保措施減少其物業產生的空氣排放量。本集團致力於履行並遵守預防及控制吸煙制度的規定。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B. SOCIAL

B1 Employment *Labour practices*

To ensure that the Group is able to operate according to professional and ethical labour practices, the Group has developed clear work processes with robust control mechanisms which have been clearly communicated to all employees. Certain policies to govern employees' affairs such as payroll, attendance and termination are clearly set out in staff appointment letters in compliance with Hong Kong Employment Ordinance. China, Australia and Macau offices are in compliance with the relevant labour laws and regulations in China, Australia and Macau respectively.

The Group also aims to promote the diversity of workforce, including in terms of age, gender and nationality, as well as a culture of equal opportunity. The management regularly reviews the Group's remuneration policy in relation to relevant market standards.

B2 Health and safety *Workplace health and safety*

The Group has established a set of policies which is focused on maintaining a healthy and safe working environment, and which includes the following requirements:

- The facilities operated by employees should meet safety and health standards;
- expert advice should be obtained to identify health and safety risk in the operations and the corresponding mitigating actions that should be taken; and
- relevant information and training should be provided to employees in respect of risks to their health and safety which may arise out of their work.

The Group did not violate any health and safety laws and regulations of China, Australia, Hong Kong and Macau, where applicable, during the Reporting Period.

The Group has established a mechanism for monitoring occupational health and safety, as well as procedures for dealing with related risks. The Group engages employees in the determination of appropriate occupational health and safety precautionary measures. Accident reporting and investigation procedures have also been adopted for the follow-up of any health and safety incidents.

B. 社會

B1 僱傭 *勞工常規*

為確保本集團能夠根據專業及道德的勞工常規營運，本集團已制訂具備穩健控制機制的明確工作流程，並已將其清晰地傳達給全體員工。若干政策規管僱員事務，如薪資、出席及終止，已清楚載於僱員委任函中，並遵守香港僱傭條例。中國、澳大利亞及澳門辦事處均分別遵守其當地之有關勞工法例及規例。

本集團亦旨在提升員工多樣性，考量因素包括年齡、性別及國籍以及機會平等的文化。本集團的管理層就有關市場標準定期檢討本集團的薪酬政策。

B2 健康與安全 *工作環境健康與安全*

本集團已訂立一套專注於維持健康與安全工作環境的政策，當中包括下列規定：

- 僱員操作的設施應符合安全及健康標準；
- 應取得專家的意見以識別營運中的健康及安全風險，並應採取相應的降低風險措施；及
- 就僱員工作中可能產生的健康及安全風險應向其提供有關資料及培訓。

於報告期間本集團並無違反中國、澳大利亞、香港及澳門(如適用)的任何健康及安全法例及規例。

本集團已建立監察職業健康及安全的機制以及處理有關風險的程序。本集團使僱員參與釐定適當的職業健康及安全預防措施。就跟進任何健康及安全事故本集團亦採取事故報告及調查程序。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B3 Development and training

Employee development and training

The Group strives to promote the long-term development of its employees by providing learning opportunities that broaden their skills and make them valuable assets to the Group.

Various employee training programs and seminars held by internal/external organisations are offered to employees including in the areas of finance, governance, rules and regulations, supervisory and managerial skills, as well as various technical training courses relating to their respective job duties.

B4 Labour standards

Anti-child and forced labour

The Group strictly prohibits the use of child and forced labour in the Group, and is totally committed to creating a work environment which respects human rights.

In addition to having well-established recruitment processes requiring background checks on candidates and formalised reporting procedures to address any exceptions found, the Group also performs regular reviews and inspections to detect the existence of any child or forced labour in the operations.

B5 Supply chain management

The Group's main suppliers are pharmaceutical manufacturers from Australia and China, providing raw materials and finished products, etc. When selecting suppliers, the Group seriously considers factors such as the operation and production qualification, product quality, market prospect, service quality, environmental protection concept, business ethics and social responsibility. The Group is inclined to select socially responsible suppliers and hopes to implement green supply chain practices in the Group's business. The Group is committed to creating mutually beneficial cooperation with the suppliers.

B3 發展及培訓

僱員發展及培訓

本集團致力於向其員工提供拓展技能的學習機會，藉以推動員工的長期發展，使彼等成為本集團的寶貴資產。

本集團向員工提供各種由內／外部團體舉辦員工培訓項目及研討會，包括金融、管治、法律及法規、監督及管理技能以及與彼等各自的工作職責有關的各種技術培訓課程等領域。

B4 勞工準則

禁止童工及強制性勞動

本集團嚴格禁止在本集團使用童工及強制性勞動，並致力於創建一個完全尊重人權的工作環境。

除已建立需檢查候選人背景的完善的招聘流程及處理任何例外情況的正式的報告程序外，本集團亦定期進行審查及檢查，以防止經營中存在的任何童工或強制性勞動。

B5 供應鏈管理

本集團的主要供應商為來自澳大利亞及中國的專業製藥企業，提供原料、成品等產品。本集團在選擇供應商時所採取的標準和依據包括企業的運營及生產資質、產品品質、市場前景、供應商服務質素、環保理念、商業倫理及社會責任等。本集團傾向於選擇具有社會責任感的供應商，並希望將綠色環保踐行於本集團業務的供應鏈環節。本集團致力於打造與供應商互利共贏的合作關係。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B6 Product responsibility

The drug products promoted and sold by the Group are all registered in the nation, and the imported products are all checked and accepted by the imported pharmaceutical inspection report issued by the drug import ports or, domestic drugs by manufacture inspection report. The Group's subsidiaries involved in pharmaceutical operations have all passed the latest GMP certification. As for product storage, the Group has reasonable storage arrangement according to the quality characteristics of the products, which is equipped with warehouse, air conditioning, and facilities for shading, ventilation, anti-moisture, pest control, rodent control and safety monitoring. Furthermore, the Group is equipped with 24-hour automatic temperature and humidity monitoring system to maintain a good storage status. Before delivery, the Group will check the products to ensure packaging integrity. During the Reporting Period, there was no recall of drugs due to health and safety issues.

B7 Anti-corruption *Ant-corruption and money laundering*

The Group has in place a number of policies addressing anti-corruption, such as acceptance of gifts, and conflicts of interest, which provide guidance to employees in this area. The Group has also established policies and procedures to deal with money laundering in its operations.

In addition, the Group has established prevention system by setting up communication channels for faults and anti-corruption reporting. The whistle-blowing system can handle any breach of laws and regulations.

Relevant articles on anti-corruption and anti-money laundering are provided to employees for their study and reference in order to raise their awareness of the code of conduct as well as related procedures and guidelines.

During the Reporting Period, no legal case regarding corruption was brought against the Group or its employees. Also, there were no material cases of non-compliance with laws and regulations on anti-money laundering in China, Australia, Hong Kong and Macau.

B8 Community investment *Community programs and donation*

The Group has been supporting education, arts and culture and other charitable activities many years.

B6 產品責任

公司推廣及銷售的藥品均為國家已註冊產品。本集團推廣及銷售的進口產品憑藉進口藥品口岸的進口藥品檢驗報告或國產藥品的工廠檢驗報告驗收產品。本集團涉及藥品經營的子公司已通過最新版GMP認證。在產品儲存方面，本集團根據產品的質量特性對產品進行合理的儲存，配備相應的庫房及空調、同時配有避光、遮光、通風、防潮、防蟲、防鼠、安全監控等設施設備。另配有24小時溫濕度自動監測系統，確保產品保持良好的儲存狀態。公司在發貨前均要求進行出庫覆核，確保包裝完整性。報告期內，本集團沒有涉及因健康安全問題發生的藥品召回事件。

B7 反貪污 *反貪污及洗黑錢*

本集團現有多個解決反貪污的政策(如收受禮物及利益衝突)，為僱員在這方面提供指引。本集團亦已制訂政策及程序以應對業務的洗黑錢活動。

此外，本集團透過訂立申報及反貪污的溝通渠道，成立防範機制，舉報機制可應付任何違法及違規行為。

為提高各級僱員的行為守則以及有關程序及指引意識，本集團向僱員提供有關反貪污及反洗黑錢文章以供彼等閱讀及參考。

於報告期間，並無對本集團或其僱員提出的貪污訴訟案件。亦概無重大違反中國、澳大利亞、香港及澳門反洗黑錢法例及規例的案件。

B8 社區投資 *社區計劃及捐款*

本集團多年來致力回饋社會，一直支持教育、文化藝術及其它公益活動。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF TIANDA PHARMACEUTICALS LIMITED
(incorporated in the Cayman Islands with limited liability)

致：天大藥業有限公司股東
(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Tianda Pharmaceuticals Limited (the Company) and its subsidiaries (collectively referred to as the Group) set out on pages 60 to 144, which comprise the consolidated statement of financial position as at 31 March 2017, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (HKSA) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

吾等已審核載於第60頁至144頁天大藥業有限公司(貴公司)及其附屬公司(統稱貴集團)之綜合財務報表,包括於2017年3月31日之綜合財務狀況表與截至該日止年度之綜合損益及其它全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

吾等認為,綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則真實公平地反映貴集團於2017年3月31日之綜合財務狀況及貴集團截至該日止年度之綜合財務表現及綜合現金流量,並已按照香港公司條例之披露要求妥為編製。

意見的基礎

吾等已根據香港會計師公會頒佈之《香港審計準則》進行審計。吾等在該等準則下承擔的責任已於本報告核數師就審計綜合財務報表承擔之責任一節作進一步闡述。根據香港會計師公會頒佈之《專業會計師道德守則》(守則),吾等獨立於貴集團,並已履行守則中的其它道德責任。吾等相信,吾等所獲得之審計憑證能充足及適當地為吾等之意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

Key audit matters

關鍵審計事項

Impairment assessment of goodwill and intangible assets

商譽及無形資產的減值評估

We identified the impairment assessment of goodwill and intangible assets as a key audit matter due to the significance to the consolidated financial statements as a whole and significant judgement and estimate involved in determination of the recoverable amounts of cash generating units to which goodwill and intangible assets have been allocated.

吾等識別商譽及無形資產之減值評估為一項關鍵審計事項，乃由於綜合財務報表整體之重要性及釐定已分配至商譽及無形資產之現金產生單位之可收回金額涉及重大判斷及估計。

關鍵審計事項

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

How our audit addressed the key audit matters

我們的審計如何處理關鍵審計事項

Our procedures in relation to the impairment assessment of goodwill and intangible assets included:

吾等就商譽及無形資產減值之評估程序包括：

- Engaging our internal valuation expert to evaluate the appropriateness of the valuation methodology adopted by management and the discount rate applied;
- 委託一名內部估值專家評估管理層採用之估值方法及折現率的恰當性；
- Evaluating the independent external valuer's competence, capabilities and objectivity;
- 評估獨立外聘估值師之資歷、能力及客觀性；
- Challenging the reasonableness of key assumptions based on our knowledge of the business and industry and by benchmarking against independent data;
- 根據吾等對業務及行業的認識，通過與獨立數據比較以釐定及評估關鍵假設的合理性；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matters

關鍵審計事項

How our audit addressed the key audit matters

我們的審計如何處理關鍵審計事項

Impairment assessment of goodwill and intangible assets

商譽及無形資產的減值評估

As disclosed in notes 4, 15, 16 and 17 to the consolidated financial statements, the carrying amount of goodwill and intangible assets as at 31 March 2017 were HK\$98,714,465 and HK\$41,035,718, respectively, which have been allocated to three cash generating units engaged in the sales of pharmaceuticals and biotechnology products and healthcare products in the People's Republic of China and Australia. In estimating the recoverable amounts of the cash-generating units to which goodwill and intangible assets have been allocated, the management has made a number of key assumptions in the value in use calculations. The key assumptions include growth rates, discount rates and the forecast performance based on management's view of future business prospects. In addition, valuation expert is engaged to perform valuation on one of the cash-generating units, Tianda Pharmaceuticals (Australia) Limited which has carrying amount of goodwill and intangible assets (before impairment) as at 31 March 2017 of HK\$2,141,711 and HK\$5,881,715, respectively.

誠如於綜合財務報表附註4、15、16及17所披露，商譽及無形資產之賬面值於2017年3月31日分別為98,714,465港元及41,035,718港元，並已分配至於中華人民共和國及澳大利亞從事醫藥生物產品及保健產品銷售業務之三個現金產生單位。於估計獲分配商譽及無形資產的現金產生單位之可收回金額時，管理層於使用價值計算中作出多個關鍵假設。關鍵假設包括增長率、折現率及根據管理層對未來業務前景的看法而得出之預期表現。此外，貴集團委聘估值專家對現金產生單位之一的天大藥業(澳大利亞)有限公司進行估值，該公司之商譽及無形資產於2017年3月31日(減值前)之賬面值分別為2,141,711港元及5,881,715港元。

- Evaluating the historical accuracy of the financial budget and the growth rate used in the discounted cash flows by comparing the historical budget to actual results;
- 通過比較過往預算與歷史表現，評價折現現金流量的財務預算的過往準確性及所應用之增長率；
- Testing a selection of data inputs underpinning the cash flow forecasts against appropriate supporting evidence, such as approved budgets, to assess the accuracy and reliability;
- 以恰當證據(例如獲批預算)測試多個現金流量預測所應用之輸入數據，以評估準確性及可靠性；
- Assessing the sensitivity analysis prepared by management on the significant assumptions to evaluate the extent of impact on the discounted cash flows; and
- 評估管理層就重大假設所編製的敏感度分析，以評價對折現現金流量之影響程度；及
- Assessing whether the disclosures of impairment assessment in the consolidated financial statements are sufficient and appropriate.
- 評估於綜合財務報表的減值評估披露是否充分及恰當。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其它信息

貴公司董事需對其它信息負責。其它信息包括刊載於年報內的信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其它信息，在此過程中，考慮其它信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其它信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們就此並無任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在因欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

治理層須負責監督 貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在因欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照委託的經協定條款僅向閣下(作為整體)出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其它用途。我們並不就本報告之內容對任何其它人士承擔任何責任或接受任何義務。合理保證是高水準的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視為重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述、或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

除其它事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

The engagement partner on the audit resulting in the independent auditor's report is Mr. Fung Hin Chiu.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
 30 June 2017

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

出具本獨立核數師報告的審計專案合夥人是馮衍超先生。

德勤•關黃陳方會計師行
執業會計師

香港
 2017年6月30日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其它全面收益表

For the year ended 31 March 2017 截至2017年3月31日止年度

		NOTES 附註	2017 HK\$ 港元	2016 HK\$ 港元
Revenue	收入	5	195,538,964	192,784,764
Cost of sales	銷售成本		(75,523,883)	(82,055,628)
Gross profit	毛利		120,015,081	110,729,136
Other income	其它收入	6	7,285,274	7,181,771
Other gains and losses	其它收益及虧損	7	8,010,282	2,916,026
Distribution and selling expenses	分銷及銷售支出		(49,358,441)	(51,084,727)
Administrative expenses	行政支出		(50,177,531)	(50,103,851)
Research and development costs	研發成本		(3,024,947)	(1,213,485)
Profit before tax	除稅前溢利		32,749,718	18,424,870
Income tax expense	所得稅支出	8	(7,997,122)	(5,057,622)
Profit for the year	本年度溢利	9	24,752,596	13,367,248
Other comprehensive (expense) income for the year	本年度其它 全面(支出)收益			
<i>Item that may be reclassified to profit or loss:</i>	<i>可能重新分類為損益之項目:</i>			
Exchange difference arising on translation of foreign operations	換算海外業務所產生 之匯兌差額		(117,708)	332,148
<i>Item that will not be reclassified to profit or loss:</i>	<i>不會重新分類為 損益之項目:</i>			
Exchange difference arising on translation to presentation currency	換算為呈列貨幣所產生 之匯兌差額		(43,962,764)	(33,830,429)
Total comprehensive expense for the year	本年度全面支出總額		(19,327,876)	(20,131,033)
Profit for the year attributable to:	本年度溢利歸屬於:			
Owners of the Company	本公司股東		12,442,265	6,568,591
Non-controlling interests	非控股權益		12,310,331	6,798,657
			24,752,596	13,367,248
Total comprehensive (expense)/income for the year attributable to:	本年度全面(支出)/收益 總額歸屬於:			
Owners of the Company	本公司股東		(29,619,386)	(24,874,283)
Non-controlling interests	非控股權益		10,291,510	4,743,250
			(19,327,876)	(20,131,033)
			HK cent 港仙	HK cent 港仙
Earnings per share	每股盈利	11	0.58	0.32

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 March 2017 於2017年3月31日

		NOTES 附註	2017 HK\$ 港元	2016 HK\$ 港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	139,284,183	155,195,155
Prepaid lease payments	預付租賃款項	14	107,201,666	117,379,136
Goodwill	商譽	15	98,714,465	106,926,467
Intangible assets	無形資產	16	41,035,718	59,136,629
Deposit for acquisition of property, plant and equipment	收購物業、廠房 及設備之按金		189,497	423,517
Available-for-sale investments	可供出售投資	18	36,232,212	–
Investments in redeemable convertible preference shares	投資於可贖回 可換股優先股	18	–	30,072,784
			422,657,741	469,133,688
CURRENT ASSETS	流動資產			
Inventories	存貨	19	35,431,963	41,681,095
Trade and bills receivables and other receivables	應收賬款及應收票據 及其它應收款	20	43,088,782	47,213,504
Prepaid lease payments	預付租賃款項	14	3,625,143	3,839,469
Bank deposits, bank balances and cash	銀行存款、銀行結餘 及現金	21	399,316,081	394,301,141
			481,461,969	487,035,209
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付賬款及其它應付款	22	54,692,011	65,126,923
Government grants – current portion	政府補助 – 即期部份	23	114,155	120,904
Amount due to a related company	應付一間關連公司款項	33(a)	1,058,410	1,323,935
Tax payable	應付稅項		8,107,925	6,896,286
Dividend payable to non-controlling shareholders	應付非控股股東股息		–	2,808,639
			63,972,501	76,276,687
NET CURRENT ASSETS	流動資產淨值		417,489,468	410,758,522
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		840,147,209	879,892,210

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 March 2017 於2017年3月31日

		NOTES 附註	2017 HK\$ 港元	2016 HK\$ 港元
NON-CURRENT LIABILITIES 非流動負債				
Government grants – non-current portion	政府補助 – 非即期部份	23	751,522	916,858
Deferred tax liabilities	遞延稅項負債	25	26,431,976	32,241,599
			27,183,498	33,158,457
NET ASSETS 資產淨值				
CAPITAL AND RESERVES 資本及儲備				
Share capital	股本	24	215,063,588	215,063,588
Reserves	儲備		563,258,594	598,684,697
Equity attributable to owners of the Company	本公司股東應佔權益		778,322,182	813,748,285
Non-controlling interests	非控股權益		34,641,529	32,985,468
TOTAL EQUITY	權益總額		812,963,711	846,733,753

The consolidated financial statements on pages 60 to 144 were approved and authorised for issue by the Board of Directors on 30 June 2017 and are signed on its behalf by:

載於第60至144頁之綜合財務報表已於2017年6月30日獲董事會批准及授權發佈，並由下列董事代表董事會簽署：

FANG WEN QUAN

方文權
Chairman
董事長

LUI MAN SANG

呂文生
Executive Director
執行董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2017 截至2017年3月31日止年度

		Attributable to owners of the Company 本公司股東應佔權益							Non-controlling interests		Total	
		Share capital	Share premium	Capital redemption reserve	Capital contribution reserve	Special reserve	Statutory reserves	Exchange reserve	Accumulated profits	Total	Total	
		股本	股份溢價	資本贖回儲備	資本供款儲備	特別儲備	法定儲備	匯兌儲備	累計溢利	總計	非控股權益	
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	
		港元	港元	港元	港元	港元	港元	港元	港元	港元	港元	
						note (i) 附註(i)	note (ii) 附註(ii)					
At 1 April 2015	於2015年4月1日	187,011,816	274,638,193	8,000	8,959,307	3,460,016	29,588,780	19,976,735	205,700,901	729,343,748	59,064,188	788,407,936
Profit for the year	本年度溢利	-	-	-	-	-	-	-	6,568,591	6,568,591	6,798,657	13,367,248
Exchange difference arising on translation	換算產生之匯兌差額	-	-	-	-	-	-	(31,442,874)	-	(31,442,874)	(2,055,407)	(33,498,281)
Total comprehensive income (expense) for the year	本年度全面收益(支出)總額	-	-	-	-	-	-	(31,442,874)	6,568,591	(24,874,283)	4,743,250	(20,313,033)
Issue of new shares upon subscription (note 24)	認購時發行新股(附註24)	28,051,772	81,350,140	-	-	-	-	-	-	109,401,912	-	109,401,912
Transaction costs attributable to issue of new shares	發行新股應佔交易成本	-	(123,092)	-	-	-	-	-	-	(123,092)	-	(123,092)
Appropriation of maintenance and production safety funds (note (ii))	維修及生產安全基金之分配(附註(ii))	-	-	-	-	-	696,666	-	(696,666)	-	-	-
Utilisation of maintenance and production safety funds (note (ii))	維修及生產安全基金之使用(附註(ii))	-	-	-	-	-	(209,279)	-	209,279	-	-	-
Dividends declared to non-controlling shareholders	向非控股股東宣派股息	-	-	-	-	-	-	-	-	-	(30,821,970)	(30,821,970)
At 31 March 2016	於2016年3月31日	215,063,588	355,865,241	8,000	8,959,307	3,460,016	30,076,167	(11,466,139)	211,782,105	813,748,285	32,985,468	846,733,753
Profit for the year	本年度溢利	-	-	-	-	-	-	-	12,442,265	12,442,265	12,310,331	24,752,596
Exchange difference arising on translation	換算產生之匯兌差額	-	-	-	-	-	-	(42,061,651)	-	(42,061,651)	(2,018,821)	(44,080,472)
Total comprehensive income (expense) for the year	本年度全面收益(支出)總額	-	-	-	-	-	-	(42,061,651)	12,442,265	(29,619,386)	10,291,510	(19,327,876)
Appropriation of maintenance and production safety funds (note (ii))	維修及生產安全基金之分配(附註(ii))	-	-	-	-	-	193,837	-	(193,837)	-	-	-
Utilisation of maintenance and production safety funds (note (ii))	維修及生產安全基金之使用(附註(ii))	-	-	-	-	-	(48,965)	-	48,965	-	-	-
Dividends recognised as distributions	確認為分派之股息	-	-	-	-	-	-	-	(5,806,717)	(5,806,717)	-	(5,806,717)
Dividends declared to non-controlling shareholders	向非控股股東宣派股息	-	-	-	-	-	-	-	-	-	(8,635,449)	(8,635,449)
At 31 March 2017	於2017年3月31日	215,063,588	355,865,241	8,000	8,959,307	3,460,016	30,221,039	(53,527,790)	218,272,781	778,322,182	34,641,529	812,963,711

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2017 截至2017年3月31日止年度

Notes:

- (i) The special reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the share capital of a subsidiary acquired by the Company pursuant to a corporate reorganisation in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited in 1992.
- (ii) The statutory reserves represent (1) the appropriation of certain percentages of profit after taxation of the subsidiaries established in the People's Republic of China (the PRC) as recommended by the directors of those subsidiaries based on the PRC statutory financial statements and (2) provision for production safety being accrued by a subsidiary in the PRC at fixed rates ranging from 2% to 4% based on operating revenue (the maintenance and production safety funds), which is transferred from accumulated profits to the specific reserve and could be utilised when expenses and capital expenditures in production maintenance and safety measures are incurred.

附註：

- (i) 本集團之特別儲備乃本公司根據一項為籌備本公司股份於1992年在香港聯合交易所有限公司上市而進行之公司重組所發行之股本面值與所收購一間附屬公司之股本面值兩者間之差額。
- (ii) 法定儲備乃指(1)於中華人民共和國(中國)成立之附屬公司之董事根據中國法定財務報表而建議就該等附屬公司之除稅後溢利作出若干百分比之分配及(2)生產安全之撥備，此乃一間中國附屬公司以經營收入為基準按介乎2%至4%之固定利率產生(維修及生產安全基金)，由累計溢利轉撥至特別儲備，且於生產維修及安全措施產生支出及資本開支時動用。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2017 截至2017年3月31日止年度

		2017	2016
		HK\$	HK\$
		港元	港元
OPERATING ACTIVITIES	經營活動		
Profit for the year	本年度溢利	24,752,596	13,367,248
Adjustments for:	就下列各項作出之調整：		
Income tax expense	所得稅支出	7,997,122	5,057,622
Amortisation of prepaid lease payments	預付租賃款項攤銷	3,661,929	3,389,797
Amortisation of intangible assets	無形資產攤銷	11,007,221	11,687,796
Depreciation of property, plant and equipment	物業、廠房及設備折舊	10,383,922	9,401,774
Impairment loss recognised on goodwill	商譽的已確認減值虧損	2,141,711	-
Impairment loss recognised on intangible assets	無形資產的已確認減值虧損	4,255,947	-
Fair value gain on de-recognition of investment in redeemable convertible preference shares	終止確認投資於可贖回可換股優先股之公允價值收益	(6,159,428)	-
Release of government grants in relation to certain assets	就若干資產獲發放政府補助	(115,314)	(122,684)
Interest income on bank deposits	銀行存款利息收入	(5,373,104)	(6,241,799)
Investment income from foreign exchange linked investments	外匯掛鈎投資之投資收益	(3,418,473)	(26,752)
Loss on disposal/write off of property, plant and equipment	出售／撇銷物業、廠房及設備之虧損	75,033	455,066
Write off of intangible assets	撇銷無形資產	-	17,281
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	49,209,162	36,985,349
Decrease (increase) in inventories	存貨減少(增加)	4,390,297	(4,311,038)
Decrease in trade and bills receivables and other receivables	應收賬款及應收票據及其它應收款減少	1,652,054	5,980,770
Decrease in trade and other payables	應付賬款及其它應付款減少	(7,131,047)	(14,610,438)
(Decrease) increase in amount due to a related company	應付一間關連公司款項(減少)增加	(193,565)	24,421
Cash generated from operations	經營業務所得之現金	47,926,901	24,069,064
PRC income tax paid	已付中國所得稅	(10,747,211)	(10,625,197)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得之現金淨額	37,179,690	13,443,867
INVESTING ACTIVITIES	投資活動		
Proceeds from maturity of foreign exchange linked investments	外匯掛鈎投資到期所得款項	1,608,867,136	1,162,307,080
Interest received	已收利息	5,373,104	6,241,799
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	424	312,962
Purchases of foreign exchange linked investments	購買外匯掛鈎投資	(1,605,448,663)	(1,162,280,328)
Purchases of property, plant and equipment	購買物業、廠房及設備	(2,802,967)	(3,278,642)
Additions to prepaid lease payments	預付租賃款項增加	-	(40,858,924)
Purchases of investments in redeemable convertible preference shares	購買可贖回可換股優先股之投資	-	(30,072,784)
Additions to intangible assets	無形資產增加	-	(402,026)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	投資活動所得(所用)之現金淨額	5,989,034	(68,030,863)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2017 截至2017年3月31日止年度

		2017 HK\$ 港元	2016 HK\$ 港元
FINANCING ACTIVITIES	融資活動		
Dividend paid to non-controlling shareholders	已付非控股股東之股息	(11,444,087)	(28,013,331)
Dividend paid	已付股息	(5,806,717)	-
Proceeds from issue of new shares	發行新股份之所得款項	-	109,401,912
Cost of issuing new shares	發行新股份之成本	-	(123,092)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(所用)所得之現金淨額	(17,250,804)	81,265,489
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加淨額	25,917,920	26,678,493
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初之現金及現金等值項目	394,301,141	384,185,151
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動之影響	(20,902,980)	(16,562,503)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by bank deposits, bank balances and cash	於年終之現金及現金等值項目，以銀行存款、銀行結餘及現金代表	399,316,081	394,301,141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (SEHK). Its parent company and ultimate holding company is Tianda Group Limited ("Tianda Group"), a private limited company incorporated in Hong Kong, which is ultimately controlled by Mr. Fang Wen Quan. The address of the registered office and the principal place of business of the Company are disclosed on page 4 of the annual report.

The functional currency of the Company is Renminbi (RMB). As the shares of the Company are listed in the SEHK, for the convenience of the financial statements users, the results and financial position of the Group are expressed in Hong Kong Dollar (HK\$), the presentation currency for the consolidated financial statements.

The Company acts as an investment holding company. The activities of the principal subsidiaries are set out in note 35.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (HKFRSs)

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and 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 HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle

1. 一般事項

本公司為一間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(香港聯交所)上市。其母公司及最終控股公司為天大集團有限公司(天大集團)，為一間於香港註冊成立之私人有限公司，由方文權先生最終控制。本公司之註冊辦事處及主要營業地點之地址於年報第4頁披露。

本公司之功能貨幣為人民幣。由於本公司之股份於香港聯交所上市，為方便財務報表之使用者閱覽，本集團之業績及財務狀況均以港元(即綜合財務報表之呈列貨幣)呈列。

本公司乃一家投資控股公司。其主要附屬公司之業務載於附註35。

2. 應用新訂香港財務報告準則及香港財務報告準則修訂本

本年度強制生效之新訂香港財務報告準則及香港財務報告準則修訂本

於本年度，本集團首次應用下列由香港會計師公會頒佈之新訂香港財務報告準則及香港財務報告準則修訂本：

香港財務報告準則第11號修訂本	收購共同經營權益的會計法
香港會計準則第1號修訂本	主動披露
香港會計準則第16號及香港會計準則第38號修訂本	折舊與攤銷的可接受方法的澄清
香港會計準則第16號及香港會計準則第41號修訂本	農業：生產性植物
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號修訂本	投資實體：豁免應用合併
香港財務報告準則修訂本	2012年至2014年週期之香港財務報告準則年度改進

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (HKFRSs) (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transaction ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 7	Disclosure Initiative ⁴
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁴
Amendments to HKAS 40	Transfer of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2014 – 2016 Cycle ⁵
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹

2. 應用新訂香港財務報告準則及香港財務報告準則修訂本(續)

本年度強制生效之新訂香港財務報告準則及香港財務報告準則修訂本(續)

於本年度應用新訂香港財務報告準則及香港財務報告準則修訂本對本集團本年度及以往年度之財務表現及財務狀況及／或本綜合財務報表所披露之事項並無重大影響。

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則修訂本

本集團並無提早應用下列已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則修訂本：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收入及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第2號修訂本	股份支付款項交易之分類及計量 ¹
香港財務報告準則第4號修訂本	應用香港財務報告準則第9號金融工具及香港財務報告準則第4號保險合同 ¹
香港財務報告準則第10號及香港會計準則第28號修訂本	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港會計準則第7號修訂本	主動披露 ⁴
香港會計準則第12號修訂本	就未變現虧損確認遞延稅項資產 ⁴
香港會計準則第40號修訂本	轉讓投資物業 ¹
香港財務報告準則修訂本	2014年至2016年週期之香港財務報告準則年度改進 ⁵
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價 ¹

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (HKFRSs) (continued)

New and amendments to HKFRSs issued but not yet effective (continued)

- 1 Effective for annual periods beginning on or after 1 January 2018.
- 2 Effective for annual periods beginning on or after 1 January 2019.
- 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 2017.
- 5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

HKFRS 9 *Financial Instruments*

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

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

2. 應用新訂香港財務報告準則及香港財務報告準則修訂本(續)

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則修訂本(續)

- 1 於2018年1月1日或其後開始之年度期間生效。
- 2 於2019年1月1日或其後開始之年度期間生效。
- 3 於待定期日或其後開始之年度期間生效。
- 4 於2017年1月1日或其後開始之年度期間生效。
- 5 於2017年1月1日或2018年1月1日(視情況而定)或其後開始之年度期間生效。

香港財務報告準則第9號金融工具

香港財務報告準則第9號引入了有關金融資產、金融負債、一般對沖會計法的分類和計量新規定及金融資產的減值規定。

香港財務報告準則第9號與本集團相關之主要規定為：

- 屬香港會計準則第9號範圍內之所有已確認金融資產須於其後按攤銷成本或公允價值計量。具體而言，於旨在收取合約現金流量之業務模式內持有之債務投資，以及合約現金流量純粹為支付本金及未償還本金之利息之債務投資，一般於其後會計期末按攤銷成本計量。於透過收取合約現金流量及出售金融資產達成目標之業務模式內持有之債務工具，以及合約條款令於特定日期產生之現金流量純粹為支付本金及未償還本金之利息之債務工具，一般按公允價值計入其它全面收益計量。所有其它債務投資及股本投資於其後會計期末按公允價值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回之選擇，於其它全面收益中呈列股本投資(並非持作買賣)公允價值之其後變動，惟股息收入通常於損益中確認；

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (HKFRSs)

(continued)

HKFRS 9 Financial Instruments (continued)

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. The Group's available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit or loss or be designated as FVTOCI (subject to fulfillment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the Group performs a detailed review.

HKFRS 15 Revenue from Contracts with Customers

In May 2015, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

2. 應用新訂香港財務報告準則及香港財務報告準則修訂本(續)

香港財務報告準則第9號金融工具(續)

- 就金融資產之減值而言，與根據香港會計準則第39號按已產生信貸虧損模型計量相反，香港財務報告準則第9號規定按預期信貸虧損模型計量。預期信貸虧損模型規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初步確認以來之變動。換言之，無須再待發生信貸事件方確認信貸虧損。

於將來應用香港財務報告準則第9號可能對本集團金融資產的分類和計量有重大影響。本集團的可供出售投資(包括目前按成本減減值呈列者)將按公允價值計入損益計量或被指定為按公允價值計入其它全面收益(須符合指定條件)。此外，預期信貸虧損模型或會導致提前撥備信貸虧損，而按攤銷成本計量的本集團金融資產尚未出現該等信貸虧損。然而，於本集團進行詳盡審閱前對香港財務報告準則第9號的影響作出合理估計並不可行。

香港財務報告準則第15號客戶合約收入

於2015年5月，香港財務報告準則第15號頒佈，其制定一個單一全面模型供實體用於將來自客戶合約之收入入賬。於香港財務報告準則第15號生效後，將取代現時載於香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋之收入確認指引。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (HKFRSs)

(continued)

HKFRS 15 Revenue from Contracts with Customers (continued)

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

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

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

2. 應用新訂香港財務報告準則及香港財務報告準則修訂本(續)

香港財務報告準則第15號客戶合約收入(續)

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收入金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入確認收入之五個步驟：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於實體完成履約責任時(或就此)確認收入

根據香港財務報告準則第15號，實體於完成履約責任時(或就此)確認收入，即於特定履約責任相關之貨品或服務之“控制權”轉讓予客戶時。香港財務報告準則第15號已就特別情況之處理方法加入更明確之指引。再者，香港財務報告準則第15號規定作出更詳盡之披露。

於2016年，香港會計師公會發表香港財務報告準則第15號之澄清，內容有關對履約責任的識別、主事人與代理人代價以及牌照申請指引。

本公司董事預期，於將來應用香港財務報告準則第15號或會導致更多披露；然而，本公司董事並不預期應用香港財務報告準則第15號會對於各申報期間所確認收入的時間及金額有重大影響。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (HKFRSs)

(continued)

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for own use while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be both presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

2. 應用新訂香港財務報告準則及香港財務報告準則修訂本(續)

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。於香港財務報告準則第16號生效後，將取代香港會計準則第17號租賃及相關的詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及低價值資產租賃外，經營租賃及融資租賃的差異自承租人會計處理中移除，並以承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初步按成本計量，隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債任何重新計量而作出調整。租賃負債乃按租賃付款(非當日支付)之現值初步計量。隨後，租賃負債經(其中包括)利息及租賃付款以及租賃修訂的影響所調整。就現金流分類而言，本集團目前把有關自用的租賃土地預付租賃付款列為投資現金流，而其它經營租賃付款列為經營現金流。應用香港財務報告準則第16號後，本集團會將有關租賃負債的租賃付款分配至本金及利息部分，並將列為融資現金流。

根據香港會計準則第17號，本集團已確認租賃土地(本集團為承租人)的預付租賃款項。應用香港財務報告準則第16號或會導致該等資產在分類上的潛在變動，取決於本集團是否個別或一併呈列使用權資產，即在擁有對應相關資產情況下所獲呈列者。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (HKFRSs) (continued)

HKFRS 16 Leases (continued)

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2017, the Group has non-cancellable operating lease commitments of HK\$2,729,000 as disclosed in note 27. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practical to provide a reasonable estimate of the financial effect until the directors of the Company complete a detailed review.

Except as described above, the directors of the Company do not expect the application of the other new and amendments to HKFRSs in issue but not yet effective in the current year will have material impact on the Group's financial performance and positions and/or on the disclosures set out in the consolidated financial statements or future financial statements of the Group.

2. 應用新訂香港財務報告準則及香港財務報告準則修訂本(續)

香港財務報告準則第16號租賃(續)

與承租人會計處理方法相反，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計規定，並繼續規定出租人須將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號規定作出更詳盡之披露。

於2017年3月31日，如附註27所披露，本集團有不可撤銷經營租賃承擔2,729,000港元。初步評估顯示該等安排將符合香港財務報告準則第16號內有關租賃的定義，因此本集團將就所有該等租賃確認使用權資產及對應負債，除非於應用香港財務報告準則第16號時其符合低價值或短期租賃則作別論。此外，應用新規定或會導致上文所述的計量、呈列及披露有所變動。然而，於本公司董事完成詳盡審閱前對有關財務影響作出合理估計並不可行。

除上文披露者外，本公司董事並不預期應用本年度已頒佈但尚未生效之其它新訂香港財務報告準則及香港財務報告準則修訂本將對本集團的財務業績及狀況及／或本集團綜合財務報表或未來財務報表所載披露有重大影響。

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綜合財務報表附註

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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 Hong Kong Stock Exchange (the Listing Rules) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

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 payments*, 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:

3. 重大會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯交所證券上市規則(上市規則)及香港公司條例所規定之適用披露事項。

綜合財務報表乃根據歷史成本編製，惟以下會計政策所闡釋之部份金融工具於各報告期末以公允價值計量則除外。歷史成本一般以貨物交易所設定代價之公允價值為基礎。

公允價值為市場參與者於計量日期在有序交易中出售一項資產將收取或轉讓一項負債將支付之價格，不論該價格是否直接可觀察或使用另一項估值方法估計。估計一項資產或一項負債之公允價值時，本集團考慮市場參與者在計量日期為該資產或負債進行定價時將會考慮的資產或負債特徵。在本綜合財務報表中計量及／或披露的公允價值均在此基礎上予以確定，惟香港財務報告準則第2號股份支付範圍內之股份支付交易、香港會計準則第17號租賃範圍內之租賃交易及與公允價值計量相似但並非公允價值之計量(例如，香港會計準則第2號存貨中之可變現淨值或香港會計準則第36號資產減值中之使用價值)除外。

此外，就財務申報而言，公允價值計量按照其輸入值之可觀察程度以及其對整體公允價值計量之重要性分為第1、2或3級，闡述如下：

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.

Basis of consolidation

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

- has 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 Group 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.

3. 重大會計政策(續)

- 第1級輸入值為實體於計量日期可評估之相同資產或負債活躍市場報價(不經調整)；
- 第2級輸入值為第1級所包含之報價以外，資產或負債可直接或間接觀察之輸入值；及
- 第3級輸入值為資產或負債不可觀察之輸入值。

主要會計政策載列如下：

綜合基準

綜合財務報表包括本公司及受本公司及其附屬公司控制之實體之財務報表。取得控制權是指當本公司：

- 有權控制被投資企業；
- 自參與被投資企業營運而獲得可變回報的承擔或權利；及
- 能夠運用其權力影響其回報。

倘事實及情況表明上文所述三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資企業。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group 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 Group ceases to control the subsidiary.

Profit or loss and each item of 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 intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. 重大會計政策(續)

綜合基準(續)

附屬公司於本集團取得對附屬公司控制權時開始綜合並於本集團失去對附屬公司控制權時終止。具體而言，於本年度內所收購或出售一間附屬公司之收益及開支，均已由本集團取得控制權之日起直至本集團失去對附屬公司控制權之日止，計入綜合損益及其它全面收益表。

損益及各項其它全面收益項目歸屬於本公司股東及非控股權益。附屬公司之全面收益總額歸屬於本公司股東及非控股權益，即使這將導致非控股權益出現虧絀結餘。

附屬公司之財務報表於需要時作出調整，以令其會計政策與本集團所採用者一致。

集團內公司間之所有資產及負債、權益、收入、開支及有關本集團成員公司間交易之現金流量已於綜合賬目時全數對銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the relevant cash-generating unit (CGU) or groups of CGUs, that are expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

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

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3. 重大會計政策(續)

商譽

因收購業務所產生之商譽按於收購業務日期所確定之成本減累計減值虧損(如有)列賬，並於綜合財務狀況表中獨立呈列。

就減值測試而言，商譽會分配至預期可從合併之協同效益得益之有關現金產生單位或多個現金產生單位，而該單位或單位組合指就內部管理目的監控商譽的最低水平且不超過經營分部。

獲分配商譽之現金產生單位會每年進行減值測試，或於有跡象顯示該單位可能出現減值時則以更高頻率進行減值測試。就於報告期因收購產生之商譽而言，獲分配商譽之現金產生單位會於該報告期末前進行減值測試。倘現金產生單位之可收回金額少於其賬面值，則減值虧損會先用作減低任何分配至該單位之商譽之賬面值，其後則根據該單位內各項資產賬面值按比例分配至該單位之其它資產。任何商譽減值虧損乃直接於綜合損益及其它全面收益表內之損益內確認。已確認之商譽減值虧損不會於往後期間撥回。

於出售相關現金產生單位時，商譽之相關金額會於釐定出售之損益時計入。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts and sales related taxes.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as below.

Revenue from the sales of goods is recognised when goods are delivered and title has 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 is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. 重大會計政策(續)

收入確認

收入按已收或應收代價之公允價值計量，並扣除折扣及銷售相關稅項。

收入金額可可靠地計量；倘未來經濟利益流入本集團且當本集團各業務達成特定標準時，方會確認收入，概述如下。

銷售貨品所得之收入在貨品已運送及擁有權已轉移時(即達成所有下列條件時)確認：

- 本集團已向買方轉移貨品擁有權之重大風險及回報；
- 本集團並無對所售貨品保留一般與擁有權及實際控制權相關程度之持續管理；
- 收入金額能夠可靠計量；
- 交易之經濟利益可能流向本集團；及
- 交易所涉及或將涉及之成本能夠可靠計量。

利息收入按時間基準累計，並參照未償還本金額及按適用實際利率計算，該實際利率為於金融資產預計年期所得估計未來現金收入準確折減至初步確認時資產賬面淨值之比率。

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress 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.

3. 重大會計政策(續)

物業、廠房及設備

物業、廠房及設備包括作生產或提供貨品或服務或用作行政用途之樓宇(下文所述在建工程除外),按成本減其後累計折舊及累計減值虧損(如有)於綜合財務狀況表列賬。

用作生產、供應或行政用途之在建物業以成本減任何已確認之減值虧損列賬。成本包括專業費用,及就合資格資產而言,包括根據本集團之會計政策資本化之借貸成本。該等物業於完工及可供用於擬定用途時分類為物業、廠房及設備之適當類別。該等資產之折舊基準與其它物業資產相同,乃於資產可供用於擬定用途時開始計提。

折舊乃為撇銷估計可使用年期內物業、廠房及設備項目(在建工程除外)成本減其剩餘價值而以直線法確認。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討,並將任何估計變動之影響按預期基準計入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

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 and is recognised in profit and loss.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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).

3. 重大會計政策(續)

物業、廠房及設備(續)

物業、廠房及設備項目於出售後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。因出售或報廢物業、廠房及設備項目而產生之任何損益將按該資產出售所得款項與賬面值之差額釐定並於損益內確認。

作日後業主自用之發展中樓宇

在物業正興建作為生產或行政用途時，於建築期間撥備之預付租賃款項攤銷計入在建樓宇的部份成本。在建樓宇按成本減任何已識別減值虧損列賬。樓宇自可供使用時(即於樓宇達致按管理層擬定方式運作所需之地點及狀況時)開始折舊。

研究及開發開支

研究活動開支於其產生期間確認為開支。

無形資產

業務合併所收購無形資產與商譽分開確認，並按其於收購日期之公允價值(視為其成本)進行初步確認。

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets 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 or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when an 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. 重大會計政策(續)

無形資產(續)

於初步確認後，可使用年期有限之無形資產按照成本減累計攤銷及任何累計減值虧損列賬。可使用年期有限之無形資產乃按直線基準於其估計可使用年期內攤銷。反之，可使用年期無限之無形資產則按照成本減任何其後累計減值虧損列賬(見下文關於有形及無形資產減值虧損之會計政策)。

無形資產於出售或於預期未來不會因使用或出售產生經濟利益時終止確認。終止確認無形資產所產生之收益或虧損乃按出售所得款項淨額及該資產賬面值間之差額計量，並於該資產被終止確認期間之損益中確認。

金融工具

金融資產及金融負債於實體成為工具合約條文之訂約方時於綜合財務狀況表確認。

金融資產及金融負債初步按公允價值計量。購入或發行金融資產及金融負債(不包括按公允價值計入損益之金融資產或金融負債)直接應佔之交易成本，於初步確認時加入金融資產或金融負債之公允價值或自金融資產或金融負債之公允價值扣除(按適用情況而定)。收購按公允價值計入損益賬之金融資產或金融負債而產生之直接交易成本即時在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

The Group's financial assets are classified into the following specified categories: available-for-sale financial assets, loans and receivables and fair value through profit or loss (FVTPL). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchase or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sale 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 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 asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

3. 重大會計政策(續)

金融工具(續)

金融資產

本集團的金融資產分類為以下指定類別：可供出售金融資產、貸款及應收款及按公允價值計入損益。有關分類視乎金融資產的性質及用途，並於初步確認時釐定。所有金融資產的正常買賣按買賣日期確認及取消確認。正常買賣為須於法規或市場慣例制定的時限內須交付資產的金融資產買賣。

實際利率法

實際利率法為計算債務工具攤銷成本及於有關期間分配利息收入之方法。實際利率為於金融資產之預計年期或(如適用)較短時間內將估計未來現金收入(包括構成實際利率之所有已付或已收費用、交易成本及其它溢價或折讓)準確折減至初步確認時之賬面淨值之利率。

利息收入按債務工具之實際利率基準確認，而非按透過損益按公允價值列賬之金融資產(其利息收入計入損益淨額)之實際利率確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit of loss.

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

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

可供出售金融資產

可供出售金融資產乃指定為可供出售或並無分類為(a)貸款及應收賬款、(b)持有至到期投資或(c)按公允價值計入損益之金融資產之非衍生工具。

如可供出售股權投資於活躍市場沒有市場報價且公允價值不能可靠計算，及與股權投資掛鈎且必須以該等沒有報價股權投資作交收之衍生工具，則於報告期末按成本價扣除任何已識別減值虧損計量(見下文金融資產減值虧損之會計政策)。

可供出售權益工具之股息於本集團收取股息之權利成立時於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which HKFRS 3 applies or (ii) held for trading.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

按公允價值計入損益之金融資產

當金融資產為(i)收購方可能須支付之或然代價，作為適用香港財務報告準則第3號之業務合併其中部分；或(ii)持作買賣，則金融資產乃分類為按公允價值計入損益。

金融資產(持作買賣的金融資產除外)可於下列情況下於初步確認時指定為按公允價值計入損益：

- 指定消除或大幅減少可能會出現的計量或確認方面的一致性；或
- 金融資產構成一組金融資產或金融負債或金融資產及金融負債組合的一部分，而根據本集團制定的風險管理或投資策略，該項資產的管理及表現乃以公允價值為基礎進行評估，且有關分組的資料乃按此基準向內部提供；或
- 其構成包含一項或多項嵌入式衍生工具的合約的一部分，而香港會計準則第39號金融工具：確認及計量允許將整個組合合約(資產或負債)指定為按公允價值計入損益計量。

按公允價值計入損益之金融工具乃按公允價值列賬，重新計量所產生任何收益或虧損乃於損益確認。於損益確認之收益或虧損淨額包括就金融資產賺取之任何股息或利益，並計入「其它收益及虧損」。

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

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

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 where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

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

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款

貸款及應收款乃並無於活躍市場報價之固定或可確定付款之非衍生金融資產。初步確認後，貸款及應收款(包括應收賬款及應收票據、其它應收款、銀行存款以及銀行結餘及現金)以實際利率法按攤銷成本減任何已確定減值虧損入賬(見下文關於金融資產減值虧損之會計政策)。

利息收入乃按實際利率確認，惟就短期應收款項確認之利息屬微不足道則除外。

金融資產減值

金融資產會(不包括按公允價值計入損益者)於各報告期末被評定是否有減值跡象。當有客觀證據顯示金融資產之估計未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時，則該金融資產被視為出現減值。

就所有其它金融資產而言，減值之客觀證據可包括：

- 發行人或對手方出現重大財政困難；或
- 違約，例如未能繳付或延遲償還利息及本金；或
- 借款人將有可能面臨破產或財務重組。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 to 180 days, observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

3. 重大會計政策 (續)

金融工具(續)

金融資產(續)

金融資產減值(續)

應收款組合之客觀減值證據可包括本集團之過往收款經驗、組合內超逾平均信貸期60至180日之延遲還款次數增加，以及與應收款逾期有關之全國或地區經濟狀況明顯改變。

就按攤銷成本列賬之金融資產而言，減值虧損之金額乃按該資產之賬面值與按原有實際利率折減之估計未來現金流量之現值間之差額計量。

就按成本列賬之金融資產而言，減值虧損之金額乃按資產之賬面值與按同類金融資產現行市場回報率折減之估計未來現金流量之現值間之差額計量。有關減值虧損將不會於隨後期間撥回。

就所有金融資產而言，金融資產之賬面值直接按減值虧損減少，惟應收賬款除外，其賬面值乃透過使用撥備賬而減少。撥備賬之賬面值變動於損益內確認。倘應收賬款被視為無法收回，則與撥備賬撇銷。隨後收回過往已撇銷之款項計入損益內。

就按攤銷成本計量之金融資產而言，倘於隨後期間，減值虧損金額減少，而該減少客觀地與於確認減值後發生之事件有關，則先前已確認之減值虧損透過損益撥回，以該投資於撥回減值日期之賬面值不得超過在並無確認減值之情況下應有之攤銷成本為限。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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 the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade and other payables, amount due to a related company and dividend payable to non-controlling shareholders 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 from 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.

3. 重大會計政策(續)

金融工具(續)

金融負債及股本工具

由集團實體發行之債務及股本工具乃根據所訂立之合約安排之性質與金融負債及股本工具之定義分類為金融負債或股本。

股本工具

股本工具乃證明於扣減其所有負債後於本集團資產中擁有剩餘權益之任何合約。由本公司發行之股本工具按已收所得款項扣減直接發行成本確認。

金融負債

金融負債包括應付賬款及其它應付款、應付一間關連公司款項及應付非控股股東股息，隨後以實際利率法按攤銷成本計量。

實際利率法

實際利率法為計算金融負債攤銷成本及於有關期間分配利息開支之方法。實際利率為於金融負債之預計年期或(如適用)較短時間內將估計未來現金付款(包括構成實際利率之所有已付或已收費用及點子、交易成本及其它溢價或折讓)準確折減至初步確認時之賬面淨值之利率。

利息開支按實際利率基準確認。

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For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale.

Impairment losses on tangible and intangible assets other than goodwill

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

3. 重大會計政策 (續)

金融工具 (續)

終止確認

本集團僅於自資產收取現金流量之合約權利屆滿，或其已將金融資產轉讓且資產擁有權之絕大部分風險及回報已轉讓予另一實體時，方終止確認金融資產。

於終止確認一項金融資產時，該資產之賬面值與已收及應收代價間之差額於損益內確認。

當及僅當本集團之責任獲解除、註銷或屆滿時，本集團終止確認金融負債。已終止確認之金融負債之賬面值與已付及應付代價間之差額於損益內確認。

存貨

存貨乃按成本及可變現淨值兩者中之較低者列賬。存貨成本乃以加權平均法計算。可變現淨值指存貨估售價減完成出售之所有估計成本及作出銷售之所需成本。

有形及無形資產(商譽除外)之減值虧損

於報告期末，本集團將檢討其可使用年期有限之有形及無形資產之賬面值，以釐定該等資產是否已出現任何減值虧損跡象。倘存在任何有關跡象，則會估計該資產之可收回金額以釐定減值虧損(如有)之程度。如不可能估計某單一資產之可收回金額，則本集團估計該類資產之現金產生單位之可收回金額。如能確認以合理及統一之分配依據，則企業之資產亦分配至單一現金產生單位，或分配至其它能確認合理及統一分配依據之最少現金產生單位組別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition (continued)

Impairment losses on tangible and intangible assets other than goodwill (continued)

Intangible assets with indefinite useful lives 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 to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-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 CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU 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 CGU in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

3. 重大會計政策(續)

金融工具(續)

終止確認(續)

有形及無形資產(商譽除外)之減值虧損(續)

可使用年期無限之無形資產乃最少按年及在有可能出現減值跡象時測試其減值。

可收回金額按公允價值減銷售成本及使用價值兩者中之較高者計算。在評估使用價值時，估計未來現金流量乃使用除稅後折現率折減至其現值，以反映當前市場對貨幣時間值之評估及該資產(估計未來現金流量未予調整者)之特有風險。

倘估計資產或現金產生單位之可收回金額低於其賬面值，則該資產或現金產生單位之賬面值會被減少至其可收回金額。減值虧損會即時於損益確認。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位各資產的賬面值分配至其它資產。資產賬面值不得減少至低於其公允價值減出售成本(如可計量)、其使用價值(如可計量)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其它資產。減值虧損即時於損益確認。

倘減值虧損於隨後撥回，則該資產或現金產生單位之賬面值增加至其經修訂估計可收回金額，惟已增加之賬面值不得超過該資產或現金產生單位於過往年度並無確認減值虧損之情況下原應釐定之賬面值。減值虧損撥回即時於損益內確認。

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) 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.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. HK\$) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

3. 重大會計政策(續)

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易乃按以交易日期現行匯率換算之有關功能貨幣(即實體經營所在主要經濟環境之貨幣)入賬。於報告期末，以外幣列值之貨幣項目以該日之現行匯率重新換算。以外幣計值按公允價值列賬之非貨幣項目，按釐定公允價值當日之現行匯率重新換算。以外幣計值按歷史成本計量之非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額，於其產生期間在損益中確認。重新換算有關收益及虧損直接於其它全面收益中確認之非貨幣項目時所產生之匯兌差額，於該等情況下，其匯兌差額亦直接於其它全面收益中確認。

就呈列綜合財務報表而言，本集團實體之資產及負債均按報告期末之現行匯率換算為本集團之呈列貨幣(即港元)，而其收入及開支乃按年內平均匯率換算，除非匯率於期內大幅波動，在此情況下，會採用交易日期之現行匯率。所產生匯兌差額(如有)於其它全面收益確認，並於(非控股權益應佔(如適用))匯兌儲備項下之權益內累計。

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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, exchange difference accumulated in equity arisen from the translation of the subsidiary's functional currency, RMB, to the Company's functional currency, HK\$, before the change in functional currency of the Company from HK\$ to RMB, are reclassified to profit or loss. Whereas exchange difference accumulated in equity arisen from the translation of subsidiary or associate's and the Company's functional currency, RMB, to the Group's presentation currency, HK\$, are transferred directly to accumulated profits after the change in functional currency of the Company.

In addition, in relation to the disposal of a foreign operation whose functional currency is in currency other than RMB (i.e. Australian Dollar, or AUD), the exchange difference accumulated in equity arisen from the translation of the subsidiary's functional currency, to the Group's presentation currency, HK\$, are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity under the heading of exchange reserve.

3. 重大會計政策(續)

外幣(續)

在出售一項海外業務(即出售本集團於一項海外業務之全部權益,或出售涉及失去對擁有海外業務之附屬公司之控制權)時,因在本公司之功能貨幣由港元轉為人民幣前將附屬公司之功能貨幣人民幣換算為本公司之功能貨幣港元而在權益中產生之累計匯兌差額,將重新分類至損益。然而,因將附屬公司或聯營公司及本公司之功能貨幣人民幣換算為本集團之呈報貨幣港元而在權益中產生之累計匯兌差額則於本公司變更功能貨幣後直接轉撥至累計溢利。

此外,就出售其功能貨幣為人民幣以外之貨幣(即澳元)之海外業務而言,將附屬公司之功能貨幣換算為本集團呈列貨幣港元所產生於權益累計之匯兌差額乃重新分類至損益。

收購海外業務產生之已收購可識別資產之商譽及公允價值調整,乃作為該海外業務之資產及負債處理,並按各報告期末之現行匯率換算。因此而產生之匯兌差額於匯兌儲備項下之權益內確認。

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

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

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expenses unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

3. 重大會計政策(續)

政府補助

本集團於可合理確保遵守政府補助所附條件且將會獲得補助時，方可確認政府補助。

政府補助於本集團確認補助擬補償之相關成本為開支之期間有系統地在損益內確認。具體而言，主要條件為本集團應購買、建設或以其它方式獲得非流動資產之政府補助，於綜合財務狀況表確認為遞延收入，並有系統及合理地於相關資產可使用年期內轉撥至損益。

作為補償已產生開支或虧損或旨在為本集團提供即時財務資助(而無未來相關成本)之應收相關政府補助於應收期間在損益內確認。

退休福利成本

國家管理之退休福利計劃及強制性公積金計劃之供款，於僱員已提供服務賦予其權利獲取該等供款時確認為開支。

短期僱員福利

短期員工福利是在員工提供服務時預期支付的福利的未貼現金額。所有短期員工福利均被確認為費用，除非另有香港財務報告準則要求或允許在資產成本中納入利益。

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

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

3. 重大會計政策(續)

稅項

所得稅支出指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按年內應課稅溢利計算。由於應課稅溢利不包括於其它年度應課稅或可扣稅之收入或開支項目，亦不包括永遠毋須課稅或不可扣稅之項目，故與綜合損益及其它全面收益表所列報之除稅前溢利不同。本集團之即期稅項負債乃按報告期末已頒佈或實際上已頒佈之稅率計算。

遞延稅項就綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基間之暫時差額確認。遞延稅項負債一般按所有應課稅暫時差額予以確認，而遞延稅項資產則於可能出現可用以抵扣可扣減暫時差額之應課稅溢利時予以確認。倘若暫時差額乃由商譽或初步確認(業務合併情況除外)不影響應課稅溢利或會計溢利之交易中之其它資產及負債所產生，則有關資產及負債不予確認。

遞延稅項負債會就與於附屬公司及聯營公司投資有關之應課稅暫時差額作出確認，惟倘本集團能夠控制撥回暫時差額及暫時差額很可能不會於可見將來撥回則除外。因與有關投資及權益相關之可扣減暫時差額而產生之遞延稅項資產僅於可能出現足夠應課稅溢利可用以暫時差額利益並預計於可見將來撥回時確認。

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

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

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

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

Leasing

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

3. 重大會計政策(續)

稅項(續)

遞延稅項資產賬面值於報告期末檢討，並於不再可能有足夠應課稅溢利可用以收回所有或部分資產之情況下減少。

遞延稅項資產及負債按預期於清償負債或變現資產期間適用之稅率計量，按報告期末已頒佈或實際上已頒佈之稅率(及稅法)計算。

遞延稅項負債及資產之計量反映於報告期末按本集團所預期之方式收回或清償其資產及負債賬面值之稅務影響。

即期及遞延稅項在損益內確認，除非其與於其它全面收益或直接於權益確認之項目相關，在此情況下，即期及遞延稅項亦分別於其它全面收益或直接於權益確認。就因對業務合併進行初步會計處理而產生之即期稅項或遞延稅項而言，稅務影響計入業務合併之會計處理內。

租賃

倘租賃之條款將絕大部分擁有權風險及回報轉予承租人，則租賃分類為融資租賃。所有其它租賃均列為經營租賃。

本集團作為承租人

經營租賃款項按租賃年期以直線法確認為一項開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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For the year ended 31 March 2017 截至2017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.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an 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.

3. 重大會計政策(續)

租賃(續)

租賃土地及樓宇

倘租賃同時包括土地及樓宇部分，本集團以各部分之擁有權所附帶之絕大部分風險及回報是否已轉予本集團作為獨立評估其分類為融資或經營租賃之依據，除非兩部分均明顯為經營租賃，在此情況下，整項租賃被分類為經營租賃。具體而言，最低租賃款項(包括任何一次性預付款)根據租賃開始時土地部分和樓宇部分租賃權益之相對公允價值，按比例於土地及樓宇部分間分配。

倘能可靠分配租賃款項，則入賬列為經營租賃之租賃土地權益將於綜合財務狀況表內呈列為「預付租賃款項」，並於租賃期內以直線法攤銷。

4. 估計不明朗因素之主要來源

於應用附註3所述之本集團會計政策時，本公司董事須就無法直接通過其它來源獲得之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及視為相關之其它因素。實際結果可能與該等估計存在差異。

本集團持續檢討估計及相關假設。如會計估計之修訂僅對修訂期間產生影響，則估計修訂僅在有關修訂期間確認；如會計估計之修訂對當期及未來期間均產生影響，則相關修訂將在修訂期間及未來期間確認。

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For the year ended 31 March 2017 截至2017年3月31日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

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 within the next financial year.

Estimated impairment of goodwill and intangible assets

Determining whether an impairment is required requires an estimation of recoverable amounts of relevant intangible assets or the respective CGU in which the goodwill and intangible assets belong, which is the higher of value in use and fair value less costs to sell. If there is any indication that an asset may be impaired, recoverable amount shall be estimated for individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the CGU to which the asset belongs. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the relevant assets or the CGU and a suitable discount rate in order to calculate the present value. The discount rate represents rate that reflects current market assessments of time value of money and the risks specific to the asset or the CGU for which the future cash flow estimates have not been adjusted. Where the actual future cash flows are less than expected or there is a downward revision of future estimated cash flows due to unfavourable changes in facts and circumstances, a material impairment loss may arise. Details of the recoverable amount calculation of the relevant assets and respective CGU are disclosed in note 17.

4. 估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源

於報告期末估計不明朗因素之主要來源(具有重大風險導致下個財政年度之資產賬面值出現大幅調整)如下。

商譽及無形資產之估計減值

決定是否須予減值時，須先估計相關無形資產，或該項商譽及無形資產所屬現金產生單位之可收回金額，該金額乃使用價值或公允價值減銷售成本，以較高者為準。如資產出現任何減值跡象，則應就個別資產估計其可收回金額。如不可能估計該項個別資產之可收回金額，則本集團應釐定該項資產所屬現金產生單位之可收回金額。計算使用價值時，本集團須估計預期有關資產或現金產生單位所產生之未來現金流量以及適當折現率，以計算其現值。折現率指反映現時市場對貨幣時間值之評估，以及該資產或現金產生單位之特有風險(並未針對該風險調整未來現金流量估計)之比率。如實際未來現金流量少於預期，或未來估計現金流量因事實或情況之不利變動而被下調，則或會產生重大減值虧損。相關資產及各自現金產生單位可收回金額之計算詳情於附註17披露。

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

5. REVENUE AND SEGMENT INFORMATION

Information reported to the Managing Director of the Company, being the chief operating decision maker (CODM), for the purposes of resources allocation and assessment of segment performance focuses on the types of goods delivered. Other than the revenue analysis as set out in note 5(e), no operating results and other discrete financial information relating to major products is prepared regularly for internal reporting to the CODM for resources allocation and performance assessment. The CODM reviews the financial performance of pharmaceutical and biotechnology business as a whole for allocating resources and assessing performance. In addition, the CODM monitors the Group's assets and liabilities as a whole, accordingly, no segment assets and liabilities are presented.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results.

		2017 HK\$ 港元	2016 HK\$ 港元
REVENUE – EXTERNAL	收入 – 外部	195,538,964	192,784,764
SEGMENT PROFIT	分部溢利	31,166,921	21,172,470
Other income	其它收入	2,662,846	5,110,938
Other gains and losses	其它收益及虧損	7,621,134	2,537,681
Unallocated expenses	未分配支出	(16,698,305)	(15,453,841)
Profit for the year	本年度溢利	24,752,596	13,367,248

The accounting policies of the operating segment are the same as the Group's accounting policies described in note 3. Segment profit represents the profit after tax earned by the segment without allocation of central administration costs, directors' salaries, certain other income, and other gains and losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. 收入及分部資料

本公司為分配資源及評估分部表現而向本公司董事總經理(即主要營運決策者)呈報之資料集中說明已交付之貨物類別。除附註5(e)所載之收入分析外,概無常規編製與主要產品相關的經營業績及其它分立財務資料以就資源分配及表現評估向主要營運決策者進行內部呈報。主要營運決策者整體審閱醫藥生物業務的財務表現,以分配資源及評估表現。此外,主要營運決策者監察本集團的整體資產及負債,因此並無呈列分部資產及負債。

(a) 分部收入及業績

以下為本集團之收入及業績分析。

經營分部之會計政策與本集團附註3所述之會計政策相同。分部溢利指分部所賺取之除稅後溢利,未經分配中央行政成本、董事薪金、若干其它收入以及其它收益及虧損。就資源分配及表現評估而言,此乃向主要營運決策者呈報之計量方式。

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For the year ended 31 March 2017 截至2017年3月31日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

5. 收入及分部資料(續)

(b) Other segment information

(b) 其它分部資料

		2017		
		Pharmaceutical and biotechnology business 醫藥生物業務	Unallocated 未分配	Total 總計
		HK\$ 港元	HK\$ 港元	HK\$ 港元
Amount included in the measure of segment profit or loss or segment assets	計量分部溢利或虧損或分部資產時計入之金額			
Additions of property, plant and equipment	添置物業、廠房及設備	2,897,680	117,799	3,015,479
Amortisation of intangible assets	無形資產攤銷	11,007,221	–	11,007,221
Depreciation of property, plant and equipment	物業、廠房及設備折舊	10,068,832	315,090	10,383,922
Amortisation of prepaid lease payments	預付租賃款項攤銷	3,661,929	–	3,661,929
Loss on disposal/write off of property, plant and equipment	出售／撇銷物業、廠房及設備之虧損	75,033	–	75,033
Impairment loss recognised on goodwill	商譽的已確認減值虧損	2,141,711	–	2,141,711
Impairment loss recognised on intangible assets	無形資產的已確認減值虧損	4,255,947	–	4,255,947
Interest income	利息收入	2,710,306	2,662,798	5,373,104
Investment income	投資收入	173,188	3,245,285	3,418,473
Income tax expense	所得稅支出	7,997,122	–	7,997,122

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

(b) Other segment information (continued)

5. 收入及分部資料(續)

(b) 其它分部資料(續)

		2016		
		Pharmaceutical and biotechnology business 醫藥生物業務	Unallocated 未分配	Total 總計
		HK\$ 港元	HK\$ 港元	HK\$ 港元
Amount included in the measure of segment profit or loss or segment assets	計量分部溢利或虧損或分部資產時計入之金額			
Additions of property, plant and equipment	添置物業、廠房及設備	3,926,657	138,527	4,065,184
Amortisation of intangible assets	無形資產攤銷	11,687,797	–	11,687,797
Depreciation of property, plant and equipment	物業、廠房及設備折舊	8,998,740	403,034	9,401,774
Additions of prepaid lease payments	預付租賃款項增加	40,858,924	–	40,858,924
Amortisation of prepaid lease payments	預付租賃款項攤銷	3,389,797	–	3,389,797
Loss on disposal/write off of property, plant and equipment	出售／撇銷物業、廠房及設備之虧損	432,693	22,373	455,066
Write off of intangible assets	撇銷無形資產	17,281	–	17,281
Interest income	利息收入	1,131,371	5,110,428	6,241,799
Investment income	投資收入	834,022	(807,270)	26,752
Income tax expense	所得稅支出	5,057,622	–	5,057,622

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

(c) Geographical information

The Group principally operates in the PRC (country of domicile), Hong Kong and Australia.

The following table provides an analysis of the Group's sales by geographical market based on the location of operations irrespective of the origin of goods/services.

The Group's revenue from external customers and information about its non-current assets (exclude financial assets) by geographical location of the assets are detailed below:

		Revenue from external customers 來自外部客戶之收入		Non-current assets 非流動資產	
		2017 HK\$ 港元	2016 HK\$ 港元	2017 HK\$ 港元	2016 HK\$ 港元
The PRC	中國	193,682,020	189,725,333	382,686,331	428,068,831
Hong Kong	香港	1,391,342	1,079,635	2,022,442	2,493,379
Australia	澳大利亞	465,602	1,979,796	1,716,756	8,498,694
		195,538,964	192,784,764	386,425,529	439,060,904

(d) Information about major customer

No major customer has been accounted for 10% or more of the Group's revenue for both reporting periods.

5. 收入及分部資料(續)

(c) 地區資料

本集團主要於中國(經營所在國家)、香港及澳大利亞經營業務。

下表根據業務所在地提供本集團按地區市場(不論貨品/服務之來源地)劃分之銷售分析。

本集團來自外部客戶之收入及有關其按所在地區劃分之非流動資產(不包括金融資產)資料詳列如下:

(d) 有關主要客戶之資料

於兩個報告期，並無任何主要客戶佔本集團收入10%或以上。

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5. REVENUE AND SEGMENT INFORMATION (continued)

5. 收入及分部資料(續)

(e) Revenue from major products

(e) 主要產品之收入

		2017 HK\$ 港元	2016 HK\$ 港元
Pharmaceutical, biotechnology and healthcare products	醫藥、生物及保健產品		
– Cerebroprotein hydrolysate injection	– 注射用腦蛋白水解物	67,435,162	57,602,903
– Tuoping (Valsartan capsules)	– 托平(緞沙坦膠囊)	54,376,077	57,543,419
– Tuoen (Ibuprofen suspension and drops)	– 托恩(布洛芬混懸液及滴劑)	36,985,769	39,204,960
– Others	– 其它	36,741,956	38,433,482
		195,538,964	192,784,764

6. OTHER INCOME

6. 其它收入

		2017 HK\$ 港元	2016 HK\$ 港元
Interest income on bank deposits	銀行存款利息收入	5,373,104	6,241,799
Release of government grants in relation to certain assets (note 23)	就若干資產發放政府補助(附註23)	115,314	122,684
Unconditional government grants (note)	無條件政府補助(附註)	1,182,699	447,798
Others	其它	614,157	369,490
		7,285,274	7,181,771

Note: During the year ended 31 March 2017, several PRC subsidiaries received total amount of approximately HK\$1,183,000 (2016: HK\$448,000) to recognise the eminent brand of pharmaceutical and biotechnology products.

附註：於截至2017年3月31日止年度內，數間中國附屬公司收取總款項約1,183,000港元(2016年：448,000港元)以表彰醫藥生物產品之著名品牌。

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7. OTHER GAINS AND LOSSES

7. 其它收益及虧損

		2017 HK\$ 港元	2016 HK\$ 港元
Exchange gain, net	匯兌收益淨額	3,682,747	3,361,621
Investment income from foreign exchange linked investments	外匯掛鈎投資之投資收入	3,418,473	26,752
Fair value gain on derecognition of investments in redeemable convertible preference shares (note 18)	終止確認投資於可贖回可換股優先股之公允價值收益(附註18)	6,159,428	-
Loss on disposal/write off of property, plant and equipment	出售/撤銷物業、廠房及設備之虧損	(75,033)	(455,066)
Impairment loss recognised on goodwill (note 15)	商譽的已確認減值虧損(附註15)	(2,141,711)	-
Impairment loss recognised on intangible assets (note 16)	無形資產的已確認減值虧損(附註16)	(4,255,947)	-
Refund for cancellation of research and development project (note)	取消研發項目之退款(附註)	1,222,325	-
Write off of intangible assets	撤銷無形資產	-	(17,281)
		8,010,282	2,916,026

Note: The amount represented a refund of expenses paid to an independent third party in previous year for a research and development project. The project was cancelled by the vendor during the year ended 31 March 2017.

附註：有關款項為去年就一項研發項目向一名獨立第三方已支付費用的退款。該計劃由供應商於截至2017年3月31日止年度取消。

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8. INCOME TAX EXPENSE

8. 所得稅支出

		2017	2016
		HK\$	HK\$
		港元	港元
Current tax:	即期稅項：		
PRC enterprise income tax (PRC EIT)	中國企業所得稅	10,797,465	7,271,362
Withholding tax	預扣稅	1,063,408	3,755,082
		11,860,873	11,026,444
Underprovision in prior years:	過往年度撥備不足：		
PRC EIT	中國企業所得稅	309,001	1,017,764
Deferred tax (note 25):	遞延稅項(附註25)：		
Current year	本年度	(4,172,752)	(6,986,586)
		7,997,122	5,057,622

The Company was incorporated in the Cayman Islands and is not subject to any income tax.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit arising in, or derived from, Hong Kong for both years.

The tax rate of the PRC subsidiaries of the Group is 25%, except Yunnan Meng Sheng Pharmaceutical Co., Ltd. (Meng Sheng Pharmaceutical) and Tianda Pharmaceuticals (Zhuhai) Ltd. (Tianda Pharmaceuticals (Zhuhai)), subsidiaries of the Group.

Meng Sheng Pharmaceutical is established in the Kunming economic development zone. Pursuant to the relevant laws and regulations in the PRC, Meng Sheng Pharmaceutical is engaged in Western China Development and was entitled to a preferential tax rate of 15% for both years. Tianda Pharmaceuticals (Zhuhai) is qualified as advanced technology enterprises and has obtained approvals from the relevant tax authorities for the applicable tax rate reduced to 15% for a period of 3 years up to 2018.

本公司於開曼群島註冊成立，且毋須繳納任何所得稅。

於兩個年度內，香港利得稅按估計應課稅溢利以稅率16.5%計算。由於本集團在兩個年度並無在香港產生或來自香港之應課稅溢利，故無作出香港利得稅撥備。

除本集團之附屬公司雲南盟生藥業有限公司(盟生藥業)及天大藥業(珠海)有限公司(天大藥業(珠海))外，本集團中國附屬公司之稅率為25%。

盟生藥業於昆明經濟開發區成立。根據中國相關之法律及法規，盟生藥業參與中國西部開發，故於兩個年度均享有優惠稅率15%。天大藥業(珠海)符合高新技術企業資格，獲得相關稅務機關批准，適用稅率寬減至15%，為期三年，直至2018年為止。

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For the year ended 31 March 2017 截至2017年3月31日止年度

8. INCOME TAX EXPENSE (continued)

The corporate tax rate applicable to Tianda Pharmaceuticals (Australia) Pty Ltd (Tianda Pharmaceuticals (Australia)), a subsidiary of the Company established and operating in Australia, is 30% for both years. No provision for the Australian income tax has been provided as the Group had no taxable profit arising in Australia for both years.

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

8. 所得稅支出(續)

於兩個年度內，適用於天大藥業(澳大利亞)有限公司(天大藥業(澳大利亞))，本公司於澳大利亞成立及營運之附屬公司)之企業稅率為30%。由於本集團在兩個年度並無在澳大利亞產生應課稅溢利，故無作出澳大利亞所得稅撥備。

兩個年度之所得稅支出與綜合損益及其它全面收益表之除稅前溢利對賬如下：

		2017 HK\$ 港元	2016 HK\$ 港元
Profit before tax	除稅前溢利	32,749,718	18,424,870
Tax at 25% for the years ended 31 March 2017 and 2016	截至2017年及2016年3月31日止年度按25%稅率計算之稅項	8,187,430	4,606,218
Tax effect of expenses not deductible for tax purpose	就稅務而言不可扣減支出之稅務影響	1,527,865	1,047,377
Tax effect of income not taxable for tax purpose	就稅務而言毋須課稅收入之稅務影響	(3,005,064)	(2,551,346)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	3,977,148	4,371,900
Utilisation of tax losses previously not recognised	動用先前未確認之稅務虧損	(430,750)	-
Effect of tax concession grant to PRC subsidiaries	授予中國附屬公司之稅項寬減之影響	(4,073,104)	(3,745,090)
Underprovision in prior years	過往年度撥備不足	309,001	1,017,764
Withholding tax of income generated from the PRC subsidiaries	中國附屬公司產生之收入之預扣稅	1,504,596	310,799
Income tax expense for the year	本年度所得稅支出	7,997,122	5,057,622

Details of deferred taxation are set out in note 25.

遞延稅項之詳情載於附註25。

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For the year ended 31 March 2017 截至2017年3月31日止年度

9. PROFIT FOR THE YEAR

9. 本年度溢利

		2017 HK\$ 港元	2016 HK\$ 港元
Profit for the year has been arrived at after charging:	本年度溢利已扣除：		
Directors' emoluments (note 10)	董事酬金(附註10)	2,440,096	2,065,614
Other staff costs	其它員工成本		
Salaries and other benefits	薪金及其它福利	31,238,261	30,823,601
Retirement benefits scheme contributions	退休福利計劃供款	2,668,794	4,272,337
Total staff costs (excluded staff costs capitalised in inventories)	員工成本總額(不包括存貨資本化之員工成本)	36,347,151	37,161,552
Amortisation of prepaid lease payments	預付租賃款項攤銷	3,661,929	3,389,797
Auditors' remuneration	核數師酬金	1,722,185	1,803,932
Cost of inventories recognised as expense (including of amortisation of intangible assets of HK\$11,007,221 (2016: HK\$11,687,797))	確認為支出之存貨成本(包括無形資產之攤銷11,007,221港元(2016年：11,687,797港元))	75,523,883	82,055,628
Depreciation of property, plant and equipment	物業、廠房及設備折舊	10,383,922	9,401,774

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10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS 10. 董事、行政總裁及僱員酬金

(a) Directors' and chief executive's emoluments

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

		Fang Wen 方文權 [#]	Lui Man Sang [*] 呂文生 [*]	Shi Shaobin [^] 施少斌 [^]	Shen Bo [□] 沈波 [□]	Feng Quanming [*] 馮全明 [*]	Lam Yat Fai [□] 林日輝 [□]	Chiu Sung Hong [□] 趙崇康 [□]	Chiu Fan Wa [□] 趙帆華 [□]	Total 總計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
		(Note a) (附註a)		(Notes a & b) (附註a及b)		(Note d) (附註d)				
2017										
Fees	袍金	60,000	72,000	72,000	72,000	-	72,000	72,000	72,000	492,000
Other emoluments	其它酬金									
Salaries and other benefits	薪金及其它福利	-	-	1,886,680	-	-	-	-	-	1,886,680
Retirement benefit scheme contributions	退休福利計劃供款	-	-	61,416	-	-	-	-	-	61,416
Total emoluments	酬金總額	60,000	72,000	2,020,096	72,000	-	72,000	72,000	72,000	2,440,096

(a) 董事及行政總裁酬金

已支付或應付本公司董事及行政總裁酬金如下：

		Fang Wen 方文權 [*]	Shi Shaobin [^] 施少斌 [^]	Liu Huijiang [*] 劉會疆 [*]	Lui Man Sang [*] 呂文生 [*]	Shen Bo [□] 沈波 [□]	Feng Quanming [*] 馮全明 [*]	Lam Yat Fai [□] 林日輝 [□]	Chiu Sung Hong [□] 趙崇康 [□]	Chiu Fan Wa [□] 趙帆華 [□]	Total 總計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
		(Note e) (附註e)	(Note e) (附註e)	(Note c) (附註c)							
2016											
Fees	袍金	60,000	72,000	58,710	72,000	46,571	-	72,000	72,000	72,000	525,281
Other emoluments	其它酬金										
Salaries and other benefits	薪金及其它福利	-	1,483,344	-	-	-	-	-	-	-	1,483,344
Retirement benefit scheme contributions	退休福利計劃供款	-	56,989	-	-	-	-	-	-	-	56,989
Total emoluments	酬金總額	60,000	1,612,333	58,710	72,000	46,571	-	72,000	72,000	72,000	2,065,614

* Executive directors
 ^ Non-executive directors
 □ Independent non-executive directors
 # Managing Director (chief executive)

* 執行董事
 ^ 非執行董事
 □ 獨立非執行董事
 # 董事總經理(行政總裁)

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For the year ended 31 March 2017 截至2017年3月31日止年度

10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

(a) Directors' and chief executive's emoluments (continued)

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group, the non-executive directors' emoluments shown above were mainly for their services as the Directors of the Company or its subsidiaries whereas the independent non-executive directors' emoluments shown above were mainly for their services as directors.

Notes:

- (a) Mr. Shi Shaobin has resigned as Managing Director (chief executive) of the Company on 1 February 2017 and Mr. Fang Wen Quan was appointed as Managing Director (chief executive) of the Company with effect from 1 February 2017.
- (b) Mr. Shi Shaobin was re-designated from an executive director to a non-executive director of the Company with effect from 1 February 2017.
- (c) Mr. Liu Huijiang resigned as executive director on 23 March 2016.
- (d) Mr. Feng Quanming was appointed as non-executive director on 23 March 2016.
- (e) Mr. Fang Wen Quan resigned as Managing Director (chief executive) but remained as an executive director of the Company on 3 August 2015. On the same date, Mr. Shi Shaobin has been appointed and taken up the role as Managing Director (chief executive) of the Company.

None of the directors waived any emoluments during the years ended 31 March 2017 and 2016.

10. 董事、行政總裁及僱員酬金(續)

(a) 董事及行政總裁酬金(續)

上述執行董事之酬金主要為彼等就本公司及本集團事務提供管理服務之報酬；上述非執行董事之酬金則主要為彼等作為本公司或其附屬公司董事提供服務之報酬；而上述獨立非執行董事之酬金主要為彼等出任董事提供服務之報酬。

附註：

- (a) 施少斌先生已於2017年2月1日辭任本公司董事總經理(行政總裁)，而方文權先生獲委任為本公司董事總經理(行政總裁)，自2017年2月1日起生效。
- (b) 施少斌先生自2017年2月1日起由本公司執行董事轉任非執行董事。
- (c) 劉會疆先生於2016年3月23日辭任執行董事。
- (d) 馮全明先生於2016年3月23日獲委任為非執行董事。
- (e) 方文權先生於2015年8月3日辭任董事總經理(行政總裁)職務，但留任為本公司之執行董事。同日，施少斌先生獲委任並出任本公司之董事總經理(行政總裁)。

截至2017年及2016年3月31日止年度，並無董事放棄任何酬金。

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For the year ended 31 March 2017 截至2017年3月31日止年度

10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, one (2016: one) was a director of the Company whose emolument is included in the disclosures in note (a) above. The emoluments of the remaining four (2016: four) individuals were as follows:

		2017 HK\$ 港元	2016 HK\$ 港元
Salaries and other benefits	薪金及其它福利	3,526,580	3,009,909
Retirement benefits scheme contributions	退休福利計劃供款	54,000	92,692
		3,580,580	3,102,601

Their emoluments were within the following bands:

		2017 No. of employees 僱員數目	2016 No. of employees 僱員數目
Nil to HK\$1,000,000	零港元至1,000,000港元	3	4
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元	1	-

During both years, no emolument was paid by the Group to the directors of the Company and five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

10. 董事、行政總裁及僱員酬金(續)

(b) 僱員酬金

本集團五名最高酬金人士當中，一名人士(2016年：一名)為本公司董事(彼之酬金已於上文附註(a)披露)。其餘四名人士(2016年：四名)之酬金如下：

彼等之酬金屬於以下範圍：

於兩個年度內，本集團並無向本公司董事及五名最高薪酬人士支付酬金，以作為彼等加入本集團或於加入本集團時之獎勵或作為離職補償。

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11. EARNINGS PER SHARE

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

		2017 HK\$ 港元	2016 HK\$ 港元
Earnings	盈利		
Earnings for the purpose of basic earnings per share	計算每股基本盈利所用之盈利	12,442,265	6,568,591
Number of shares	股份數目		
Number of ordinary shares in issue for the purpose of basic earnings per share	計算每股基本盈利所用之已發行普通股數目	2,150,635,884	2,050,231,999

No diluted earnings per share is presented as the Company does not have any dilutive shares in issue during both years.

本公司股東應佔每股基本盈利乃根據下列數據計算：

由於本公司於兩個年度內均無任何已發行具攤薄作用之股份，故並無呈列每股攤薄盈利。

12. DIVIDENDS

The Board has recommended the payment of a final dividend of HK\$12,258,625 (2016: HK\$5,806,717) (HK0.57 cent per share (2016: HK0.27 cent per share)) for the year ended 31 March 2017 to the shareholders of the Company and is subject to the approval by the shareholders at Annual General Meeting.

12. 股息

董事會建議向本公司股東派付截至2017年3月31日止年度末期股息12,258,625港元(2016年：5,806,717港元)(每股0.57港仙(2016年：每股0.27港仙))，須待股東於股東週年大會批准，方告作實。

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For the year ended 31 March 2017 截至2017年3月31日止年度

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Buildings	Plant and machinery	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇	廠房及機器	租賃物業裝修	傢俱、裝置及設備	汽車	在建工程	總額
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元
COST	成本							
At 1 April 2015	於2015年4月1日	118,568,834	50,766,394	1,546,913	16,376,931	6,960,823	307,092	194,526,987
Exchange realignment	匯兌調整	(4,911,828)	(2,101,181)	-	(551,392)	(253,005)	(12,852)	(7,830,258)
Additions	添置	-	2,447,449	56,938	648,086	-	912,711	4,065,184
Disposals/written-off	出售/撇銷	-	(2,343,862)	-	(755,403)	(206,068)	-	(3,305,333)
Transfer from (to) construction in progress	轉撥自(至)在建工程	626,597	36,106	-	239,421	-	(902,124)	-
At 31 March 2016	於2016年3月31日	114,283,603	48,804,906	1,603,851	15,957,643	6,501,750	304,827	187,456,580
Exchange realignment	匯兌調整	(6,379,530)	(2,742,363)	-	(736,476)	(319,897)	(22,701)	(10,200,967)
Additions	添置	-	2,054,576	-	269,831	-	691,072	3,015,479
Disposals/written-off	出售/撇銷	-	(389,740)	-	(259,383)	(7,126)	-	(656,249)
Transfer from (to) construction in progress	轉撥自(至)在建工程	-	125,170	-	-	-	(125,170)	-
At 31 March 2017	於2017年3月31日	107,904,073	47,852,549	1,603,851	15,231,615	6,174,727	848,028	179,614,843
ACCUMULATED DEPRECIATION	累計折舊							
At 1 April 2015	於2015年4月1日	12,216,994	6,661,677	386,728	3,544,312	3,659,581	-	26,469,292
Exchange realignment	匯兌調整	(533,191)	(318,114)	-	(78,518)	(142,513)	-	(1,072,336)
Provided for the year	本年度撥備	1,932,032	4,650,895	156,589	2,122,560	539,698	-	9,401,774
Eliminated on disposals/written-off	出售/撇銷時對銷	-	(1,710,665)	-	(641,178)	(185,462)	-	(2,537,305)
At 31 March 2016	於2016年3月31日	13,615,835	9,283,793	543,317	4,947,176	3,871,304	-	32,261,425
Exchange realignment	匯兌調整	(794,163)	(559,670)	-	(184,385)	(195,677)	-	(1,733,895)
Provided for the year	本年度撥備	3,394,653	4,474,231	160,385	1,871,702	482,951	-	10,383,922
Eliminated on disposals/written-off	出售/撇銷時對銷	-	(349,949)	-	(227,206)	(3,637)	-	(580,792)
At 31 March 2017	於2017年3月31日	16,216,325	12,848,405	703,702	6,407,287	4,154,941	-	40,330,660
CARRYING VALUES	賬面值							
At 31 March 2017	於2017年3月31日	91,687,748	35,004,144	900,149	8,824,328	2,019,786	848,028	139,284,183
At 31 March 2016	於2016年3月31日	100,667,768	39,521,113	1,060,534	11,010,467	2,630,446	304,827	155,195,155

The buildings, which are situated on leasehold land are located in the PRC.

租賃土地上之樓宇均位於中國。

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13. 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:

Buildings	3% – 10%
Plant and machinery	5% – 10%
Leasehold improvements	10% – 33.33% or the term of the lease, if shorter
Furniture, fixtures and equipment	10% – 20%
Motor vehicles	10% – 20%

14. PREPAID LEASE PAYMENTS

		2017 HK\$ 港元	2016 HK\$ 港元
Prepaid lease payments for medium-term leasehold land in the PRC:	位於中國之中期租賃土地之預付租賃款項：		
Included in current assets	包括於流動資產內	3,625,143	3,839,469
Included in non-current assets	包括於非流動資產內	107,201,666	117,379,136
		110,826,809	121,218,605

During the year ended 31 March 2016, Tianda Pharmaceuticals (Zhuhai) acquired the land use right of a piece of land in Zhuhai City, Guangdong Province, the PRC at a consideration (included stamp duties) of RMB33,304,109 (equivalent to approximately HK\$40,859,000). The Group establish new facilities on the land, which are used for research, production and sales for the pharmaceutical, biotechnology and healthcare business of the Group.

13. 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計提折舊：

樓宇	3%-10%
廠房及機器	5%-10%
租賃物業裝修	10%-33.33%或租賃期(如較短)
傢俱、裝置及設備	10%-20%
汽車	10%-20%

14. 預付租賃款項

於截至2016年3月31日止年度，天大藥業(珠海)收購位於中國廣東省珠海市的一幅土地的土地使用權，代價(包括印花稅)為人民幣33,304,109元(約相當於40,859,000港元)。本集團於該幅土地上建設新設施，用作本集團醫藥生物科技及保健業務之研究、生產及銷售用途。

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For the year ended 31 March 2017 截至2017年3月31日止年度

15. GOODWILL

Goodwill is allocated to the following CGUs:

15. 商譽

商譽分配至下列現金產生單位：

		Meng Sheng Pharmaceutical	Tianda Pharmaceuticals (Australia) 天大藥業 (澳大利亞)	Tianda Pharmaceuticals (Zhuhai) 天大藥業 (珠海)	Total 總額
		盟生藥業 HK\$ 港元	天大藥業 (澳大利亞) HK\$ 港元	天大藥業 (珠海) HK\$ 港元	總額 HK\$ 港元
COST	成本				
At 1 April 2015	於2015年4月1日	6,699,306	2,139,755	102,776,428	111,615,489
Exchange realignment	匯兌調整	(277,012)	1,778	(4,413,788)	(4,689,022)
At 31 March 2016	於2016年3月31日	6,422,294	2,141,533	98,362,640	106,926,467
Exchange realignment	匯兌調整	(358,505)	178	(5,711,964)	(6,070,291)
At 31 March 2017	於2017年3月31日	6,063,789	2,141,711	92,650,676	100,856,176
IMPAIRMENT	減值				
At 1 April 2015 and 31 March 2016	於2015年4月1日及 2016年3月31日	-	-	-	-
Impairment loss recognised	已確認減值虧損	-	2,141,711	-	2,141,711
At 31 March 2017	於2017年3月31日	-	2,141,711	-	2,141,711
CARRYING VALUE	賬面值				
At 31 March 2017	於2017年3月31日	6,063,789	-	92,650,676	98,714,465
At 31 March 2016	於2016年3月31日	6,422,294	2,141,533	98,362,640	106,926,467

Particulars regarding impairment testing on goodwill as at 31 March 2017 and 2016 are disclosed in note 17.

有關於2017年及2016年3月31日之商譽減值測試之詳情於附註17披露。

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16. INTANGIBLE ASSETS

16. 無形資產

		Trademark 商標 HK\$ 港元	Licenses and permits 執照及許可證 HK\$ 港元	Total 總計 HK\$ 港元
COST	成本			
At 1 April 2015	於2015年4月1日	5,557,503	98,383,400	103,940,903
Exchange realignment	匯兌調整	4,182	(3,975,772)	(3,971,590)
Additions	添置	6,426	395,600	402,026
Written-off	撇銷	(14,365)	(3,998)	(18,363)
At 31 March 2016	於2016年3月31日	5,553,746	94,799,230	100,352,976
Exchange realignment	匯兌調整	461	(5,147,287)	(5,146,826)
At 31 March 2017	於2017年3月31日	5,554,207	89,651,943	95,206,150
ACCUMULATED AMORTISATION	累計攤銷			
At 1 April 2015	於2015年4月1日	-	30,901,379	30,901,379
Exchange realignment	匯兌調整	-	(1,371,746)	(1,371,746)
Provided for the year	本年度撥備	-	11,687,796	11,687,796
Eliminated on written-off	於撇銷時對銷	-	(1,082)	(1,082)
At 31 March 2016	於2016年3月31日	-	41,216,347	41,216,347
Exchange realignment	匯兌調整	-	(2,309,083)	(2,309,083)
Provided for the year	本年度撥備	-	11,007,221	11,007,221
At 31 March 2017	於2017年3月31日	-	49,914,485	49,914,485
IMPAIRMENT	減值			
At 1 April 2015 and 31 March 2016	於2015年4月1日及 2016年3月31日	-	-	-
Impairment loss recognised	已確認減值虧損	4,255,947	-	4,255,947
At 31 March 2017	於2017年3月31日	4,255,947	-	4,255,947
CARRYING VALUE	賬面值			
At 31 March 2017	於2017年3月31日	1,298,260	39,737,458	41,035,718
At 31 March 2016	於2016年3月31日	5,553,746	53,582,883	59,136,629

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16. INTANGIBLE ASSETS (continued)

Intangible assets are allocated to the following CGUs:

		Trademark 商標		Licenses and permits 執照及許可證		Total 總計	
		2017 HK\$ 港元	2016 HK\$ 港元	2017 HK\$ 港元	2016 HK\$ 港元	2017 HK\$ 港元	2016 HK\$ 港元
Tianda Pharmaceuticals (Zhuhai)	天大藥業(珠海)	-	-	39,409,950	52,561,023	39,409,950	52,561,023
Tianda Pharmaceuticals (Australia)	天大藥業(澳大利亞)	1,298,260	5,553,746	327,508	1,021,860	1,625,768	6,575,606
		1,298,260	5,553,746	39,737,458	53,582,883	41,035,718	59,136,629

Particulars regarding impairment testing on intangible assets as at 31 March 2017 and 2016 are disclosed in note 17.

Tianda Pharmaceuticals (Zhuhai) has obtained medicine production licenses and permits that used to manufacture and sell the medicine and drugs. The licenses and permits are granted by Guangdong Food and Medicine Supervision and Administration Bureau and subject to renewal every 5 years without significant cost. Amortisation is provided to write off the cost of the licenses and permits using the straight-line method over the estimated useful life of the licenses and permits of 8 years.

Tianda Pharmaceuticals (Australia) has obtained permits that used to manufacture and sell the healthcare products. The permits are granted by Therapeutic Goods Administration, Australia and subject to renewal every year without significant cost. Amortisation is provided to write off the cost of permits using the straight line method over the estimated useful life of permits of 5 years.

The trademark included several brand names held by Tianda Pharmaceuticals (Australia) which allow the Group to produce products under those brand names. The trademark is treated as having indefinite useful life because it is expected to contribute to net cash inflows to the Group indefinitely. Therefore, it is not amortised until its useful life is determined to be finite.

16. 無形資產(續)

無形資產分配至下列現金產生單位：

有關於2017年及2016年3月31日之無形資產減值測試之詳情於附註17披露。

天大藥業(珠海)已取得用於製造及銷售藥物及藥品之藥品生產執照及許可證。執照及許可證由廣東省食品藥品監督管理局批出，須每五年續期，惟毋須支付龐大費用。攤銷撥備乃為於執照及許可證之估計可使用年期八年內使用直線法撇銷執照及許可證成本。

天大藥業(澳大利亞)已取得用於製造及銷售保健產品之許可證。許可證由澳大利亞Therapeutic Goods Administration批出，須按年續期，惟毋須支付龐大費用。攤銷撥備乃為於許可證之估計可使用年期五年內使用直線法撇銷許可證成本。

商標包括天大藥業(澳大利亞)持有之多個品牌名稱，讓本集團可以該等品牌名稱生產產品。由於商標預計可無限期地為本集團貢獻現金流入淨額，故被視為具有無限可使用年期。因此，除非釐定其可使用年期有限，否則商標不會予以攤銷。

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17. IMPAIRMENT ASSESSMENT ON GOODWILL AND INTANGIBLE ASSETS

For the purpose of impairment testing, the goodwill and intangible assets has been allocated to three (2016: three) CGUs, namely, (1) Meng Sheng Pharmaceutical, (2) Tianda Pharmaceuticals (Zhuhai) and (3) Tianda Pharmaceuticals (Australia), which amounting to HK\$6,063,789 (2016: HK\$6,422,294), HK\$131,829,860 (2016: HK\$150,923,663) and HK\$8,254,014 (2016: HK\$8,717,139), respectively at 31 March 2017. All of which are engaged in the sales of pharmaceuticals and biotechnology products and healthcare products.

CGU for Meng Sheng Pharmaceutical

The recoverable amount of the CGU arising from Meng Sheng Pharmaceutical was determined based on value in use calculations. The value in use calculations use cash flow projection based on financial budgets approved by management covering a five-year period and a discount rate of 12.66% (2016: 12.66%). Cash flows beyond the 5-year period are extrapolated using a steady 3% growth rate for this CGU. The key assumption is budgeted revenue and gross margins determined based on past performance and the management's expectations for the market development.

No impairment on this CGU is made for both years as the recoverable amount, which is the value in use, exceeded the carrying amount (comprising goodwill). The directors of the Company believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed the aggregate recoverable amounts of CGU.

17. 對商譽及無形資產之減值評估

就減值測試而言，商譽及無形資產已分配至三個現金產生單位（2016年：三個），即(1)盟生藥業；(2)天大藥業（珠海）；及(3)天大藥業（澳大利亞），於2017年3月31日分別為數6,063,789港元（2016年：6,422,294港元）、131,829,860港元（2016年：150,923,663港元）及8,254,014港元（2016年：8,717,139港元）。該等公司均從事銷售醫藥生物科技產品及保健產品。

盟生藥業之現金產生單位

來自盟生藥業之現金產生單位可收回金額按使用價值計算方法釐定。使用價值計算方法採用之現金流量預測以管理層所批准涵蓋五年期間之財務預算及折現率12.66%（2016年：12.66%）計算。該現金產生單位於五年期間後之現金流量均採用3%之穩定增長率推算。主要假設為按以往表現及管理層對市場發展之預期釐定之預算收入及毛利率。

由於該現金產生單位之可收回金額（即使用價值）超過賬面值（包括商譽），故兩個年度均沒有就該現金產生單位計提減值。董事相信，任何該等假設可能出現之任何合理變動不會導致現金產生單位之賬面總值超出其可收回金額總額。

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17. IMPAIRMENT ASSESSMENT ON GOODWILL AND INTANGIBLE ASSETS (continued)

CGU for Tianda Pharmaceuticals (Zhuhai)

The recoverable amount of the CGU arising from Tianda Pharmaceuticals (Zhuhai) was determined based on value in use calculations. The value in use calculations use cash flow projection based on financial budget approved by management covering a ten-year period and a discount rate of 13.66% (2016: 13.66%). Cash flow beyond the 10-year period are extrapolated using a steady 3% growth rate for the CGU. The key assumption is budgeted revenue and gross margins determined based on past performance and the management's expectations for the market development.

No impairment on this CGU is made for both years as the recoverable amount, which is the value in use, exceeded the carrying amount (comprising goodwill and intangible assets). The directors of the Company believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed the aggregate recoverable amount of CGU.

CGU for Tianda Pharmaceuticals (Australia)

The recoverable amount of the CGU arising from Tianda Pharmaceuticals (Australia) was determined based on value in use calculations. The value in use calculations use cash flow projection based on financial budgets approved by management covering five-year period and a post-tax discount rate of 22.00% (2016: 15.67%). The increase in discount rate applied was attributable to additional risks to the achievability of the cash flow forecast due to increasing competition in healthcare products. Cash flows beyond the 5-year period are extrapolated using a steady 3% growth rate for the CGU. The key assumption is budgeted revenue and gross margins determined based on the past performance and the management's expectations for the market development.

During the year ended 31 March 2017, the Group recognised an impairment loss of HK\$2,141,711 and HK\$4,225,947 in relation to goodwill and intangible assets arising on the CGU of Tianda Pharmaceuticals (Australia) due to the intense competition in the market of healthcare products which resulted in a decrease in sales revenue for the year ended 31 March 2017 as compared to the budget and the expected future cashflows is decreased accordingly. As a result, the difference of recoverable amount, which is the value in use, and the carrying amount (comprising goodwill and intangible assets) is recognised as an impairment loss and charged to profit or loss.

17. 對商譽及無形資產之減值評估(續)

天大藥業(珠海)之現金產生單位

來自天大藥業(珠海)之現金產生單位可收回金額按使用價值計算方法釐定。使用價值計算方法採用現金流量預測，所按之基準為管理層所批准涵蓋十年期間之財務預算，折現率為13.66%(2016年：13.66%)。該現金產生單位於十年期間後之現金流量均採用3%之穩定增長率推算。主要假設為按以往表現及管理層對市場發展之預期所釐定的預算收入及毛利率。

由於該現金產生單位之可收回金額(即使用價值)超過賬面值(包括商譽及無形資產)，故兩個年度均沒有就該現金產生單位計提減值。本公司董事相信，任何該等假設可能出現之任何合理變動不會導致現金產生單位之賬面總值超出其可收回金額總額。

天大藥業(澳大利亞)之現金產生單位

來自天大藥業(澳大利亞)之現金產生單位可收回金額按使用價值計算方法釐定。使用價值計算方法採用現金流量預測，所按之基準為管理層所批准涵蓋五年期間之財務預算，除稅後折現率為22.00%(2016年：15.67%)。所採用的折現率有所增長乃由於保健品競爭日益激烈，達到現金流量預測會產生額外風險。該現金產生單位於五年期間後之現金流量均採用3%之穩定增長率推算。主要假設為按以往表現及管理層對市場發展之預期釐定之預算收入及毛利率。

於截至2017年3月31日止年度，本集團確認有關來自天大藥業(澳大利亞)現金產生單位的商譽及無形資產減值虧損2,141,711港元及4,225,947港元，此乃由於保健品市場競爭激烈，導致截至2017年3月31日止年度的銷售收入較預算減少及預期未來現金流量相應減少。因此，可收回金額(即使用價值)與賬面值(包括商譽及無形資產)間的差額確認為一項減值虧損並於損益內扣除。

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18. AVAILABLE-FOR-SALE INVESTMENTS/INVESTMENTS IN REDEEMABLE CONVERTIBLE PREFERENCE SHARES

18. 可供出售投資／投資於可贖回可換股優先股

		2017 HK\$ 港元	2016 HK\$ 港元
Available-for-sale investments	可供出售投資	36,232,212	-
Series C Preference Shares in ASLAN Pharmaceuticals Limited (ASLAN)	ASLAN Pharmaceuticals Limited (亞獅康)的C輪優先股	-	30,072,784

On 1 December 2015, a wholly-owned subsidiary of the Company entered into an investment agreement to subscribe for 2,058,942 Series C Convertible Preference Shares of ASLAN (the ASLAN Preference Shares), a company incorporated in the Cayman Islands, with an aggregate investment cost of US\$3,870,811, equivalent to HK\$30,072,784. The investee is principally engaged in an oncology focused biotechnology and developing a portfolio of immunotherapies and targeted drugs, focusing on Asia prevalent tumour types. It has developed several oncology focused drugs addressing multiple indications including biliary tract cancer, gastric cancer and breast cancer. It has several compounds in late stage development: varlitinib (ASLAN001), a pan-HER inhibitor which has completed phase 2 studies in gastric cancer, and is entering pivotal studies for biliary tract cancer; and ASLAN002 is currently in phase 2 development for gastric and breast cancer.

The ASLAN Preference Shares would be either (i) convertible into ordinary shares of ASLAN at the option of the Company, subject to the approval by the directors of ASLAN or (ii) automatically converted into ordinary shares of ASLAN upon listing of ASLAN on a recognised stock exchange which values ASLAN with a market capitalisation of at least a certain specified amount. The ASLAN Preference Shares would be redeemable by ASLAN after 27 November 2021 at 100% repayable and would bear interest at 8% per annum from 1 December 2015 to the date of redemption.

於2015年12月1日，本公司的全資附屬公司訂立投資協議以認購亞獅康(於開曼群島註冊成立的公司)的2,058,942股C輪可換股優先股(亞獅康優先股)，投資總成本為3,870,811美元，相當於30,072,784港元。被投資方主要專注於亞洲高發性癌症，研發免疫療法與標靶抗癌藥物之生物科技公司。亞獅康已研發出多種主治抗癌的藥物，治療多種適應症，包括膽道癌、胃癌及乳腺癌。另有幾種化合物處於後期開發階段，包括varlitinib (ASLAN001)，為一種泛HER抑制劑，已完成胃癌的第2階段研究，並正進入膽道癌的關鍵研究；以及ASLAN002，目前處於胃癌及乳腺癌的第2階段開發。

亞獅康優先股(i)可由本公司選擇轉換為亞獅康普通股，惟須待亞獅康董事批准或(ii)將於亞獅康於認可證券交易所上市後自動轉換為亞獅康普通股，而該證券交易所估算之亞獅康市值不少於特定金額。亞獅康優先股可由亞獅康於2021年11月27日後贖回，按100%償付，並將自2015年12月1日起直至贖回日期止按年利率8%計息。

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18. AVAILABLE-FOR-SALE INVESTMENTS/INVESTMENTS IN REDEEMABLE CONVERTIBLE PREFERENCE SHARES (continued)

The fair value estimates of the conversion option component is correlated with the unquoted equity instrument of which the fair value cannot be reliably measured, thus, such conversion option cannot be reliably measured and the entire investment is treated as held for trading. Further, the directors of the Company are of the opinion that the equity component of the investment is significant and accordingly, such held for trading investment was measured at cost less impairment, if any as at 31 March 2016.

Pursuant to the extraordinary shareholders meeting of ASLAN held on 27 May 2016, all the ASLAN Preference Shares held by the Group were converted into the ordinary shares of ASLAN. Pursuant to the ordinary resolution passed by the shareholders of ASLAN held on 27 May 2016, a share subdivision was approved and effective on 27 May 2016, each of the existing issued and unissued ordinary shares of ASLAN subdivided into two subdivided ordinary shares of ASLAN (the ASLAN Subdivided Ordinary Share(s)) at par value of New Taiwan Dollar (NTD) 10 each. Accordingly, the carrying amount of the ASLAN Preference Shares (which accounted for 3.56% equity interest in ASLAN) re-designated as the available-for-sale investment to the Group on 27 May 2016 based on the fair value of ordinary shares of ASLAN at the date of conversion, by reference to 19,667,000 new ordinary shares issued and allotted to pre-IPO investors at subscription price of US\$1.13 per new ordinary share on 27 May 2016. The difference between the fair value of ASLAN Subdivided Ordinary Shares recognised by the Group as available-for-sale investments and the cost of convertible preference shares of HK\$6,159,428 are recognised as other gains upon the conversion.

The available-for-sale investments are measured at cost less impairment losses, if any, at the end of reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of opinion that its fair value cannot be measured reliably.

Pursuant to the announcement of ASLAN on 24 May 2017, ASLAN has successfully concluded an initial public offering to the Taipei Exchange (TPEX) and its shares commence trading on TPEX on 1 June 2017.

18. 可供出售投資／投資於可贖回可換股優先股(續)

轉換權部分的公允價值的估計與非上市股本工具有關，而非上市股本工具的公允價值無法可靠計量。因此，相關轉換權無法可靠計量，且全部投資被視作持作交易。此外，本公司董事認為相關投資的權益部分十分重大，因而相關持作交易投資按2016年3月31日的成本減減值(如有)計量。

根據亞獅康於2016年5月27日舉行之股東特別大會上通過的決議案，本集團持有的所有亞獅康優先股已轉換為亞獅康普通股。根據亞獅康股東於2016年5月27日通過的普通決議案，批准股份拆細並於2016年5月27日生效，每股現有已發行及未發行亞獅康普通股分拆為兩股亞獅康拆細普通股(亞獅康拆細普通股)，每股面值新台幣10元。因此，亞獅康優先股(佔亞獅康股權的3.56%)之賬面價值於2016年5月27日按亞獅康普通股於轉換日期之公允價值獲重新指定為本集團可供出售投資，而有關公允價值乃參考於2016年5月27日以每股1.13美元新普通股之認購價向首次公開發售前投資者發行及配發的19,667,000股新普通股計算。獲本集團確認為可供出售投資的亞獅康拆細普通股的公允價值與可轉換優先股成本之間的差異6,159,428港元，於轉換後獲確認為其它收益。

可供出售投資按申報期末的成本減減值虧損(如有)計量，由於合理公允價值估計的範圍很大，本公司董事認為其公允價值無法可靠計量。

根據亞獅康於2017年5月24日的公告，亞獅康已成功完成於台北交易所的首次公開發售，其股份於2017年6月1日起在台北交易所買賣。

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19. INVENTORIES

		2017	2016
		HK\$	HK\$
		港元	港元
Raw materials	原材料	8,201,477	9,682,824
Work in progress	在製品	6,752,698	6,351,499
Finished goods	製成品	20,477,788	25,646,772
		35,431,963	41,681,095

19. 存貨

20. TRADE AND BILLS RECEIVABLES AND OTHER RECEIVABLES

		2017	2016
		HK\$	HK\$
		港元	港元
Trade and bills receivables	應收賬款及應收票據	38,749,127	42,331,007
Prepayments to suppliers	向供應商預付款項	1,388,766	1,851,932
Other receivables, deposits and prepayments	其它應收款、按金及預付款項	2,950,889	3,030,565
		43,088,782	47,213,504

20. 應收賬款及應收票據及其它應收款

The Group allows average credit periods ranging from 60 to 180 days to its trade customers. The following is an aged analysis of trade and bills receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

本集團給予介乎60至180天不等之平均信貸期予其貿易客戶。以下為根據發票日期所呈列應收賬款及應收票據(已扣除呆賬撥備)於報告期末之賬齡分析:

		2017	2016
		HK\$	HK\$
		港元	港元
Within 60 days	60天內	26,540,492	21,286,957
61-90 days	61至90天	3,105,424	5,995,274
Over 90 days	超過90天	9,103,211	15,048,776
		38,749,127	42,331,007

Included in the carrying value of trade and bills receivables as at 31 March 2017 is bills receivables of HK\$23,050,596 (2016: HK\$27,264,979).

於2017年3月31日，應收賬款及應收票據之賬面值包括為數23,050,596港元之應收票據(2016年: 27,264,979港元)。

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20. TRADE AND BILLS RECEIVABLES AND OTHER RECEIVABLES (continued)

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits of each customer. Limits attributed to customers are reviewed once a year. All of the trade receivables that are neither past due nor impaired have good credit quality assessed by the Group.

Included in the Group's trade and bills receivables balance are debtors with an aggregate carrying amount of HK\$295,026 (2016: HK\$202,926) which are past due as at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience.

The Group does not hold any collateral over these balances. The average age of these receivables is as follows:

Aging of trade receivables which are past due but not impaired

		2017 HK\$ 港元	2016 HK\$ 港元
61-90 days	61至90天	106,225	69,333
Over 90 days	超過90天	188,801	133,593
		295,026	202,926

The Group's trade and bills receivables and other receivables denominated in currencies other than the functional currency of the respective group entities are set out below:

		2017 HK\$ 港元	2016 HK\$ 港元
HK\$	港元	1,807,731	413,906

20. 應收賬款及應收票據及其它應收款(續)

於接納任何新客戶前，本集團會就潛在客戶之信貸評級進行評估，並界定每位客戶之信貸限額。客戶可享之限額會每年檢討一次。所有未逾期亦未減值之應收賬款均獲本集團評估為具有良好信貸評級。

本集團之應收賬款及應收票據結餘包括賬面值合共295,026港元(2016年：202,926港元)且於報告日期已逾期之應收賬項。由於信貸質素並無重大變動且根據過往經驗有關款項仍被視為可收回，因此，本集團並無就該等款項作出減值虧損撥備。

本集團並無就該等結餘持有任何抵押品。該等應收賬款之平均賬齡如下：

已逾期惟未減值之應收賬款之賬齡

本集團以各集團實體之功能貨幣以外之貨幣列值之應收賬款及應收票據及其它應收款載列如下：

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21. BANK DEPOSITS, BANK BALANCES AND CASH

The bank deposits, which comprise short-term fixed deposits with original maturity of 7 days to 3 months (2016: 1 to 3 months), carry market interest rates ranging from 0.26% to 4.10% (2016: 0.01% to 4.30%) per annum.

Bank balances carry variable interest at market rates which range from 0.01% to 0.35% (2016: 0.01% to 0.35%) per annum.

The Group's bank deposits, bank balances and cash that are denominated in currencies other than the functional currency of the respective group entities are set out below:

		2017	2016
		HK\$	HK\$
		港元	港元
HK\$	港元	108,897,254	123,321,776
US\$	美元	314,415	313,747
EUR	歐元	5,593	8,119

21. 銀行存款、銀行結餘及現金

銀行存款(包括原到期日為七日至三個月(2016年:一至三個月)之短期定期存款)按市場年利率介乎0.26%至4.10%(2016年:0.01%至4.30%)計息。

銀行結餘按介乎0.01%至0.35%(2016年:0.01%至0.35%)之市場浮動年利率計息。

本集團以各集團實體之功能貨幣以外之貨幣列值之銀行存款、銀行結餘及現金載列如下:

22. TRADE AND OTHER PAYABLES

		2017	2016
		HK\$	HK\$
		港元	港元
Trade payables	應付賬款	11,262,460	16,359,909
Deposits received from customers	自客戶收取之按金	4,636,645	4,158,463
Value added tax and other tax payables	應付增值稅及其它應付稅項	4,656,706	3,030,103
Other payables and accrued staff costs	其它應付款及應計員工成本	34,136,200	41,578,448
		54,692,011	65,126,923

22. 應付賬款及其它應付款

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22. TRADE AND OTHER PAYABLES (continued)

The average credit period on purchases of goods is 60 to 90 days. The aging analysis of trade payables presented is based on the invoice date at the end of the reporting period. The following is an analysis of the Group's trade payables at the end of the reporting period:

		2017	2016
		HK\$	HK\$
		港元	港元
Within 60 days	60天內	7,193,404	6,448,290
61 - 90 days	61至90天	2,464,244	3,947,367
Over 90 days	超過90天	1,604,812	5,964,252
		11,262,460	16,359,909

Included in the trade payables at 31 March 2017, HK\$4,151,971 (2016: HK\$7,201,064) has been paid by endorsed bills for which the maturity date has not yet fallen due as at 31 March 2017 (see note 29).

22. 應付賬款及其它應付款(續)

購貨平均信貸期介乎60天至90天。於報告期末，本集團乃根據發票日期呈列應付賬款賬齡之分析。以下為本集團之應付賬款於報告期末之分析：

於2017年3月31日之應付賬款中，4,151,971港元(2016年：7,201,064港元)乃以於2017年3月31日未到期之背書票據支付(見附註29)。

23. GOVERNMENT GRANTS

23. 政府補助

		HK\$
		港元
At 1 April 2015	於2015年4月1日	1,208,643
Exchange realignment	匯兌調整	(48,197)
Credited to profit or loss	計入損益	(122,684)
At 31 March 2016	於2016年3月31日	1,037,762
Exchange realignment	匯兌調整	(56,771)
Credited to profit or loss	計入損益	(115,314)
At 31 March 2017	於2017年3月31日	865,677

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23. GOVERNMENT GRANTS (continued)

Analysed for reporting purposes as:

		2017 HK\$ 港元	2016 HK\$ 港元
Current liabilities*	流動負債*	114,155	120,904
Non-current liabilities	非流動負債	751,522	916,858
		865,677	1,037,762

* The carrying amount of the government grants which is expected to be released to profit or loss in the next twelve months is classified as current.

Note: Grants were designated for the cost of acquisition of certain plant and equipment for the production of pharmaceutical and biotechnology products and were deferred and are released to income on a straight-line basis over the expected useful lives of the related assets.

23. 政府補助(續)

就報告而作出之分析如下：

* 預計於未來十二個月內撥入損益之政府補助之賬面值已分類為流動項目。

附註：該補助乃指定用於購入生產醫藥生物產品所需之若干廠房及設備之成本，並已遞延及於有關資產之預期可使用年期按直線法撥入收入。

24. SHARE CAPITAL

24. 股本

		Number of shares 股份數目	Amount 金額 HK\$ 港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股		
Authorised:	法定：		
At 1 April 2015, 31 March 2016 and 2017	於2015年4月1日、 2016年及2017年3月31日	4,000,000,000	400,000,000
Issued and fully paid:	已發行及繳足：		
At 1 April 2015	於2015年4月1日	1,870,118,160	187,011,816
Issue of new shares upon subscription (note)	認購時發行新股(附註)	280,517,724	28,051,772
At 31 March 2016 and 2017	於2016年及2017年3月31日	2,150,635,884	215,063,588

Note: On 20 July 2015, the Company entered into the subscription agreement with the sole subscriber for the subscription of an aggregate 280,517,724 new shares for an aggregate consideration of HK\$109,401,912 at the subscription price of HK\$0.39 per subscription share. The subscription was completed on 10 August 2015.

附註：於2015年7月20日，本公司與唯一認購人訂立認購協議，內容有關按認購價每股認購股份0.39港元認購合共280,517,724股新股份，總代價為109,401,912港元。認購事項已於2015年8月10日完成。

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25. DEFERRED TAX LIABILITIES

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

25. 遞延稅項負債

本年度及以往年度確認之主要遞延稅項負債及其變動如下：

		Fair value adjustment of property, plant and equipment 物業、廠房及設備之公允價值調整 HK\$ 港元	Prepaid lease payments 預付租賃款項 HK\$ 港元	Intangible assets 無形資產 HK\$ 港元	Withholding tax on distributable profit of subsidiaries 附屬公司可供分派溢利之預扣稅 HK\$ 港元	Total 總額 HK\$ 港元
At 1 April 2015	於2015年4月1日	3,915,408	14,180,379	18,536,152	3,984,028	40,615,967
Exchange realignment (Credit) charge to profit or loss	匯兌調整 在損益內	(159,883)	(579,048)	(648,851)	-	(1,387,782)
	(計入)扣除	(138,922)	(503,131)	(2,900,250)	310,799	(3,231,504)
Release to profit or loss upon utilisation of withholding tax	於使用預扣稅後撥回至損益	-	-	-	(3,755,082)	(3,755,082)
At 31 March 2016	於2016年3月31日	3,616,603	13,098,200	14,987,051	539,745	32,241,599
Exchange realignment (Credit) charge to profit or loss	匯兌調整 在損益內	(200,570)	(726,416)	(709,885)	-	(1,636,871)
	(計入)扣除	(130,575)	(472,903)	(4,010,462)	1,504,596	(3,109,344)
Release to profit or loss upon utilisation of withholding tax	於使用預扣稅後撥回至損益	-	-	-	(1,063,408)	(1,063,408)
At 31 March 2017	於2017年3月31日	3,285,458	11,898,881	10,266,704	980,933	26,431,976

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25. DEFERRED TAX LIABILITIES

The Group's subsidiaries that are tax resident in the PRC are subject to the PRC dividend withholding tax of 10% for those non-PRC resident immediate holding company registered in the British Virgin Islands, when and if undistributed earnings are declared to be paid as dividends out of profits that arose on or after 1 January 2008. Accordingly, a provision for deferred taxation in respect of withholding tax on undistributed earnings of approximately HK\$9,809,000 (2016: HK\$5,397,000) has been recognised for the year ended 31 March 2017.

At 31 March 2017, the Group had unused tax losses of approximately HK\$296,801,000 (2016: HK\$280,892,000) available to offset against future profits. Included in unrecognised tax losses are losses of nil (2016: approximately HK\$1,723,000) would be expired in 2019. Other losses may be carried forward indefinitely. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams.

25. 遞延稅項負債

為中國常駐公司之本集團附屬公司如向於英屬維爾京群島註冊之非中國常駐直接控股公司宣派未分派盈利為股息，而有關股息乃自2008年1月1日或之後產生之溢利中撥款，則須預扣10%之中國股息預扣稅。因此，於截至2017年3月31日止年度已就未分派盈利之預扣稅確認約9,809,000港元（2016年：5,397,000港元）之遞延稅項撥備。

於2017年3月31日，本集團可用於抵銷未來溢利之未動用稅項虧損約為296,801,000港元（2016年：280,892,000港元）。未確認稅項虧損中有零元（2016年：約1,723,000港元）將於2019年到期。其它虧損可無限期結轉。由於難以預測未來溢利趨勢，故並無就未動用稅項虧損確認遞延稅項資產。

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26. RETIREMENT BENEFITS SCHEME

The Group's Hong Kong subsidiaries operate a Mandatory Provident Fund retirement benefits scheme (the MPF Scheme) for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme.

The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. The Group contributes 5% of relevant payroll costs to the MPF Scheme up to a maximum contribution of HK\$1,500 per employee monthly, which contribution is matched by the employee.

The total cost charged to profit or loss of HK\$212,604 (2016: HK\$245,226) represents contributions paid to the MPF Scheme by the Group in respect of the current year.

The employees of the Group's PRC subsidiaries are members of state-managed retirement benefit scheme operated by the PRC government. These subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions. For the year ended 31 March 2017, the total cost charged to profit or loss of HK\$2,517,606 (2016: HK\$2,881,830) represents contributions paid to the state-managed retirement benefit scheme by the Group in respect of the current year.

26. 退休福利計劃

本集團之香港附屬公司為其合資格參與強制性公積金退休福利計劃(強積金計劃)之僱員設立強積金計劃。供款按僱員基本薪金之某一百分比作出，並在根據強積金計劃之規則應付時自損益內扣除。

強積金計劃之資產與本集團之資產分開持有，並由獨立管理基金管理。本集團之僱主供款於繳付予強積金計劃時全歸僱員。本集團向強積金計劃作出有關薪酬成本之5%供款，以僱員每月供款1,500港元為上限，與僱員之供款相符。

於損益內扣除之總成本212,604港元(2016年：245,226港元)指本集團就本年度向強積金計劃繳付之供款。

本集團之中國附屬公司之僱員為中國政府營辦之國家管理退休福利計劃之成員。該等附屬公司須將薪資成本之特定百分比向退休福利計劃作出供款，為福利提供資金。本集團就退休福利計劃之唯一責任為作出指定之供款。截至2017年3月31日止年度，於損益內扣除之總成本2,517,606港元(2016年：2,881,830港元)指本集團就本年度向國家管理退休福利計劃繳付之供款。

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27. OPERATING LEASE

The Group as lessee

Minimum lease payments paid under operating leases in respect of office premises during the year amounted to HK\$3,714,694 (2016: HK\$3,711,644).

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2017 HK\$ 港元	2016 HK\$ 港元
Within one year	一年內	2,728,965	3,574,560
In the second to fifth year inclusive	兩年至五年內 (包括首尾兩年)	-	2,728,965
		2,728,965	6,303,525

Operating leases are negotiated for an average term of 3 years and rentals are fixed over the relevant lease term.

27. 經營租約

本集團作為承租人

年內根據經營租約就辦公室物業支付之最低租賃款項為3,714,694港元(2016年: 3,711,644港元)。

於報告期末，本集團就不可註銷之經營租約須支付之未來最低租賃款項承擔之到期日如下：

經營租約經磋商後之平均年期為3年，而租金於相關租期內均為固定金額。

28. CAPITAL COMMITMENTS

		2017 HK\$ 港元	2016 HK\$ 港元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	就已訂約但尚未於綜合財務報表撥備之收購物業、廠房設備之資本開支	3,916,219	595,454

28. 資本承擔

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29. TRANSFER OF FINANCIAL ASSETS

As at 31 March 2017, the Group has bills receivables of HK\$4,151,971 (2016: HK\$7,201,064) that were transferred to suppliers by endorsing those receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the bill receivables and trade payables. These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

29. 轉讓金融資產

於2017年3月31日，本集團按全面追索基準透過背書應收票據而轉讓予供應商之應收票據為4,151,971港元（2016年：7,201,064港元）。由於本集團並無轉讓與該等應收款項有關之重大風險及回報，故會繼續悉數確認應收票據及應付賬款之賬面值。該等金融資產按攤銷成本於本集團之綜合財務狀況表列賬。

		Bills receivables endorsed to suppliers with full recourse 向供應商背書並具 全面追索權之應收票據	
		2017 HK\$ 港元	2016 HK\$ 港元
Carrying amount of bills receivables	應收票據之賬面值	4,151,971	7,201,064
Carrying amount of trade payables	應付賬款之賬面值	(4,151,971)	(7,201,064)

30. SHARE OPTION SCHEME

Pursuant to the Company's share option scheme (the Scheme) adopted on 13 July 2010 for the primary purpose of providing incentives to directors and eligible employees, the directors and employees of the Company may, at the discretion of the Company's directors, be granted options (the Options) to subscribe for shares in the Company (the Shares) at a price determined by its directors, but shall not be less than the highest of (i) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant.

Without prior approval from the Company's shareholders, the total number of shares in respect of which Options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, and the number of shares in respect of which Options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time.

30. 購股權計劃

根據本公司於2010年7月13日採納之購股權計劃（該計劃），該計劃之主要目的為向董事及合資格僱員提供獎勵，本公司董事可酌情向本公司董事及僱員授予購股權（購股權），以按本公司董事釐定之價格認購本公司股份（該等股份），但此認購價格不得低於(i)該股份於授出日期在聯交所發出之每日報價表所報之收市價；(ii)該等股份於緊接授出日期前五個營業日在聯交所發出之每日報價表所報之平均收市價；及(iii)該股份於授出日期之面值三者之最高者。

未經本公司股東事先批准，根據該計劃可授出之購股權所涉及之股份總數不得超過本公司於任何時間已發行股份之10%，而於任何一年度內可向任何人士授出之購股權所涉及之股份數目，不得超過本公司於任何時間已發行股份之1%。

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30. SHARE OPTION SCHEME (continued)

The Scheme will remain in force for a period of ten years from the date of its adoption. Options granted must be taken up not later than 30 days after the date of grant. A consideration of HK\$1 is payable on acceptance of the offer of grant of an Option. An Option is exercisable on the date when the offer for the grant of Options is made but shall end in any event not later than 10 years from the date of grant of the Options.

No Options have been granted since the adoption of the Scheme.

31. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern in order to support its business and maximise shareholders value. 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 share capital, accumulated profits and other reserves.

The directors of the Company review the capital structure on a regular basis to maintain a strong capital base to support the development of the Group's business. The directors of the Company also balance its overall capital structure through payment of dividends, new share issues as well as the issue of new debts.

30. 購股權計劃(續)

該計劃自採納日期起十年內有效。所授出之購股權必須於授出日期後30天內接受。接納授出購股權建議時須繳付1港元作為代價。購股權可於建議授出購股權日期行使，但於任何情況下須於購股權授出日期後十年內行使。

自採納該計劃以來，並未授出任何購股權。

31. 資本風險管理

本集團管理其資本以確保本集團各實體可持續經營，以支持其業務及提升股東價值。本集團整體策略與去年保持一致。

本集團資本結構由本公司股東應佔權益組成，包括股本、累計溢利及其它儲備。

本公司董事定期檢討資本結構以維持雄厚資本基礎，支持本集團業務發展。本公司董事亦透過支付股息、發行新股以及發行新債務以使其整體資本結構達致平衡。

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For the year ended 31 March 2017 截至2017年3月31日止年度

32. FINANCIAL INSTRUMENTS

32. 金融工具

a. Categories of financial instruments

a. 金融工具分類

	Financial instrument classification 金融工具分類	2017 HK\$ 港元	2016 HK\$ 港元
Financial assets			
金融資產			
Trade and bills receivables and other receivables*	Loans and receivables	39,634,927	44,038,688
應收賬款及應收票據及 其它應收款*	貸款及應收款		
Bank deposits, bank balances and cash	Loans and receivables	399,316,081	394,301,141
銀行存款、銀行結餘及現金	貸款及應收款		
Available-for-sale investments	Available-for-sale investments	36,232,212	–
可供出售投資	可供出售投資		
Investments in redeemable convertible preference shares	At FVTPL	–	30,072,784
投資於可贖回可換股優先股	按公允價值計入損益		
		475,183,220	468,412,613
Financial liabilities			
金融負債			
Trade and other payables	At amortised cost	18,580,577	18,750,531
應付賬款及其它應付款	按攤銷成本		
Amount due to a related company	At amortised cost	1,058,410	1,323,935
應付一間關連公司款項	按攤銷成本		
Dividend payable to non-controlling shareholders	At amortised cost	–	2,808,639
應付非控股股東之股息	按攤銷成本		
		19,638,987	22,883,105

* Excluding prepayments and deposits

* 不包括預付款項及按金

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For the year ended 31 March 2017 截至2017年3月31日止年度

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies

The Group's major financial instruments include trade and bills receivables and other receivables, bank deposits, bank balances and cash, available-for-sale investments, trade and other payables and amount due to a related company. Details of these financial instruments are disclosed in respective notes. It is, and has been throughout the year, the Group's policy not to enter into trading of derivative financial instruments.

The risks associated with these financial instruments include credit risk, market risk (currency risk and interest rate risk) and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the Group's consolidated statement of financial position.

In order to minimise the credit risk, the Group requires some of its customers to make prepayment on their purchase of pharmaceutical products. And the management has delegated a team responsible for the determination of credit limits for other customers, 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 Group's credit risk is significantly reduced.

32. 金融工具(續)

b. 財務風險管理宗旨及政策

本集團之主要金融工具包括應收賬款及應收票據及其它應收款、銀行存款、銀行結餘及現金、可供出售投資、應付賬款及其它應付款及應付一間關連公司款項。該等金融工具之詳情於各有關附註中披露。於整個年度內，本集團之政策為不進行衍生金融工具買賣。

與該等金融工具有關之風險包括信貸風險、市場風險(貨幣風險及利率風險)及流動資金風險。如何降低該等風險之政策載於下文。管理層管理及監控該等風險，確保及時有效地採取適當措施。

信貸風險

倘對手方未能履行責任，則本集團須承受將導致本集團出現財務虧損之最大信貸風險，該風險來自本集團綜合財務狀況表內所列已確認金融資產各自之賬面值。

為降低信貸風險，本集團要求某些客戶就其購買之醫藥產品預付款。管理層已委派一組人員負責釐定其它客戶之信貸限額、信貸審批及其它監控措施，以確保採取跟進措施收回逾期債項。此外，本集團會於各報告期末評估每項個別貿易債項之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

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綜合財務報表附註

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32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk (continued)

At 31 March 2017, the Group has concentration of credit risk relating to trade receivables as 38.8% (2016: 24.3%) of the outstanding balances is due from five (2016: five) external customers in the PRC. Other than several major customers, the exposure is widely spread over a large number of customers during the current financial year.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or state-owned banks located in the PRC.

Market risks

(i) Currency risk

Certain bank deposits, trade receivables, other receivables, trade and other payables of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

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:

		Assets 資產		Liabilities 負債	
		2017 HK\$ 港元	2016 HK\$ 港元	2017 HK\$ 港元	2016 HK\$ 港元
HK\$	港元	109,608,835	123,735,682	23,871	126,250
United States Dollar (US\$)	美元	314,415	313,745	-	-
Euro (EUR)	歐元	5,593	8,119	-	-

32. 金融工具(續)

b. 財務風險管理宗旨及政策(續)

信貸風險(續)

於2017年3月31日，本集團面臨與應收賬款有關之集中信貸風險，因為有38.8%(2016年：24.3%)之未償還結餘屬應收五名(2016年：五名)中國外部客戶之款項。於本財政年度內，除數名主要客戶外，有關風險已廣泛分散至多名客戶。

流動資金之信貸風險有限，原因為對手方是獲國際信貸評級機構評為高信用評級之銀行或位於中國之國有銀行。

市場風險

(i) 貨幣風險

本集團若干銀行存款、應收賬款、其它應收款、應付賬款及其它應付款以外幣列值。本集團目前並無外幣對沖政策。然而，管理層監控外匯風險，並將於有需要時考慮對沖重大外匯風險。

於報告期末，本集團以外幣列值之貨幣資產及貨幣負債之賬面值如下：

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綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risks (continued)

(i) Currency risk (continued)

The following table details the Group's sensitivity to a 4% (2016: 4%) increase and decrease in RMB, the functional currency of the respective group entities, against the relevant foreign currencies for the years ended 31 March 2017 and 2016. The sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates with reference to historical fluctuation of foreign exchange rates during the year. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at 31 March 2017 and 2016 for a corresponding change in foreign currencies rates. A negative/positive number below indicates a decrease/increase in post-tax profit for the year where the RMB strengthens against the relevant currencies. For a weakening of RMB against the relevant currency, there would be an equal and opposite impact on the post-tax profit for the year.

		2017	2016
		HK\$	HK\$
		港元	港元
HK\$	港元	(3,727,000)	(4,129,000)
US\$	美元	(10,501)	(10,479)

The balances of bank deposits denominated in foreign currencies fluctuated throughout the year and in management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

32. 金融工具(續)

b. 財務風險管理宗旨及政策(續)

市場風險(續)

(i) 貨幣風險(續)

下表詳列本集團於截至2017年及2016年3月31日止年度人民幣(相關集團實體之功能貨幣)兌相關外幣升值及貶值4%(2016年: 4%)之敏感度。敏感度率指管理層參考年內過往匯率波動而對匯率可能合理變動作出之評估。敏感度分析僅包括以外幣列值之未平倉貨幣項目並於2017年及2016年3月31日就匯率之相應變動調整其換算。倘人民幣兌相關貨幣升值,則以下負/正數顯示本年度之除稅後溢利減少/增加。而人民幣兌相關貨幣貶值,則將會對本年度之除稅後溢利產生同等及相反之影響。

於整個年度內,以外幣計值之銀行存款結餘出現波動,由於年底面臨之外匯風險並不反映年內風險,故管理層認為,敏感度分析並不表示固有之外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risks (continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits and bank balances which carry at prevailing market interest rates. The Group currently does not have any interest rate hedging policy. However, the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to the bank deposits and bank balances which bear floating interest rates at the end of the reporting period. A 10 basis points (2016: 10 basis points) increase or decrease is used to present management assessment of the reasonably possible change in interest rates for those balances mainly denominated in RMB and HK\$ at the year end.

If interest rates had been 10 basis points (2016: 10 basis points) higher/lower and all other variables were held constant, the Group's pre-tax profit for the year ended 31 March 2017 would increase/decrease approximately by HK\$399,000 (2016: HK\$394,000).

32. 金融工具(續)

b. 財務風險管理宗旨及政策(續)

市場風險(續)

(ii) 利率風險

本集團面臨現金流量利率風險是由於以現行市場利率計息之銀行存款及銀行結餘之現行市場利率波動所致。本集團現時並無任何利率對沖政策。然而，本集團監控利率風險，並將於需要時考慮對沖重大利率風險。

利率敏感度分析

以下敏感度分析乃基於報告期末浮息銀行存款及銀行結餘所面臨之風險釐定。上升或下跌10個基點(2016年：10個基點)乃用於呈列管理層對主要以人民幣及港元列值之結餘之年底利率可能合理變動之評估。

倘利率上升／下跌10個基點(2016年：10個基點)而所有其它變數保持不變，則於截至2017年3月31日止年度本集團之除稅前溢利將增加／減少約399,000港元(2016年：394,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

32. 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 non-derivative financial liabilities based on the agreed repayment dates. 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.

		Weighted average effective interest	Less than 3 months	Total undiscounted cash flows	Carrying amount
		加權平均實際利率 %	少於三個月 HK\$ 港元	未貼現現金 流量總額 HK\$ 港元	賬面值 HK\$ 港元
As at 31 March 2017	於2017年3月31日				
Trade and other payables	應付賬款及其它應付款	-	18,580,577	18,580,577	18,580,577
Amount due to a related company	應付一間關連公司款項	-	1,058,410	1,058,410	1,058,410
			19,638,987	19,638,987	19,638,987

32. 金融工具(續)

b. 財務風險管理宗旨及政策(續)

流動性風險

本集團於管理流動性風險時，監控及維持現金及現金等值項目在管理層認為足以為本集團之營運提供資金及減輕現金流量波動之影響之水平。

下表詳列本集團根據協定償付日期之非衍生金融負債之剩餘合約期限。該表乃根據本集團於可被要求償還金融負債之最早日期之金融負債未貼現現金流量編製。

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32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

		Weighted average effective interest	Less than 3 months	Total undiscounted cash flows	Carrying amount
		加權平均 實際利率 %	少於三個月 HK\$ 港元	未貼現現金 流量總額 HK\$ 港元	賬面值 HK\$ 港元
As at 31 March 2016	於2016年3月31日				
Trade and other payables	應付賬款及 其它應付款	-	18,750,531	18,750,531	18,750,531
Amount due to a related company	應付一間關連公司 款項	-	1,323,935	1,323,935	1,323,935
Dividend payable to non-controlling shareholders	應付非控股股東 之股息	-	2,808,639	2,808,639	2,808,639
			22,883,105	22,883,105	22,883,105

c. Fair value

The Directors consider that the carrying amounts of all financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their corresponding fair values.

32. 金融工具(續)

b. 財務風險管理宗旨及政策(續)

流動性風險(續)

c. 公允價值

董事認為，所有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均與相應之公允價值相若。

33. RELATED PARTY DISCLOSURES

(a) Amount due to a related company

		2017 HK\$ 港元	2016 HK\$ 港元
Trade balances (Note)	貿易結餘(附註)	1,058,410	1,323,935

Note: As at 31 March 2017, the Group's amount due to a related company, Zhuhai S.E.Z. Cheng Cheng Printing Co. Ltd. (Cheng Cheng) which is a fellow subsidiary of the Company, is trading in nature, arising from purchase of packaging materials for pharmaceuticals and biotechnological products. The whole amount as at 31 March 2017 and 2016 are aged within 90 days. The amount is unsecured, non-interest bearing and with credit term within 90 days.

33. 關連人士披露

(a) 應付一間關連公司款項

附註：於2017年3月31日，本集團之應付一間關連公司珠海經濟特區誠成印務有限公司(誠成)(為本公司之同系附屬公司)款項屬貿易性質，並因購買醫藥生物產品之包裝物料而產生。於2017年及2016年3月31日，整筆款項之賬齡為90天內。該款項為無抵押、不計息及附有90天之信貸期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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33. RELATED PARTY DISCLOSURES (continued)

(b) During the year, the Group entered into the following transactions with related companies:

Name of related company 關連公司名稱	Notes 附註	Nature of transactions 交易性質	2017 HK\$ 港元	2016 HK\$ 港元
Cheng Cheng 誠成	(i)	Purchases 購買	2,749,271	3,625,132
雲南利諾生物技術有限公司 (雲南利諾)	(ii)	Sales supportive expenses 銷售支援費	1,153,704	963,509
雲南利諾	(iii)	Technical service fees 技術服務費	–	2,382,220
天大實業(中國)有限公司	(iv)	Office rental expenses 辦公室租賃費	557,993	–

Notes:

- (i) The amount represents purchases of packaging and printing products from Cheng Cheng, a fellow subsidiary of the Company.
- (ii) The amount represents sales supportive expenses payable to 雲南利諾, a non-controlling shareholder of Meng Sheng Pharmaceutical, for the provision of sale-supportive and consultancy services.
- (iii) The amount represented fee paid to 雲南利諾 for its provision technical services during the application of the New GMP Version certificate.
- (iv) The amount represents the office rental expenses paid to 天大實業(中國)有限公司, a fellow subsidiary of the Company.

33. 關連人士披露(續)

(b) 本集團於本年度內與關連公司達成交易如下：

附註：

- (i) 該金額是向誠成(本公司之同系附屬公司)購買包裝及印刷產品之費用。
- (ii) 該金額是應支付予雲南利諾(盟生藥業的非控股股東)的銷售支援費，以提供銷售支援及顧問服務。
- (iii) 該金額是支付予雲南利諾的費用，為其於申請新GMP版證書期間提供技術服務之服務費。
- (iv) 該金額是支付予天大實業(中國)有限公司(本公司之同系附屬公司)的辦公室租賃費。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

33. RELATED PARTY DISCLOSURES (continued)

- (c) During the current year, the Group paid certain expenses incidental to a Group restructuring exercise of RMB10,861,640 (equivalent to HK\$12,751,397) which had been fully reimbursed by Tianda Group.

(d) **Compensation of key management personnel**

The remunerations of Directors and other members of key management during the year are as follows:

		2017	2016
		HK\$	HK\$
		港元	港元
Short-term benefits	短期福利	5,905,259	3,392,774
Post-employment benefits	退休福利	115,416	149,371
		6,020,675	3,542,145

The remunerations of key management, including Directors, were determined by reference to the performance of individuals and market trends.

33. 關連人士披露(續)

- (c) 本年度內，本集團就集團重組工作所支付的若干附帶開支為人民幣10,861,640元(折合12,751,397港元)，有關款項已由天大集團悉數償付。

(d) **主要管理人員酬金**

董事及其它主要管理人員於年內之薪酬如下：

主要管理人員(包括董事)之薪酬乃參照個人表現及市場趨勢釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2017 截至2017年3月31日止年度

34. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

34. 有關本公司財務狀況表之資料

於報告期末有關本公司財務狀況表之資料包括：

		2017 HK\$ 港元	2016 HK\$ 港元
NON-CURRENT ASSETS	非流動資產		
Plant and equipment	廠房及設備	1,575,139	1,772,430
Amounts due from subsidiaries	應收附屬公司款項	249,297,301	194,757,548
Investments in subsidiaries	於附屬公司之投資	296,280,818	286,683,449
		547,153,258	483,213,427
CURRENT ASSETS	流動資產		
Deposits and other receivables	按金及其它應收款	1,807,731	1,805,886
Bank deposits, bank balances and cash	銀行存款、銀行結餘及現金	221,681,338	314,076,955
		223,489,069	315,882,841
CURRENT LIABILITIES	流動負債		
Other payables	其它應付款	3,750,158	3,769,682
Amount due to a subsidiary	應付一間附屬公司款項	7,451,919	7,528,040
		11,202,077	11,297,722
NET CURRENT ASSETS	流動資產淨值	212,286,992	304,585,119
NET ASSETS	資產淨值	759,440,250	787,798,546
CAPITAL AND RESERVES	資本及儲備		
Share capital (note 24)	股本(附註24)	215,063,588	215,063,588
Reserves (note)	儲備(附註)	544,376,662	572,734,958
TOTAL EQUITY	權益總額	759,440,250	787,798,546

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34. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

34. 有關本公司財務狀況表之資料(續)

Note:

附註：

		Share premium 股份溢價 HK\$ 港元	Capital redemption reserve 資本贖回儲備 HK\$ 港元	Capital contribution reserve 資本供款儲備 HK\$ 港元	Exchange reserve 匯兌儲備 HK\$ 港元	Accumulated profits 累計溢利 HK\$ 港元	Total 總計 HK\$ 港元
At 1 April 2015	於2015年4月1日	257,839,900	8,000	105,239,603	597,049	104,774,344	468,458,896
Profit for the year	本年度溢利	-	-	-	-	35,021,808	35,021,808
Exchange difference arising on translation	換算產生之匯兌差額	-	-	-	(11,927,794)	-	(11,927,794)
Total comprehensive income (expense) for the year	本年度全面收益 (支出)總額	-	-	-	(11,927,794)	35,021,808	23,049,014
Issue of shares upon subscription (note 24)	認購時發行新股(附註24)	81,350,140	-	-	-	-	81,350,140
Transaction costs attributable to issue of new shares	發行新股應佔交易成本	(123,092)	-	-	-	-	(123,092)
At 31 March 2016	於2016年3月31日	339,066,948	8,000	105,239,603	(11,375,745)	139,796,152	572,734,958
Loss for the year	本年度虧損	-	-	-	-	(8,292,898)	(8,292,898)
Exchange difference arising on translation	換算產生之匯兌差額	-	-	-	(14,258,681)	-	(14,258,681)
Total comprehensive expense for the year	本年度全面支出總額	-	-	-	(14,258,681)	(8,292,898)	(22,551,579)
Dividend recognised as distributions	確認為分派之股息	-	-	-	-	(5,806,717)	(5,806,717)
At 31 March 2017	於2017年3月31日	339,066,948	8,000	105,239,603	(25,634,426)	125,696,537	544,376,662

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35. PARTICULARS OF PRINCIPAL SUBSIDIARIES

A. Details of the principal subsidiaries of the Company at 31 March 2017 and 2016 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營業地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股本/ 註冊資本	Proportion of nominal value of issued ordinary share capital/registered capital held by the Company 本公司所持已發行普通股股本 面值/註冊資本比例				Proportion of voting power held by the Company 本公司所持 投票權比例		Principal activities 主要業務
			Directly 直接		Indirectly 間接		2017	2016	
			2017	2016	2017	2016	2017	2016	
			%	%	%	%	%	%	
Meng Sheng Pharmaceutical*	PRC	RMB36,000,000	-	-	55	55	55	55	Research, development, manufacture and sales of pharmaceutical and biotechnology products
盟生藥業*	中國	人民幣36,000,000元							醫藥生物產品之研究、開發、製造及銷售
Yunyu Bio-Pharmaceutical Company Limited	British Virgin Islands/ Hong Kong 英屬維爾京群島/香港	US\$1 1美元	100	100	-	-	100	100	Investment holding 投資控股
Tianda Pharmaceuticals (Zhuhai)**	PRC	RMB93,000,000 (2016: RMB160,000,000)	-	-	100	100	100	100	Research, development, manufacture and sales of pharmaceutical and biotechnology products
天大藥業(珠海)**	中國	人民幣93,000,000元 (2016年: 人民幣160,000,000元)							醫藥生物產品之研究、開發、製造及銷售
Tianda Pharmaceuticals (Australia)	Australia	AUS\$1,000,000	-	-	100	100	100	100	Marketing, sales and distribution of healthcare products
天大藥業(澳大利亞)	澳大利亞	1,000,000澳元							保健產品之行銷、銷售及分銷
Tianda Pharmaceuticals (China) Ltd.**	PRC	HK\$50,000,000	-	-	100	100	100	100	Research and development of pharmaceutical products and provision of intra-group consultation service marketing sales and distributable of healthcare products
天大藥業(中國)有限公司**	中國	50,000,000港元							醫藥產品之研究及開發，提供集團內部諮詢服務以及保健產品之行銷、銷售及分銷
Zhuhai Tianda Realty Ltd.**	PRC	RMB67,000,000	-	-	100	-	100	-	Property holding
珠海天大置業有限公司**	中國	人民幣67,000,000元							物業控股

* Company incorporated as cooperative enterprise.

** Company established as foreign invested limited liability company.

35. 主要附屬公司之詳情

A. 本公司主要附屬公司於2017年及2016年3月31日之詳情如下：

* 以合作企業形式成立之公司。

** 成立為外資有限責任公司之公司。

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35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

- A. Details of the principal subsidiaries of the Company at 31 March 2017 and 2016 are as follows: (continued)

The directors of the Company are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the above list contains only those subsidiaries which principally affect the results or assets and liabilities of the Group.

None of the subsidiaries had issued any debt securities at the end of the reporting period or at any time during the year.

- B. **Details of non-wholly owned subsidiary that have material non-controlling interest**

The table below shows details of non-wholly owned subsidiary of the Group that have material non-controlling interest:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持擁有權益與投票權比例		Profit allocated to non-controlling interests 分配至非控股權益之溢利		Accumulated non-controlling interests 累計非控股權益	
		2017 HK\$ 港元	2016 HK\$ 港元	2017 HK\$ 港元	2016 HK\$ 港元	2017 港元	2016 港元
Meng Sheng Pharmaceutical 盟生藥業	PRC 中國	45%	45%	12,310,331	6,798,657	34,641,529	32,985,468

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

35. 主要附屬公司之詳情(續)

- A. 本公司主要附屬公司於2017年及2016年3月31日之詳情如下：(續)

本公司董事認為列出所有附屬公司之詳情會令有關資料過於冗長，故此，上表所列僅包括對本集團業績或資產及負債有重大影響之附屬公司。

於報告期末或年內任何時間，概無附屬公司發行任何債務證券。

- B. **擁有重大非控股權益之非全資附屬公司之詳情**

下表列示擁有重大非控股權益之本集團非全資附屬公司之詳情：

有關擁有重大非控股權益之本集團附屬公司之財務資料概要載列如下。下文財務資料概要指集團內部對銷前之金額。

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35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

B. Details of non-wholly owned subsidiary that have material non-controlling interest (continued) Meng Sheng Pharmaceutical

		2017 HK\$ 港元	2016 HK\$ 港元
Current assets	流動資產	43,753,630	22,053,012
Non-current assets	非流動資產	60,374,871	69,866,003
Total liabilities	負債總額	(28,766,709)	(21,097,009)
Net assets	資產淨值	75,361,792	70,822,006
Equity attributable to owners of the Company	本公司股東應佔權益	40,720,263	37,836,539
Non-controlling interests	非控股權益	34,641,529	32,985,468
Revenue	收入	77,820,573	65,537,843
Expenses	支出	(50,464,285)	(50,429,717)
Profit for the year	本年度溢利	27,356,288	15,108,126
Profit attributable to owners of the Company	本公司股東應佔溢利	15,045,957	8,309,469
Profit attributable to the non-controlling interests	非控股權益應佔溢利	12,310,331	6,798,657
Profit for the year	本年度溢利	27,356,288	15,108,126
Other comprehensive expense attributable to owners of the Company	本公司股東應佔 其它全面支出	(2,192,635)	(2,292,968)
Other comprehensive expense attributable to the non-controlling interests	非控股權益應佔 其它全面支出	(2,018,821)	(2,055,407)
Other comprehensive expense for the year	本年度其它全面支出	(4,211,456)	(4,348,375)
Total comprehensive income attributable to owners of the Company	本公司股東應佔 全面收益總額	12,853,322	6,016,501
Total comprehensive income attributable to the non-controlling interests	非控股權益應佔 全面收益總額	10,291,510	4,743,250
Total comprehensive income for the year	本年度全面收益總額	23,144,832	10,759,751
Net cash inflow (outflow) from operating activities	經營活動之現金流入 (流出)淨額	34,077,222	(5,035,092)
Net cash inflow from investing activities	投資活動之現金流入淨額	220,934	24,105
Net cash outflow from financing activities	融資活動之現金流出淨額	(14,904,051)	(62,261,881)
Net cash inflow (outflow)	現金流入(流出)淨額	19,394,105	(67,272,868)

35. 主要附屬公司之詳情(續)

B. 擁有重大非控股權益之非全資附屬公司之詳情(續) 盟生藥業

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36. EVENT AFTER THE REPORTING PERIOD

Pursuant to an acquisition agreement dated 12 June 2017, Tianda Chinese Medicine Limited, an indirect wholly owned subsidiary of the Company, will acquire 100% equity interest of Zhuhai Renhong Medicine Co., Ltd.* (Zhuhai Renhong) at a consideration of RMB5,141,394 (equivalent to HK\$5,842,493). The consideration shall be settled to 朱宏兵 (Mr. Zhu Hongbing) and 羅寶珍 (Ms. Luo Baozhen), both are independent third parties, who are the legal and beneficial owner of 78% and 22%, respectively, of the registered capital of Zhuhai Renhong, within 30 working days after the completion of the transfer of the equity interest and approved by relevant authorities in Zhuhai City and Guangdong Province; and after the completion of changes in registration of all licenses and certificates held by the Zhuhai Renhong in accordance with the acquisition agreement. As at the date of issuance of these consolidated financial statements, the transaction was not completed. Details of the acquisition are set out in an announcement of the Company dated 12 June 2017.

* For identification purpose only

36. 報告期後事項

根據日期為2017年6月12日的收購協議，本公司之間接全資附屬公司天大中醫藥有限公司將以人民幣5,141,394元(相當於5,842,493港元)收購珠海仁宏醫藥有限公司(珠海仁宏)之100%股本權益。有關代價將於股本權益轉讓完成後及經珠海市及廣東省相關政府部門審批以及根據收購協議完成珠海仁宏辦理的全部證照變更登記後的30個工作日內，向朱宏兵先生及羅寶珍女士支付。兩人均為獨立第三方，分別為珠海仁宏78%及22%註冊資本之法定及實益擁有人。於本綜合財務報表刊發日期，該項交易尚未完成。有關收購詳情載於日期為2017年6月12日的本公司公告內。

* 僅供參考

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